

*THIS IS A JOINT PRESS RELEASE BY PRYSMIAN S.P.A. AND DRAKA HOLDING N.V., PURSUANT TO THE PROVISIONS OF SECTION 5 PARAGRAPH 1 OF THE DECREE ON PUBLIC TAKEOVER BIDS (BESLUIT OPENBARE BIEDINGEN WFT) IN CONNECTION WITH THE PUBLIC OFFER BY PRYSMIAN S.P.A. FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES IN THE CAPITAL OF DRAKA HOLDING N.V. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER, OR ANY SOLICITATION OF ANY OFFER, TO BUY OR SUBSCRIBE FOR ANY SECURITIES IN DRAKA HOLDING N.V. ANY OFFER WILL BE MADE ONLY BY MEANS OF THE OFFER MEMORANDUM. THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO, DIRECTLY OR INDIRECTLY, THE UNITED STATES, CANADA, JAPAN AND AUSTRALIA.*

## **PRYSMIAN ANNOUNCES INTENTION TO LAUNCH RECOMMENDED PUBLIC OFFER FOR DRAKA, TO CREATE A GLOBAL LEADING PLAYER IN THE ENERGY AND TELECOM CABLE INDUSTRY**

***Offer values Draka at €17.20 per ordinary share<sup>1</sup>***

### **Compelling industrial and strategic rationale**

- New leading player in high voltage, subsea, high-end industrial cables, fibers and optical cables
- Global presence in more than 50 countries with over 90 plants and more than 20,000 employees with aggregate 2009 net sales of €5.8 billion
- Highly complementary know-how, geographic footprint and product portfolio
- No break-up or material divestitures of Draka

### **Substantial value creation**

- Significant scope to generate approximately €100 million of annual run-rate synergies within 3 years
- Strong platform for future organic growth and industry consolidation
- Expected to be earnings accretive from 2011 onwards

### **Transaction highlights**

- Offer values Draka at €17.20 per ordinary share<sup>1</sup>, consisting of:
  - €8.60 in cash per Draka ordinary share; plus
  - 0.6595 Prysmian shares per Draka ordinary share
- The Offer implies a 25% premium to the closing share price of 13 October 2010<sup>2</sup> and a premium of 37% to the volume weighted average share price over the 6 months ended 13 October 2010
- Implied value of €840 million for 100% of Draka's issued and outstanding ordinary shares, with a total cash consideration of €420 million, and €1.3 billion enterprise value
- Draka shareholders will represent up to approximately 15% in Prysmian post-completion of the Offer; Prysmian expects to issue approximately thirty two million of new shares
- Support and unanimous recommendation from Draka's Board of Management and Supervisory Board
- Irrevocable commitment from Draka's 48.5% shareholder Flint
- Closing expected during Q2 2011

<sup>1</sup> Valued at Prysmian's closing price of €13.04 on 19 November 2010

<sup>2</sup> Last date before the rumours of a possible bid from Nexans became widely spread

*Valerio Battista, Prysmian CEO*

*"We believe that this is the most logical and compelling combination one could envision in our industry. The value creation opportunity is substantial and the geographic footprint and product portfolio are highly complementary. I am very excited about the opportunity to work with Frank Dorjee and his team. This transaction is a major step for both our companies as well as the industry. Together we will be the leading operator in the energy and telecom cable industry."*

*Frank Dorjee, Draka CEO*

*"We believe the Prysmian offer provides an attractive valuation and represents an unique opportunity for Draka and its stakeholders to preserve the Company's history, heritage and culture while at the same time being able to participate in the sector consolidation and join forces with a leading global cable manufacturer. With Prysmian, we are able to join a partner of choice. As both companies have an extensive track record in integrating cable assets, the process of combining the two businesses will be smooth."*

