PRESS RELEASE

PRYSMIAN S.P.A. FY 2014 RESULTS

TARGETS MET IN STILL WEAK MARKET CONTEXT FOR ENERGY CABLES
POSITIVE ORGANIC GROWTH, WITH EXCELLENT PERFORMANCE BY SUBMARINE CABLES AND SOLID RECOVERY BY TELECOM
NET FINANCIAL POSITION AHEAD OF EXPECTATIONS

STABLE PROFITABILITY WITH ADJ EBITDA IN LINE WITH 2013 (EXCLUDING WESTERN LINK)

PROPOSED DIVIDEND OF €0.42 PER SHARE

FY 2014 RESULTS

- **SALES: €6,840 MILLION (ORGANIC GROWTH +1.8% VS 2013; +2.7% EXCLUDING WESTERN LINK)**
- **ADJ EBITDA[1]: €509 MILLION (-17.0% VS 2013); €603 MILLION EXCLUDING WESTERN LINK (-1.6% VS 2013)**
- **ADJ OPERATING INCOME[2]: €365 MILLION (-21.5% VS 2013); €459 MILLION EXCLUDING WEST. LINK (-1.3% VS 2013)**
- **ADJ NET PROFIT[3]: €186 MILLION (-32.0% VS 2013); €252 MILLION EXCLUDING WESTERN LINK (-6.3% VS 2013)**
- **NET FINANCIAL POSITION: €802 MILLION (€805 MILLION AT 31/12/2013)**

Milan, 25/2/2015. The Board of Directors of Prysmian S.p.A. has approved today the Company's consolidated financial statements and separate financial statements for 2014[4].

"Our Group's performance in 2014 confirms signs of a slight recovery in sales volumes, accompanied by a generally stable level of profitability," commented CEO Valerio Battista. "The decisive contributions to this result were from the strategic Submarine Cables and Systems businesses, with strong growth, and from Optical Cables, with recovering volumes and profitability. This is a particularly significant result, having been achieved in a still difficult scenario, that has seen demand recover for some businesses, like Optical Cables and Renewables, but ongoing weakness in the more cyclical sectors, like Trade & Installers and Power Distribution, as well as a slowdown in the Oil & Gas market. In this context, the Group has relentlessly pursued its actions to contain costs and reorganise its manufacturing footprint. This commitment, combined with efficient financial management, has helped to ensure good cash flows and a decidedly better net financial position than initially expected. We are pleased to have achieved the profit targets announced to the market and we are able to reward our shareholders with a proposed dividend in line with 2013."

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION
(in millions of Euro)

	2014	2013 (*)	% Change	% organic sales change
Sales	6,840	6,995	-2.2%	1.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	466	578	-19.5%	
Adjusted EBITDA	509	613	-17.0%	
EBITDA	496	563	-12.2%	
Adjusted operating income	365	465	-21.5%	
Operating income	312	368	-15.6%	
Profit/(Loss) before taxes	172	218	-21.3%	
Net profit/(loss) for the year	115	153	-24.7%	

(in millions of Euro)

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

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

1 Adj EBITDA is defined as EBITDA before non-recurring income/(expenses), as reported in the table in Annex B.

2 Adj operating income is defined as operating income before non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items.

3 Adj net profit is defined as net profit before non-recurring income and expenses, the fair value change in metal derivatives and in other fair value items, the effect of currency and interest rate derivatives, exchange rate differences, non-monetary interest on the convertible bond and the related tax effects.

4 The audit of the consolidated financial statements and separate financial statements had not yet been completed as at today's date.

FINANCIAL RESULTS

Group **Sales** amounted to €6,840 million, posting **organic growth of +1.8%** assuming the same group perimeter and excluding metal price and exchange rate effects (excluding the adverse impact of the Western Link project, organic growth would have been +2.7%). The decisive contribution to this good sales performance came from submarine cables and systems, where the Group had double-digit growth, proving, through this demonstration of market confidence, to have more than overcome the impact of the problems arising with the Western Link project. Telecom Cables also posted a solid recovery, while Trade & Installers saw an upturn in volumes. Performance by High Voltage Cables and SURF was broadly in line with 2013, while there were no signs of recovery for Power Distribution. Performance by certain segments of the Industrial Cables OEM market was affected by increased competitive pressure, while Oil & Gas was affected by market sector weakness, nonetheless delivering a performance in line with 2013.

Adjusted EBITDA amounted to €509 million (€613 million in 2013). Excluding the adverse impact of the Western Link project, Adjusted EBITDA would have been €603 million, basically in line with its level in 2013. The decisive contribution to this result came from high value-added businesses, in particular Submarine Cables and Systems, and from improved profitability by the Telecom business. However, pressure on prices continued to impact the profitability of the more cyclical businesses (Trade & Installers and Power Distribution), which nonetheless found a broad stabilisation point. Within the Industrial Cables business, the various segments had widely differing performances, with Renewables and Elevators making a good contribution while others were less positive, such as Oil & Gas, affected by the fall in oil prices, and some sub-segments of Specialties & OEMs.

