

PRESS RELEASE

PRYSMIAN ACQUIRES US COMPANY GULF COAST DOWNHOLE TECHNOLOGIES (GCDT)

WITH GCDT, PRYSMIAN FURTHER COMPLEMENTS AND STRENGTHENS THE EXISTING PRESENCE AND PRODUCT OFFER IN THE HIGH-TECH SECTOR OF DOWNHOLE EQUIPMENT FOR THE OIL & GAS INDUSTRY

GCDT FITS FULLY INTO THE GROUP'S EXPANSION STRATEGY IN THE BUSINESS OF SUBSEA UMBILICALS, RISERS AND FLOW LINES (SURF) FOR OFFSHORE OIL EXTRACTION

Milan, 25 September 2015 - Prysmian Group, world leader in the energy and telecom cable systems industry, has signed an agreement to acquire 100% of the privately-held US company Gulf Coast Downhole Technologies (GCDT) for an initial consideration, subject to adjustment, of approximately \$45 million in cash. The transaction involves an earn-out determined on an average combined EBITDA in the next three years and for a maximum earn-out payment of about \$21 million.

Based in Houston, GCDT is active in the design and supply of innovative downhole equipment for the Oil & Gas industry, with a turnover of approximately \$ 34 million in 2014. GCDT products are installed in oil and gas wells around the world and consist of integral components in the systems that provide downhole control, injection, flow assurance and monitoring. GCDT's customer base covers a diverse range of oil field service companies including Halliburton, Baker Hughes, Weatherford and Schlumberger. GCDT products are ultimately installed in completions operated by major oil and gas producers like Chevron, ExxonMobil and Shell around the globe.

GCDT fits fully into the Group's expansion strategy in the business of Subsea Umbilicals, Risers and Flowlines (SURF) and complements its Draka-branded DHT offered product range. The acquisition of GCDT allows a further increased differentiation of the product offer, namely thanks to an enhanced portfolio of protectors and the patented Safety-Strip® technology for faster and safer installation of intelligent completion systems. With the acquisition of GCDT, the Prysmian Group through its brand Draka will grow closer to its customers by shifting from a pure subcomponent supplier to offering a suite of package solutions to its service sector clients.

"Thanks to the integration between our SURF-DHT business and GCDT, Prysmian Group will be able to accelerate growth in an attractive high-value, high-ROCE (Return on Capital Employed) business and increase exposure to high-tech segments," states Prysmian Group CEO Valerio Battista. "We also aim to improve customer proximity by leveraging our global footprint and bringing GCDT's innovation capabilities to a broader customer base. Integration of the two brands is key for the development of an enhanced and versatile supply chain," he adds.

Roy Torrance, President of GCDT comments: "The acquisition of GCDT by the Prysmian Group recognizes the unique know-how and expertise developed within GCDT and by using our combination of strengths it presents a great opportunity for the continued growth of GCDT which will benefit our customers on both domestic and international levels."

In the last years Prysmian Group has been continuously investing to expand its presence in the SURF business. Headquartered in Houston, the Group's SURF business can now count on new dedicated production facilities in Brazil and North America and on commercial offices in Middle East, Far East and Europe. Prysmian Group can offer a wide range of products and services, including umbilicals, risers, flowlines and DHT (Downhole Technologies) perfectly integrated with the Company core business of power and telecommunications cables.

In the DHT business, the Group is worldwide leader and supplies complete DHT solutions to all major players in the Oil & Gas industry. Prysmian Group's Draka-branded DHT business can rely on state-of-the-art production facilities in Bridgewater, NJ and North Dighton, MA (USA) and a wide range of products including TEC (Tubing Encapsulated Cable) solutions, specialty tubing and specialty optical fiber-sensing cables.

The closing of the acquisition — expected in the coming days — is subject to certain conditions precedent.

Prysmian Group

Prysmian Group is world leader in the energy and telecom cable 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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