Milan/Amsterdam, 22 November 2010 - Prysmian S.p.A. ("Prysmian") and Draka Holding N.V. ("Draka") jointly announce they have reached a conditional agreement in connection with a public offer by Prysmian for all issued and outstanding ordinary shares of Draka at an offer price of €8.60 in cash plus 0.6595 newly issued Prysmian ordinary shares for each Draka ordinary share (the "Offer"). The Offer values Draka at €17.20 per ordinary share<sup>1</sup> (the "Offer Price") and represents a 25% and 37% premium versus Draka's share price as at 13 October 2010<sup>2</sup> and Draka's weighted average price over the previous 6 months, respectively. The Offer is subject to customary conditions. It is anticipated that Prysmian will make a separate proposal to holders of Draka's preference shares.

#### **Unanimous support from Prysmian**

The Board of Directors of Prysmian unanimously support the Offer. A Prysmian EGM, resolving on the issuance of new shares to Draka shareholders, is expected to be convened by January 2011. The Board of Directors of Prysmian shall propose and recommend such resolution to its shareholders.

#### **Unanimous support from Draka**

The Supervisory Board and the Board of Management of Draka support and unanimously recommend the Offer to its shareholders. Representatives of Flint have not participated in the deliberations and decision-making of the Supervisory Board of Draka in connection with the intended Offer. After careful consideration of all of Draka's strategic alternatives, the Boards of Draka believe this transaction creates premium value including the potential upside from synergies, provides maximum transaction certainty and is in the best interest of all stakeholders.

The financial advisor to Draka, J.P. Morgan, has opined that the intended Offer is fair to the shareholders of Draka from a financial point of view.

#### **Irrevocable from Flint**

As the intended Offer is supported and unanimously recommended by the Supervisory Board and the Board of Management of Draka, Prysmian has obtained an irrevocable commitment from Flint, Draka's largest shareholder with a 48.5% interest, to support the Offer and tender its shares under the terms of the intended Offer.

#### **Strong strategic rationale and substantial value creation opportunities**

The combined group will be a new leading player in the worldwide energy and telecom cable and systems industry, in particular in several of its high-technology segments. Based on 2009

aggregate figures, the combination had net sales of €5.8 billion and EBITDA<sup>3</sup> of €541 million in 2009. In subsea and high voltage, the combination serves the main national grid operators and leads several of the most important transmission projects worldwide. In the industrial segment, the combination will become the top player by turnover in several high-end sub-segments including industries such as oil & gas, renewable energy, elevators, crane and mining. With fiber production facilities across the globe, the company will also be the new leader in the optical cable segment. A better manufacturing footprint will also allow to improve service level and product offering in the Trade & Installers market segment.

The combined group will have operations in more than 50 countries, with a manufacturing footprint of over 90 plants, and a total workforce of more than 20,000 employees. The geographic presence as well as the industry portfolio is complementary and well balanced. Net sales in 2009 in EMEA represented 65% of the total aggregate, with Americas 17%, Asia & Oceania 14% and Rest of the World 3%. The aggregate net sales split by segment of the new combination in 2009 was as follows: Utilities 28%, Trade & Installers 29%<sup>4</sup>, Industrial 23% and Telecom 20%. The geographic footprint is highly complementary and the combination will be able to exploit Draka's strength in Northern Europe and Prysmian's strong position in Southern Europe.

The combination is well positioned to capture the significant growth opportunities available in the market through its leadership positions in key areas and segments and to deliver substantial benefits from sharing best practices and processes. Prysmian and Draka each have an impressive track record in implementing cost savings and efficiencies and have identified significant scope for further improvements.

The combined group is expected to generate approximately €100 million of annual run-rate pre-tax synergies within 3 years primarily from the optimization of the manufacturing footprint, procurement of raw materials, overhead savings and implementing operating efficiency improvements. Integration costs to capture these synergies are estimated to amount to a total of €170 million over 3 years.