The Group continued its strategy of focusing investments on high value-added businesses, of constantly reducing costs and continuously improving the efficiency of its organisational structure and manufacturing footprint. Synergies arising from the integration with Draka amounted to approximately €140 million, in line with target.

Adjusted Operating Income came to €365 million. Excluding the impact of Western Link, it would have been €459 million (in line with €465 million in 2013).

Net Finance Income and Costs reported a negative balance of €140 million, down from €150 million in 2013, thanks to the improvement in financial structure and in the cost of Group debt and also to early refinancing of the Term Loan originally due to mature on 31 December 2014.

Adjusted Net Profit amounted to €186 million. Excluding the adverse impact of the Western Link project (€66 million net of tax effects), Adjusted Net Profit would have been €252 million, compared with €269 million in 2013. Net profit amounted to €115 million compared with €153 million in 2013, and was heavily affected by the Western Link project and by €44 million in impairment losses recognised against property, plant and equipment and intangible assets, mainly in connection with those markets particularly hard in recent years, like Italy, Oceania and Brazil (for flexible pipes).

Net financial position at the end of December 2014 amounted to €802 million (€805 million in 2013), well ahead of expectations, also on account of the Group's ability to generate significant cash flows.

The principal factors affecting the year-end balance were:

- generation of €400 million in cash from operating activities (before changes in net working capital);
- substantial stability in net working capital (increase of €1 million);
- payment of €72 million in taxes;
- €36 million in dividends from investments in equity-accounted companies (including the extraordinary dividend of €21 million paid by Yangtze Optical Fibre and Cable Joint Stock Limited Company before its IPO);
- net positive effect of €9 million from business combinations;
- net operating investments of €155 million;
- payment of €110 million in net finance costs;
- payment of €90 million in dividends;
- purchase of treasury shares for €20 million.

Prysmian Group

PRYSMIAN Draka

ENERGY PROJECTS OPERATING SEGMENT PERFORMANCE AND RESULTS

- **DOUBLE-DIGIT GROWTH FOR SUBMARINE CABLES BUSINESS (IF WESTERN LINK IMPACT EXCLUDED)**
- **HIGH VOLTAGE UNDERGROUND SALES STABLE; PROFITABILITY SLIGHTLY DOWN**
- **SURF SALES AND PROFITABILITY IN LINE WITH 2013**

Sales to third parties by the Energy Projects operating segment came to €1,355 million in 2014, posting organic growth of +1.7% (excluding the adverse impact of the Western Link project, Sales to third parties would have been €1,416 million, with organic growth of +6.1%). The Energy Projects segment's profitability would have risen, excluding the adverse impact of the Western Link project, with Adjusted EBITDA coming in at €248 million, up from €231 million in 2013. Incorporating the effects of Western Link, Adjusted EBITDA came down to €154 million.

Sales performance by Submarine Cables and Systems for power transmission was highly buoyant, despite the delay in the Western Link project. The Group confirmed its market and technological leadership by winning several new projects for both energy interconnections (Cyclades in Greece, Dardanelles in Turkey, NGCP in the Philippines and Zakum in the United Arab Emirates) and for offshore wind farms (Borwin3 and 50Hertz). Profitability also improved considerably, excluding the Western Link impact, which was in line with the figure announced (€94 million) at the time of the half-year results and whose recovery plan is proceeding in the designated stages.

High Voltage Underground power transmission cables had a generally stable sales performance compared with 2013, despite the impact of weak demand for new energy infrastructure in several major European markets. This weakness was partially offset by the Group's increased exposure to growing markets such as Asia and the Middle East, also thanks to use of the production capacity of its Asian plants. This change in geographical mix affected the level of profitability. Among the principal projects awarded to the Group, of particular note were Phase XI in Qatar and Ausgrid in Australia.

The order book for underground and submarine power transmission cables and systems stands at about €2.8 billion. Technological development programmes have continued with €40 million invested in the plants in Pikkala (Finland) and Arco Felice (Italy), and in the transformation of the "Cable Enterprise" cable-laying ship, now ready to start work.

The Group's results in the SURF business (offering products and services for offshore oil production) were in line with 2013. Downhole technology (DHT) cables performed well in North America, while Brazilian demand for flexible pipes (post-salt) remained weak. The umbilical cables market was stable with a growing order book. The programme to expand the SURF business into the world's principal offshore oil markets was pursued relentlessly under the direction of the Houston headquarters, engaged in ramping up tendering activities also thanks to new sales offices in the Middle East and Asia.

