

# Company Presentation

Barclays 7th Clean Technology and SRIInvest Conference  
Zurich - September 10th, 2012



**Prysmian**  
Group



# AGENDA

## ➤ Group Overview & 2012 Outlook

➤ Draka integration

➤ Financial Results

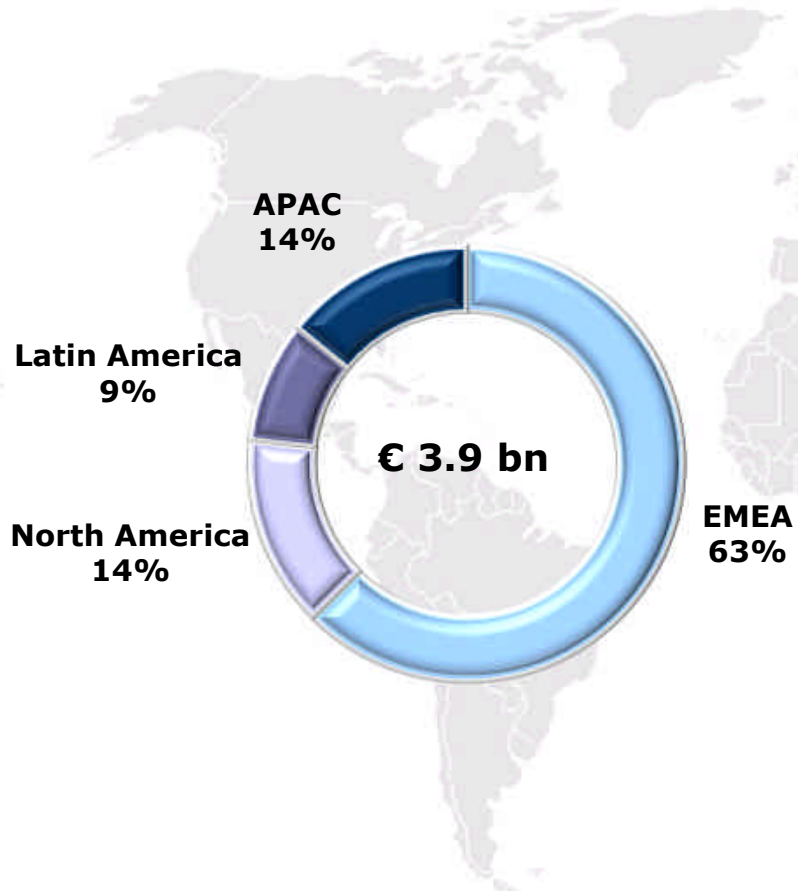
➤ Appendix

# Leading player in all market segments

Consolidated Sales breakdown

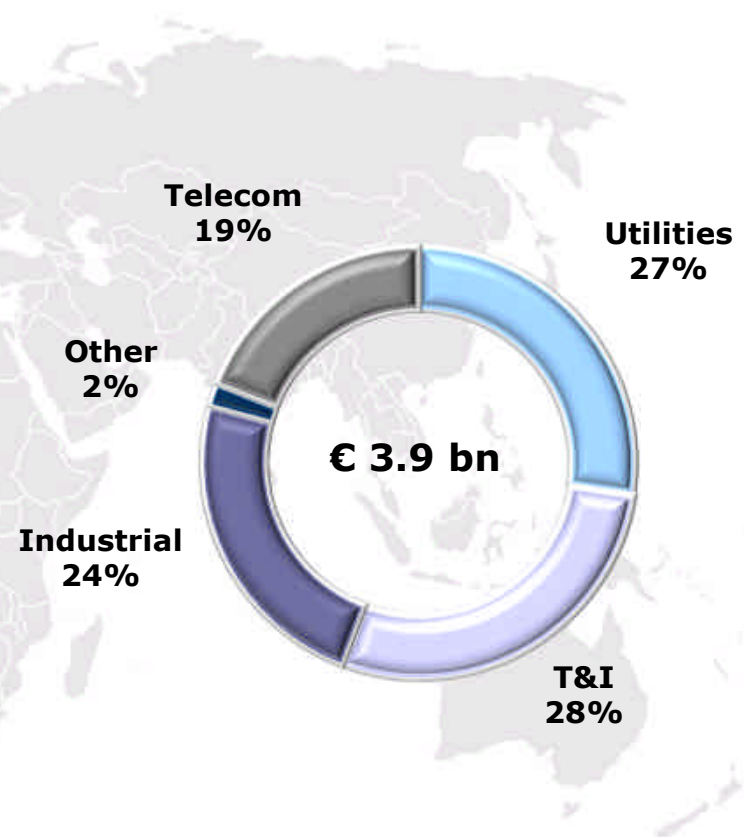
## Sales breakdown by geographical area

H1 2012



## Sales breakdown by business

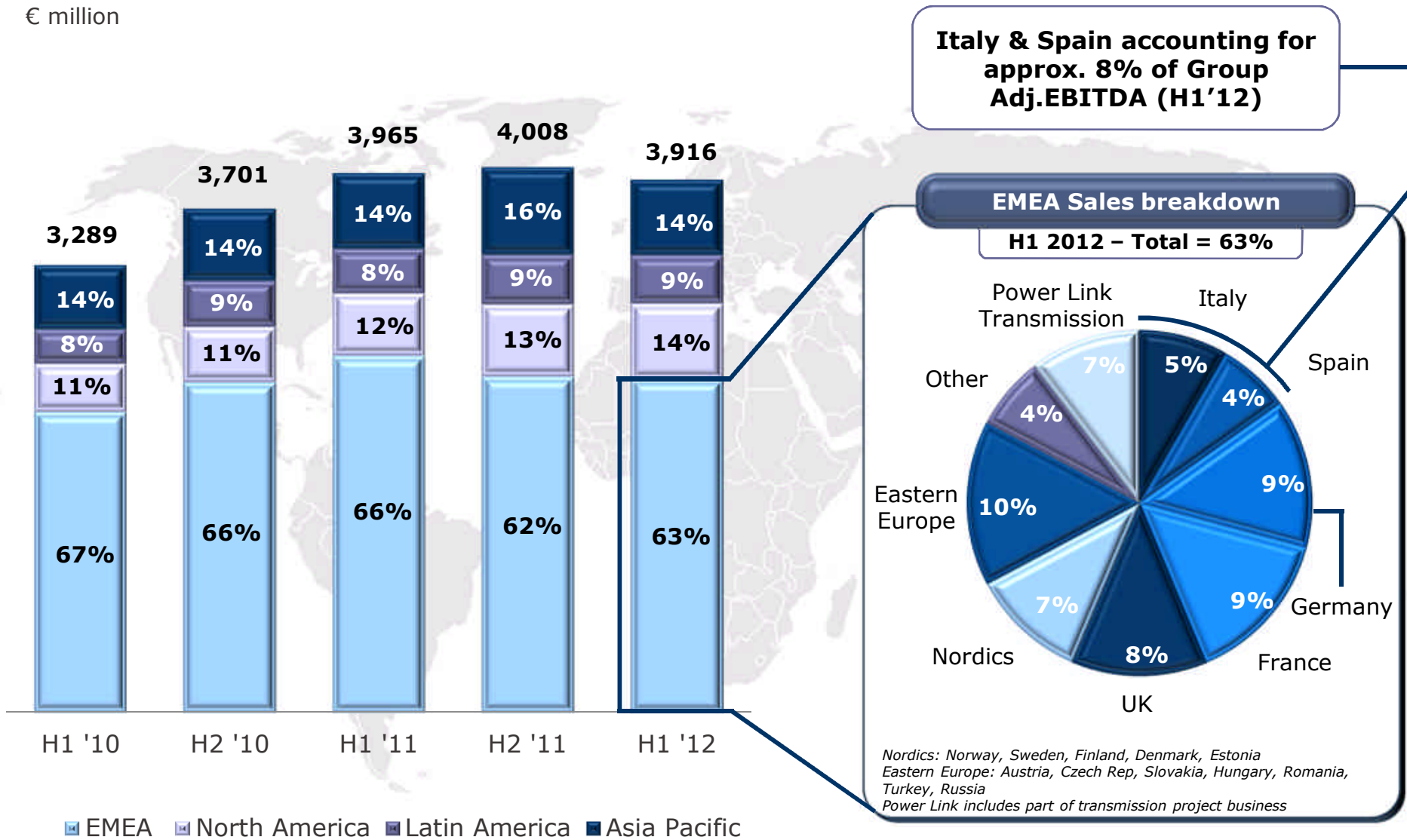
H1 2012



# Sales evolution by geographical area

Improving geographical diversification with a limited exposure to weaker southern European countries

€ million

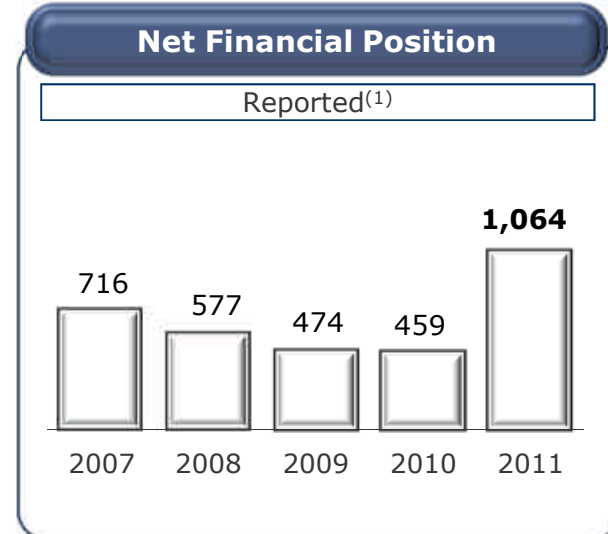
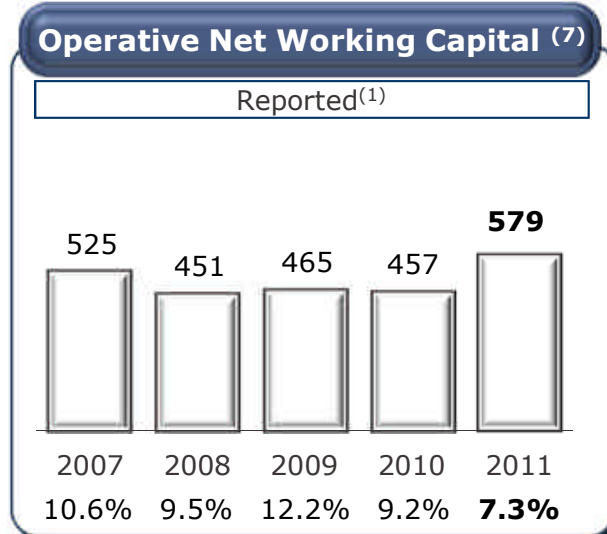
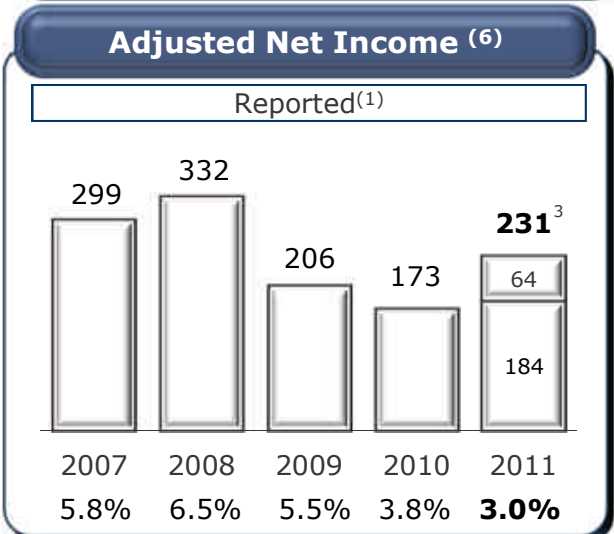
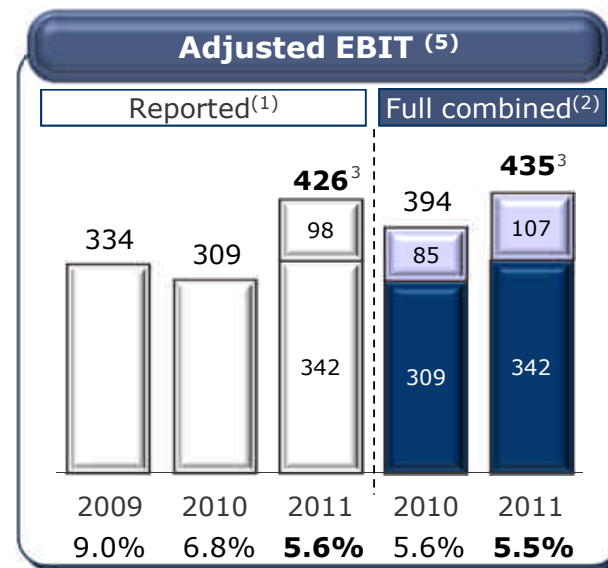
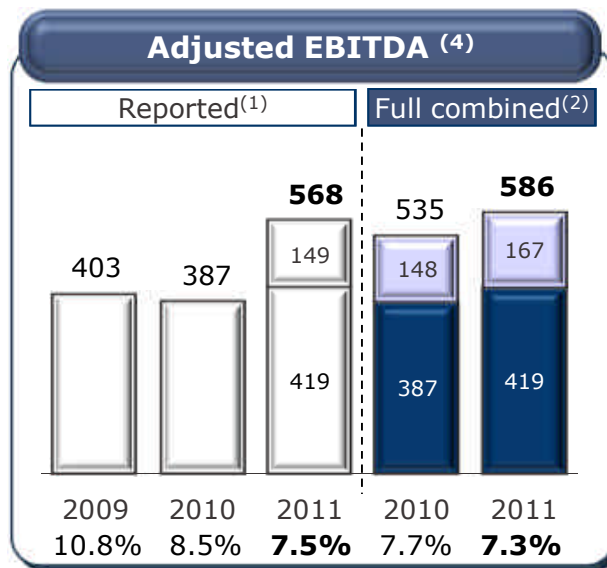
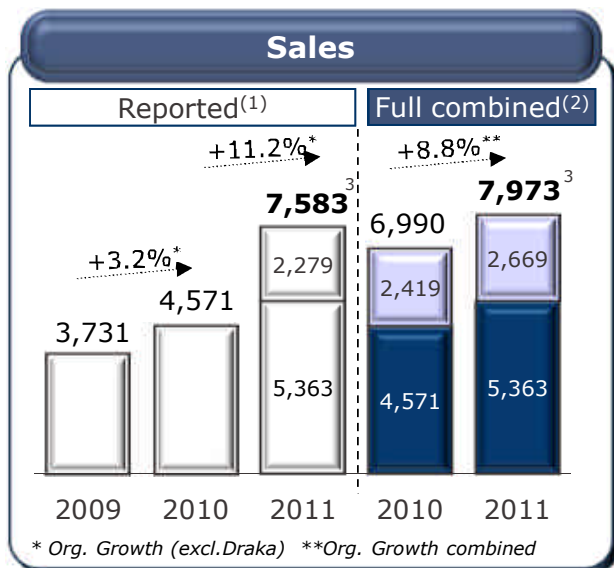


