

REPORT BY THE BOARD OF DIRECTORS TO VOTE, AS POINT NUMBER TWO OF THE AGENDA OF THE ORDINARY SESSION OF THE SHAREHOLDERS' MEETING OF PRYSMIAN S.P.A. SCHEDULED ON 16 APRIL 2015, THE PROPOSAL TO ALLOCATE THE NET PROFIT OF THE YEAR, PURSUANT TO ARTICLE 125-TER OF THE ITALIAN LEGISLATIVE DECREE NO. 58/1998, AS AMENDED AND UPDATED.

## 2. Allocation of net profit for the year and distribution of dividend.

Shareholders,

The Board of Directors proposes to resolve, in respect to the net profit of the year 2014, the distribution of a gross dividend of Euro 0.42 to each voting ordinary share. Considering both the outstanding ordinary shares, currently equal to no. 216,720,922, and the treasury shares directly owned, currently equal to no. 2,813,984, the total amount to be allocated would be equal to approximately Euro 90 million.

According to art. 2430 of the Italian Civil Code, it is reminded that Euro 42,414 needs to be allocated to the "Legal Reserve", so to reach one-fifth of share capital.

The amount remaining after the proposed allocations would be set aside as retained earnings. Finally, considering the year 2015 calendar approved by Borsa Italiana S.p.A., we propose that the dividend will be payable from 22 April 2015, with record date on 21 April 2015 and shares going ex-div on 20 April 2015.

Considering the above we propose that you adopt the following resolution:

*"The Shareholders' Meeting:*

*examined the financial statements at 31 December 2014, which close with a net profit of Euro 191,556,235,*

### **RESOLVES**

*to allocate the net profit for the year of Euro 191,556,235 as follows:*

- *Euro 42,414 to the Legal Reserve, thereby reaching one-fifth of share capital at 31 December 2014, as required by art. 2430 of the Italian Civil Code;*
- *to each voting ordinary share (considering the treasury shares directly owned, as of today equal to no. 2,813,984) a gross dividend of Euro 0.42, equal to approximately Euro 90 million;*
- *to the retained earnings the remainder of approximately Euro 102 million.*

*The dividend will be payable from 22 April 2015 and record date on 21 April 2015, with the shares going ex-div on 20 April 2015".*

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