(in millions of Euro)

	2014	2013 (*)	% Change	% organic sales change
Sales to third parties	1,355	1,360	-0.3%	1.7%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**154**	**232**	**-33.6%**	
% of sales	11.4%	17.0%		
Adjusted EBITDA	**154**	**231**	**-33.5%**	
% of sales	11.3%	17.0%		
EBITDA	**195**	**234**	**-16.7%**	
% of sales	14.4%	17.2%		
Amortisation and depreciation	(40)	(39)		
Adjusted operating income	**114**	**192**	**-20.5%**	
% of sales	8.4%	14.1%		

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

ENERGY PRODUCTS OPERATING SEGMENT PERFORMANCE AND RESULTS

- **POSITIVE ORGANIC GROWTH FOR TRADE & INSTALLERS**
- **CONTINUED DOWNTURN FOR POWER DISTRIBUTION**
- **INDUSTRIAL: OEM AND O&G WEAK; GOOD RESULTS FOR RENEWABLES AND ELEVATORS**

Sales to third parties by the **Energy Products** operating segment amounted to €4,491 million, posting **organic growth of +1.4%**. Adjusted EBITDA came to €239 million versus €276 million in 2013 (-13.6%).

(in millions of Euro)

	2014	2013 (*)	% Change	% organic sales change
Sales to third parties	4,491	4,649	-3.4%	1.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**221**	**259**	**-15.0%**	
% of sales	4.9%	5.6%		
Adjusted EBITDA	**239**	**276**	-13.6%	
% of sales	5.3%	5.9%		
EBITDA	**195**	**250**	**-22.0%**	
% of sales	4.3%	5.4%		
Amortisation and depreciation	(62)	(66)		
Adjusted operating income	**177**	**210**	**-28.0%**	
% of sales	3.9%	4.5%		

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

Energy & Infrastructure

Sales to third parties by the Energy & Infrastructure business area amounted to €2,667 million, reflecting organic growth of +2.7%, achieved in a still uncertain market environment. Business in Europe and South America, in particular, was affected by the standstill in the construction market as well as by reduced energy consumption which continued to hold back utility company investment plans. North America, however, displayed signs of greater stability. Pressure on prices, partially stabilising in the second half of the year, affected profitability, nonetheless mitigated by improved efficiency. Adjusted EBITDA amounted to €108 million compared with €127 million in 2013.

Trade & Installers reported a slight recovery in volumes and sales, with a return to positive organic growth. The market was generally very difficult, with the construction industry still in crisis in Central and Southern Europe as well as in South America. Growth in the North American market was held back by the delay in defining tax incentives for energy-efficient buildings; markets in Australia and Asia were also flat. Pressure on prices, lasting throughout the year, showed signs of stabilising in the second half of the year. In such a scenario, the Group continued its strategy of focusing on commercial relationships with key customers, and of offering a highly differentiated product mix designed to defend market share and limit impacts on profitability. The Group confirmed its leadership in projects requiring higher levels of technology and know-how, such as fire-resistant and LSOH cables increasingly deployed in strategic buildings and infrastructure, such as the EXPO 2015 in Milan and several high value-added projects in Britain.

Power Distribution continued to be affected by the ongoing weakness of demand arising from slowing investment by utilities, particularly in Europe and South America. North America, however, displayed signs of greater stability, as did some European countries from the second half of the year. Full-year profitability was affected by the first-half weakness, despite additional steps to contain costs.

Industrial & Network Components

Sales to third parties by the Industrial & Network Components business area amounted to €1,708 million, reporting negative organic growth of -0.3% and sharp differences in performance between markets and geographical areas. Performance in the Oil & Gas sector was basically in line with 2013 despite the investment slowdown by energy-producing nations in the Middle East and the adverse impact of weak oil prices on MRO (Maintenance, Repair & Operations) business. The OEM order book was affected by lower demand for cables in the mining industry, particularly in the German market, and by increased competition in cables for

infrastructure and in the port sector. However, cable demand improved for renewables, particularly in Northern Europe, North America and China, and for Rolling Stock and Marine. The strategy of high technological specialisation allowed the Group to consolidate its Elevator market leadership in North America and to expand into the European and Asian markets. The Automotive business reported a decline in volumes due to the highly competitive nature of the market in Europe and North America. Lastly, the Network Components business had a positive performance after extending its range of products and services, particularly in Asia. However, there was weaker demand for high voltage components in North America, and for medium voltage ones in Europe.
In terms of profitability, Adjusted EBITDA came in at €126 million compared with €141 million in 2013.

TELECOM OPERATING SEGMENT PERFORMANCE AND RESULTS

- **GROWTH IN DEMAND FOR OPTICAL CABLES GLOBALLY AND STRONG INCREASE IN SALES VOLUMES**
- **IMPROVED PROFITABILITY**
- **CONTINUED RECOVERY BY MMS MULTIMEDIA SOLUTIONS BUSINESS**

Sales to third parties by the Telecom operating segment amounted to €994 million, recording solid organic growth (+4.0%) on 2013.

Optical Cables reported a strong recovery in demand in almost all the major markets, while price pressure seems to have stabilised. In Europe, in particular, the Group was awarded work on major projects involving the construction of backbones and FTTH connections for leading operators, such as British Telecom in the United Kingdom, Telefonica and Jazztel in Spain, Orange in France, and Telecom Italia in Italy; North America witnessed a recovery in domestic demand on account of the development of 4G LTE infrastructure and new FTTx networks. In South America, the Brazilian government's investment incentives did not bring any significant improvements during 2014. Lastly, the Asia Pacific region saw a resumption of work on the NBN (National Broadband Network) project in Australia and a positive trend for demand in Singapore. The plan to improve the competitiveness of optical fibre production continued to move ahead.