Note: Sales Combined Prysmian + Draka

# FY 2011 Key Financials

Euro Millions, % on Sales

■ Draka  
■ Prysmian

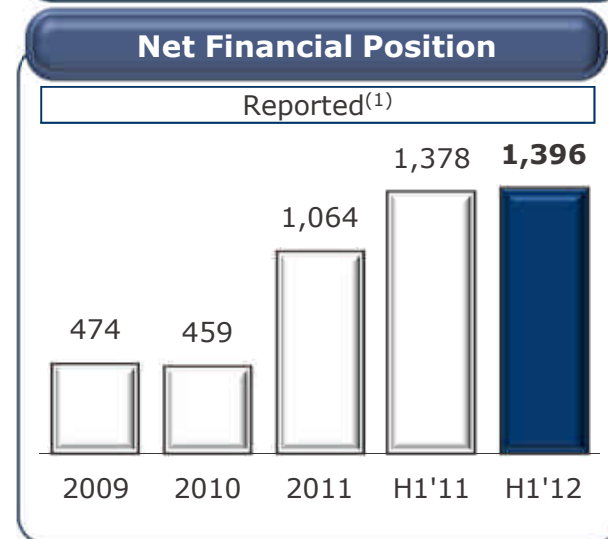
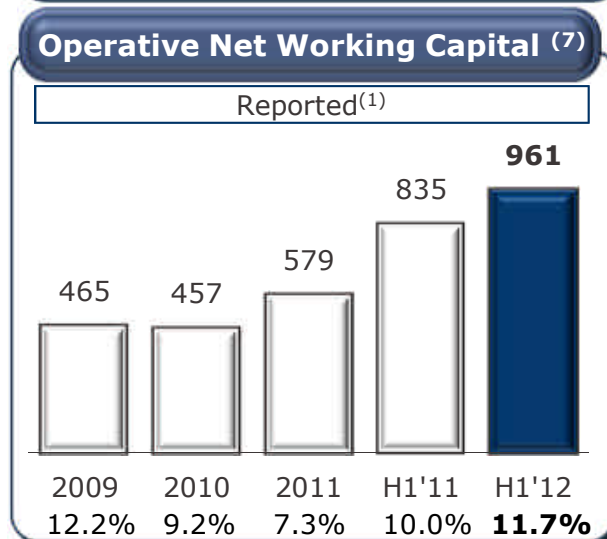
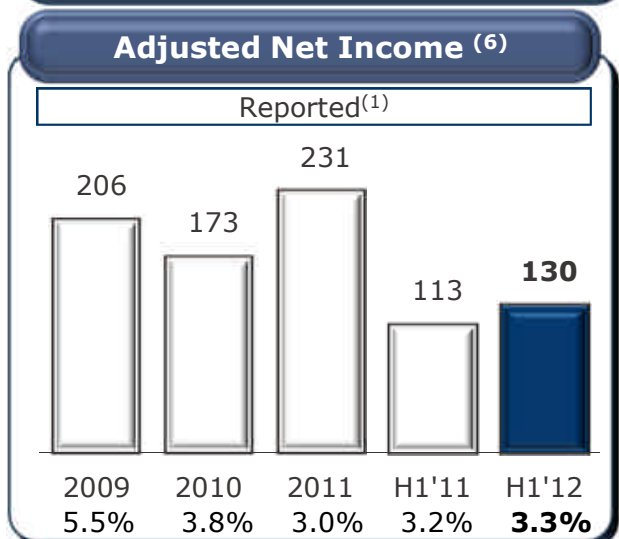
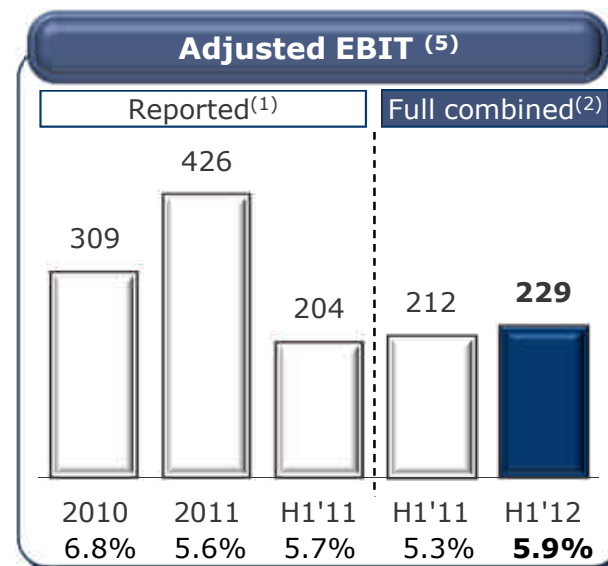
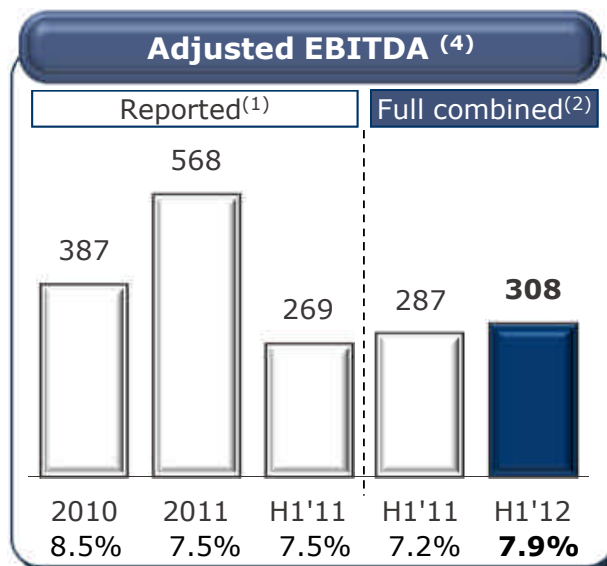
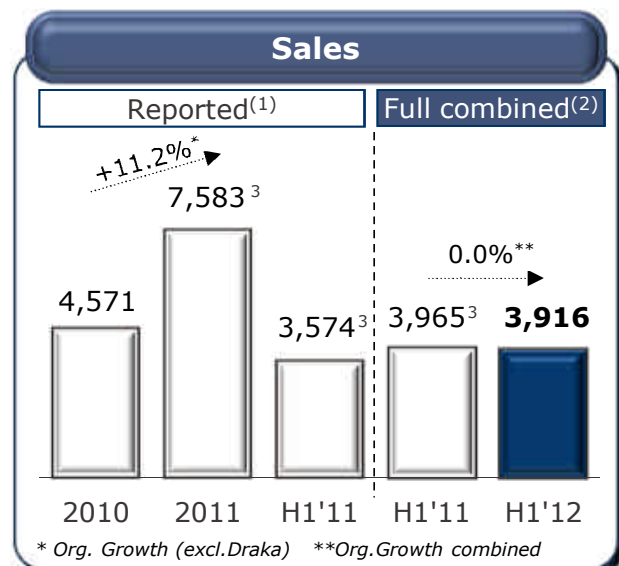


(1) Draka consolidated for the period 1 March 2011 – 31 December 2011; (2) Draka consolidated for the period 1 January – 31 December; (3) Includes consolidation adjustments; (4) Adjusted excluding non-recurring income/expenses; (5) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (6) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (7) Operative Net Working Capital defined as Net Working Capital excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales



# H1 2012 Key Financials

Euro Millions, % on Sales

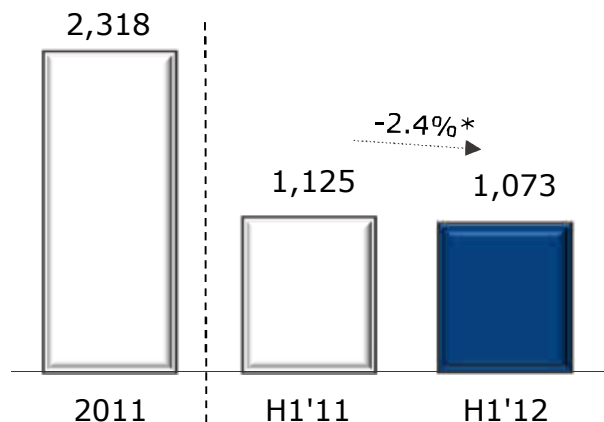


(1) Reported figures include Draka Group's results since 1 March 2011; (2) Full combined figures include Draka Group's results for the period 1 January - 30 June; (3) Includes consolidation adjustments; (4) Adjusted excluding non-recurring income/expenses; (5) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (6) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (7) Operative Net Working capital defined as NWC excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

# Utilities

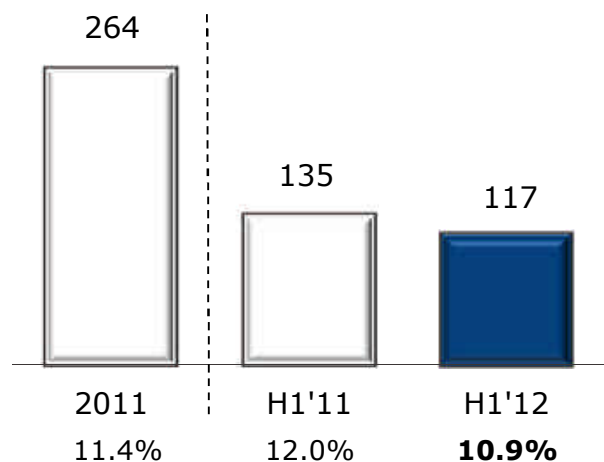
Euro Millions, % of Sales – Full Combined Results

## Sales to Third Parties



\* Organic Growth

## Adjusted EBITDA <sup>(1)</sup>



(1) Adjusted excluding non-recurring income/expenses

## Highlights

### DISTRIBUTION

- Seasonality increase in Q2'12 vs Q1'12 but still lower volumes vs H1'11. Volume stabilizing at H1'12 level with no recovery expected in H2
  - Continuous weak demand in central and south of Europe (e.g. Germany and Italy)
  - North and South America keeping a positive trend in volume and profitability
- Lower non-metal raw material prices expected to sustain margins in H2
- Introduction of new high-tech solutions for smart grid to improve grid's reliability and efficiency

### TRANSMISSION – HV

- Stable pricing in high-end projects but 2012 margins impacted by projects awarded in 2009/10 at low prices
- FY 2012 results already in the order-book. Major profitability contribution expected in H2
- First signs of recovery in US demand with new projects awarded in H1 (e.g. Chicago)
- Better capacity saturation (US and Europe) and focus on high-end projects to sustain profitability

### TRANSMISSION – Submarine

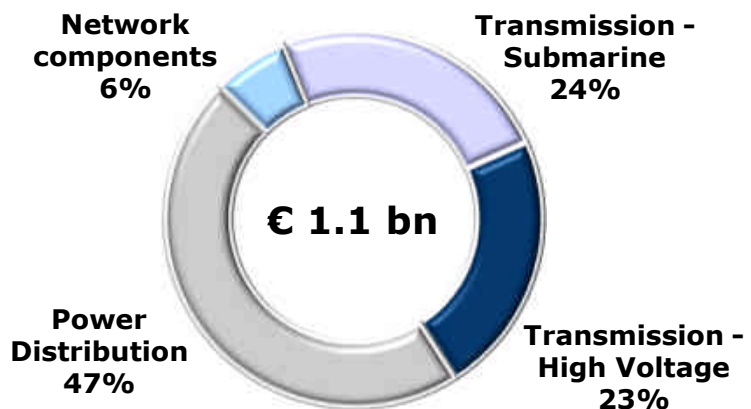
- Sound tendering activity to strengthen next quarters order-book
- Off-shore wind-farms achieved almost 50% of submarine backlog
- Growing grids investments in Asean region (e.g. first project awarded in Vietnam)
- High double digit sales growth in inter-array. Norwegian plant running at full capacity
- Execution as key asset to strengthen long term leadership and track record

# Utilities – Transmission

Record Order-book despite European outlook confirms commitment on renewables and interconnections

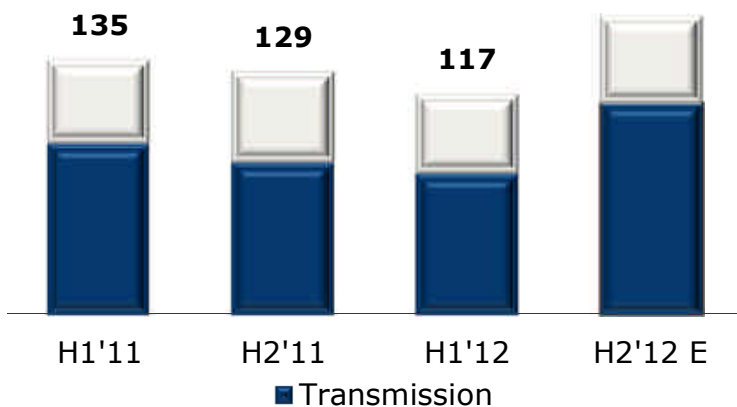
## Sales breakdown

H1 2012



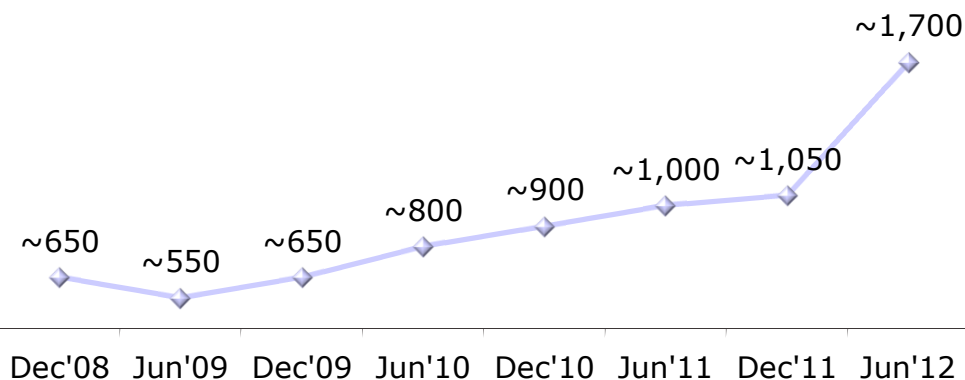
## Utilities Adj.EBITDA (€ mln)

Transmission recovery in H2



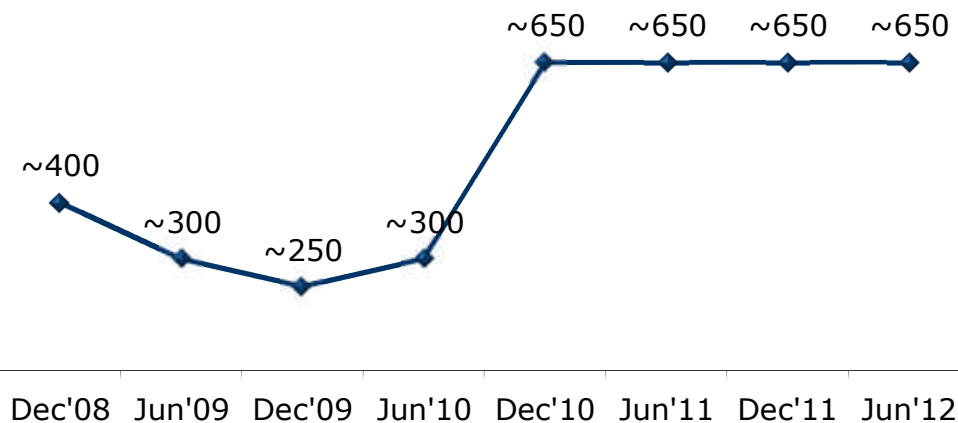
## Orders Backlog Evolution

Submarine (€ million)



## Orders Backlog Evolution

High Voltage (€ million)

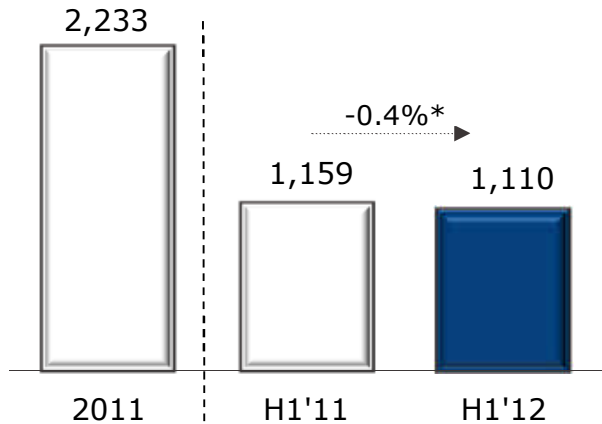




# Trade & Installers

Euro Millions, % of Sales – Full Combined Results

## Sales to Third Parties

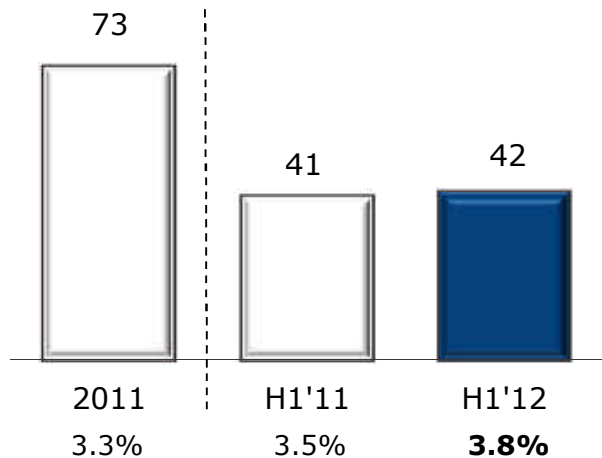


\* Organic Growth

## Highlights

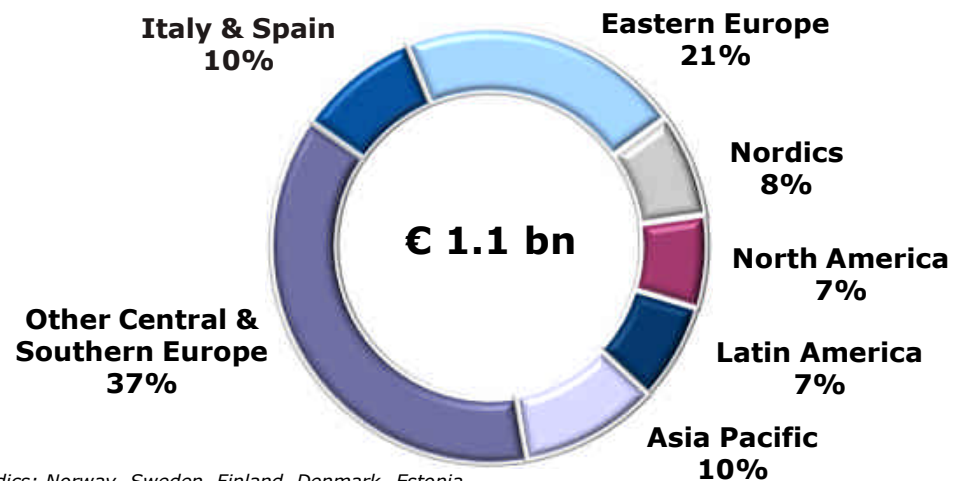
- Continuous weak demand in Europe partially offset by extra-European countries
  - Europe: further deterioration in Central and South Europe (e.g. Italy and Spain) not expected to recover through the year. Slight improvement in UK and Eastern Europe
  - Ongoing volume recovery in North America driving better price
  - Positive volume trend in South America and Asia (e.g. Australia and HK)
- Production capacity rationalization in Europe already started

