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PLAN FOR THE PARTIAL DEMERGER

of **“PRYSMIAN CAVI E SISTEMI S.R.L.”**

to **“PRYSMIAN S.P.A.”**

Drafted pursuant to the requirements of art. 2506 bis of the Italian Civil Code

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1. Type, name, company name and registered office of the Companies participating in the demerger.

Demerged company

“PRYSMIAN CAVI E SISTEMI S.R.L.”, - A sole shareholder company, *subject to the management and coordination of Prysmian S.p.A.*, with registered office in Milan, Viale Sarca 222, Share Capital of Euro 100,000,000.00, Tax code and registration number at the Milan Companies Register 03337040962, (hereinafter PCS or the Demerged Company).

The acquiring company

“PRYSMIAN S.P.A.”, with registered office in Milan, Viale Sarca 222, Share Capital of Euro 21,439,348.10, Tax code and registration number at the Milan Companies Register 04866320965, (hereinafter Prysmian or the Acquirer).

As the Acquirer **“PRYSMIAN S.P.A.”** is the sole shareholder of the demerged company **“PRYSMIAN CAVI E SISTEMI S.R.L.”**, the transaction in question is an intra-group transaction and therefore the provisions of article 2505 of the Italian Civil Code, as referred in art. 2506 ter, par. 5, apply.

The partial demerger as per this plan will take place, pursuant to art. 2506 et seq. of the Italian Civil Code, through transfer of a portion of PCS's assets to Prysmian, as described under paragraph 9 below.

2. By-laws of the Demerged Company and the Acquirer

No amendments will be made to the by-laws of the Demerged Company or the Acquirer as a result of this transaction.

The Demerged Company will be governed by the by-laws in force, attached hereto as Annex "A".

The Acquirer will be governed by the by-laws in force, attached hereto as Annex "B".

3. Share swap ratio and possible cash adjustment

As the Acquirer is the sole shareholder of the Demerged Company and will continue to be so on the date the partial demerger will become effective, no new shares will be issued by the Acquirer as a result of the planned partial demerger and there will be no changes to its share capital. As a result of this, no share swap ratio is envisaged. Similarly, no cash adjustments are envisaged.

4. Procedures for the assignment of shares

Due to the information provided in the above paragraph, since no issue and therefore assignment of the Acquirer's new shares is provided, it is not necessary to establish a procedure for the assignment of shares.

5. Date from which the newly issued shares will participate in the profits.

Due to the information provided above, since no issue and therefore assignment of the Acquirer's new shares is provided, it is not necessary to establish the date of participation in the profits.

6. Effective Demerger Date

The demerger is effective as from the last registration of the demerger deed at the Companies Register office in which the companies participating in the demerger are registered or as from any later date set in the demerger deed.

The demerged assets will be recognised in the financial statements of Prysmian from the effective date of the demerger indicated in the above paragraph.

7. Specific treatment reserved to particular classes of shareholders and holders of securities other than shares.

There are no particular classes of shareholders and no particular treatments or benefits are provided for holders of securities other than shares.

8. Particular benefits for directors

There are no particular advantages or benefits for the directors of the companies participating in the demerger.

9. Description of the assets involved in the partial demerger

The assets belonging to PCS which will be transferred to the Acquirer through the partial demerger are:

- 100% of the share capital of Prysmian Treasury S.r.l., with registered office in Milan, Viale Sarca 222, Share Capital of Euro 4,242,476.00, Tax code and registration number at the Milan Companies Register 09764460151;
- 100% of the share capital of Prysmian Cavi e Sistemi Italia S.r.l., with registered office in Milan, Viale Sarca 222, Share Capital of Euro 77,143,249.00, Tax code and registration number at the Milan Companies Register 04963770013;
- 100% of the share capital of Fibre Ottiche Sud – F.O.S. S.r.l., with registered office in Battipaglia (Province of Salerno), Strada Provinciale 135, Share Capital of Euro 47,700,000.00, Tax code and registration number at the Salerno Companies Register 01003490651;
- 84.8% of the share capital of Prysmian PowerLink S.r.l., with registered office in Milan, Viale Sarca 222, Share Capital of Euro 50,000,000.00, Tax code and

registration number at the Milan Companies Register 05931070964.

All the assets and liabilities and the ratios, without exception, other than those listed above, will continue to be owned by the Demerged Company.

The assets that will be involved in the partial demerger will be transferred with the status and entity they will have on the effective date of the partial demerger, except for any financial compensation between the companies participating in the transaction in question.

The proposed demerger is based on the balance sheet as at 31 December 2011 of the Demerged Company and the Acquirer.

Due to the partial demerger, assets with a fixed, unchangeable book value of Euro 214,683,098.06 will be transferred to the Acquirer. Any differences between the book value of the assets actually transferred, as this will be determined on the effective date of the partial demerger, and the book value of the assets transferred as at 31 December 2011 will be settled between the parties exclusively on a financial basis.

The decrease in the demerged company's equity of Euro 214,683,098.06 will be allocated for Euro 75,259,558 to "Profit carried forward", which reserve amounted to Euro 253,896,315 as at 31 December 2011; Euro 43,150,983 will be allocated to the "Capital contribution reserve," which amounted to Euro 145,574,539 as at 31 December 2011; Euro 80,127,098 will be allocated to the "Share premium reserve," which amounted to Euro 143,931,489 as at 31 December 2011; and Euro 16,145,459 will be allocated to the "Merger reserve" which totalled Euro 94,455,633 as at 31 December 2011.

No decreases will be made to the Demerged Company's share capital.

This plan will be approved by the shareholders' meeting of the Demerged Company and by the Board of Directors of the Acquirer pursuant to art. 2505 of the Italian Civil Code, as permitted by art. 17 of Prysmian by-laws without prejudice to the right of

those shareholders who hold at least 5% of the share capital to request – with a petition addressed to the company within eight days from the filing described in art. 2501 ter, par. 3 of the Italian Civil Code – that the approval of the demerger should be issued according to art. 2502, par. 1 of the Italian Civil Code.

Attachments:

- A) by-laws in force of Prysmian Cavi e Sistemi S.r.l.
- B) by-laws in force of Prysmian S.p.A.

Milan, 30th March 2012

PRYSMIAN CAVI E SISTEMI S.R.L.

Signed by the Managing Director

(Fabio Ignazio Romeo)

Milan, 30th March 2012

PRYSMIAN S.P.A.

Signed by the Director

(Pier Francesco Facchini)

- ATTACHMENTS OMITTED -