The high value-added Connectivity business enjoyed a positive trend, thanks to the development of new FTTx networks (for last mile broadband access) in Europe and North America.

Multimedia Solutions reported an increase in profitability through better product mix and the implementation of cost efficiencies. The Group's focus is on developing higher value-added products, such as data centres in Europe, and on improving customer service (logistics, quality and factory performance).

Lastly, Copper Cables continued their steady decline due to the retirement of traditional networks in favour of next-generation ones and to geopolitical problems in countries like Iraq and Libya.

Adjusted EBITDA amounted to €116 million, posting an improvement of +10.1% on 2013, also thanks to the contribution of Yangtze Optical Fibre and Cable Joint Stock Limited Company in China.

(in millions of Euro)

	2014	2013 (*)	% Change	% organic sales change
Sales to third parties	994	986	0.8%	4.0%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**91**	**87**	**4.2%**	
% of sales	9.1%	8.8%		
Adjusted EBITDA	**116**	**106**	**10.1%**	
% of sales	11.7%	10.8%		
EBITDA	**116**	**86**	**31.7%**	
% of sales	11.6%	8.7%		
Amortisation and depreciation	(42)	(43)		
Adjusted operating income	**74**	**63**	**66.4%**	
% of sales	7.4%	6.4%		

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

BUSINESS OUTLOOK

The macro environment in 2014 was marked by a gradual strengthening of the US economy but continued overall weakness in Europe, despite tentative signs of recovery, especially in the first part of the year. Growing geopolitical tensions emerging in the Middle East and Russia, combined with slowdown in some economies like China and Brazil, nevertheless raise further uncertainty over the short and medium-term outlook for the world economy.
In such an economic context, the Group's expectation for FY 2015 is that demand for medium voltage power distribution cables used by utilities will remain weak, while the building wires business is likely to see a continuation of the stabilising trend observed in the second half of 2014. In the Industrial Oil & Gas and SURF cables business, the sudden drop in oil prices could affect investments and thus the business's order book over the medium term. The Group confirms a generally stable trend for its high value-added power transmission businesses, with potential growth areas in the submarine business, although offset by weak demand in the high voltage underground market, also penalised by growing competition in several geographical areas. With reference to its submarine cables business, the Group expects that the impact of the Western HVDC Link project posted in 2014 (€94 million on Adjusted EBITDA) will be significantly lower in 2015. In the Telecom business, demand for optical fibre cables is expected to carry on recovering in the coming quarters, especially in Europe and the United States, albeit at a slower pace than in 2014.
During 2015 the Prysmian Group will continue to integrate and rationalise activities with the goal of achieving its projected cost synergies and of further strengthening its presence in all areas of the business. Lastly, it is conceivable that exchange rate effects, which had an adverse impact of about €14 million on Adjusted EBITDA in 2014, will have a positive impact on the 2015 results, assuming constancy of the rates at the start of the year, through the pure effect of translating profits expressed in other currencies into the Group’s reporting currency.

OTHER RESOLUTIONS BY THE BOARD OF DIRECTORS

The Board of Directors has given the Chairman of the Board of Directors and the Chief Executive Officer several authority to perform all the formalities to call the Shareholders' Meeting for Thursday, 16 April 2015, in single call.
Based on the results for 2014, the Board of Directors will recommend to the forthcoming Shareholders' Meeting that a dividend of €0.42 per share be declared, involving a total pay-out of approximately €90 million.
If approved, the dividend will be paid out from 22 April 2015, record date 21 April 2015 and ex-div date 20 April 2015.

Presentation of a candidate slate by the Board of Directors for board renewal
In view of the expiry of its three-year term in office and as permitted in the By-laws, the Board of Directors has voted to present its own slate of candidates for the office of director to be submitted to the Shareholders' Meeting being called to vote, among other things, on the appointment of the new Board of Directors. This slate will be made publicly available, together with any slates submitted by eligible shareholders, at the locations and within the deadlines required by applicable regulations.

Share buy-back programme
The Board of Directors has decided to request the forthcoming Shareholders' Meeting for authorisation to initiate a programme for the buy-back and disposal of treasury shares, after revoking the previous resolution adopted at the Shareholders' Meeting on 16 April 2014.

The programme will provide the opportunity to purchase, on one or more occasions, a number of shares whose total cannot exceed 10% of share capital, taking account of treasury shares already purchased in execution of previous shareholder resolutions and not yet disposed of. Purchases may not exceed the amount of available reserves reported in the most recently approved annual financial statements. The programme will last for a maximum of 18 months commencing from the date of approval by the Shareholders' Meeting.
The shareholders' approval is being requested:

- to provide the Company with a portfolio of treasury shares, including those already held by the Company, that can be used for any extraordinary corporate actions (for example, mergers, demergers, purchases of equity investments);
- in order to use the treasury shares purchased to service the exercise of rights arising from convertible debt instruments or instruments exchangeable with financial instruments issued by the Company, its subsidiaries or by third parties (for example, in takeovers bids and/or exchanges of shares);

- to use treasury shares to satisfy incentive plans reserved for the directors and employees of the Prysmian Group;
- to allow efficient management of the Company's capital, by creating an investment opportunity, also for its available liquidity.