## Adjusted EBITDA <sup>(1)</sup>



(1) Adjusted excluding non-recurring income/expenses

## Sales breakdown



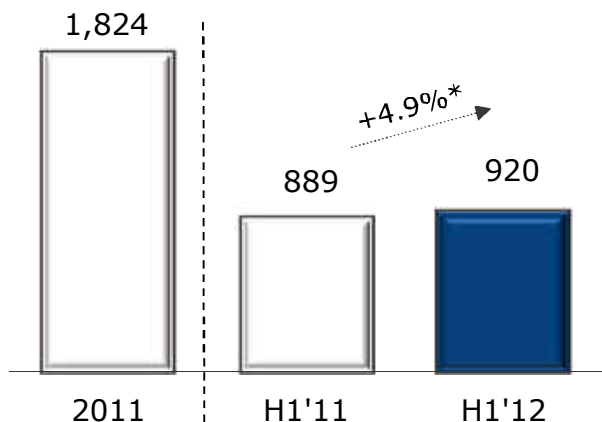
Nordics: Norway, Sweden, Finland, Denmark, Estonia

Eastern Europe: Austria, Czech Rep, Slovakia, Hungary, Romania, Turkey, Russia

# Industrial

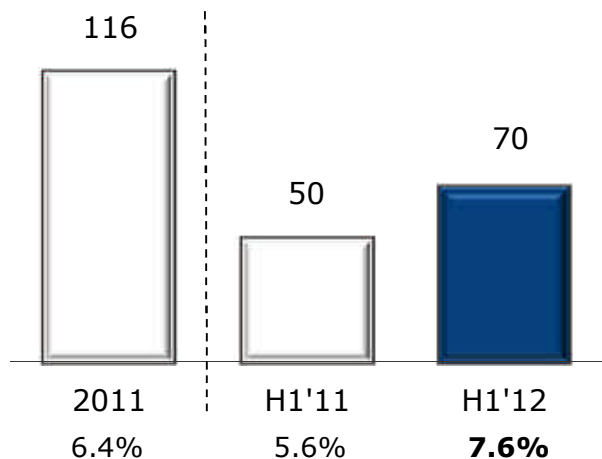
Euro Millions, % of Sales – Full Combined Results

## Sales to Third Parties



\* Organic Growth

## Adjusted EBITDA <sup>(1)</sup>



(1) Adjusted excluding non-recurring income/expenses

## Highlights

### OGP

- Sales and profitability increase in H1. Growing order-book in Offshore driven by North Sea, Middle East and Australia to sustain positive sales trend in H2

### SURF

- H1 results in line with targets. Order-book mainly loaded in H2
  - **Flexible pipes:** higher deliveries expected in H2 extending coverage on Petrobras oilfields (5 new oilfields). Growing order-book expected during the year also driven by 6.0" qualification
  - **Umbilicals:** low volume in H1 due to Petrobras installation backlog; higher contribution expected in H2. Growing exposure to West Africa with first delivery in H2 (Nigeria)
  - Growing sales in **DHT** expected to continue based on higher order-book

### Renewable

- Keeping a positive trend in sales thanks to North America and Germany. Growing demand in South America and Australia

### Automotive

- Weak demand in Europe offset by growing volume in Apac, North and South America. Stable sales and profitability

### Elevator

- Growing sales and profitability supported by strong order-book in US. Increasing exposure to the large Asian and European markets

### Specialties & OEM

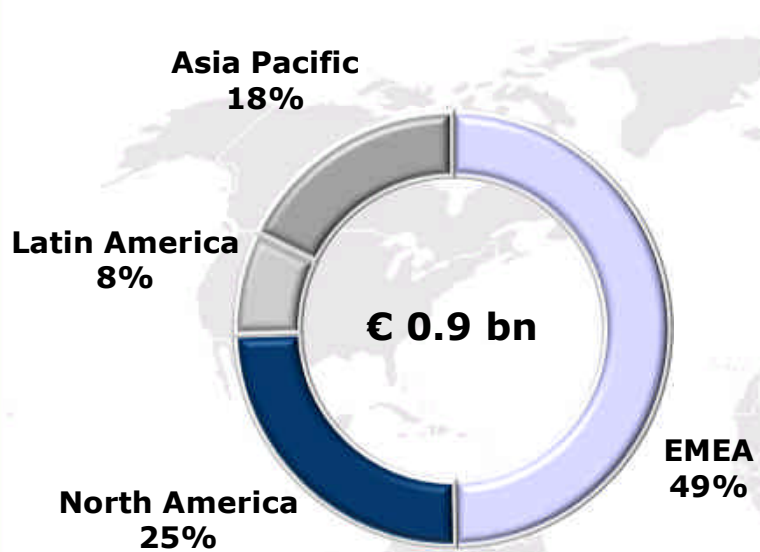
- Slight increase in volume in all regions except Central and South of Europe

# Industrial

## Sales breakdown

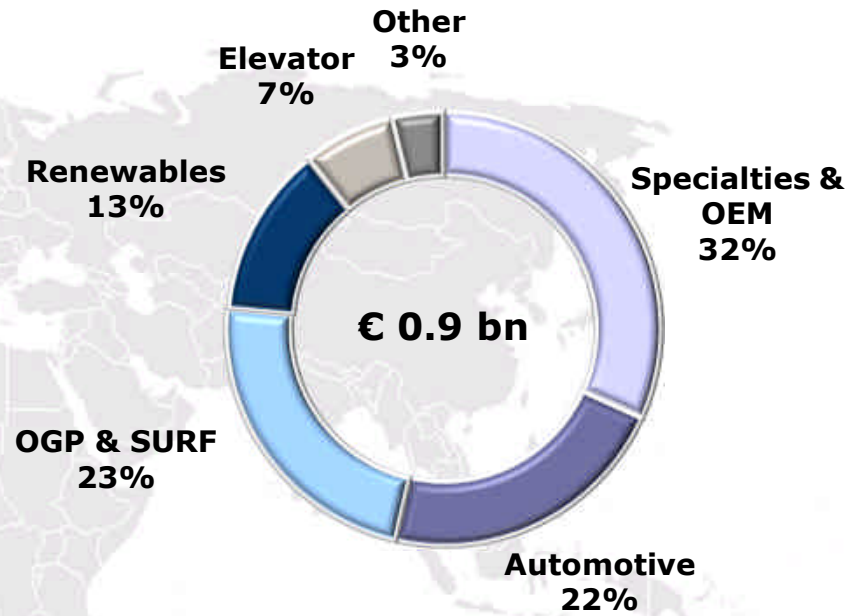
### Sales breakdown by geographical area

H1 2012



### Sales breakdown by business segment

H1 2012



Sound geographical diversification

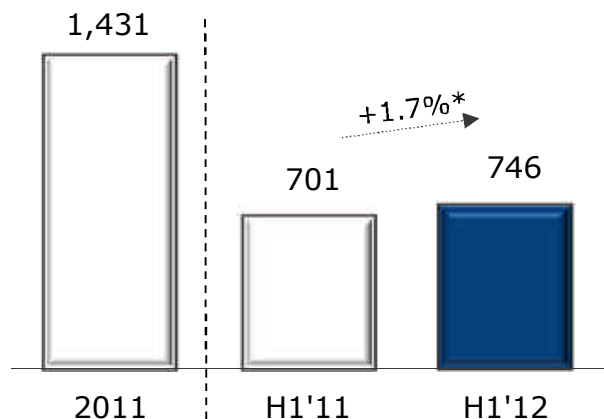
Strong presence in all market segments



# Telecom

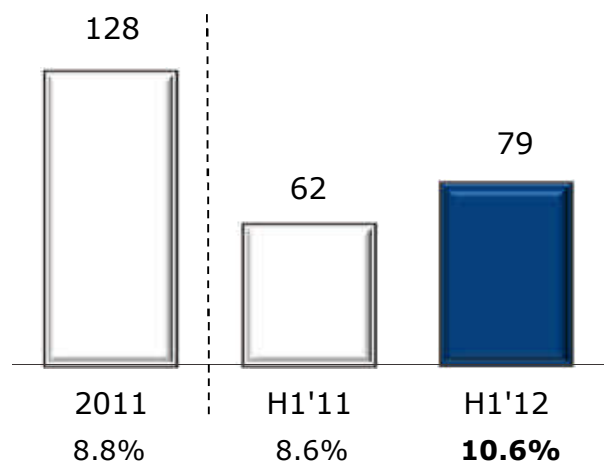
Euro Millions, % of Sales – Full Combined Results

## Sales to Third Parties



\* Organic Growth

## Adjusted EBITDA (1)



(1) Adjusted excluding non-recurring income/expenses

## Highlights

### Optical / Fiber

- Continuous positive trend in global demand driven by extra-European markets
  - **Europe:** growing volume only in UK and Eastern Europe, stable for most of the other countries. No major investments expected in the region through the year
  - **North America:** higher sales with better profitability thanks to operating leverage and industrial efficiencies
  - **Australia:** NBN deliveries restarted end of Q2. Demand expected to grow in H2
  - **Brazil:** becoming major contributor in profitability. Large investments planned for next years also supported by stimulus packages
  - **China:** strong demand driven by new backbone and metropolitan ring
- Higher capacity utilization and lower production costs supporting profitability improvement

### Multimedia & Specials

- Better pricing and profitability
- Sound demand for new data centres expected to continue in all regions. Leadership position in main European countries (e.g. Germany, France, UK and Nordics) but still limited presence out of Europe.

### OPGW

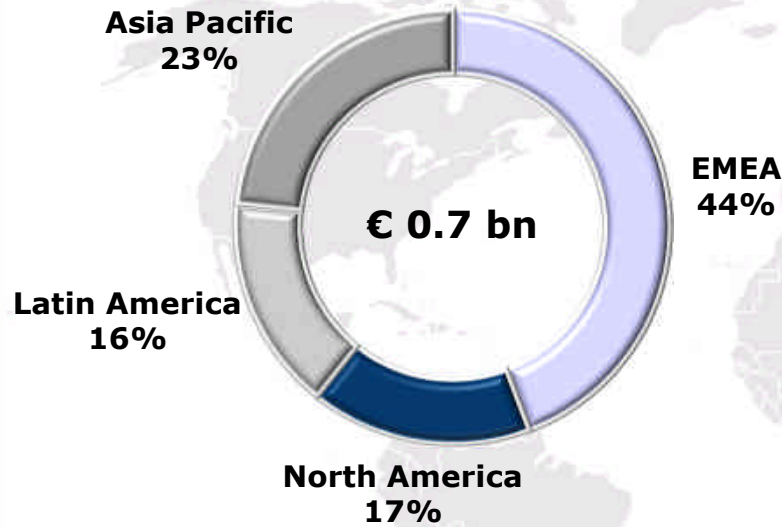
- Positive volume development driven by Europe, Middle East and South America

# Telecom

Sales breakdown

## Sales breakdown by geographical area

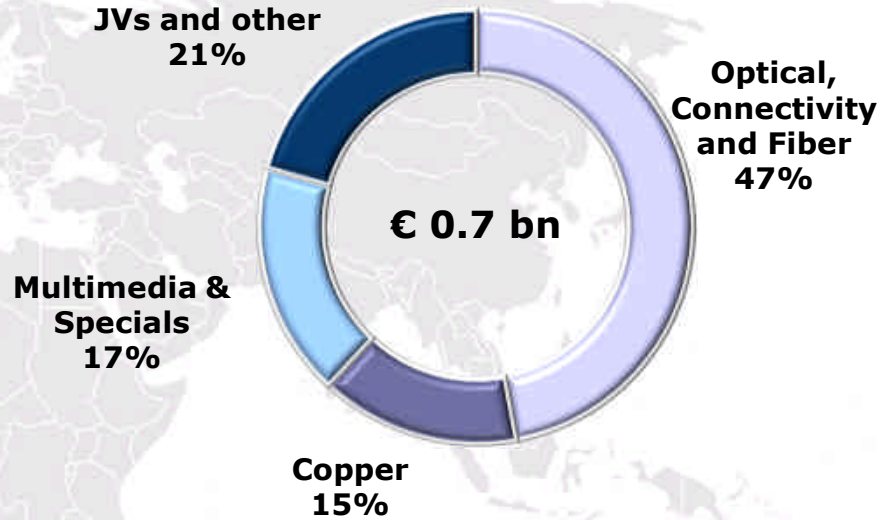
H1 2012



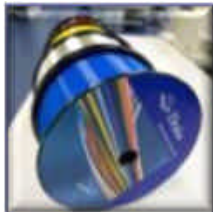
Increased exposure to Asia Pacific

## Sales breakdown by business segment

H1 2012



Leader in optical fiber cables





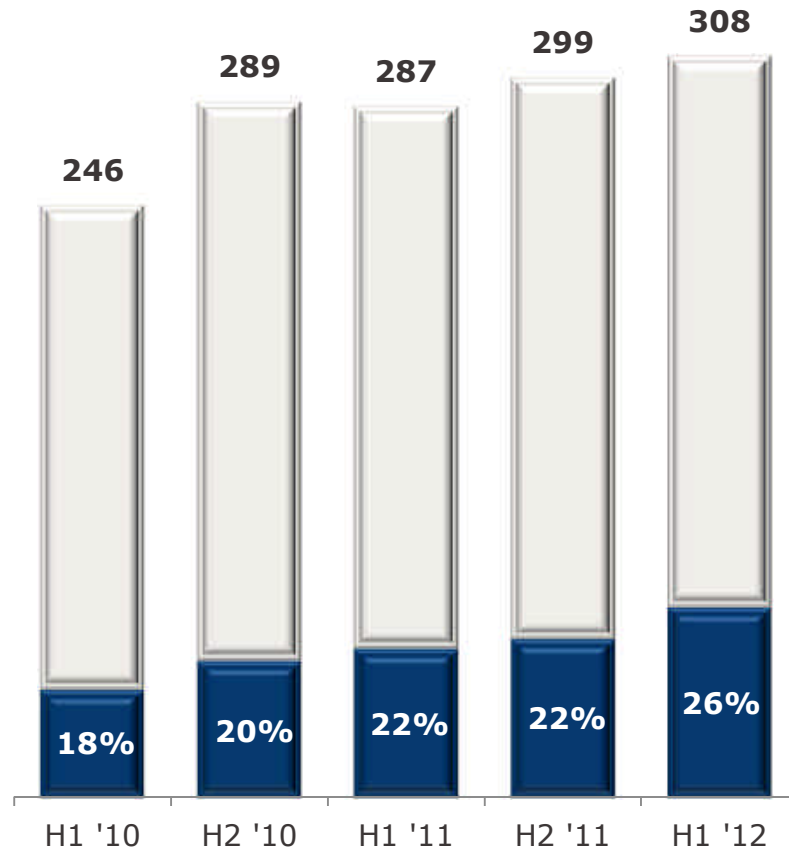
# Telecom

Becoming one of major long term drivers thanks to Draka acquisition

## Increasing weight on total profitability

### Prysmian Group Adj.EBITDA evolution

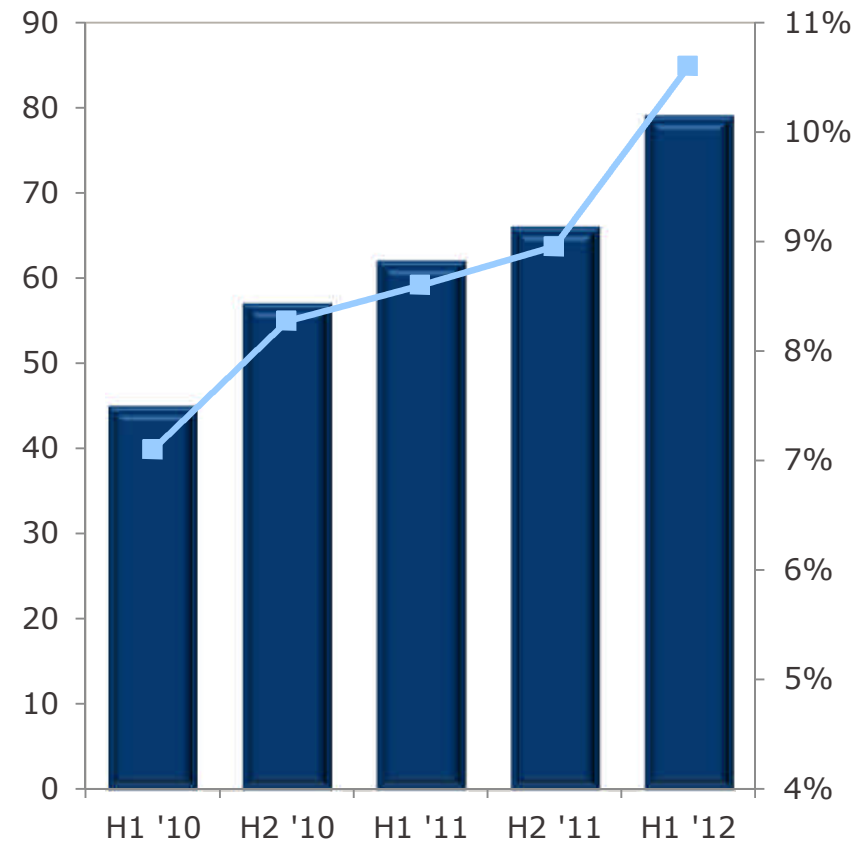
■ Telecom Adj.EBITDA    ■ Energy Adj.EBITDA



