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PRESS RELEASE

LAUNCH OF THE PLACEMENT OF EURO 300 MILLION EQUITY-LINKED BONDS

Milan, 5 March 2013. **Prysmian S.p.A.** ("**Prysmian**" or the "**Company**") today announces the launch of a placement of equity-linked bonds (the "**Placement**"), having a maturity of five years which is expected to be issued in a principal amount of EUR 300 million (the "**Bonds**").

The Bonds may be converted into ordinary shares of the Company, subject to approval by the Company's extraordinary general meeting, to be held no later than 31 July 2013 (the "**Long-stop date**"), of a capital increase with exclusion of preferential subscription rights pursuant to article 2441, paragraph 5, of the Italian civil code, to be reserved solely for the service of the conversion of the Bonds (the "**Capital Increase**"). After such approval, the Company shall issue a notice to the bondholders (the "**Physical Settlement Notice**"). Under the terms of the Bonds, and following the date referred to in the Physical Settlement Notice, the Company shall settle any exercise of conversion rights in Prysmian ordinary shares issued pursuant to the Capital Increase or, at the Company's discretion, existing Prysmian ordinary shares held by the Company.

In the event the Capital Increase is not approved on or before the Long-stop Date, the Issuer may, within a limited period of time but no later than 10 dealing days after the Long-stop Date, give notice to the Bondholders (a "**Shareholder Event Notice**") and redeem all but not some only of the Bonds in cash at a premium (in addition to any accrued interest) as determined in accordance with the terms of the Bonds.

In the event that the Capital Increase is not approved and the Company does not publish a Shareholder Event Notice in accordance with the terms of the Bonds (and in certain limited circumstances prior to such date), each Bondholder may, in accordance with the terms of the Bonds, request the early redemption of their Bonds in cash. In such circumstances, the Company shall redeem the Bonds for a cash amount equal to the market value (determined in accordance with the terms of the Bonds) of the number of Prysmian ordinary shares that a holder would have been entitled to if such holder had been entitled to exercise a right to convert and receive Prysmian ordinary shares.

The Bonds shall be issued at par, in the principal amount of EUR 100,000.00 each and shall pay a

fixed coupon within a range from 1.00 to 1.50 per cent. *per annum* payable semi-annually in arrear.

The initial conversion price of the Bonds is expected to be set at a premium of between 30.00% and 37.50% above the volume weighted average price of the ordinary shares of the Company on the *Mercato Telematico Italiano* between launch and pricing.

The Bonds are being offered only to institutional investors in Italy and abroad, and will not be offered in or into the United States of America, Australia, Canada, South Africa or Japan or to residents thereof or in any other countries where such offer or sale of the Bonds is prohibited under applicable laws.

The outcome of the Placement and the final terms of the Bond issue, to be determined after book-building, will be disclosed as soon as they become available.

An application will be made to admit the Bonds to trading on an internationally recognized, regularly operating, regulated or unregulated market no later than 31 July 2013.

The Bond issue will enable the Issuer to obtain greater diversification of financial sources through the sourcing of financial funds in the capital markets. Such resources will be applied to the optimisation of the financial structure and the cost of capital of the Company and for general corporate purposes. The Company agrees not to place, in line with market practice, any further ordinary shares or certain related securities or enter into certain derivative transactions relating to Prysmian ordinary shares (subject to certain customary exceptions) in the market for a lock-up period of 90 days.

BNP PARIBAS, HSBC Bank plc, J.P. Morgan Securities plc and Mediobanca – Banca di Credito Finanziario S.p.A. are acting as Joint Bookrunners (the "**Joint Bookrunners**") of the Placement.

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Stabilisation/FSA. In connection with the issue of the Bonds, subject as permitted by applicable laws, any Joint Bookrunner acting as a Stabilising Manager or any person acting on its behalf may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that any Joint Bookrunner or any person acting on its behalf will undertake stabilisation action. Any stabilisation action, if begun, may be ended at any time, and must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by any Joint Bookrunner or any person acting on its behalf in accordance with all applicable laws and rules.

This announcement is for general information only and does not form part of any offer to sell, or the solicitation of any offer to buy, securities. The distribution of this announcement and the offer and sale of the securities described in this announcement in certain jurisdictions may be restricted by law. Any persons reading this announcement should inform themselves of and observe any such restrictions.

The documentation relating to the offer of the Bonds shall not be submitted to CONSOB (the Italian Securities Exchange Commission) for approval pursuant to applicable laws and regulations and, therefore, the Bonds will not be offered, sold or delivered to the public in the Republic of Italy other than to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No 58 of 24 February 1998 as amended

and restated from time to time (the "**Financial Services Act**") and Article 34-ter, paragraph 1(b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended and restated from time to time (the "**CONSOB Regulation**").

This announcement is directed only at the following persons in the United Kingdom: investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); and high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order. If you are in the United Kingdom and do not fall into one of the above categories, any investment or investment activity to which this announcement relates is not available to you, and will not be engaged in with you, and you should not act upon, or rely upon, this announcement.

This announcement is not for distribution, directly or indirectly in or into the United States (as defined in Regulation S under the US Securities Act of 1933, as amended (the "**Securities Act**"), Canada, Australia, Japan or South Africa or in any other countries where such offer or sale of the Bonds is prohibited under applicable laws. The Bonds being offered and the ordinary shares of the Company have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the Securities Act and applicable state securities laws. This announcement does not constitute nor is part of an offer to sell securities, or the solicitation of an offer to buy securities, nor shall there be any offer or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. There will be no public offer of the Bonds or the ordinary shares of the Company in the United States or in any other jurisdiction. This press release was not and shall not be mailed or otherwise given, distributed or sent to or from the United States of America or to or from any other country in which such mailing would be prohibited, or to publications with wide circulation within such countries, and the recipients of such press release (including any depositaries, delegated persons and trustees) shall refrain from mailing or otherwise forwarding, distributing or mailing the press release to or from the United States of America or to or from any other country where such sending would be prohibited, or to publications with a general circulation within such countries.

The Bonds are being offered only to qualified investors ("**Qualified Investors**") within the meaning of Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**"), and in compliance with the respective regulations of each country in which the Bonds are offered.

Should the offer of the Bonds be addressed to an investor in its capacity as a financial intermediary as defined in article 3(2) of the Prospectus Directive, such investor shall be deemed to have represented and accepted not to purchase the Bonds in the name and on behalf of any persons within the European Economic Area other than Qualified Investors, or any persons in the United Kingdom or in other Member States (where similar laws and regulations are in force) vis-à-vis whom such investor may make decisions in its absolute discretion, and not to purchase the Bonds in order to offer or resell them in the European Economic Area, where such circumstance would require the publication by the Company, by the Joint Bookrunners, or by any other director, of a prospectus pursuant to article 3 of the Prospectus Directive.

Prysmian Group

Prysmian Group is world leader in the energy and telecom cables and systems industry. With sales of some €8 billion in 2012, more than 20,000 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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