Treasury shares will be bought back and sold in accordance with applicable laws and regulations:

i. at a minimum price no more than 10% below the stock's official price reported in the trading session on the day before carrying out each individual transaction;
ii. at a maximum price no more than 10% above the stock's official price reported in the trading session on the day before carrying out each individual transaction.

As at the present date, the Company directly and indirectly holds 2,824,653 treasury shares.

The legally required documentation will be made available to shareholders and the public at the locations and within the deadlines required by applicable regulations.

Appointment as the independent auditors for the period 2016-2024
The publication of the financial statements for the year ended 31 December 2015 will coincide with the end of the engagement of PricewaterhouseCoopers S.p.A., since 2007, to perform the statutory audit of the accounts; by law, this engagement cannot be renewed. The Board of Directors has resolved to submit to the attention of the Shareholders' Meeting the statutory audit engagement for financial years 2016 - 2024, a year in advance of the natural expiry of the current engagement. The shareholders will make their decision on the basis of a justified proposal to be presented by the Board of Statutory Auditors, regarding both the firm to engage for the statutory audit and the fees payable for this engagement.

The legally required documentation will be made available to shareholders and the public at the locations and within the deadlines required by applicable regulations.

Corporate bonds
The unrated bond, for a total nominal amount of €400 million, placed on 30 March 2010 with institutional investors on the Eurobond market, will mature in the six months following the end of 2014. The bond, with a 5-year term maturing on 9 April 2015, has been admitted to the Official List of the Luxembourg Stock Exchange.

Group employee incentive plan and amendment of by-laws

With the approval of the Compensation and Nominations Committee, the Board of Directors has adopted a resolution to submit to the forthcoming Shareholders' Meeting a new long-term incentive plan (the "Plan") for Prysmian Group Management with an upper limit of around 300 participants, including four executive Directors of Prysmian S.p.A. (the Chief Executive Officer & General Manager, the Chief Financial Officer, the Senior Vice President Energy Projects Business and the Chief Strategy Officer) and three key managers of the Group.
The Plan qualifies as "of particular relevance" within the meaning of art. 84-bis, par. 2 of the Issuer Regulations.
The Plan involves the grant of new ordinary shares obtained from a capitalisation issue through the allocation of profits or retained earnings pursuant to art. 2349 of the Italian Civil Code, or, at the discretion of the Board of Directors, the grant of the Company's ordinary shares to participants taken from its treasury shares.
A condition of access to the Plan, which is based only on shares, is that participants co-invest a portion of their annual bonus for 2015 and 2016, if achieved and payable, which will be conditional on achieving minimum financial performance targets in the period 2015-2017, namely the Group's aggregate Adjusted EBITDA in the period and the average ROCE (Return On Capital Employed) for the period.

The Plan has the following objectives:
- to generate strong commitment by the Group's Management to achieving the targets for additional growth in profits and return on capital employed over the next three years;
- to align the interests of Management with those of shareholders by using share-based incentives, and promoting stable share ownership of the Company;
- to ensure the long-term sustainability of the Group's annual performance through the mechanism of co-investing part of the annual bonus.

The information memorandum relating to the incentive scheme and report on the amendments to the by-laws in connection with the proposed share capital increase serving the Plan, will be published within the legally required deadline.

The Prysmian Group's Annual Report at 31 December 2014, approved by the Board of Directors today, will be made available to the public by 26 March 2015 at the Company's registered office in Viale Sarca 222, Milan and at Borsa Italiana S.p.A.. It will also be available on the corporate website at www.prysmiangroup.com and in the mechanism for the central storage of regulated information known as "1Info" at www.1info.it*. The present document may contain forward-looking statements relating to future events and future operating, economic and financial results of the Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual future results may differ materially from what is expressed in forward-looking statements for a variety of factors.*
The managers responsible for preparing corporate accounting documents (Carlo Soprano and Andreas Bott) hereby declare, pursuant to art. 154-bis par. 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

The results at 31 December 2014 will be presented to the financial community during a conference call to be held today at 18:00 CET, a recording of which will be subsequently made available on the Group's website: www.prysmiangroup.com.
The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmiangroup.com, and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism for regulated information at www.1info.it.