Note: Adj.EBITDA Combined Prysmian + Draka

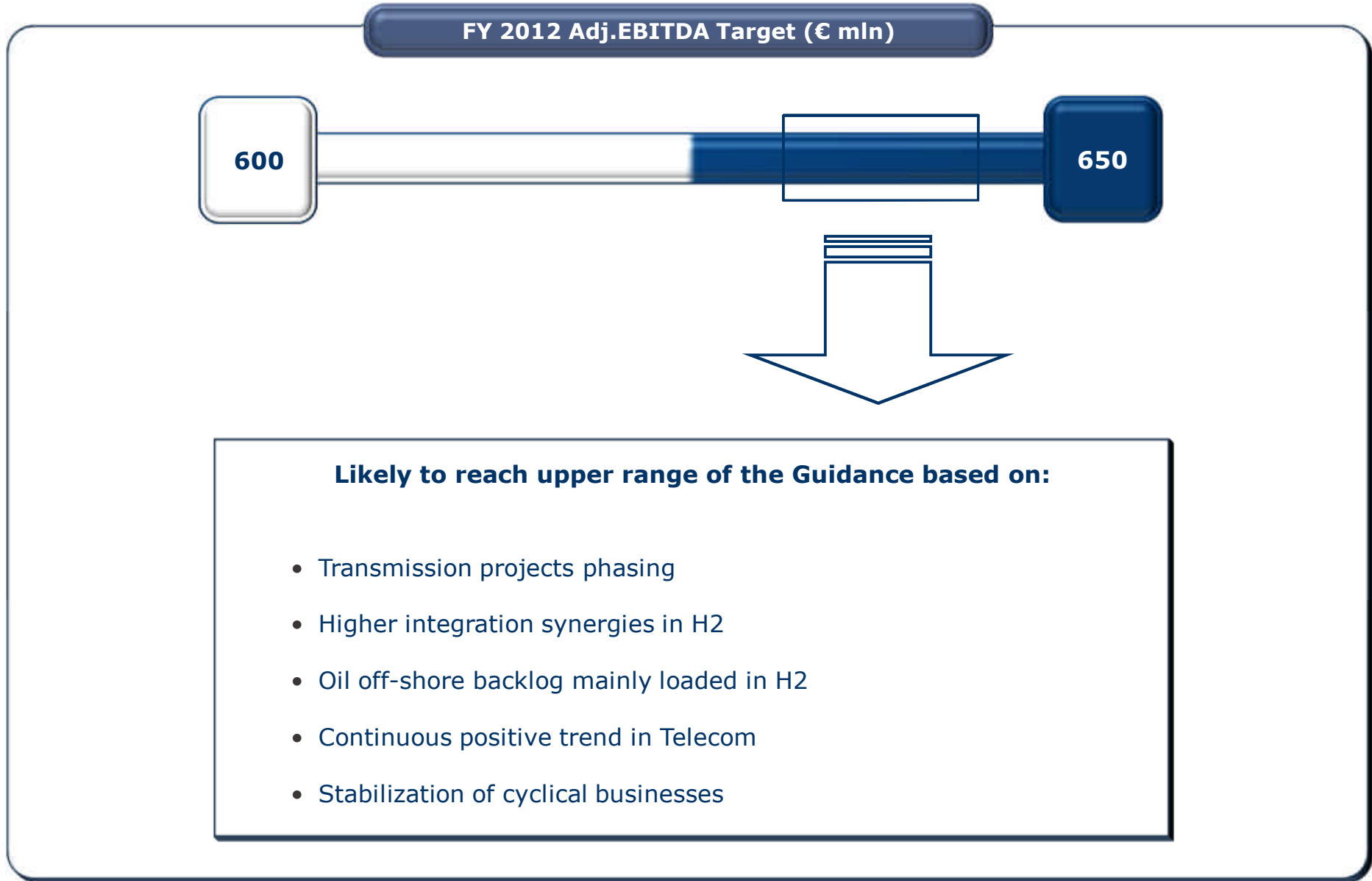
## Steady growth in sales and profitability

■ Telecom Adj.EBITDA (€ mln - L axis)  
 —■— Adj.EBITDA margin (R axis)



Note: Adj.EBITDA Combined Prysmian + Draka

# 2012 Outlook

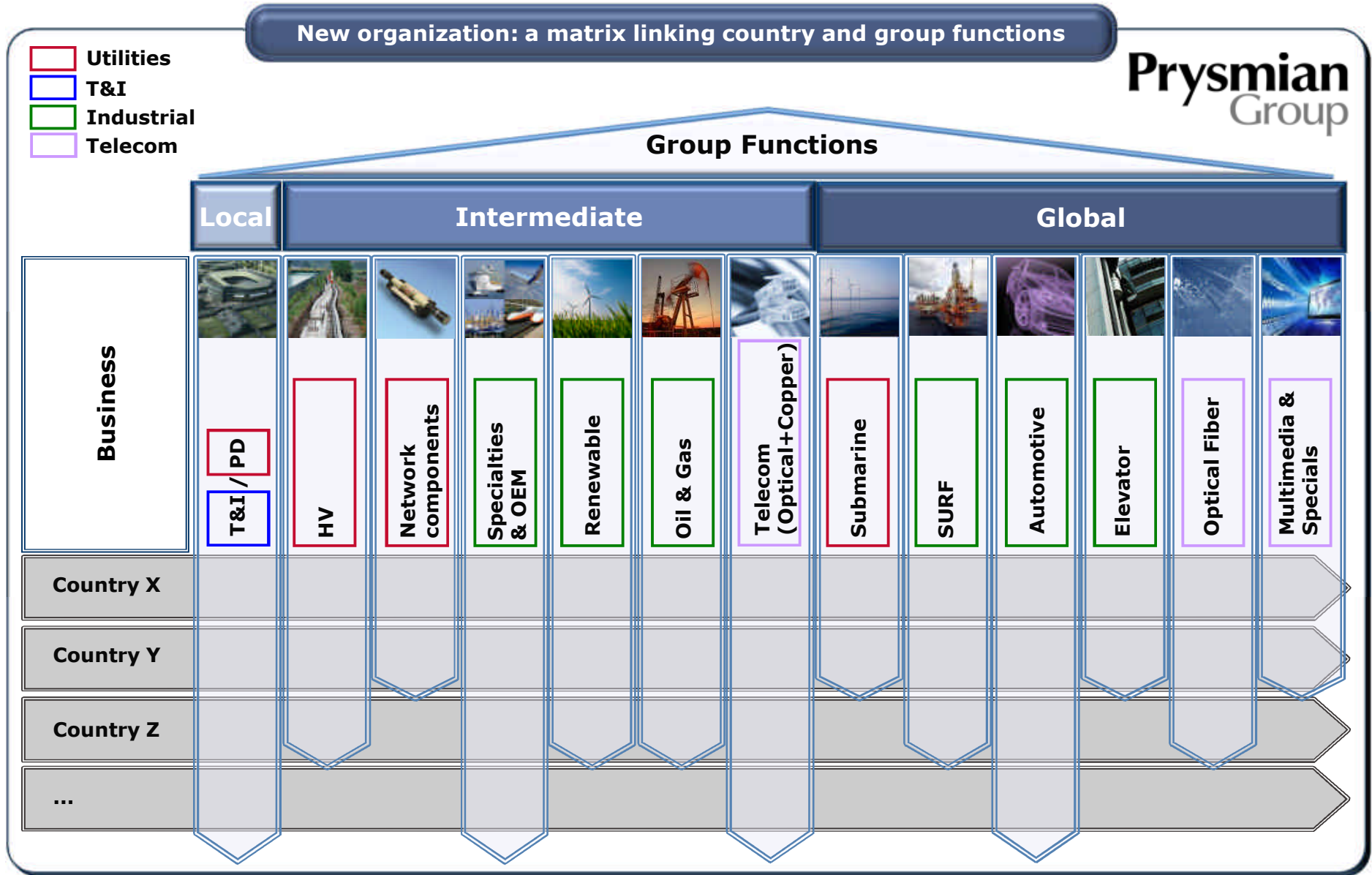


# AGENDA

- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix

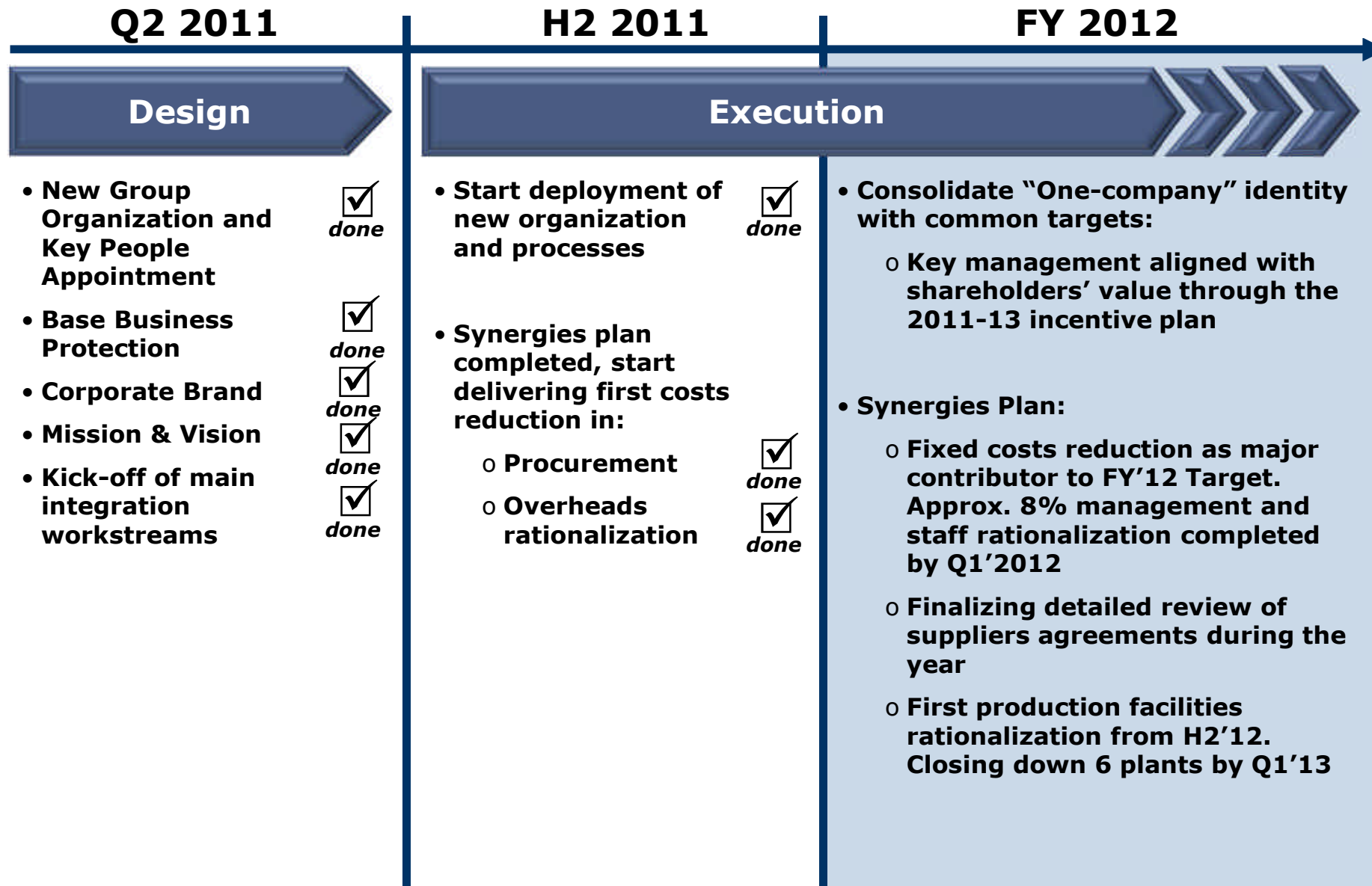
# The new organization model

To strengthen leadership in all business segments leveraging on a global platform



# Integration process update

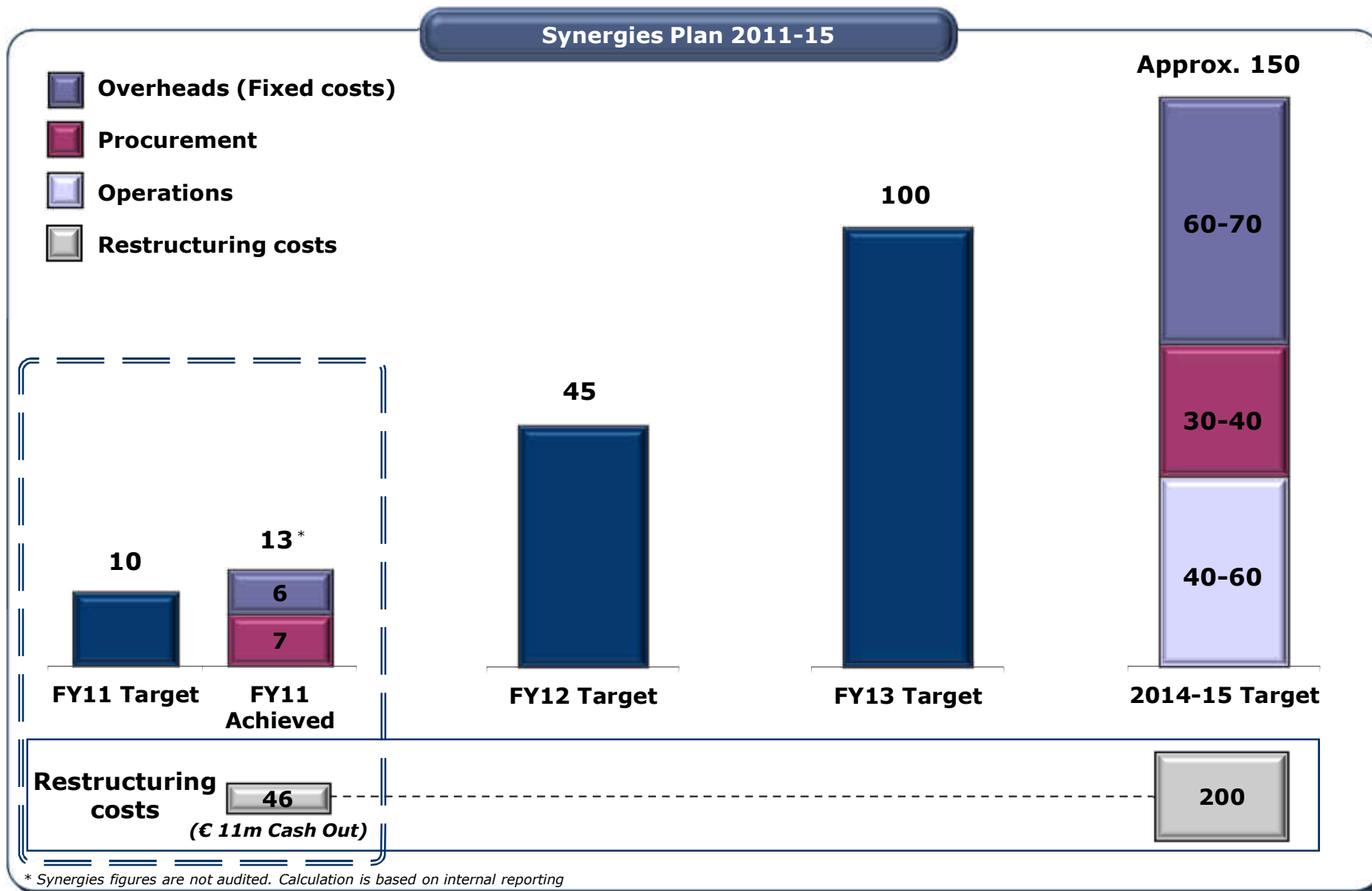
Successful deployment of new organization and common processes





# First year of integration increasing confidence on Synergies Targets

Euro Millions



# AGENDA

- Group Overview & 2012 Outlook
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- **Financial Results**
- Appendix

# Profit and Loss Statement

Euro Millions

	H1 2012	H1 2011 Reported <sup>a)</sup>	H1 2011 Combined <sup>b)</sup>
<b>Sales</b>	<b>3,916</b>	<b>3,574</b>	<b>3,965</b>
<i>YoY total growth</i>	<i>(1.3%) <sup>c)</sup></i>		
<i>YoY organic growth</i>	<i>0.0% <sup>c)</sup></i>		
<b>Adj. EBITDA</b>	<b>308</b>	<b>269</b>	<b>287</b>
<i>% on sales</i>	<i>7.9%</i>	<i>7.5%</i>	<i>7.2%</i>
<i>Non recurring items</i>	<i>(42)</i>	<i>(243)</i>	
<b>EBITDA</b>	<b>266</b>	<b>26</b>	
<i>% on sales</i>	<i>6.8%</i>	<i>0.7%</i>	
<b>Adj. EBIT</b>	<b>229</b>	<b>204</b>	<b>212</b>
<i>% on sales</i>	<i>5.9%</i>	<i>5.7%</i>	<i>5.3%</i>
<i>Non recurring items</i>	<i>(42)</i>	<i>(243)</i>	
<i>Special items</i>	<i>(9)</i>	<i>(33)</i>	
<b>EBIT</b>	<b>178</b>	<b>(72)</b>	
<i>% on sales</i>	<i>4.5%</i>	<i>(2.0%)</i>	
<i>Financial charges</i>	<i>(50)</i>	<i>(58)</i>	
<b>EBT</b>	<b>128</b>	<b>(130)</b>	
<i>% on sales</i>	<i>3.3%</i>	<i>(3.7%)</i>	
Taxes	(38)	(26)	
<i>% on EBT</i>	<i>30.0%</i>	<i>n.m.</i>	
<b>Net income</b>	<b>90</b>	<b>(156)</b>	
<i>Extraordinary items (after tax)</i>	<i>(40)</i>	<i>(269)</i>	
<b>Adj. Net income</b>	<b>130</b>	<b>113</b>	

a) Includes Draka Group's results since 1 March 2011

b) Includes Draka Group's results since 1 January 2011

c) Variation calculated on H1 2011 Combined

# Extraordinary Effects

Euro Millions

	H1 2012	H1 2011 Reported <sup>a)</sup>
Antitrust investigation	(3)	(200)
Restructuring	(27)	(12)
Draka transaction costs	-	(6)
Draka integration costs	(3)	(6)
Draka change of control effects	-	(2)
Inventory step-up (PPA)	-	(14)
Other	(9)	(3)
<b>EBITDA adjustments</b>	<b>(42)</b>	<b>(243)</b>
Special items	(9)	(33)
Gain/(loss) on metal derivatives	1	(33)
Assets impairment	(1)	-
Other	(9)	-
<b>EBIT adjustments</b>	<b>(51)</b>	<b>(276)</b>
Gain/(Loss) on other derivatives <sup>(1)</sup>	22	12
Gain/(Loss) exchange rate	(21)	(21)
Other one-off financial Income/exp.	(2)	-
<b>EBT adjustments</b>	<b>(52)</b>	<b>(285)</b>
Tax	12	16
<b>Net Income adjustments</b>	<b>(40)</b>	<b>(269)</b>

