

Prysmian Group

**LONG-TERM MANAGEMENT INCENTIVE PLAN
2011-2013**

INFORMATION DOCUMENT

(pursuant to Article 114-bis of Legislative Decree 58/98 and Article 84-bis, Paragraph 1, of the Regulations adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently modified and integrated)

DEFINITIONS

Below are listed the terms used in this document and related definitions.

ADJUSTED EBITDA	EBITDA prior to non-recurring charges and income. EBITDA stands for Profit/(Loss) for the year gross of the impact on the income statement of the change in the fair value of derivatives on raw material prices, other items recorded at fair value, amortisation, depreciation and write-downs, financial charges and income, the share of result relating to affiliates, dividends of other companies and taxes.
MEETING	The Shareholders' Meeting of Prysmian S.p.A.
SHARES	The ordinary shares of Prysmian S.p.A. with the par value of Euro 0.10 each.
ANNUAL BONUS	Variable part of the salary of each Participant connected to achievement of the predetermined objectives referred to a period of one year.
CO-INVESTMENT	Condition for participation in the Incentive Plan according to which the Participant chooses to keep invested in the Company a share of his/her Annual Bonus accruing in 2011 and 2012.
REMUNERATION COMMITTEE	The Remuneration and Nomination Committee established within the Board of Directors pursuant to Article 7 of the Corporate Governance Code adopted by Borsa Italiana S.p.A.
PERFORMANCE CONDITIONS/OBJECTIVES	The objectives of an economic-financial nature established for the exercise of the Options relating to the Plan and cash payments relating to participation in the Plan.
BOARD	The Board of Directors of Prysmian S.p.A.
DATE OF INITIAL ALLOCATION	Date of identification of the Participants in the Plan and of the minimum and maximum number of Options allocated to each of them.
EMPLOYEE or EMPLOYEES	The employees of Prysmian and its subsidiaries serving at the time the Plan is implemented, who are not in a probationary period, nor have received any notice of resignation, dismissal or consensual termination of the employment relationship and who maintain this status until the end of the Plan.
INFORMATION DOCUMENT	This Information Document, prepared pursuant to and in accordance with Article 114 bis of the Financial Services Act (TUF) and Article 84-bis, paragraph 1, of the Issuers' Regulations.
GROUP	Prysmian and its Subsidiaries and Affiliates, also in accordance with Article 2359 of the Italian Civil Code

OPTION or OPTIONS	Right, assigned free-of-charge to the Participants, of subscribing for or receiving Shares pursuant to the Plan provisions; each Option confers, at the Company's discretion, the right i) to subscribe a newly issued Share or ii) to receive a share made available by the Company to service the Plan.
PARTICIPANT or PARTICIPANTS	The recipients of the Plan.
EXERCISE PERIOD	The period during which the Participant has the right to exercise the Options and to underwrite a corresponding number of Shares.
LOCK-UP PERIOD	Period of time following the exercise of the Options during which the Participants are not allowed to sell the Shares that they have subscribed for or received.
VESTING PERIOD	Period during which the Options cannot be exercised.
PLAN or INCENTIVE PLAN	Indicates the long-term Incentive Plan, for the period 2011-2013, which was submitted for approval to the Ordinary Shareholders' Meeting of Prysmian held on 14 April 2011 and which is aimed at Employees of Group companies.
EXERCISE PRICE	Amount of Euro 0.10, equal to the par value of the Shares, that the Participant must pay in order to exercise each Option assigned which involves the subscription of newly-issued Shares resulting from a capital increase.
PRYSMIAN or THE COMPANY	Prysmian S.p.A.
ISSUERS' REGULATIONS	Regulations adopted with Resolution No. 11971 of CONSOB on 14 May 1999, as subsequently modified and integrated.
TARGET	Minimum Performance Objective consisting in achieving cumulative Group Adjusted EBITDA (for the 2011-2013 period) of at least 1.75 billion Euro, on a constant consolidation basis.
TUF-Financial Services Act	Legislative Decree No. 58/98, as subsequently modified and integrated.

INTRODUCTION

This Information Document regards the long-term Incentive Plan for Prysmian's management for the 2011-2013 period.

The Information Document is prepared in compliance with the provisions of Article 84-bis of the Issuers' Regulations and in particular in compliance with form 7 of Annex 3A of the Issuers' Regulations.

We wish to specify that the Plan must be considered "of particular significance" in accordance with Article 114-bis, paragraph 3 of the Financial Services Act and Article 84-bis, paragraph 2 of the Issuers' Regulations.

The Plan consists in the allocation to the Participants of Options to subscribe/receive Shares, subject to the achievement of predetermined Performance Conditions relating to the 2011-2013 three-year period.

The proposal to adopt the Plan was approved by the Company's Ordinary Shareholders' Meeting held on 14 April 2011.