Prysmian Group
Prysmian Group is world leader in the energy and telecom cables and systems industry. With more than 130 years of experience, sales of nearly €7 billion in 2014, some 19,000 employees across 50 countries and 89 plants, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	31 December 2014	31 December 2013 (*)	1 January 2013 (*)
Non-current assets			
Property, plant and equipment	1,414	1,390	1,484
Intangible assets	561	588	608
Equity-accounted investments	225	205	193
Available-for-sale financial assets	12	12	12
Derivatives	1	2	3
Deferred tax assets	115	130	125
Other receivables	27	28	40
Total non-current assets	**2,355**	**2,355**	**2,465**
Current assets			
Inventories	981	881	866
Trade receivables	952	933	1,083
Other receivables	766	722	560
Financial assets held for trading	76	93	78
Derivatives	29	23	16
Cash and cash equivalents	494	510	787
Total current assets	**3,298**	**3,162**	**3,390**
Assets held for sale	7	12	4
Total assets	**5,660**	**5,529**	**5,859**
Equity attributable to the Group:	**1,150**	**1,147**	**1,112**
Share capital	21	21	21
Reserves	1,014	977	925
Net profit/(loss) for the year	115	149	166
Equity attributable to non-controlling interests:	**33**	**36**	**35**
Share capital and reserves	33	32	33
Net profit/(loss) for the year	-	4	2
Total equity	**1,183**	**1,183**	**1,147**
Non-current liabilities			
Borrowings from banks and other lenders	817	1,119	1,428
Other payables	13	20	23
Provisions for risks and charges	74	51	73
Derivatives	5	7	41
Deferred tax liabilities	53	97	91
Employee benefit obligations	360	308	344
Total non-current liabilities	**1,322**	**1,602**	**2,000**
Current liabilities			
Borrowings from banks and other lenders	568	292	311
Trade payables	1,415	1,409	1,416
Other payables	827	688	616
Derivatives	47	42	24
Provisions for risks and charges	269	279	317
Current tax payables	29	34	28
Total current liabilities	**3,155**	**2,744**	**2,712**
Total liabilities	**4,477**	**4,346**	**4,712**
Total equity and liabilities	**5,660**	**5,529**	**5,859**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11.

Consolidated income statement

(in millions of Euro)

	2014	2013 (*)
Sales of goods and services	6,840	6,995
Change in inventories of work in progress, semi-finished and finished goods	28	28
Other income	113	62
of which non-recurring other income	*37*	*10*
Raw materials, consumables used and goods for resale	(4,303)	(4,368)
Fair value change in metal derivatives	7	(8)
Personnel costs	(948)	(945)
of which non-recurring personnel costs	*(52)*	*(34)*
of which personnel costs for stock option fair value	*(3)*	*(14)*
Amortisation, depreciation, impairment and impairment reversal	(188)	(173)
of which non-recurring impairment and impairment reversal	*(44)*	*(25)*
Other expenses	(1,280)	(1,258)
of which non-recurring other expenses	*2*	*(26)*
Share of net profit/(loss) of equity-accounted companies	43	35
Operating income	**312**	**368**
Finance costs	(479)	(435)
of which non-recurring finance costs	*(18)*	*(22)*
Finance income	339	285
of which non-recurring finance income	*4*	-
Dividends from other companies	-	-
Profit before taxes	**172**	**218**
Taxes	(57)	(65)
Net profit/(loss) for the year	**115**	**153**
Attributable to:		
Owners of the parent	115	149
Non-controlling interests	-	4
Basic earnings/(loss) per share (in Euro)	**0.54**	**0.71**
Diluted earnings/(loss) per share (in Euro)	**0.54**	**0.71**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and joint ventures.

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	2014	2013 (*)
Net profit/(loss) for the year	**115**	**153**
Comprehensive income/(loss) for the year:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(8)	9
Fair value gains/(losses) on cash flow hedges - tax effect	2	(4)
Release of cash flow hedge reserve after discontinuing cash flow hedging - gross of tax	4	15
Release of cash flow hedge reserve after discontinuing cash flow hedging - tax effect	(1)	(5)
Currency translation differences	32	(96)
Total items that may be reclassified, net of tax	**29**	**(81)**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	(50)	3
Recognition of pension plan asset ceiling	8	-
Actuarial gains/(losses) on employee benefits - tax effect	11	(2)
Total items that will NOT be reclassified, net of tax	**(31)**	**1**
Total comprehensive income/(loss) for the year	**113**	**73**
Attributable to:		
Owners of the parent	111	74
Non-controlling interests	2	(1)

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11.

Consolidated statement of cash flows

(in millions of Euro)