## Notes

(1) Includes currency and interest derivatives

a) Includes Draka Group's results since 1 March 2011

# Financial Charges

Euro Millions

	H1 2012	H1 2011 Reported <sup>a)</sup>
<b>Net interest expenses</b>	<b>(52)</b>	<b>(47)</b>
Bank fees Amortization	(5)	(6)
Gain/(loss) on exchange rates	(21)	(21)
Gain/(loss) on derivatives <sup>(1)</sup>	22	12
Non recurring effects	(2)	-
<b>Net financial charges</b>	<b>(58)</b>	<b>(62)</b>
Share in net income of associates	8	4
<b>Total financial charges</b>	<b>(50)</b>	<b>(58)</b>

## Notes

*(1) Includes currency and interest derivatives*

*a) Includes Draka Group's results since 1 March 2011*



# Statement of financial position (Balance Sheet)

Euro Millions

	30 June '12	30 June '11	31 December '11
Net fixed assets	2,264	2,201	2,255
<i>of which: intangible assets</i>	619	593	618
<i>of which: property, plants &amp; equipment</i>	1,549	1,535	1,544
Net working capital	934	865	552
<i>of which: derivatives assets/(liabilities)</i>	(27)	30	(27)
<i>of which: Operative Net working capital</i>	961	835	579
Provisions & deferred taxes	(369)	(357)	(371)
<b>Net Capital Employed</b>	<b>2,829</b>	<b>2,709</b>	<b>2,436</b>
Employee provisions	308	234	268
Shareholders' equity	1,125	1,097	1,104
<i>of which: attributable to minority interest</i>	52	67	62
Net financial position	1,396	1,378	1,064
<b>Total Financing and Equity</b>	<b>2,829</b>	<b>2,709</b>	<b>2,436</b>

# Cash Flow

Euro Millions

	H1 2012	H1 2011 Combined <sup>a)</sup>
<b>Adj.EBITDA</b>	<b>308</b>	<b>287</b>
Non recurring items	(42)	(248)
<b>EBITDA</b>	<b>266</b>	<b>39</b>
Net Change in provisions & others	(8)	175
Release of inventory step-up	-	14
<b>Cash flow from operations (before WC changes)</b>	<b>258</b>	<b>228</b>
Working Capital changes	(359)	(199)
Paid Income Taxes	(32)	(38)
<b>Cash flow from operations</b>	<b>(133)</b>	<b>(9)</b>
Acquisitions	(35)	(501)
Net Operative CAPEX	(63)	(51)
Net Financial CAPEX	6	4
<b>Free Cash Flow (unlevered)</b>	<b>(225)</b>	<b>(557)</b>
Financial charges	(76)	(91)
<b>Free Cash Flow (levered)</b>	<b>(301)</b>	<b>(648)</b>
<b>Free Cash Flow (levered) excl. acquisitions</b>	<b>(266)</b>	<b>(147)</b>
Dividends	(45)	(36)
Other Equity movements	-	1
<b>Net Cash Flow</b>	<b>(346)</b>	<b>(683)</b>
<b>NFP beginning of the period</b>	<b>(1,064)</b>	<b>(732)</b>
Net cash flow	(346)	(683)
Other variations	14	37
<b>NFP end of the period</b>	<b>(1,396)</b>	<b>(1,378)</b>

a) Includes Draka Group's results since 1 January 2011

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## Full support from Draka shareholders to the new Prysmian industrial project

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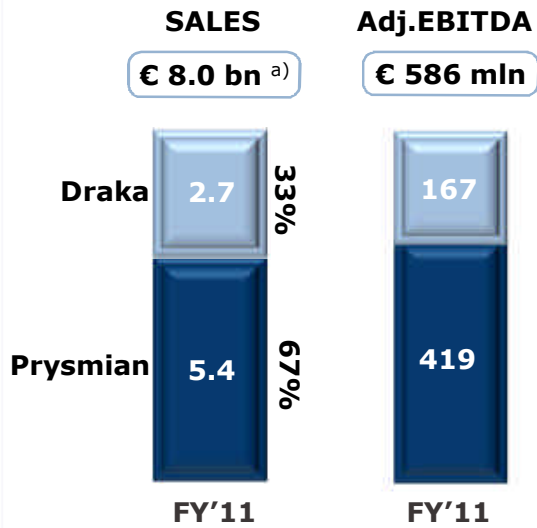
- **99.0% of Draka ordinary shares tendered (48,257,719 shares)**
  - 90.4% tendered during the Offer Period (06 Jan '11 – 03 Feb '11). Settlement on the 22nd of February
  - 8.6% tendered during the Post Closing Acceptance Period (09 Feb '11 – 22 Feb '11). Settlement on the 8th of March
- **Prysmian capital increase of 31,824,570 shares**
  - 29,059,677 on the first settlement (22nd of February)
  - 2,764,893 on the second settlement (8th of March)
- **New Prysmian total share capital of 214,430,972<sup>a)</sup> shares**
- **First consolidation of Draka since 1st March 2011**
- **Delisting of Draka shares from NYSE Euronext Amsterdam on 7 April 2011**
- **Squeeze-out procedure successfully completed in February 2012**



*a) As of 1 September 2012, including treasury shares (3,039,169)*

# The new global market leader

## Combined Financials



(1) Includes consolidation adjustments

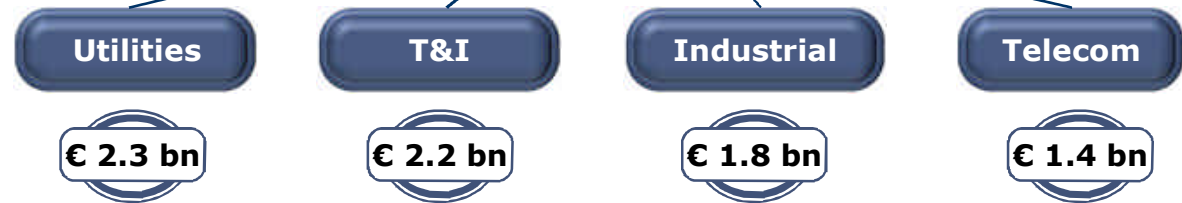


**Global presence:**

- 50 countries
- 97 plants
- 22,000 people
- 17 R&D centres

## Leader in the cable industry

Sales 2011: €8.0 bn <sup>(1)</sup>



Leading

Leading

Leading

Leading

(1) Includes: Other Energy Business

# Transaction Rationale

---

**Creation of a World's Leading Cables & Systems Company**

**Unique and Highly Complementary Combination, with Increased Coverage of Emerging Markets**

**Strengthened Leadership in All Value Added Market Segments**

**Significant Synergy Potential**

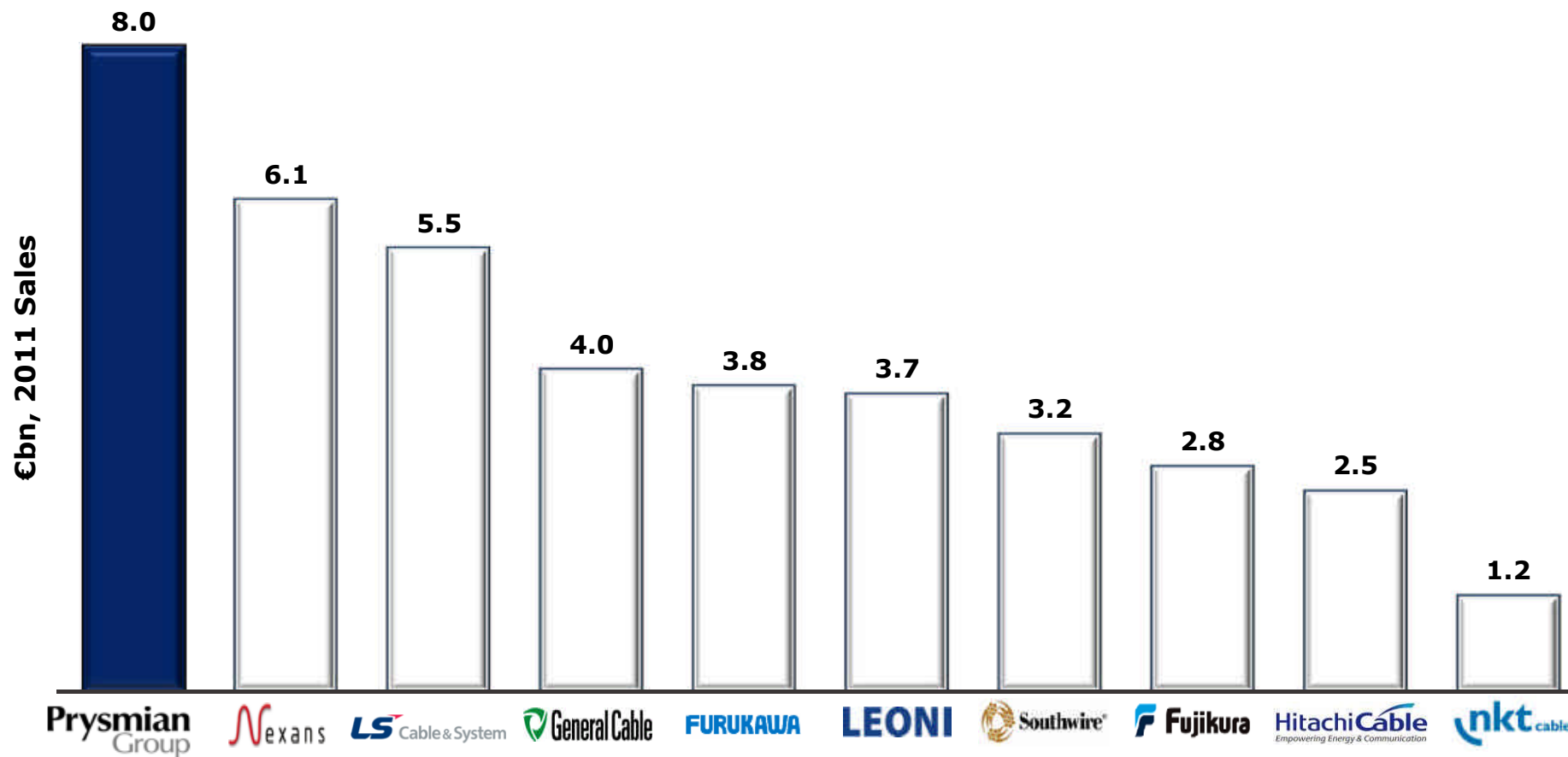
**Strong Platform for Future Organic Growth and Industry Consolidation**



**Significant Value for All Stakeholders**

# Creation of a World's Leading Cables & Systems Company

N°1 in cable solutions for the energy and telecommunication business



Source: Companies' public documents.

Note: Prysmian 2011 Combined figure; Nexans excluding Electrical Wire Segment; General Cable excluding Rod Mill Products; Furukawa considering only Telecommunications and Energy & Industrial Products segments, LTM figures as of 31-Dec-2011; Southwire as of December 2010; Furukura considering only Telecommunications and Metal Cable & Systems segments, LTM figures as of 31-Dec-2011; Hitachi Cable considering Sales to Customers only for Industrial Infrastructure Products, Electronic & Automotive Products and Information Systems Devices & Materials segments, LTM figures as of 31-Dec-2011. All figures are expressed in € based on the average exchange rate of the reference period



# AGENDA

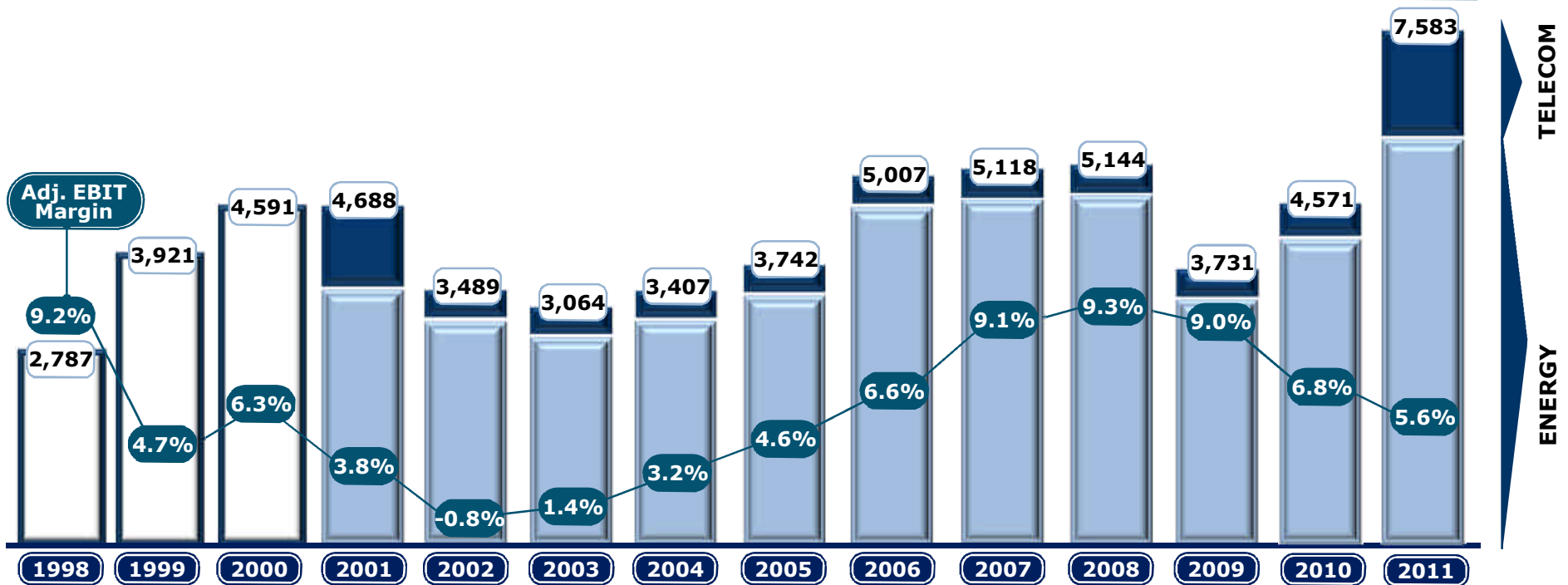
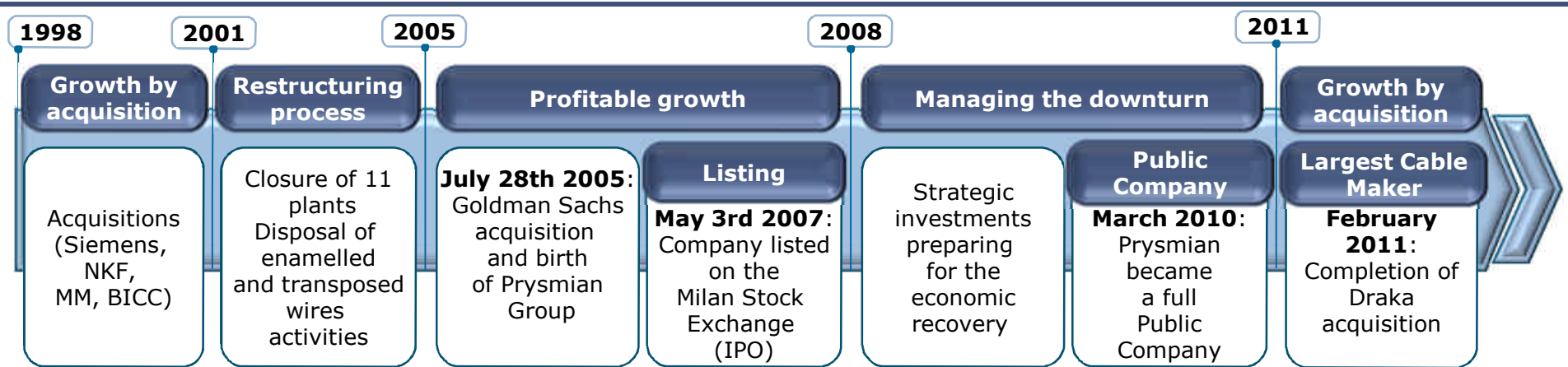
➤ Group Overview & 2012 Outlook