Previously on 3 March 2011 the Board, on the proposal of the Remuneration Committee, approved the Plan guidelines to be submitted to the Meeting and, subsequently, on 29 March 2011, the Board specified some further features of the Plan, which were also included in the Information Document dated 29 March 2011, which was the subject of a report for the Meeting convened to deliberate on the Plan.

This Information Document is made available to the public at the registered office of Prysmian S.p.A., Viale Sarca 222, Milan, at Borsa Italiana S.p.A., as well as on the Company internet site www.prysmiangroup.com.

1. RECIPIENTS

1.1. Name of the recipients who are members of the Board of Directors or the Management Board of the financial instruments issuer, the parent companies and the subsidiaries which are directly or indirectly controlled by the issuer.

The Plan includes among Participants the following members of the Board of Prysmian:

- Valerio Battista, Chief Executive Officer and General Manager,
- Pierfrancesco Facchini, Chief Financial Officer;
- Fabio Romeo, Energy Business Director;
- Frank Dorjee, Chief Strategic Officer.

It should be noted that no Participant has been assigned Options on the basis of his/her serving as a director on the Boards of Directors of Group companies.

1.2. Categories of employees or contract workers of the financial instruments issuer and the parent companies or subsidiaries of said issuer

Recipients of the plan are Employees of companies of the Group in Italy and abroad, who are considered key staff. The number of Employees involved in the Plan is 290, divided by convention into three categories:

- ✓ Chief Executive Officer;
- ✓ Senior Management: category consisting of 44 Participants, who hold key roles in the Group (including the Directors of Prysmian S.p.A. who hold the roles of Chief Financial Officer, Energy Business Director and Chief Strategic Officer);
- ✓ Executives: category consisting of 245 Participants, belonging to the various operating and business units worldwide.

Participants must join a co-investment plan of the Annual Bonus, as prerequisite for participation in the Plan. Participation in the Plan is voluntary.

1.3. Name of the persons who benefit from the plan who hold management positions indicated in Article 152-sexies, paragraph 1, letter c)-c.2

Within the category of Senior Management, the Plan includes among the Participants also Mr. Massimo Battaini, Chief Operating Officer of the Group, and Phil Edwards, in charge of the Telecom business. They both perform management duties with regular access to privileged information, in accordance with Article 152-sexies, paragraph 1, letter c)-c.2 of the Issuers' Regulations.

1.4. Description and number of all the executives – broken down by category – who have regular access to privileged information and have the power to make management decisions which can affect the development and the future prospects of the issuer of the shares, indicated in Article 152-sexies, paragraph 1, letter c)-c.2-c.3 and of the other possible categories of employees or contract workers for which different characteristics of the plan have been envisaged (for example, senior managers, executives, employees etc.)

With the exception of the recipients already listed in Points 1.1 and 1.3 above, the Plan does not provide for the participation of other Employees who hold the status of “relevant persons” in accordance with the definition in Article 152-sexies, paragraph 1, letter c) – c.2

and c.3 of the Issuers' Regulations.

There are no categories of Employees or contract workers scheduled for which differentiated characteristics of the Plan are envisaged. It is possible that some Employees may be included among the Plan Participants following the Date of Initial Allocation, but in any case by and no later than 31 December 2011.

2. REASONS FOR THE ADOPTION OF THE PLAN

2.1. and 2.1.1 Objectives which we intend to achieve through the assignment of the plans

Following the successful conclusion of the Public Offering of Purchase and Exchange of all the ordinary shares of the Dutch company, Draka Holding N.V., which took place on 8 February 2011, and led to the creation of a new industrial leading group in the industry of cables, with a global presence in more than 50 countries, approximately 90 plants and more than 20,000 employees, Prysmian decided to launch a new long-term Incentive Plan which will support the process of integration of the two companies:

The principal objectives of the Plan are therefore:

- motivate people to achieve long-term results, thus creating value and synergies for the Group,
- develop a “one-company” identity through the definition of a shared Performance Objective,
- align the performance of the new Group’s management to investors’ expectations,
- introduce a staff retention instrument in keeping with the new organisation and the new roles,
- strengthen the sustainability of the results obtained at Group level, in compliance with the indications of the Corporate Governance Code of listed companies promoted by Borsa Italiana S.p.A. and adopted by Prysmian.

Each Participant was allocated a minimum and a maximum number of Options, defined by taking into account the levels of annual fixed and variable remuneration received by each Participant, in order to determine for each of them a remuneration package that is coherent and balanced overall in its various components and in the instruments used (cash/equity), also considering the position held by each Participant in the Group. The Plan extends over a 3 year time period. This period was considered adequate in order to be able to reward the Participants based on tangible results connected to the integration.