		2014	2013 (*)
	Profit/(loss) before taxes	172	218
	Depreciation, impairment and impairment reversals of property, plant and equipment	137	141
	Amortisation and impairment of intangible assets	51	32
	Net gains on disposals of property, plant and equipment, intangible assets and acquisition purchase price adjustment	(30)	(7)
	Share of net profit/(loss) of equity-accounted companies	(43)	(35)
	Share-based payments	3	14
	Fair value change in metal derivatives and other fair value items	(7)	8
	Net finance costs	140	150
	Changes in inventories	(76)	(58)
	Changes in trade receivables/payables	(16)	144
	Changes in other receivables/ payables	90	(93)
	Changes in receivables/payables for derivatives	1	1
	Taxes paid	(72)	(60)
	Dividends received from equity-accounted companies	36	16
	Utilisation of provisions (including employee benefit obligations)	(193)	(154)
	Increases in provisions (including employee benefit obligations)	170	85
A.	**Net cash flow provided by/(used in) operating activities**	**363**	**402**
	Acquisitions	9	-
	Investments in property, plant and equipment	(143)	(95)
	Disposals of property, plant and equipment and assets held for sale	6	6
	Investments in intangible assets	(18)	(18)
	Disposals of intangible assets	-	-
	Investments in financial assets held for trading	(8)	(40)
	Disposals of financial assets held for trading	25	7
B.	**Net cash flow provided by/(used in) investing activities**	**(129)**	**(140)**
	Capital contributions and other changes in equity	-	-
	Dividend distribution	(90)	(92)
	Share buy-back	(20)	-
	EIB Loan	100	-
	Proceeds from convertible bond	-	296
	Early repayment of credit agreement	(184)	(486)
	Finance costs paid	(440)	(373)
	Finance income received	330	249
	Changes in net financial payables	46	(103)
C.	**Net cash flow provided by/(used in) financing activities**	**(258)**	**(509)**
D.	Currency translation gains/(losses) on cash and cash equivalents	8	(30)
E.	**Total cash flow provided/(used) in the year (A+B+C+D)**	**(16)**	**(277)**
F.	**Net cash and cash equivalents at the beginning of the year**	**510**	**787**
G.	**Net cash and cash equivalents at the end of the year (E+F)**	**494**	**510**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and joint ventures.

ANNEX B

Reconciliation table between net Profit/(Loss) for the year, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)

	2014	2013 (*)
Net profit/(loss) for the year	115	153
Taxes	57	65
Finance income	(339)	(285)
Finance costs	479	435
Amortisation, depreciation, impairment and impairment reversal	188	173
Fair value change in metal derivatives	(7)	8
Fair value stock options	3	14
EBITDA	**496**	**563**
Company reorganisation	48	50
Antitrust	(31)	(6)
Environmental remediation and other costs	-	(3)
Gains on asset disposals	-	(5)
Dilution effect YOFC	(8)	-
Acquisition price adjustment	(22)	-
Other net non-recurring expenses	26	14
Adjusted EBITDA	**509**	**613**

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

Statement of cash flows with reference to change in net financial position

(in millions of Euro)

	2014	2013 (*)	Change
EBITDA	**496**	**563**	**(67)**
Changes in provisions (including employee benefit obligations)	(23)	(69)	46
Net gains on disposals of property, plant and equipment, intangible assets and other non-current assets	(8)	(7)	(1)
Share of net profit/(loss) of equity-accounted companies	(43)	(35)	(8)
Acquisition price adjustment	(22)	-	(22)
Net cash flow provided by operating activities (before changes in net working capital)	**400**	**452**	**(52)**
Changes in net working capital	(1)	(6)	5
Taxes paid	(72)	(60)	(12)
Dividends from investments in equity-accounted companies	36	16	20
Net cash flow provided by operating activities	**363**	**402**	**(39)**
Acquisitions	9	-	9
Net cash flow from operational investing activities	(155)	(107)	(48)
Free cash flow (unlevered)	**217**	**295**	**(78)**
Net finance costs	(110)	(124)	14
Free cash flow (levered)	**107**	**171**	**(64)**
Capital contributions and other changes in equity	(20)	-	(20)
Dividend distribution	(90)	(92)	2
Net cash flow provided/(used) in the year	**(3)**	**79**	**(82)**
Opening net financial position	**(805)**	**(888)**	**83**
Net cash flow provided/(used) in the year	(3)	79	(82)
Convertible bond equity component	-	39	(39)
Other changes	6	(35)	41
Closing net financial position	**(802)**	**(805)**	**3**

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

ANNEX C

Separate statement of financial position

(in Euro)

	31 December 2014	31 December 2013
Non-current assets		
Property, plant and equipment	33,626,451	17,948,649
Intangible assets	43,993,725	41,182,998
Investments in subsidiaries	1,818,399,274	1,728,516,487
Derivatives	-	36,364
Deferred tax assets	1,584,004	2,962,042
Other receivables	5,266,663	65,024
Total non-current assets	**1,902,870,117**	**1,790,711,564**
Current assets		
Inventories	-	1,124,530
Trade receivables	149,574,290	100,221,795
Other receivables	569,284,117	666,239,014
Derivatives	196,737	99,475
Cash and cash equivalents	2,314,234	4,600,296
Total current assets	**721,369,378**	**772,285,110**
Total assets	**2,624,239,495**	**2,562,996,674**
Capital and reserves:		
Share capital	21,671,239	21,459,171
Reserves	893,799,487	814,907,778
Net profit/(loss) for the year	191,556,235	184,684,558
Total equity	**1,107,026,961**	**1,021,051,507**
Non-current liabilities		
Borrowings from banks and other lenders	772,097,616	1,070,051,250
Derivatives	-	36,364
Employee benefit obligations	7,576,241	6,305,285
Total non-current liabilities	**779,673,857**	**1,076,392,899**
Current liabilities		
Borrowings from banks and other lenders	456,219,674	105,069,712
Trade payables	255,319,731	295,791,143
Other payables	11,080,849	29,260,044
Derivatives	176,126	88,266
Provisions for risks and charges	14,713,092	34,438,944
Current tax payables	29,205	904,159
Total current liabilities	**737,538,677**	**465,552,268**
Total liabilities	**1,517,212,534**	**1,541,945,167**
Total equity and liabilities	**2,624,239,495**	**2,562,996,674**

