

FINANCE AND M&A ACTIVITIES

Finalisation of Euro 100 million loan from the European Investment Bank, intended to fund Prysmian Group's European Research & Development programmes over the period 2013-2016.

On 22 February 2013, the Prysmian Group made an early repayment of Euro 186 million against the Term Loan disbursed on 3 May 2012. This repayment was in respect of payments due in 2013 (Euro 124 million) and in the first half of 2014 (Euro 62 million).

On 4 March 2013, the Board of Directors approved the placement of an Equity Linked Bond, referred to as "€300,000,000 1.25 per cent. Equity Linked Bonds due 2018", maturing on 8 March 2018 and reserved for institutional investors.

The Company completed the placement of the Bonds on 8 March 2013, while their settlement took place on 15 March 2013.

The financial resources raised allowed the Group to repay Euro 300 million, on the same date, against the Term Loan disbursed on 3 May 2012. This repayment referred to the amount due in December 2014.

At a meeting held on 16 April 2013, the Company's shareholders authorised:

- the convertibility of the Bond;
- the proposal to increase share capital for cash, in single or multiple issues with the exclusion of pre-emptive rights, by a maximum nominal amount of Euro 1,344,411.30, by issuing, in single or multiple instalments, up to 13,444,113 ordinary shares of the Company, with the same characteristics as its outstanding ordinary shares, exclusively and irrevocably to serve the Bond's conversion.

The initial conversion price of the Bonds into the Company's existing and/or new ordinary shares is Euro 22.3146 per share.

On 3 May 2013, the Company sent a physical settlement notice to holders of the Bonds, granting them the right, with effect from 17 May 2013, to convert them into the Company's existing or new ordinary shares.

On 24 May 2013, the securities were admitted to trading on the unregulated Third Market (a multilateral trading facility or MTF) on the Vienna Stock Exchange.

The trade receivables securitization programme, started by the Group in 2007, was terminated in July 2013 upon reaching its end date.

On 18 December 2013, the European Investment Bank (EIB) and Prysmian S.p.A. announced the finalisation of a loan for Euro 100 million, to fund the Group's European Research & Development (R&D) programmes over the period 2013-2016. The loan represents about 50% of the planned investment expenditure in Europe during the period concerned. The Prysmian Group's global total R&D budget for the four-year period is approximately Euro 300 million.

The EIB loan is particularly intended to support projects developed in the Group's R&D centres in six countries: France, Great Britain, The Netherlands, Spain, Germany and Italy. Italy, which is due to receive a significant share of the funding, is home to the Group's R&D headquarters as well as to a number of centres of manufacturing excellence for optical fibre and submarine power transmission cables and systems. The Prysmian Group has 17 R&D centres around the world, located in Europe, North and South America and Asia, with over 500 researchers and technicians and a portfolio of approximately 5,700 patents.