2.2. and 2.2.1. Key variables, also in the form of performance indicators, considered for the purposes of allocating the plans based on financial instruments

The possibility of exercising the Options assigned and the number of Options which can actually be exercised by each Participant, will be determined based on the achievement of Performance Objectives of an operating and economic-financial nature common to all the Participants and considered likely to affect the results of the Group.

The Plan envisages that the right of Participants to exercise the Options allocated is subordinate to achieving the Target (Minimum Performance Objective consisting in achieving cumulative Group Adjusted EBITDA for the 2011-2013 period of at least 1.75 billion Euro, on a constant consolidation basis).

The Target has been set taking into account the aggregate final result of the Prysmian Group and the Draka Group for 2010, and imagining that it will continue in the 2011-2013 period, with the addition of the value of the synergies arising from the merger of the two Groups, estimated at around 150 million Euro in total in the period.

The Plan also envisages a maximum level of Adjusted EBITDA (“Cap”) equivalent to the Target increased by 20% (thus 2.1 billion Euro), on a constant consolidation basis, which will cause the allocation of the maximum number of Options for each Participant.

2.3. and 2.3.1. Elements behind the determination of the size of the payment based on financial instruments, in other words the criteria for its determination

The minimum and maximum number of Options assigned to each Participant was determined by evaluating both the actual capacity of each one to actively contribute to the achievement of the results, the evolution and the future prospects of the Company and the Group, and the remuneration received at the time of the allocation.

In any case, at the end of the Vesting Period, the exercise of the Options will be conditional on the achievement of the predefined aggregate Performance Objectives connected to it.

2.4. Reasons behind the possible decision to assign compensation plans based on financial instruments not issued by the financial instruments issuer, such as financial instruments issued by subsidiaries or parent companies or third-party companies as regards the group to which they belong; should the aforementioned instruments not be traded on regulated markets, information on the criteria used to determine the value which can be attributed to them

Not applicable since the Plan is only based on Prysmian shares.

2.5. Evaluations regarding significant implications of a tax and accounting nature which have affected the definition of plans

All the Participants in the Plan are Employees of the Group.

Upon disbursement, the amounts relating to the Plan will be subject to the tax, social security and/or accounting legislation in effect at the time in each Country in which the Participants reside.

2.6. Possible support of the Plan by the Special fund to encourage employee participation in companies, in accordance with Article 4, paragraph 112, of Law No. 350 of 24 December 2003

The Plan does not receive support from the Special fund to encourage employee participation in companies, in accordance with Article 4, paragraph 112, of Law No. 350 of 24 December 2003.

3. APPROVAL PROCEDURE AND TIMETABLE FOR ALLOCATION OF THE INSTRUMENTS

3.1. Authority and duties delegated by the Meeting to the Board of Directors for the implementation of the Plan

On 3 March 2011, the Board of Directors, at the proposal of the Remuneration Committee meeting held on the same date, deliberated to submit to the Ordinary Shareholders' Meeting, among other items, the approval of this Plan. Subsequently, on 29 March 2011, the Board examined and approved some further features of the Plan in addition to those already contained in the Information Document of 3 March 2011. In detail, information was included regarding categories of Employees, the Performance Conditions, a co-investment plan for part of the Annual Bonus as a condition to access the Plan and, finally, the minimum and maximum quantity of Shares needed for the execution of the Plan.

The Ordinary Shareholders' Meeting of 14 April 2011 approved the proposal aimed at granting the Board all authority necessary and appropriate to establish and execute the Plan. In particular, purely as an example, the Board will have the authority, with the right to sub-delegate, to: (i) identify the beneficiaries from among the employees of the Prysmian Group and more specifically from among the members of the Board of Prysmian S.p.A. and the Employees of Prysmian S.p.A. and its Italian and foreign subsidiaries, as well as determine the quantity of Options to be allocated to each of them; (ii) establish the conditions in terms of results and/or the Performance Objectives to which the exercise of the Options will be subordinated; (iii) establish every other term and condition for the execution of the Plan; (iv) approve the regulations governing the Plan. All of this in conformity with the relevant instructions established in the Information Document.

3.2. Persons in charge of the administration of the Plan and their function and duties

The body responsible for the decisions referring to the Plan – with the right to sub-delegate and without prejudice to the prerogatives specific to the Shareholders' Meeting – is the Board, which will supervise the implementation of the Plan, the definition of the regulations and the operational management of the Plan. The administration/management of the Plan was delegated by the Board meeting of 12 May 2011 to the Chief Executive Officer, with the right to sub-delegate.

3.3. Existing procedures for the revision of the Plan also in relation to possible changes in the basic objectives

The Board, as per the Shareholders' Meeting resolution which delegates to it the implementation of the Plan, can provide for the procedures and conditions for the revision of the Plan.