➤ Draka integration

➤ Financial Results

➤ Appendix – Prysmian at a Glance

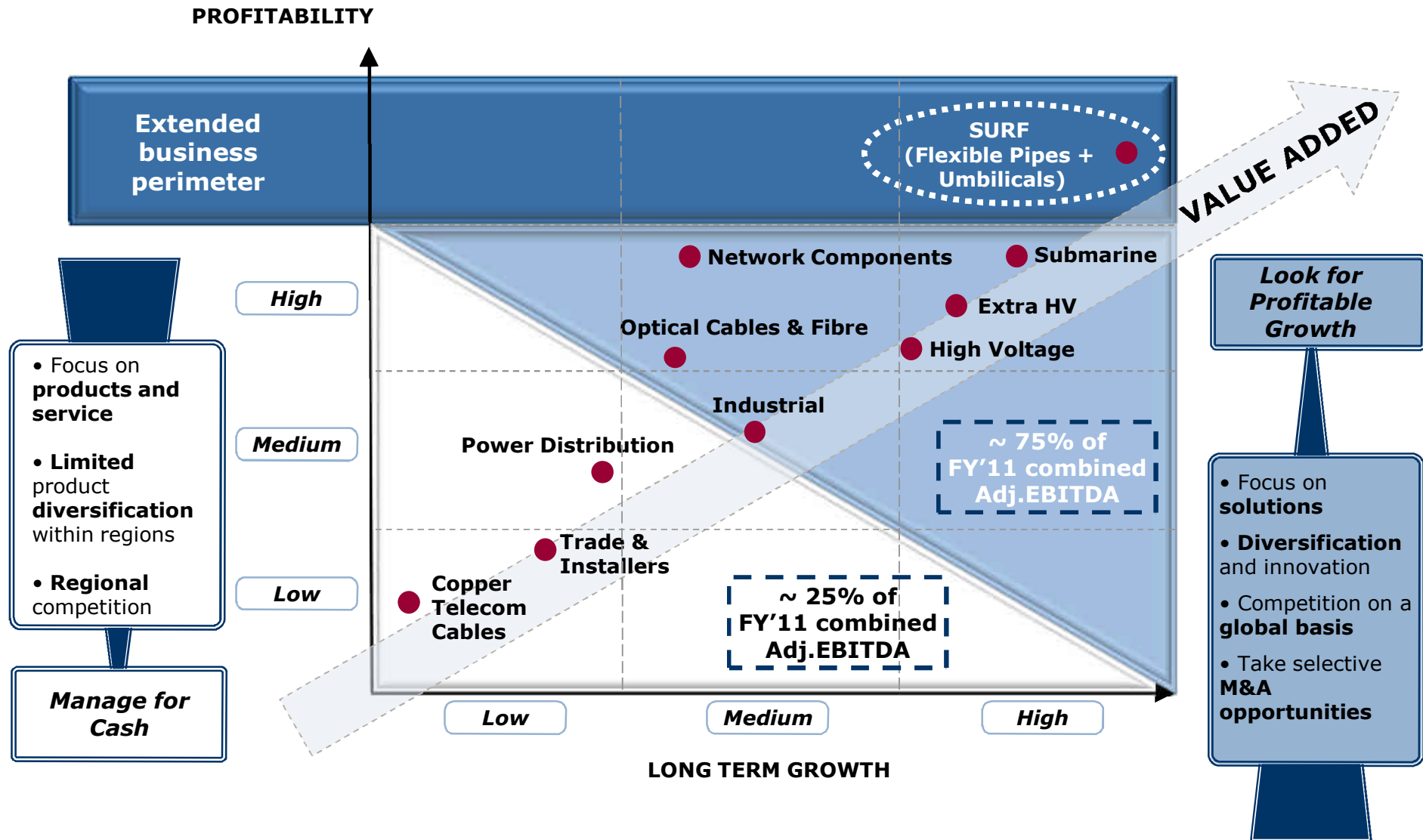
# Key Milestones



Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2011 Prysmian accounts, data reported under IFRS. 2011: Draka included for 10 months

# Prysmian Group business portfolio

Focus on high value added segments



# Increasing exposure to Emerging markets (30% of 2011 sales)

Selective growth in High value added businesses to protect ROCE

## 2011 Combined Sales breakdown by geographical area

	% on tot	€ bn
EMEA	64%	5.1
<i>Of which Eastern Europe</i>	10%	0.8
North America	12%	1.0
Latin America	9%	0.7
Asia Pacific	15%	1.2
<i>Of which APAC excl. Australia</i>	11%	0.9
<b>Total</b>	<b>100%</b>	<b>8.0</b>

### Growth drivers:

- Industrial OGP Off-shore
- Telecom Optical
- Other Industrial (Renewables, Automotive)
- Utilities HV

**Latin America**  
9%

**Eastern Europe\***  
10%

### Growth drivers:

- Telecom (Optical, MMS)
- Utilities HV
- Industrials (Renewables, Mining, Railway, OGP, Automotive)

**Asia Pacific  
(excl. Australia)**  
11%

### Growth drivers:

- Telecom Optical
- Utilities HV
- Industrials (e.g. Renewables, Elevators, OGP)

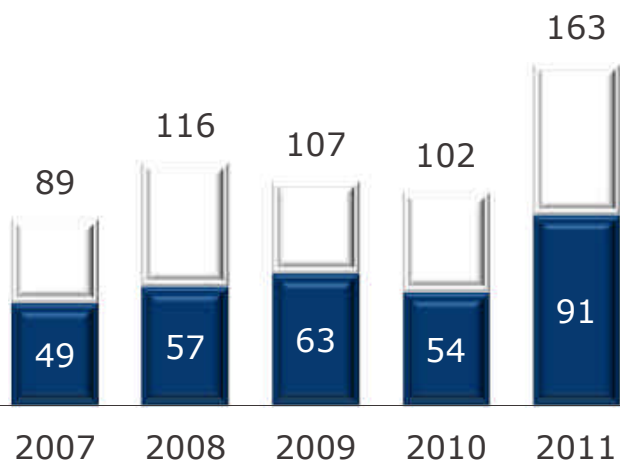
\* Eastern Europe includes Austria, Czech Rep, Slovakia, Hungary, Romania, Turkey, Russia

# Targeting High-tech segments and profitable extra-EU markets

CAPEX evolution in the last 5 years

### Capacity Increase & Product mix <sup>(1)</sup> (€m)

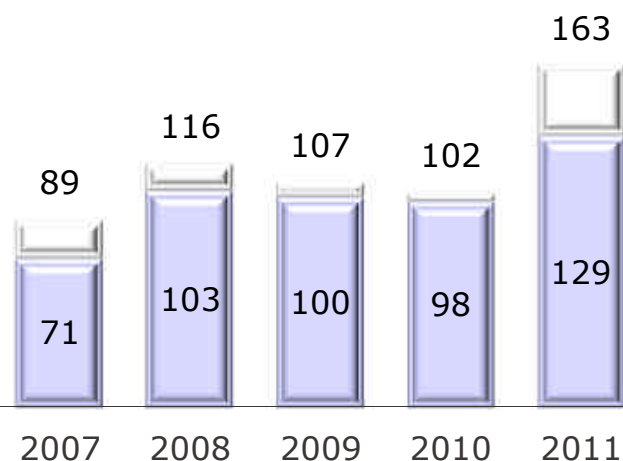
■ Maintenance, Efficiency, IT and R&D  
■ Capacity Increase & Product mix



Utilities	<b>73%</b>	<b>72%</b>	<b>43%</b>	<b>22%</b>	<b>59%</b>
Industrial	14%	9%	6%	2%	7%
Surf	-	4%	<b>43%</b>	<b>65%</b>	<b>21%</b>
T&I	10%	2%	-	-	2%
Telecom	3%	13%	8%	11%	11%
<b>Total <sup>(2)</sup></b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Capex by Geographical area (€m)

■ Capex Submarine  
■ Capex (excl. Submarine)



APAC	20%	10%	8%	7%	15%
Latin Am.	8%	18%	34%	39%	26%
North Am.	3%	20%	15%	13%	5%
EMEA	69%	52%	43%	41%	54%
<b>Total <sup>(3)</sup></b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

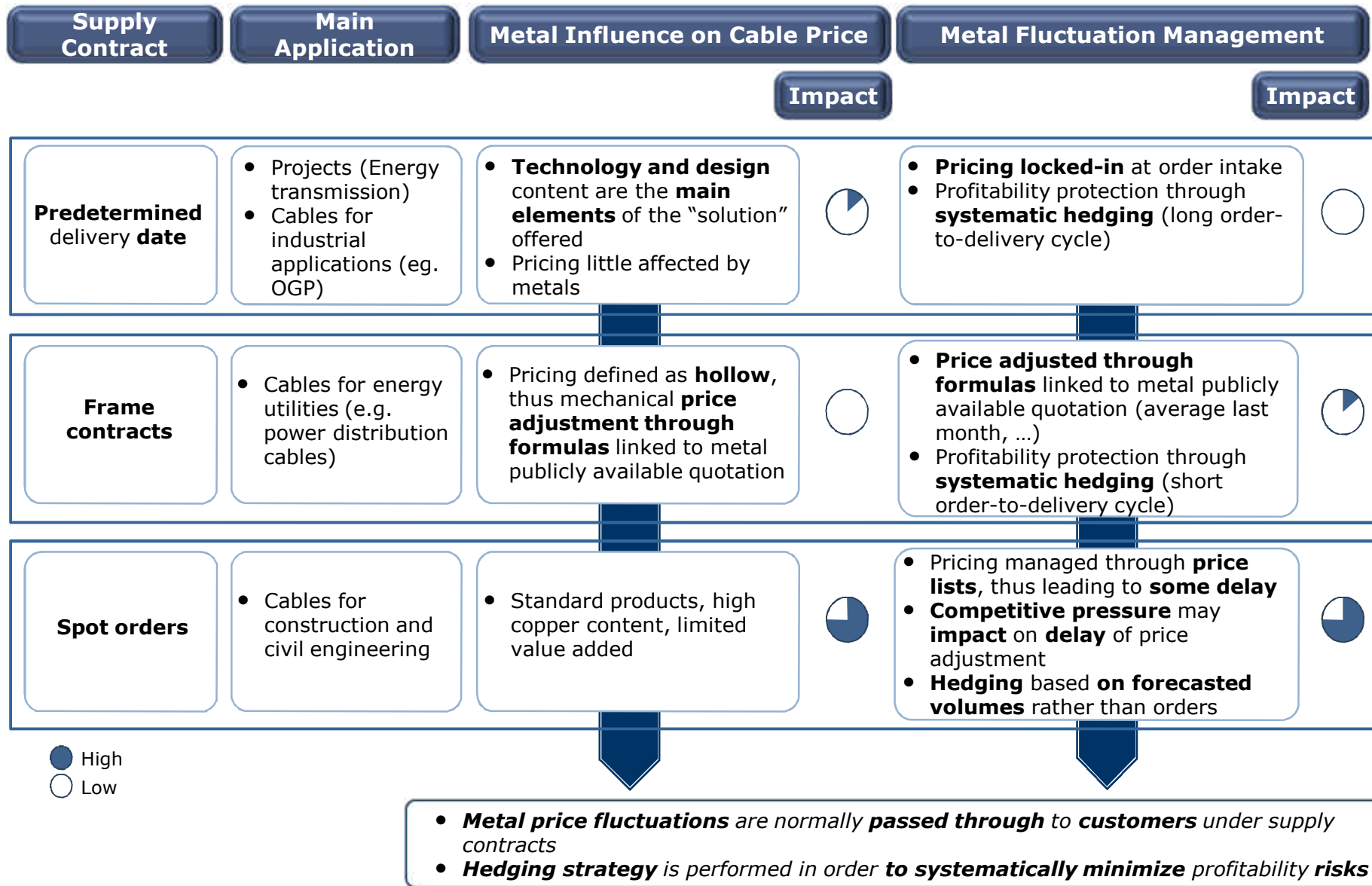
<sup>(1)</sup> Total Capex includes Capacity increase & Product mix, Maintenance, Efficiency, IT and R&D

<sup>(2)</sup> % of Capacity Increase & Product mix

Note: 2011 figures include Draka for 12 months

<sup>(3)</sup> % of Total Capex excluding Submarine

# Metal Price Impact on Profitability



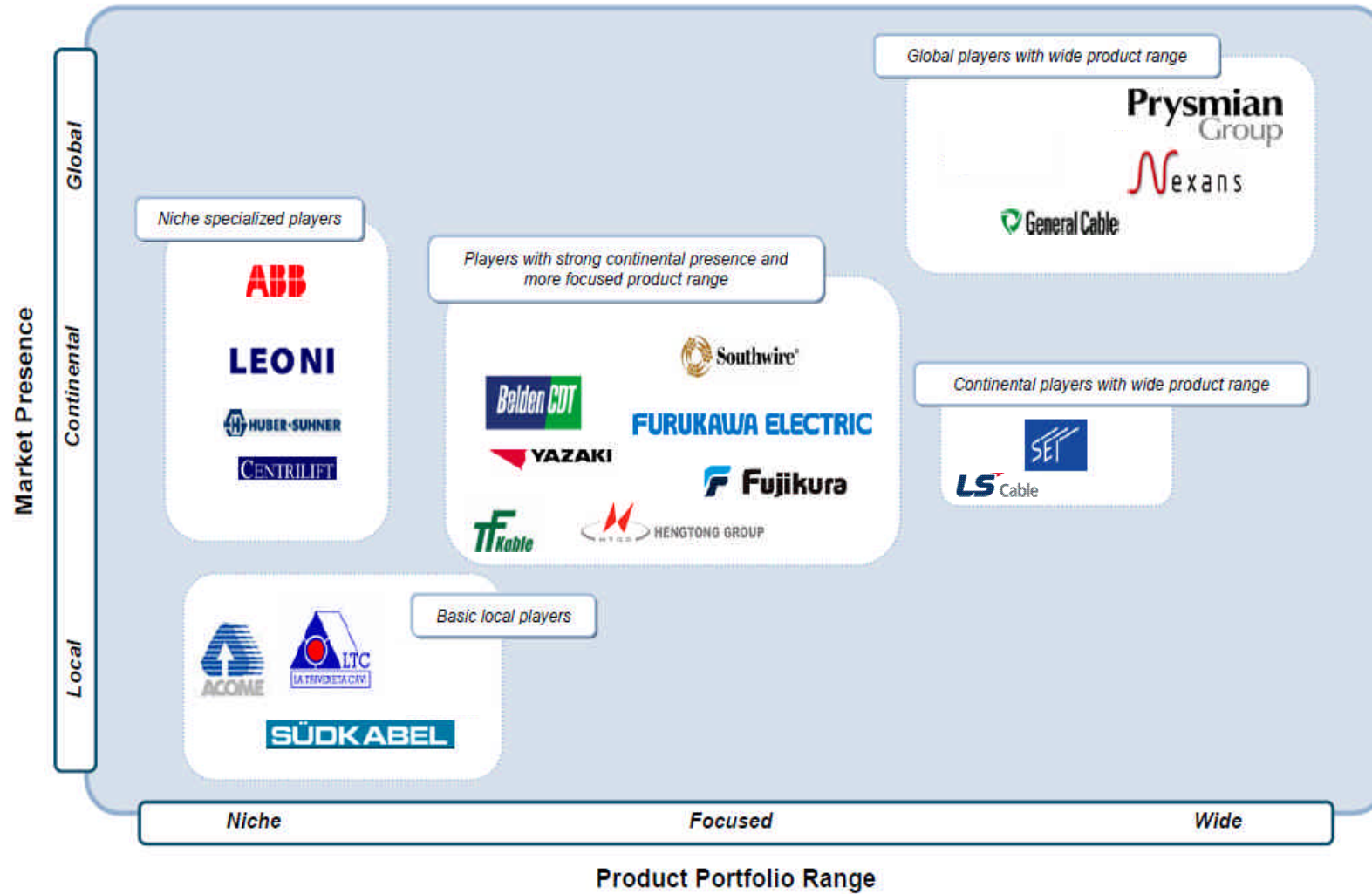
# AGENDA

- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Energy



# Clusters of Cable Manufacturers in the Industry

Competitive scenario – Energy Cables



# Full package of solutions for Energy Business

## Utilities

- **Power Transmission**
  - Underground EHV, HV-DC/AC
  - Submarine (turn-key) EHV-DC/AC (extruded, mass impregnated and SCFF) and MV
- **Power Distribution**
  - LV, MV (P-Laser)
- **Network components**
  - joints, connectors and terminations from LV to EHV



## Trade & Installers

- **LV cables for construction**
  - Fire performing
  - Environmental friendly
  - Low smoke-zero halogen (LSOH)
  - Application specific products



## Industrial

- **Specialties & OEM** (rolling stock, nuclear, defence, crane, mining, marine, electro medical, railway, other infrastructure)
- **Automotive**
- **OGP & SURF**
- **Renewables**
- **Elevator**
- **Other industrial (aviation, branchment, other)**



# Utilities – Power Transmission

## Business description

*High/extra high voltage power transmission solutions for the utilities sector*

- Underground High Voltage**  
 Cabling solutions for power plant sites and primary distribution networks
- Submarine High Voltage**  
 Turnkey cabling solutions for submarine power transmission systems at depths of up to 2,000 meters
- Network components**  
 Joints, connectors and terminations for low to extreme high voltage cables suitable for industrial, building or infrastructure applications and for power transmission and distribution