In addition to the cost savings identified above, the combination expects to generate additional synergy upside through sharing of best practices, introduction of proven concepts and procedures into the respective client bases and across each others footprint. Furthermore, increased scale and scope will allow the combination to be more competitive in international tenders.

The transaction is expected to be earnings accretive from 2011 onwards, excluding one-off charges.

#### **Financing of the Offer**

Prysmian expects to fund the Offer via existing cash on balance sheet, committed credit lines and the issue of new ordinary Prysmian shares.

#### **Pre-Offer and Offer conditions**

The Offer and the conditional agreement reached between Prysmian and Draka are subject to the satisfaction or waiver of certain pre-offer conditions, such as compliance with the notification procedures pursuant to the Dutch Merger Code (*SER-besluit Fusiegedragsregels 2000*), obtaining works council advice and the absence of a material adverse effect.

When the Offer has been made, declaring the Offer unconditional will be subject to the satisfaction or waiver of certain offer conditions, such as relevant antitrust clearances for the Offer and the absence of a material adverse effect and a minimum acceptance threshold of 85%.

<sup>3</sup> Adjusted for non-recurring items as reported by Prysmian and Draka

<sup>4</sup> Including Draka's Energy and Infrastructure Business

**Competing Offer**

Draka may terminate the conditional agreement with Prysmian in the event that a bona fide third-party offeror makes an offer which is, in the reasonable opinion of the Boards, a more beneficial offer than the Offer, which is binding upon such party and exceeds the Offer Price by 15% (a "Competing Offer"). In the event of a Competing Offer, Prysmian will be given the opportunity to revise its Offer. If this revised Offer by Prysmian is at least equally beneficial to the Competing Offer, Draka may not terminate the conditional agreement with Prysmian. The same is true for any subsequent Competing Offers. If Draka terminates the agreement in the event of a Competing Offer which is not matched by Prysmian in accordance with the agreement, Prysmian is entitled to an amount of €12.5 million.

**Governance and social aspects**

Prysmian and Draka do not expect any material negative consequences for their respective employees as a result of the Offer. The existing rights and benefits of Draka's employees will be honoured.

Prysmian does not envisage any break-up of the business of the Draka group or material divestitures of any of its business units, and believes that the integration can be successfully executed with minimal disruptions, taking into account both companies' strengths and culture.

Subject to the successful completion of the Offer, Prysmian undertakes to use its best efforts to allow Mr. Fritz Fröhlich, Chairman of Draka's Supervisory Board, and Mr. Frank Dorjee, CEO of Draka, to join the Board of Directors of Prysmian.

**Indicative timetable**

Prysmian and Draka will seek to obtain all the necessary approvals and competition clearances as soon as practicable and will complete the required recommendation and consultation procedures with Draka's works councils and unions before launch of the Offer.

The offer memorandum is expected to be published and the Offer is expected to commence during Q1 2011 in accordance with the applicable timetable. In January 2011, Prysmian will hold an EGM in order to obtain shareholder approval for the issuance of new Prysmian shares. Draka will hold an informative EGM before closing of the offer period.

**Advisors**

Goldman Sachs International, Leonardo & Co. and Mediobanca are acting as financial advisors to Prysmian; J.P. Morgan is acting as financial advisor to Draka. Bonelli, Erede e Pappalardo and Freshfields Bruckhaus Deringer are acting as legal counsels to Prysmian; Allen & Overy is acting as legal counsel to Draka.

**Analyst & Investor conference call**

Today at 11:30a.m. CET / 10:30a.m. GMT a presentation and a conference call for analysts and institutional investors will be hosted by Valerio Battista, CEO of Prysmian and Frank Dorjee, CEO of Draka.

The details of the call are as follows:

- a live conference call by dialing +39 02 6968 2337 (Italy), +31 (0)20 713 2936 (NL) or +44 (0)20 7784 1036 (all other locations)
- a live webcast of the event is available at [www.prysmian.com](http://www.prysmian.com) and [www.draka.com](http://www.draka.com)

Slide presentation packs will be available at [www.prysmian.com](http://www.prysmian.com) and [www.draka.com](http://www.draka.com). The webcast and live conference call provide an opportunity to listen remotely to the live presentation and join in the Q&A session.