3.4. Description of the procedures to determine the availability and allocation of the financial instruments on which the plans are based

The Plan anticipates the allocation, free-of-charge, of Options valid for the purposes of subscribing or receiving Shares in the ratio of one Share for every Option exercised. These Shares could be own Shares or newly-issued Shares resulting from an increase in capital, excluding the right of option, in accordance with Article 2441, paragraph 8, of the Italian

Civil Code.

The Plan envisages the allocation to Participants of a maximum number of 5,033,333 Options, except any allocations to new Participants which are possible up to 31 December 2011, valid for:

- i) subscribing newly issued Shares in a ratio of 1 Share for each Option exercised,
- or,
- ii) receiving Shares held by the Company pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and made available for the Plan by the Company in a ratio of 1 Share for each Option exercised.

The Shares received by Participants through withdrawal from the supply of own Shares held by the Company, will be allocated free-of-charge, while the Shares received following the cited increase in share capital will be allocated to the Participants against payment of the Exercise Price.

The exercise of the Options, whether it determines the allocation of own Shares or newly-issued Shares, may occur at the end of the Vesting Period, provided the following conditions are met: the Participant is still an Employee of the Group at 31 December 2013, the Target provided for by the Plan has been achieved and the Participant has accepted all the rules of the Plan, among which the Co-investment of a share of the Annual Bonus relating to 2011 and 2012.

3.5. Role performed by each director in determining the characteristics of the aforementioned plans; any occurrence of conflicts of interest affecting the directors concerned

3.6. Date of the decision taken by the body responsible for submitting the plans for approval to the meeting and of any proposal by a remuneration committee

The decision to promote the Plan, with the relative terms and conditions, was prepared by the Human Resources and Organization Department of Prysmian with the assistance of outside consultants and was submitted to the Remuneration Committee for review on 3 March 2011, in conformity with what is recommended by the Corporate Governance Code of Listed companies issued by Borsa Italiana S.p.A.

The proposal was approved by the Board on 3 March 2011, on the indication of the Remuneration Committee, to then be submitted for approval to the Shareholders' Meeting of 14 April 2011.

The resolutions with which the Board approved the structure of the Plan and the related Information Documents dated respectively 3 March and 29 March 2011 were passed with the abstention of the Directors participating in the Plan.

3.7. Date of the decision taken by the competent body regarding the allocation of the instruments and any remuneration committee's proposal to the aforementioned body.

On 12 May 2011, the Board, in compliance with the Shareholders' Meeting resolution of 14 April 2011, conferred on the Chief Executive Officer the task of:

- (i) identifying by name the Participants and allocating to each of them the minimum and maximum number of Options,
- (ii) defining the regulations which contain the provisions, terms and conditions of the Plan which Participants must follow,

- (iii) preparing the documentation which the law on incentive plans requires to be made available to the public.

In carrying out these duties, on 2 September 2011, which by convention is established as the Date of Initial Allocation, the Chief Executive Officer identified the Participants, also determining the number of Options due to each of them.

As for the minimum and maximum number of Options allocated to the four Directors participating in the Plan, this was established on 26 August 2011 by the Board, at the proposal of the Remuneration Committee. The number of Options allocated to the four Directors was set on the basis of the weighted average price of Prysmian shares during the four weeks' listing preceding the date of the aforementioned meeting, i.e. 11.26 Euro. The Board also envisaged a limit on the number of options that can be exercised by the four Directors participating in the Plan, regardless of the maximum number of options allocated to them.

Finally, the aforementioned value of 11.26 Euro was also used to calculate the minimum and maximum number of Options assigned, after identifying by name, on 2 September 2011 to the other Participants in the Plan.

3.8. Market price, recorded on the aforementioned dates, for the financial instruments on which the plans are based, if traded on regulated markets.

As at 26 August 2011 and 2 September 2011, the close price on the Italian Equities Market managed and organized by Borsa Italiana S.p.A. of the ordinary shares of Prysmian was Euro 10.53 and Euro 10.63 respectively.

3.9. In the case of plans based on financial instruments traded on regulated markets, on what terms and in which ways the issuer takes account, in identifying the timeframe for allocating instruments in implementation of the plans, of the possible coincidence between:

- i) the aforementioned allocation or any decisions taken in this regard by the remuneration committee, and**
- ii) the disclosure of any significant information pursuant to Article 114, paragraph 1; for example, in the case in which information is:**
 - a. not already public and capable of positively affecting market prices,**
 - or,**
 - b. already published and capable of negatively affecting market prices.**

The proposed Plan envisages that the right is reserved to the Board to suspend the Vesting Period in the case of particular needs which correspond to the Company's interest or are opportune in regard to market protection needs. Prompt communication of the reason for this suspension will be made to the Participants together with the date from which the Vesting Period will be suspended and the date from which the same will restart.