## Key customers

Customer base drawn from all major national distribution networks



# Utilities – Transmission

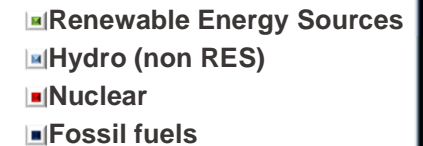
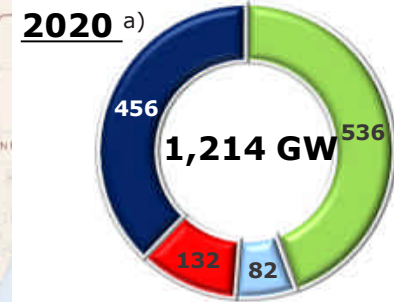
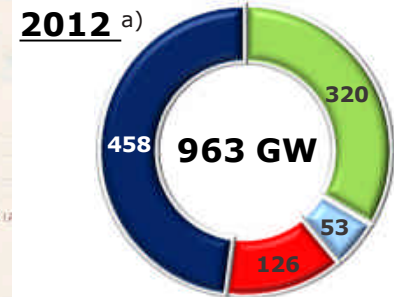
Changing Energy generation mix implies a re-engineering of transmission grids

## Main primary drivers for grid development in Europe toward 2020



## Evolution of the generation mix

### Scenario EU2020



- **250GW total capacity increase in 2012-20**
- **Over 200GW come from wind and solar development**

Source: ENTSO-E TYNDP 2012 (July 2012). RES stands for Renewable Energy Sources

a) Total 2012-2020 include Other sources for respectively 6 and 8GW. Source: ENTSO-E

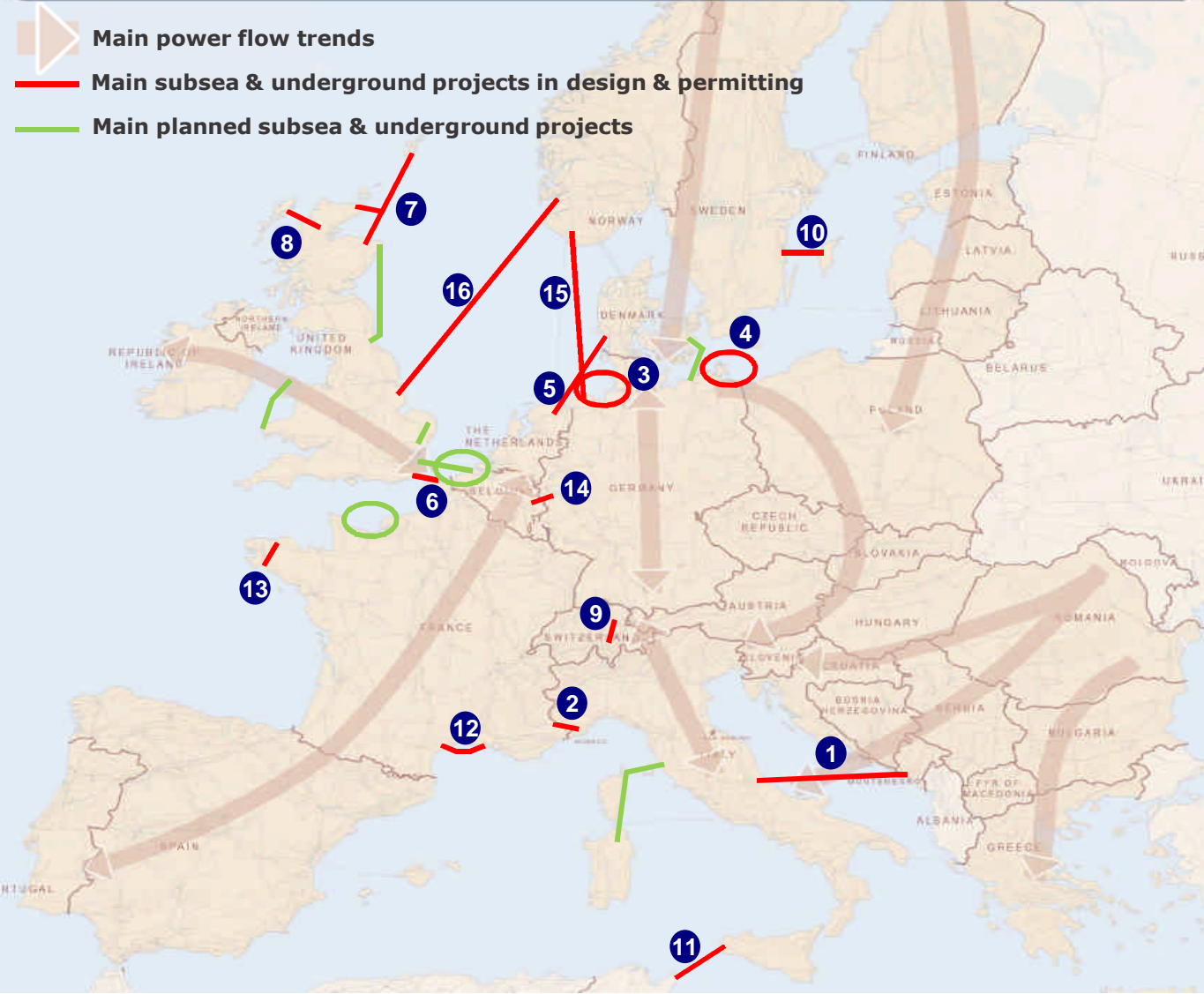


# Utilities – Transmission

First round of investments to increase wind off-shore and interconnections to main consumption centers

## Main subsea and underground projects of pan-European significance

## List of main projects



1. Italy – Montenegro
2. Italy – France
3. Germany (Dolwin III, Borwin III & IV, Sylwin II)
4. Germany (Baltic Sea East & West)
5. Cobra (NL-DK)
6. France – UK (Eurotunnel)
7. UK Caithness
8. Western Isles Link
9. Schwanden-Limmern (CH)
10. Västervik – Gotland
11. Tunisia – Italy
12. Marseille – Languedoc
13. Calan – Plaine-Haute
14. Belgium – Germany
15. Norway – Germany
16. Norway – UK

Source: ENTSO-E TYNDP 2012 (July 2012)

# Utilities – Submarine Systems

## Key success factors

- Track record and reliability
- Ability to design/execute turnkey solution
- Quality of network services
- Product innovation
- State-of-the-art cable laying ship

## Action plan

Capacity expansion completed in Pikkala. Capacity increase planned in Arco Felice and Drammen to support growth next years through:

- Leverage on strong off-shore wind-farms trend
- Secure orders to protect long-term growth
- Focus on flawless execution

## Key Projects

## Customer

## Period

## €m<sup>(1)</sup>

Key Projects	Customer	Period	€m <sup>(1)</sup>
Phu Quoc (Vietnam)	EVNSPC	2012-14	67
Western Link	NGET/SPT Upgrades Ltd	2012-15	800
HelWin2	TenneT	2012-15	200
Hudson Project	Hudson Transmission Partners LLC	2012-13	\$175m
SylWin1	TenneT	2012-14	280
HelWin1	TenneT	2011-13	150
BorWin2	TenneT	2010-13	250
Messina	Terna	2010-13	300
Kahramaa	Qatar General Electricity	2009-10	140
Greater Gabbard	Fluor Ltd	2009-10	93
Cometa	RED Electrica de España	2008-11	119
Trans Bay	Trans Bay Cable LLC	2008-10	\$125m
Sa.Pe.I	Terna	2006-10	418
Neptune	Neptune RTS	2005-07	159
GCC Saudi - Bahrain	Gulf Cooperation Council Interconn.Authority	2006-10	132
Angel development	Woodside		
Rathlin Island	Northern Ireland Electricity		
Ras Gas WH10-11	J. Ray Mc Dermott		

(1) Prysmian portion of the project

# Utilities – Western Link a milestone in the submarine sector

Confirmed leadership in terms of know-how and innovation capabilities

Western Link route



## Western Link milestones

- The highest value cable project ever awarded, worth **€800 mln**
- The highest voltage level (**600kV**) ever reached by an insulated cable
- Currently unmatched transmission capacity for long-haul systems of **2,200MW**
- **Over 400km** of HVDC cable, bi-directional allowing electricity to flow north or south according to future supply and demand
- First time HVDC technology has been used as an integral part of the GB Transmission System
- Commissioning scheduled by late 2015

## Large Off-shore Wind investments planned in Scotland



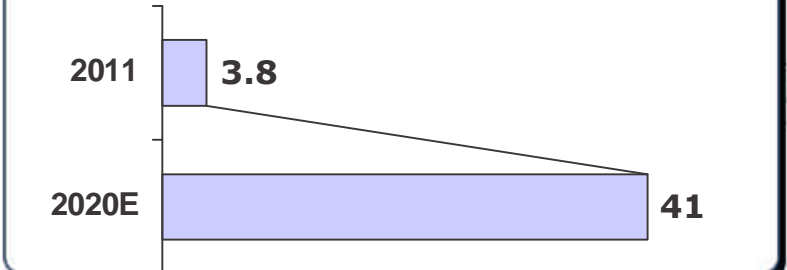
Source: [www.offshorewindscotland.org](http://www.offshorewindscotland.org), [www.westernhvdlink.co.uk](http://www.westernhvdlink.co.uk)



# Utilities – 37GW of new Offshore Wind by 2020 to achieve EU Target

Four major countries accounting for about 85% of total new capacity

## Offshore Wind capacity to be installed (GW)

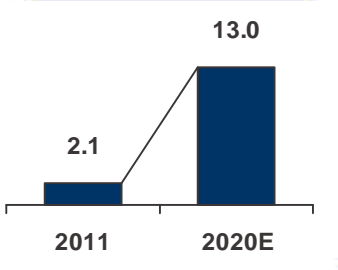


### Largest project awarded in Europe:

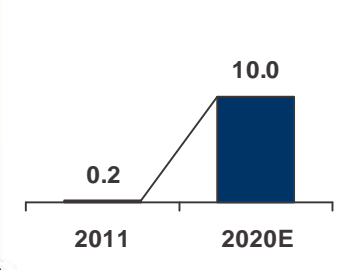
**SylWin1** (North Sea to mainland Germany):

- € 280m (cable portion)
- 864MW
- 160km off-shore

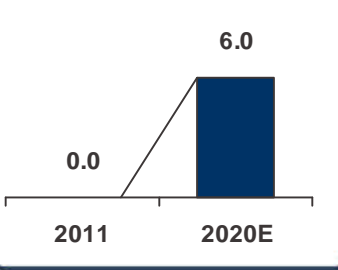
### UK (GW)



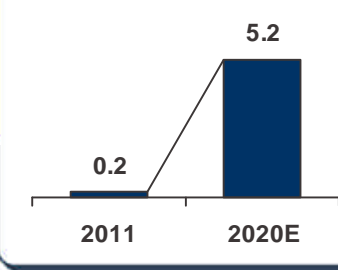
### Germany (GW)



### France (GW)



### Netherlands (GW)



Source: 2011: EWEA (Jan 2012); 2020: Targets as from National Renewable Energy Action Plans (June 2010)

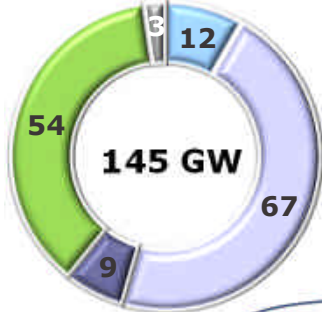
Note: includes EU-27 countries

# Utilities – Nuclear decrease as new driver for Renewables

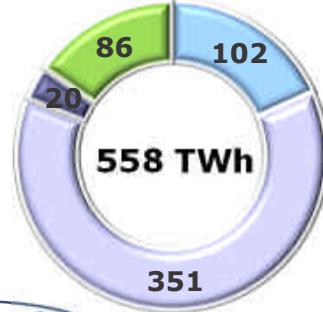
Germany exit from nuclear to potentially lower nuclear investments in other countries

## German electricity system highly dependent on nuclear

Installed capacity 2011



Net production 2011



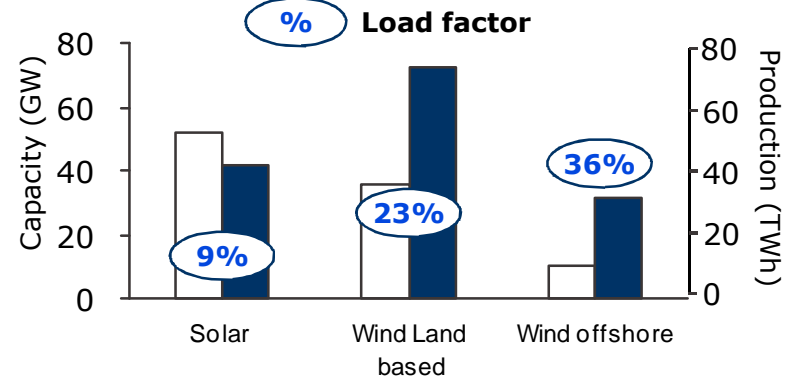
### Load factor\*



\* Load factor is defined as net production on theoretic maximum production [calculated as Net production GWh / (Installed capacity GW \* 8760h)]. a) Calculated on 2011 avg capacity  
Source: ENTSO-E Memo 2010

## Renewables load factor at run rate capacity utilization (Germany 2020)

Installed capacity Net Production

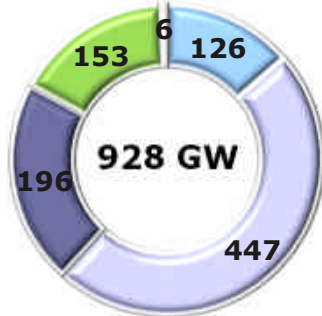


Wind off-shore the renewable energy with higher conversion in energy produced

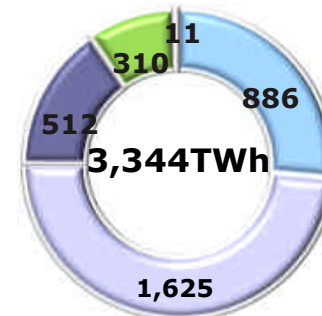
Source: National Renewable Energy Action Plans (June 2010)

## Total European electricity system

Installed capacity 2011



Net production 2011



Nuclear covers over 25% of energy produced in Europe while Renewables account for less than 10%

Source: ENTSO-E Memo 2011

# Utilities – Power Distribution

## Market drivers

- Long term growth in electricity consumption
- Mandated improvements in service quality
- Investment incentives to utilities
- Urbanization

## Key success factors

- Time to market
- Quality of service
- Technical support
- Cost leadership
- Customer relationship

## Key customers

Key customers are all major national distribution network operators



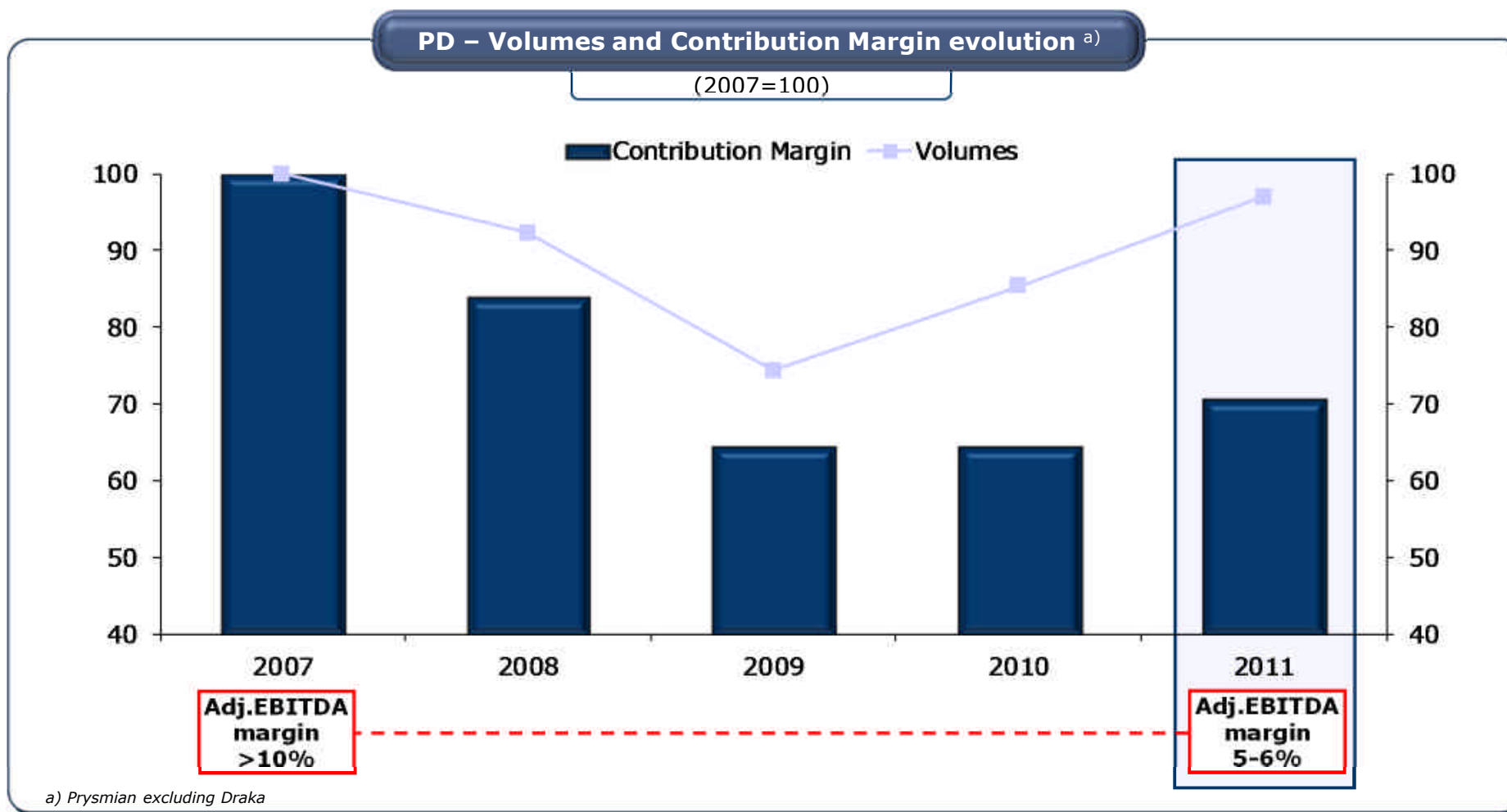
## Action plan

- Improve service level and time to market
- Reduce product cost
  - Cable design optimization
  - Alternative materials / compounds introduction
  - Process technologies improvement
- Innovate
  - New insulation materials
  - P-LASER launch in Europe