Separate income statement

(in Euro)

	2014	2013
Sales of goods and services	1,091,702,248	451,099,905
Change in inventories of work in progress, semi-finished and finished goods	(1,124,530)	1,124,530
Other income	106,624,599	102,068,048
of which non-recurring other income	*-*	*333,438*
Raw materials and consumables used	(1,090,772,337)	(453,014,043)
Fair value change in metal derivatives	(31,880)	38,249
Personnel costs	(39,880,929)	(48,467,095)
of which non-recurring personnel costs	*(2,185,838)*	*(2,462,737)*
of which personnel costs for stock option fair value	*(495,887)*	*(4,599,442)*
Amortisation, depreciation and impairment	(9,492,951)	(10,463,424)
Other expenses	(47,348,242)	(67,030,778)
of which non-recurring other (expenses)/release	*17,835,905*	*(1,666,229)*
Operating income	**9,675,978**	**(24,644,608)**
Finance costs	(58,414,473)	(53,323,707)
of which non-recurring finance costs	*(2,048,425)*	*(2,310,817)*
Finance income	19,552,167	14,547,994
of which non-recurring finance income	*257,837*	-
Dividends from subsidiaries	221,071,176	219,861,163
Impairment (losses)/ reversal of impairment of investments	(16,465,310)	-
Profit before taxes	**175,419,538**	**156,440,842**
Taxes	16,136,697	28,243,716
Net profit/(loss) for the year	**191,556,235**	**184,684,558**

Prysmian Group

PRYSMIAN Draka

Separate statement of comprehensive income

(in thousand of Euro)

	2014	2013
Net profit/(loss) for the year	**191,556**	**184,685**
Items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(27)	-
Fair value gains/(losses) on cash flow hedges - tax effect	7	-
Total items that may be reclassified, net of tax	**(20)**	**-**
Items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	(973)	149
Actuarial gains/(losses) on employee benefits - tax effect	268	(41)
Total items that will NOT be reclassified, net of tax:	**(705)**	**108**
Total comprehensive income/(loss) for the year	**190,831**	**184,793**

Separate statement of cash flows

(in thousand of Euro)

		2014	2013
	Profit/(loss) before taxes	175,420	156,441
	Depreciation and impairment of property, plant and equipment	1,344	841
	Amortisation and impairment of intangible assets	8,149	9,622
	Impairment losses	16,465	-
	Net gains on disposals of property, plant and equipment, intangible assets and other non-current assets	(85)	(62)
	Share-based payments	496	4,599
	Dividends from subsidiaries	(221,071)	(219,861)
	Fair value change in metal derivatives	32	(38)
	Net finance costs	38,862	38,776
	Changes in inventories	1,125	(1,125)
	Changes in trade receivables/payables	(89,824)	275,595
	Changes in other receivables/ payables	13,314	(12,013)
	Taxes cashed/(paid)	18,701	27,097
	Utilisation of provisions (including employee benefit obligations)	(1,200)	(1,104)
	Increases/(releases) in provisions (including employee benefit obligations)	(18,454)	4,578
	Employee benefits provisions transfer	-	(36)
A	**Net cash flow provided by/(used in) operating activities**	**(56,726)**	**283,310**
	Investments in property, plant and equipment	(2,436)	(2,769)
	Disposal of property, plant and equipment	263	90
	Investmensts in intangible assets	(10,951)	(9,738)
	Investments in subsidiaries	(118,000)	(65,757)
	Dividends received	221,071	202,286
B	**Net cash flow provided by/(used in) investing activities**	**89,947**	**124,112**
	Capital contributions	212	385
	Dividend distribution	(88,857)	(88,857)
	Share buy back	(19,954)	-
	Sale of treasury share	416	-
	Proceeds from convertible bond	-	296,150
	EIB Loan	100,000	-
	Early repayment of Credit Agreement	(87,916)	(232,084)
	Finance costs paid	(37,361)	(38,448)
	Finance income received	19,226	14,514
	Changes in other financial (receivables)/ payables	78,727	(355,163)
C	**Net cash flow provided by/(used in) financing activities**	**(35,507)**	**(403,503)**
D	**Total cash flow provided/(used) in the year (A+B+C)**	**(2,286)**	**3,919**
E	**Net cash and cash equivalents at the beginning of the year**	**4,600**	**681**
F	**Net cash and cash equivalents at the end of the year (D+E)**	**2,314**	**4,600**