The identification of possible suspension periods will be determined by the Board without prejudice to the fact that the execution of the Plan will take place, in any case, in full compliance with the obligations of information for which the Company is responsible, in order to guarantee transparency and parity of information to the market, as well as compliance with the procedures adopted by the Company.

4. CHARACTERISTICS OF THE INSTRUMENTS ASSIGNED

4.1. Description of the different forms of compensation plans based on financial instruments

The Plan involves the allocation, free-of-charge, of Options which give the Participants the right to subscribe/receive Shares in the ratio of one Share for each Option exercised. This exercise will take place at the end of the Vesting Period, subordinate to the achievement of predetermined Performance Conditions and against the payment of the Exercise Price, for the portion of Shares subscribed following an increase in the share capital.

4.2. Period of actual implementation of the plan with reference also to possible different anticipated cycles

4.3. End of the plan

The first identification of the Participants and the relative allocation to them of the minimum and maximum number of Options occurred on 2 September 2011 (Date of Initial Allocation). Considering that the Plan refers to a three-year time horizon (2011-2013), the Options will be exercisable in 2014, within 3 months of the anniversary of the Date of Initial Allocation, without prejudice to any suspensions of the Vesting Period, and only in the case of achieving the Target.

4.4. Maximum number of financial instruments, also in the form of options, allocated in each fiscal year in regard to the persons identified or to the categories indicated

As indicated at point 2.3, each Participant has been allocated a minimum and maximum number of Options, defined by taking into account both the actual capacity of each one to actively contribute to the achievement of the results, the evolution and the future prospects of the Company and the Group, and the remuneration received at the time of the allocation. Should the Target be achieved, a maximum number of 3,355,555 Prysmian shares will be necessary, which may be taken from the portfolio of Treasury Shares or from newly issued shares arising from an increase in capital, excluding the option right, pursuant to Article 2441, paragraph 8, of the Italian Civil Code.

Should the maximum level of Adjusted EBITDA (“Cap”) be achieved, the maximum number of Prysmian shares which will be necessary will be 5,033,333.

Specifically, the division of the Options among the three categories of Employees as set out in point 1.2 took place as follows: the Chief Executive Officer has been allocated 7,70% of the total rights to receive Prysmian shares, the Senior Management have been allocated 41,64% of the total rights to receive Prysmian shares and Executives have been allocated 50,66% of the total rights to receive Prysmian shares.

No allocations of Options are envisaged in future fiscal years.

For the breakdown of the instruments allocated, reference should be made to table 1, form 7, of Annex 3A of the Issuers’ Regulations, attached to this Information Document.

4.5. Methods and clauses of implementation of the Plan, specifying whether the effective allocation of the instruments is subordinate to the occurrence of conditions or to the achievement of particular results, also as regards performance; description of these conditions and results.

Exercise of the Options relating to the Plan is subordinate to achieving the predetermined

Performance Objectives as set out in point 2.2.. The number of Options that can be exercised, identified among the Options allocated and taking account of the limitations envisaged for the four Participants who currently act as the Company's Directors, will be linked to the level of the Performance Objectives achieved.

Access to the Plan is also subordinate to acceptance by each Participant of the Co-investment of a share of his/her Annual Bonus, where this has been earned and is to be paid in relation to 2011 and 2012.

This Annual Bonus represents on average around 30% of the annual basic salary, with fluctuations depending on seniority, the positions held and the related impact on results.

At the time of identifying the Participants, each of them must therefore choose a specific Co-investment profile for their Annual Bonus, which shall be associated with a set risk level:

- ✓ *basic profile*: the Participant co-invests 25% of his/her Annual Bonus, if achieved and subject to payment, with the possibility of obtaining, in 2014 and should the Target be achieved, a multiple of 1.5 times the co-invested amount (including the Co-investment itself), or of losing 25% of the co-invested amount should the Target not be achieved;
- ✓ *balanced profile*: the Participant co-invests 50% of his/her Annual Bonus, if achieved and subject to payment, with the possibility of obtaining, in 2014 and should the Target be achieved, a multiple of 2 times the co-invested amount (including the Co-investment itself), or of losing 50% of the co-invested amount should the Target not be achieved;
- ✓ *dynamic profile*: the Participant co-invests 75% of his/her Annual Bonus, if achieved and subject to payment, with the possibility of obtaining, in 2014 and should the Target be achieved, a multiple of 2.5 times the co-invested amount (including the Co-investment itself), or of losing 75% of the co-invested amount should the Target not be achieved.

4.6. Availability restrictions affecting the instruments assigned

The Options allocated to the Participants at the start of the Plan cannot be sold, assigned, subjected to other restriction or in any other way transferred and any sale, assignment, subjection to restrictions or transfer made violating this provision will be invalid and in any case will have no effect towards the Company.

