

PRYSMIAN ANNOUNCES NEW INVESTMENTS AND BUSINESS AGREEMENTS IN ROMANIA

**MEMORANDUM OF UNDERSTANDING SIGNED WITH TRANSELECTRICA
TO STUDY A SUBMARINE CONNECTION BETWEEN ROMANIA AND TURKEY**

NEW OPTICAL CABLE AND HIGH VOLTAGE CABLE FACILITIES TO BE DEVELOPED IN SLATINA

CREATION OF A NEW ENGINEERING ACADEMY WITH ROMANIAN UNIVERSITIES

Milan, 3 February 2015 – Prysmian Group, world leader in the energy and telecom cable industry, announces today new development plans to strengthen its operations in Romania, as a further step of the investment plan started in 2013 with the opening of a newly built optical cable plant in Slatina.

The announcement of a Memorandum of Understanding to study a submarine connection between Romania and Turkey, and two new major industrial investments worth a total of around € 30 million has been made this morning by Prysmian Group Chief Executive Officer Valerio Battista together with Prysmian Central Europe CEO Francesco Fanciulli, during a press conference attended by Romanian Prime Minister Victor Ponta, the Minister of Energy Andrei Gerea, the Minister of Finances Darius Valcov, also former Mayor of Slatina, and the Minister of Economy Mihai Tudose. These new investments form part of a development plan already started in 2013 with an initial investment of € 20 million.

Memorandum of Understanding for a submarine connection between Romania and Turkey

The Group has signed today a Memorandum of Understanding with Transelectrica, the Romanian Transmission and System Operator, Unicredit Bank and the law firm Tonucci & Partners. By capitalizing on their areas of expertise, the signatory partners agree to carry out studies and analyses on the potential development of a submarine cable connection between Romania and Turkey. The memorandum is aimed at supporting the further development of the energy sector in the region, offering the Romanian power suppliers the opportunity to export Romania's surplus to third party countries such as Turkey. Prysmian, which can rely on three production facilities dedicated to submarine cables, has a long track record of world-scale projects successfully executed in various regions.

New Optical Cable facilities in Slatina to double production capacity within 2017

The first investment is related to the construction of new optical cable facilities located within Slatina's new Industrial Park -172,000 m² total, out of which almost 20.000 covered. The new plant will be able to produce full range of new generation Optical Fibre cables to support the most advanced applications and usages from public and private, national and international Operators with all required Quality Certifications such as ISO 9001, ISO 14001, IMQ. The project is planned to reach completion of first phase within 2017. Part of the production volume will be for Export at regime. Prysmian is planning to double the current production capacity within 2017 and reach three times current production capacity by 2020 passing from a yearly production of around 2.5 Million km of optical cables to around 8 Million km. The new plant will also provide 300 permanent jobs, by project end.

New High Voltage production facility in Slatina

The Group has also planned to start in Slatina the production of high voltage cables for underground power transmission lines up to 150 kV. Prysmian is the undisputed worldwide leader in the High Voltage cable market, with state-of-the-art know-how and technologies and its cable systems form the backbone of power transmission grids of cities like New York, London, Paris, Buenos Aires, Singapore, etc. The new facility pioneers the development of high voltage cable and systems technology in Romania and will leverage locally developed resources. The new facility will serve both the internal market sustaining the infrastructural energy development project in Romania, and the export market further qualifying Romania as an excellence hub to serve the most advanced international markets. Completion of the project and beginning of production is scheduled for July 2015.

Creation of the Prysmian Slatina Engineering Academy

With the objective of further developing local highly skilled human resources, Prysmian has also announced the launch of an international education programme to support the industrial development with the recruitment of new and qualified local people. The programme sets a first step towards the launch of a "Prysmian Slatina Engineering Academy" in cooperation with the most qualified Romanian universities and is closely connected to the Group's "Prysmian Academy" and "New Graduate" programmes.

"Romania represents an important pillar for the development of our group growth strategy in fast growing countries and high tech business and products", declared Valerio Battista, CEO of Prysmian Group. "We expect Europe to re-launch investments plans for the upgrade and development of power grids and communication network and Romania can play a fundamental role also thanks to these new facilities".

"We have completed our first investment started in 2013 well ahead of schedule and reached our goal of doubling production capacity", says Francesco Fanciulli CEO Prysmian Central Europe. Now we are ready to move further also thanks to the support ensured by the Romanian Government and the local Slatina institutions. For sure here we have found ideal conditions to invest and develop local technical skills and know-how".

Prysmian Group has a long-lasting presence in Romania and in the whole Danubian region with 5 plants and 1400 employees. The Group has been supporting in the last year the continuous upgrade and development of power and communications infrastructure working together with prestigious customers like EON, CEZ, ENEL, Transelectrica, RWE, Siemens, EDF, Wienstrom, Strabag, Grundfos, Sonepar, Rexel, RomElectro, Telekom Romania, Vodafone, Orange, Alcatel, Connectronics RCS & RDS, UPC as well as the most relevant national and international Distributors and Contractors.

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 €7 billion in 2013, about 19,000 employees across 50 countries and 91 plants, the Group is strongly positioned in high-tech markets and offers the widest range of products, services, technologies and know-how. In the Energy sector, Prysmian Group operates in the business of underground and submarine power transmission cables and systems, special cables for applications in many different industrial sectors and medium and low voltage cables for the construction and infrastructure industry. In the Telecom sector, the Group manufactures cables and accessories for the voice, video and data transmission industry, offering a complete range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Milan Stock Exchange in the FTSE MIB index.

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