A replay of the conference call will be available until 5th December 2010 by dialing: Italy: +39 02 3041 3127, Netherlands: +31 (0)20 713 2791, other countries: +44 (0)20 7111 1244 and entering the access code: 6406907#. Listen only numbers for Press and Wires: Italy and other countries: +39 02 3626 9650, Netherlands: +31 (0)20 713 2860.

**Further information**

The information in this press release is not intended to be complete and for further information explicit reference is made to the offer memorandum, which is expected to be published during Q1 2011. The offer memorandum will contain details of the Offer. The Draka shareholders are advised to review the offer memorandum in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the content of the offer memorandum and the Offer itself.

**For more information**Prysmian

Luca Caserta

*Investor Relations*

Telephone: +39 02 64491

Email: [luca.caserta@prysmian.com](mailto:luca.caserta@prysmian.com)

Lorenzo Caruso

*Media Relations*

Telephone: +39 02 64491

Email: [lorenzo.caruso@prysmian.com](mailto:lorenzo.caruso@prysmian.com)

[www.prysmian.com](http://www.prysmian.com)

Draka

Michael Bosman

*Investor Relations*

Telephone: +31 20 56 89 805

Email: [michael.bosman@draka.com](mailto:michael.bosman@draka.com)

[www.draka.com](http://www.draka.com)

### **Prysmian profile**

*A leading player in the industry of high-tech cables and systems for energy and telecommunications, the Prysmian Group is a global business with more than €3.7 billion in net sales in 2009 and a strong position in higher value-added market segments. With its two businesses, Energy Cables & Systems (submarine and underground cables for power transmission and distribution, for industrial applications and for the distribution of electricity to residential and commercial buildings) and Telecom Cables & Systems (optical cables and fibers and copper cables for video, data and voice transmission), Prysmian boasts a global presence with subsidiaries in 39 countries, 56 plants in 24 countries, 7 Research & Development Centres in Europe, USA and South America, and around 12,000 employees.*

*Prysmian is listed on the Milan Stock Exchange in the Blue Chip index. More information on Prysmian can be found at [www.prysmian.com](http://www.prysmian.com).*

### **Draka profile**

*Draka Holding N.V. ('Draka') is the holding company of a number of operating companies that are active worldwide in the development, production and sale of cable and cable systems. Draka's activities are divided into three groups: Energy & Infrastructure, Industry & Specialty and Communications. Within these three groups, the activities are organised into divisions. Energy & Infrastructure consists of the Europe and Asia-Pacific divisions; Industry & Specialty consists of the Automotive & Aviation, Elevator Products, Cableteq USA, Industrial and Offshore divisions and the Communications Group comprises the Telecom Solutions, Multimedia and Specials, Americas and Optical Fiber divisions.*

*Draka has 68 operating companies in 31 countries throughout Europe, North and South America, Asia and Australia. Worldwide, the Draka companies employ some 9,400 people. Draka Holding N.V.'s head office is in Amsterdam. In 2009, Draka reported net sales of €2.0 billion and net income of € 48.3 million (excluding non-recurring items).*

*Draka Holding N.V. ordinary shares are listed on NYSE Euronext Amsterdam. The company is included in the Next150 index and the AMX index (Amsterdam Midkap index). Options on Draka shares are also traded on the NYSE Euronext Amsterdam Derivative Markets.*

*More information on Draka Holding N.V. can be found at [www.draka.com](http://www.draka.com).*

### **Forward looking statements**

This announcement includes certain "forward-looking" statements. These statements are based on the current expectations of Prysmian and Draka and are naturally subject to uncertainty and changes and circumstances. Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates" and words of similar impact.