For all Participants, a Lock-up Period is envisaged. Specifically, for the Chief Executive Officer and for part of the Senior Management this period corresponds to 2 years and is related to 25% of the Shares arising from exercise of the Options allocated; for the other Participants the Lock-up Period corresponds to 6 months and is related to 20% of the Shares arising from exercise of the Options allocated.

4.7. Description of possible conditions subsequent relating to the allocation of the plans in case the recipients carry out hedging operations enabling them to neutralize any prohibition to sell the financial instruments allocated, also in the form of options, or the financial instruments arising from the exercise of such options

No conditions subsequent apply in the case in which the Participants carry out hedging operations enabling them to neutralize any prohibition to sell the Options allocated.

4.8. Description of the effects determined by the termination of the employment

relationship

The right to exercise the Options relating to the Plan is subordinate, *inter alia*, to the condition that the Participant is an Employee of the Group under normal employment relations and the actual performance of work activity at least until 31 December 2013.

In the case in which the relationship ends due to Dismissal for Cause, Dismissal for Justified Subjective Grounds, or due to the Resignation of the Participant, the Participant shall definitively lose the right to exercise the Options and to have his/her Co-investment returned starting from the date of the notification of resignation or any other notification of termination of the employment relationship.

In the case in which the relationship ends due to Justified Objective Grounds or in the case of Consensual Termination, the Participant shall have the right to the return of the co-invested share of his/her Annual Bonus; the Participant shall, however, lose definitively as from the date of notification of termination of the employment relationship the right to exercise the Options. The Chief Executive Officer can, nonetheless, provide, at his/her own absolute discretion, more favourable treatment by means of specific contractual agreements.

In the case in which the relationship ends due to Retirement, the Participant may have right to exercise the Options and to the return of the Co-investment *pro rata temporis* with regard to the overall length of the Vesting Period and on the basis of the achievement level of the Performance Objective, with reference to the date on which the relationship ends. The Chief Executive Officer can, nonetheless, provide, at his/her own absolute discretion, more favourable treatment by means of specific contractual agreements.

In the case in which the relationship ends due to Permanent Invalidity or death, the Participant, or in the case of death of the Participant his/her heirs or assignees, shall have the right to obtain return of the share of the Annual Bonus co-invested by the Participant and exercise part of the Allocated Options calculated *pro rata temporis* both in relation to the overall length of the Vesting Period and on the basis of the achievement level of the Performance Objective, with reference to the date on which the Participant became invalid or died. The Chief Executive Officer can, nonetheless, provide, at his/her own absolute discretion, more favourable treatment by means of specific contractual agreements.

4.9. Indication of other possible causes for cancellation of the plans

No causes for cancellation of the Plan are envisaged.

4.10. Reasons relating to the possible “redemption”, by the company, of the financial instruments covered by the plans, arranged pursuant to articles 2357 ff. of the Italian Civil Code; the recipients of the redemption indicate whether the redemption is aimed only to particular categories of Employees; the effects of the termination of the employment relationship on the aforementioned redemption

No right of redemption of the Shares by the Company is envisaged.

4.11. possible loans or other favourable terms which it is intended to grant for the purchase of the Shares pursuant to Article 2358, paragraph 3 of the Italian Civil Code

No granting of loans or other favourable terms for the purchase of the Shares is envisaged.

4.12. Evaluation of the expected burden for the company on the date of disbursement

Both for newly issued Shares and for Treasury Shares, in application of IFRS 2, the Options allocated have been valued at their fair value at the time of allocation. As for the Options allocated to Employees of the Company, the Company will record the related value, *pro rata temporis*, on the income statement over the vesting period of the Options, with a contra-entry in an equity reserve. On the other hand, in relation to the Options allocated to Employees of subsidiaries, the Company will record the related value, again *pro rata temporis*, as an increase in the value of equity investments, again with a contra-entry in an equity reserve.

At today's date, the total fair value of the Options allocated is from an estimated value of around 35 millions Euro, should the Target be achieved, till to around 53 millions of Euro, should the maximum level of Adjusted EBITDA ("Cap") be achieved.

The administrative operating expenses of the Plan should be considered insignificant.

4.13. Possible dilutive effects on the capital caused by the compensation plans

The increase in capital to be reserved for underwriting by the Employees of the Company and its subsidiaries totals a maximum of Euro 213,150, through the issue, also in several *tranches*, of a maximum number of 2,131,500 new Shares with a par value of Euro 0.10 each. As regards the dilutive effect of the operation, considering that at today's date the share capital of Prysmian is composed of 214,393,481 Shares, a maximum dilution of less than 1% of the capital is estimated.

4.14. Possible limits for the exercise of the right to vote and the allocation of the economic rights

No limits are envisaged to the exercise of the right to vote and the allocation of the economic rights.

4.15. Should the shares not be traded on regulated markets, all information useful for a complete valuation of the value attributable to them.

Not applicable since the Shares are accepted for negotiation on the Italian Equities Market organized and managed by Borsa Italiana S.p.A.

4.16. Number of financial instruments underlying each option

Each Option allocated will give the right to subscribe or receive a Share.

4.17. Expiration of the options

The Options can be exercised in 2014, within the 3 months following the anniversary of the Date of Initial Allocation as provided in point 4.2, conventionally fixed on 2 September 2011, except any suspension in the Vesting Period. The Options that are not exercised during the Exercise Period will be considered lapsed and no longer effective.

4.18. Methods, timetable and clauses of exercise

The Options will have a "European" method of exercise.

As previously indicated in point 4.17, Options can be exercised three years after the Date of Initial Allocation and the Exercise Period will have a duration of three months. The

possibility of exercising the Options is subordinate to achieving predetermined Performance Conditions, to the Co-investment of a share of the Annual Bonus for 2011 and 2012 as well as to normal employment relations and to the effective performance of work activity up to 31 December 2013.

4.19. Exercise price of the option or methods and criteria for its determination, in particular relating to: a) the formula for the calculation of the exercise price relating to a given market price (so-called fair market value) and b) the methods for the determination of the market price taken as reference for the determination of the exercise price

The exercise of each Option will give the right to subscribe/receive one Share. The Shares received by the Participants through withdrawal from the supply of own Shares held by the Company, will be allocated free-of-charge, while the Shares received following increase of share capital will be allocated to the Participants, against payment of the Exercise Price, equal to the par value of the Company Share (0.10 Euro).

4.20. If the exercise price is not equal to the market price determined as indicated in point 4.19.b (fair market value), reasons for this difference

The possibility of exercising the Options is connected to reaching the Performance Objectives which are considered likely to affect the results of the Group. For this reason, it was considered appropriate that the Exercise Price of the Options be lower than the market price.

The number of rights allocated to the Participants is also adequately proportioned to take into account the greater value stemming from an exercise price which is lower compared to the market price.

4.21. Criteria on the basis of which there are different exercise prices for the various persons and categories of recipients

Not applicable since differentiated criteria of determination of the price depending on the Participants are not envisaged.

4.22. In the case in which the financial instruments underlying the options are not negotiated on regulated markets, indication of the value which can be attributed to the underlying instruments or the criteria for determining this value

Not applicable since the Shares are accepted for negotiation on the Italian Equities Market organized and managed by Borsa Italiana S.p.A.

4.23. Criteria for the adjustments made necessary following extraordinary operations on the capital or other operations which involve a change in the number of underlying instruments (increase in capital, extraordinary dividends, grouping or splitting of the underlying shares, merger or splitting, conversion to other categories of shares, etc.)

Should during the Vesting Period extraordinary operations be undertaken, such as, for example, a full merger, a merger by incorporation or splitting, or extraordinary operations are undertaken on capital, which, in any case have a significant impact on the total amount represented by the Options allocated to each Participant, the Company agrees to do

everything in its power, including possible changes to the Plan and the related methods and deadlines, so that the total amount represented by the Options allocated is kept unchanged. The Board may also redefine in the same way the Target.

Should, during the Vesting Period, one of the following events occur (each of these being a “Change of Control”):

- acquisition by a subject (or more subjects in agreement) of a stake in the share capital of Prysmian of at least 30% of the Company’s share capital,
- communication of the deposit at CONSOB of the document relating to the launch of a compulsory public offer to buy or exchange the Company’s Shares pursuant to the relevant law,
- appointment of the majority of members of the Board of Directors taken from a list other than that submitted by the serving Board of Directors,

the Participant shall have right (i) to the return of the co-invested shares of the Annual Bonus; (ii) to payment of the multiple relating to the Co-investment calculated on a *pro rata temporis* basis on occurrence of the Change of Control and on the basis of the degree of attainment of the Performance Objective. The condition for the aforementioned payment will be that the degree of attainment of the Performance Objective, on an accumulated basis since the last balance sheet approved by the Board, is equal, again *pro rata temporis*, to at least 85% of the Target; (iii) to exercise a number of Options calculated on a *pro rata temporis* basis compared to the Options which would have been exercisable with the achievement of the Target. The condition for the aforementioned possibility of exercise will be that the degree of attainment of the Performance Objective, on an accumulated basis since the last balance sheet approved by the Board, is equal, again *pro rata temporis*, to at least 85% of the Target.

Milan, 26th October 2011

For the Board of Directors
Mr. Valerio Battista
(*Chief Executive Officer*)

Attachments: Table no. 1, Chart 7 of Annex 3A of the Issuers’ Regulations.

Table 1 of model 7 of Appendix 3A to the Regulation 11971/99

Name or category	Position	BOX 2						
		Options						
		<u>Section 2</u>						
		Newly assigned options on the basis of the decision: <input type="checkbox"/> of the BoD on proposal by the shareholders' meeting <input checked="" type="checkbox"/> of the competent body in implementation of the shareholders' meeting resolution						
Date of shareholders' meeting (mm/dd/yyyy)	Description of the instrument	Number of financial instruments underlying options assigned for each person or category (*)	Date of assignment by the board or the competent body (mm/dd/yy)	Strike price (**)	Market price of the financial instruments as at the assignment date	Option maturity date (mm/dd/yyyy)		
Valerio Battista	Director of the Issuer	04/14/2011	Options over ordinary shares of Prysmian S.p.A.	387,655	09/02/11	0.10	10.63	12/02/2014
Frank Dorjee	Director of the Issuer	04/14/2011	Options over ordinary shares of Prysmian S.p.A.	159,858	09/02/11	0.10	10.63	12/02/2014
Pier Francesco Facchini	Director of the Issuer	04/14/2011	Options over ordinary shares of Prysmian S.p.A.	133,215	09/02/11	0.10	10.63	12/02/2014
Fabio Ignazio Romeo	Director of the Issuer	04/14/2011	Options over ordinary shares of Prysmian S.p.A.	160,313	09/02/11	0.10	10.63	12/02/2014
Notes: <i>In spite of the above maximum number of options that can be allocated, it is provided the following cap to the maximum number of options that can be actually exercised by the above four members of the Board: V.Battista no.301,034 F.Dorjee no.124,138, P.F.Facchini no.103,448, F.I.Romeo no.124,492.</i>								
Massimo Battaini	Manager with strategic responsibilities	04/14/2011	Options over ordinary shares of Prysmian S.p.A.	119,893	09/02/11	0.10	10.63	12/02/2014
Phil Edwards	Manager with strategic responsibilities	04/14/2011	Options over ordinary shares of Prysmian S.p.A.	127,030	09/02/11	0.10	10.63	12/02/2014
no. 39 Senior Management		04/14/2011	Options over ordinary shares of Prysmian S.p.A.	1,596,678	09/02/11	0.10	10.63	12/02/2014
no. 245 Executives		04/14/2011	Options over ordinary shares of Prysmian S.p.A.	2,348,691	09/02/11	0.10	10.63	12/02/2014
Notes: (*) <i>Maximum number of options to be granted. The number of options which can be effectively granted shall be determined on the basis of the achievement of performance objectives and to the limitations of the above notes.</i> (**) <i>The exercise price is equal to the par value of Prysmian Ordinary Shares only for the options which involves the subscription of newly-issued shares, while is equal to zero the exercise price for the options which involves treasury shares.</i>								

REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS
Table 1 of model 7 of Appendix 3A of the Regulation 11971/99

Name or category	Position	BOX 2							
		Options							
		Section 1							
		Options relating to currently valid schemes approved on the basis of previous shareholders' meeting resolutions							
Date of shareholders' resolution (mm/dd/yyyy)	Description of the instrument	Number of financial instruments underlying options assigned but not exercisable	Number of financial instruments underlying options exercisable but not exercised	Date of assignment by the competent body or the BoD (mm/dd/yyyy)	Strike price	Market price of underlying financial instruments as at the assignment date	Option maturity date		
no.5 SENIOR MANAGERS		11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	68,261	11/30/2006	4.65	n/a (*)	2013 (**)
no.4 Beneficiaries without link with the Company		11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	8,778	11/30/2006	4.65	n/a (*)	2013 (**)
Pier Francesco Facchini	Director of the Issuer	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	73,051	16/01/2007	4.65	n/a (*)	2013 (**)
Fulvia Borghi	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	16,147	11/30/2006	4.65	n/a (*)	2013 (**)
Hans Hoegstedt	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	1	11/30/2006	4.65	n/a (*)	2013 (**)
Jordi Calvo	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	1,074	11/30/2006	4.65	n/a (*)	2013 (**)
Marcello Del Brenna	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	9,074	11/30/2006	4.65	n/a (*)	2013 (**)
Mario Tomasi	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	1	11/30/2006	4.65	n/a (*)	2013 (**)
Gert Hoefman	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	2	11/30/2006	4.65	n/a (*)	2013 (**)
Luca Giorgio De Rai	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	17,431	11/30/2006	4.65	n/a (*)	2013 (**)
Charles Toutain	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	4,415	11/30/2006	4.65	n/a (*)	2013 (**)
Marcelo de Araujo Andrade	Director of subsidiary company	11/30/2006	Options over ordinary shares of Pysmian S.p.A.	0	2	11/30/2006	4.65	n/a (*)	2013 (**)

Notes:

(*) 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 as of 31 December 2012.