# Limited downside for cyclical businesses on current profitability

The Power Distribution case

- Minor profitability improvement in 2011 despite volume recovery
- Low downside risk on current ebitda margin level (5-6%)



# Trade & Installers

## Business description

- Low voltage cables for residential and non residential construction
- Channel differentiation with both:
  - Direct sales to end customers (Installers)
  - Indirect sales through
    - Specialized distributors
    - General distributors
    - Wholesalers
    - Do-it-yourself/modern distribution
- Wide range of products including
  - Value added fire retardant
  - Environmental friendly
  - Specialized products

## Key customers

- Key customers include major:
  - Specialized distributors



- General distributors



- Wholesalers



- Installers



# Trade & Installers

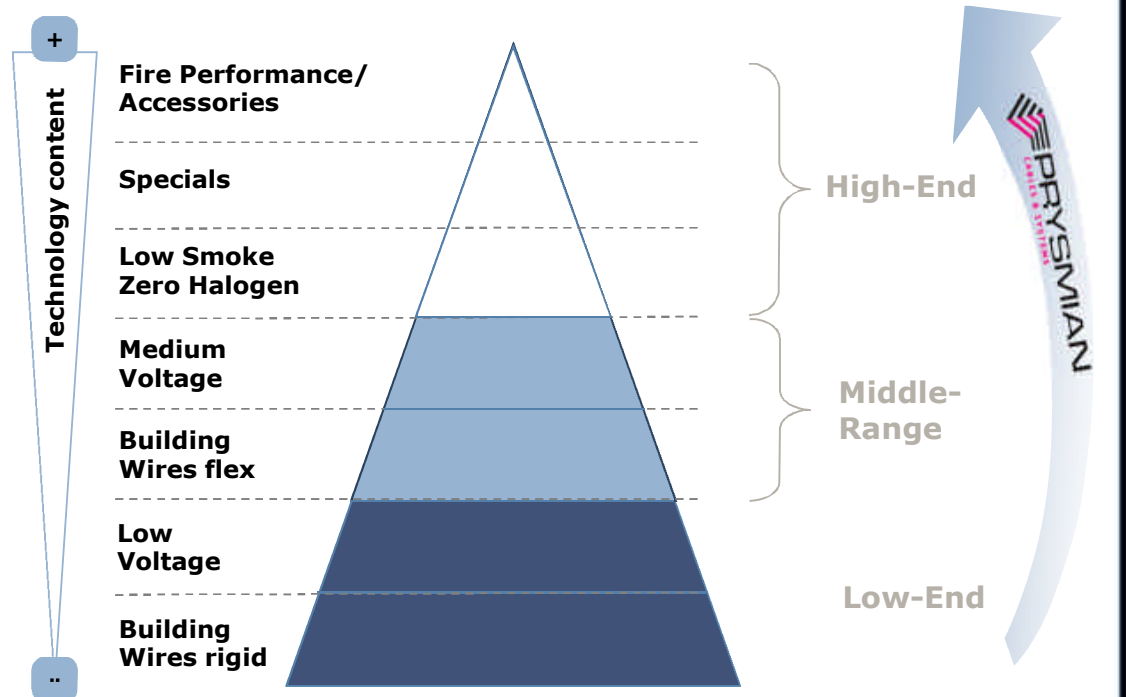
## Key success factors

- Product range
- On-time delivery / Product availability
- Inventory/WC management
- Cost leadership
- Channel management
- Customers' relationship

## Action plan

- Continuously redefine product portfolio
  - Focus on high-end products (e.g. Fire Performance)
- Exploit channel/market specificity
  - Focus on wholesalers and installers
  - Protect positioning in high margin countries
  - Grow global accounts
- Continuously improve service level
- Benefit from changes in regulatory regime

## Product overview



# Industrial

## Business description

*Integrated cable solutions highly customized to our industrial customers worldwide*

### Oil & Gas

Addressing the cable needs of research and refining, exploration and production. Products range from low & medium voltage power and control cables to dynamic multi-purpose umbilicals for transporting energy, telecommunications, fluids and chemical products



### Renewable

Advanced cabling solutions for wind and solar energy generation contribute to our clients increased efficiency, reliability and safety



### Surf (Subsea umbilical, riser and flowline)

SURF provides the flexible pipes and umbilicals required by the petro-chemicals industry for the transfer of fluids from the seabed to the surface and vice versa



### Elevator

Meeting the global demand for high-performing, durable and safe elevator cable and components we design manufacture and distribute packaged solutions for the elevator industry



### Auto & Transport

Products for trains, automobiles, ships and planes including the Royal Caribbean's Genesis fleet (world's biggest ship) & Alstom designed TGV (world's fastest train)



### Specialties & OEM

Products for mining, crane and other niches

## Key customers

Large and differentiated customer base generally served through direct sales





# Industrial – Investing in the high value added off-shore oil business

New flexible pipes plant in Brazil and acquired downhole technology from Draka

**Vila Velha (BRA): new flexible pipes plant built next to the pre-existing umbilical plant**



**Over US\$ 100m sales in FY2011**



**Flexible Pipes**

Production line and chemical injection



**Umbilical Control/Injection**

Controlling valves on the sea bed. Can use thermoplastic hoses or steel tubes (STU)



**Umbilical for Power**

Connecting platforms to platforms to transmit power or feed pumps for upstream exploration

**Bridgewater (USA): plant contributed by Draka specialized in downhole technology (DHT)**



**Approx. US\$ 40m sales in FY2011**

Sales breakdown: N.A.(50%)-Europe(20%)-S.A.(20%)-MiddleEast/Apac(10%)



**Hybrid Electro-Optical**

Monitoring in real time the performance of the well. Tube of SS, Inconel, Duplex, etc



**Electrical**

Supplying power to the sensors or to the well



**Packaged Gas & Fluid**

For chemical/hydraulic injection, fiber sensing

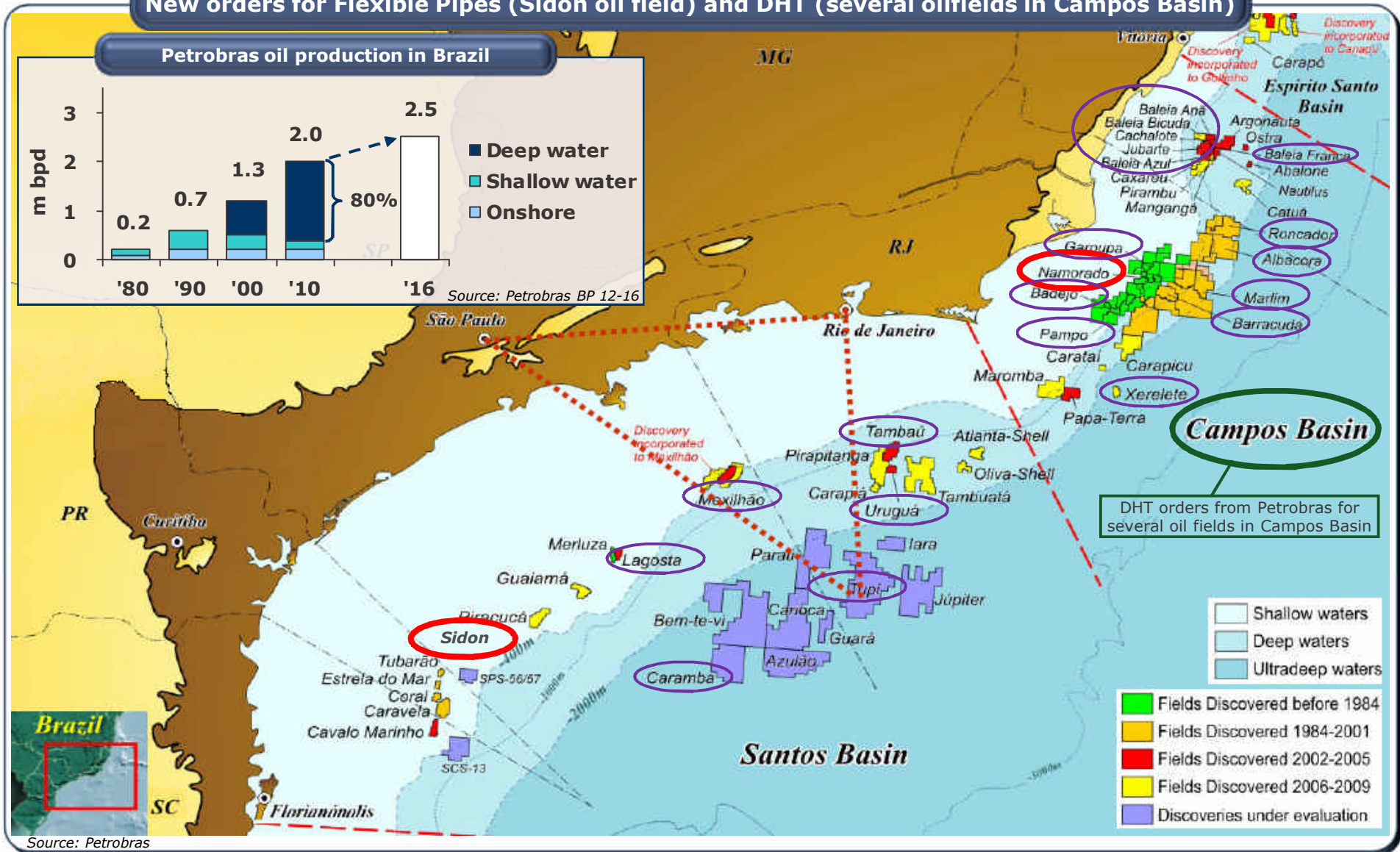
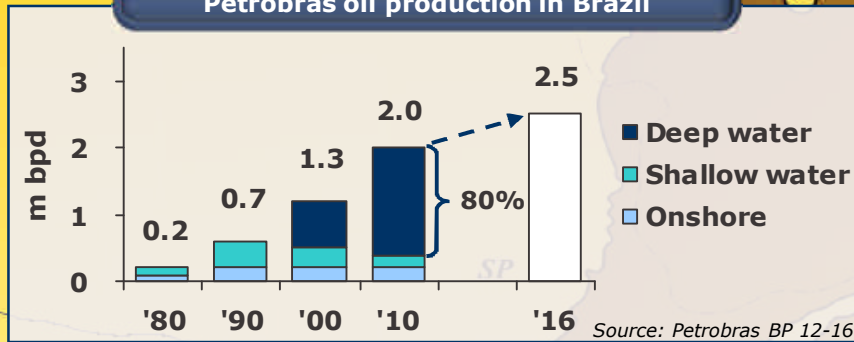
Main customers: Schlumberger, Baker-Hughes, BJ Services, GCDT

# Industrial – Strengthening presence in the key Brazilian market

First flexible Pipes delivered (Namorado field) and new orders for both Flexible Pipes and DHT

**New orders for Flexible Pipes (Sidon oil field) and DHT (several oilfields in Campos Basin)**

**Petrobras oil production in Brazil**

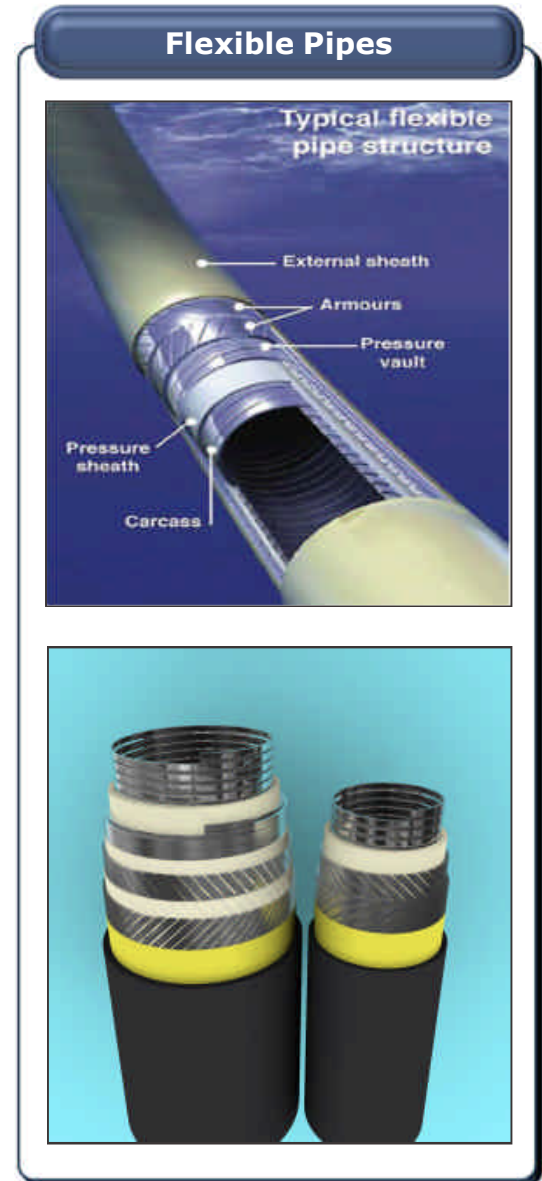
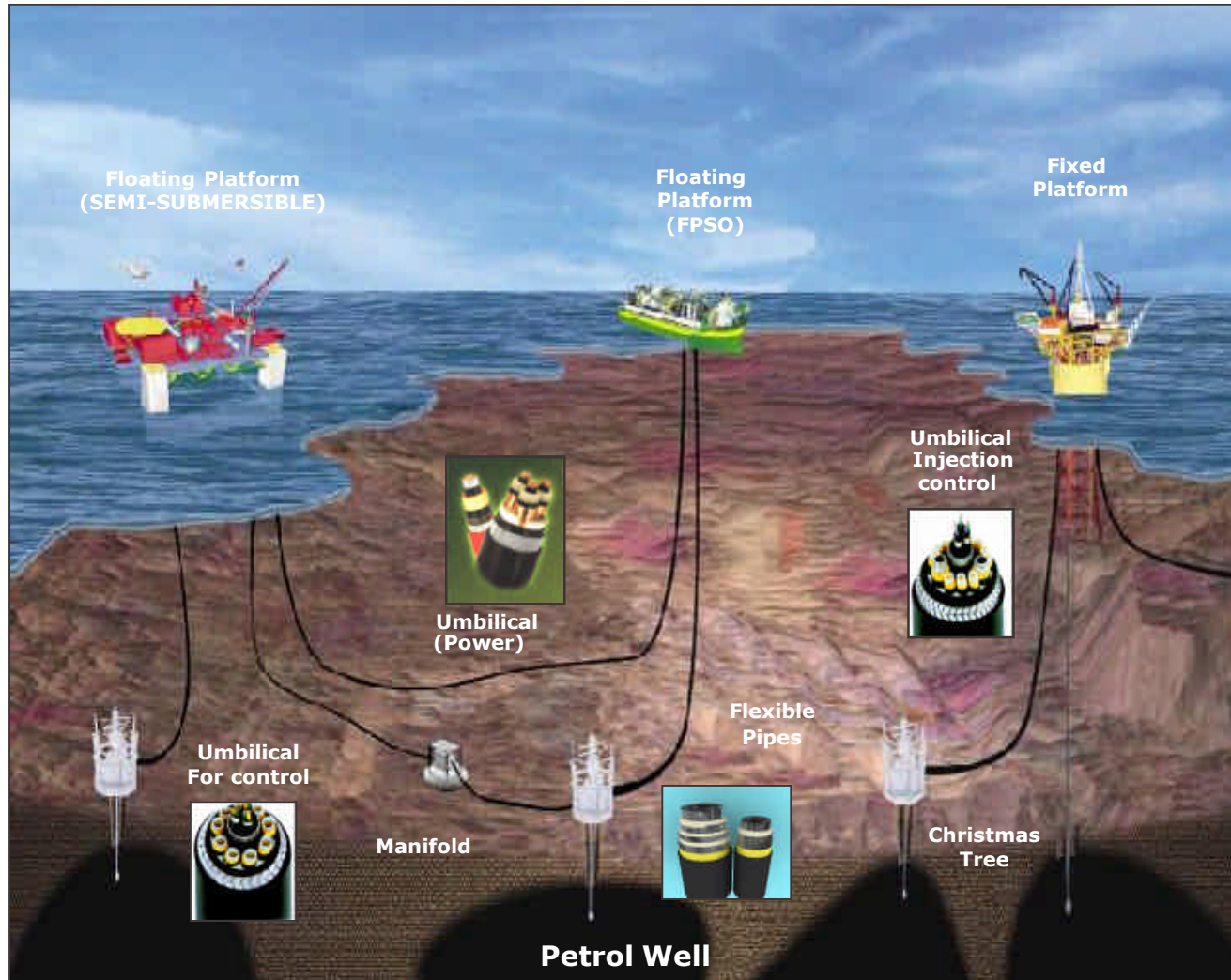


Source: Petrobras



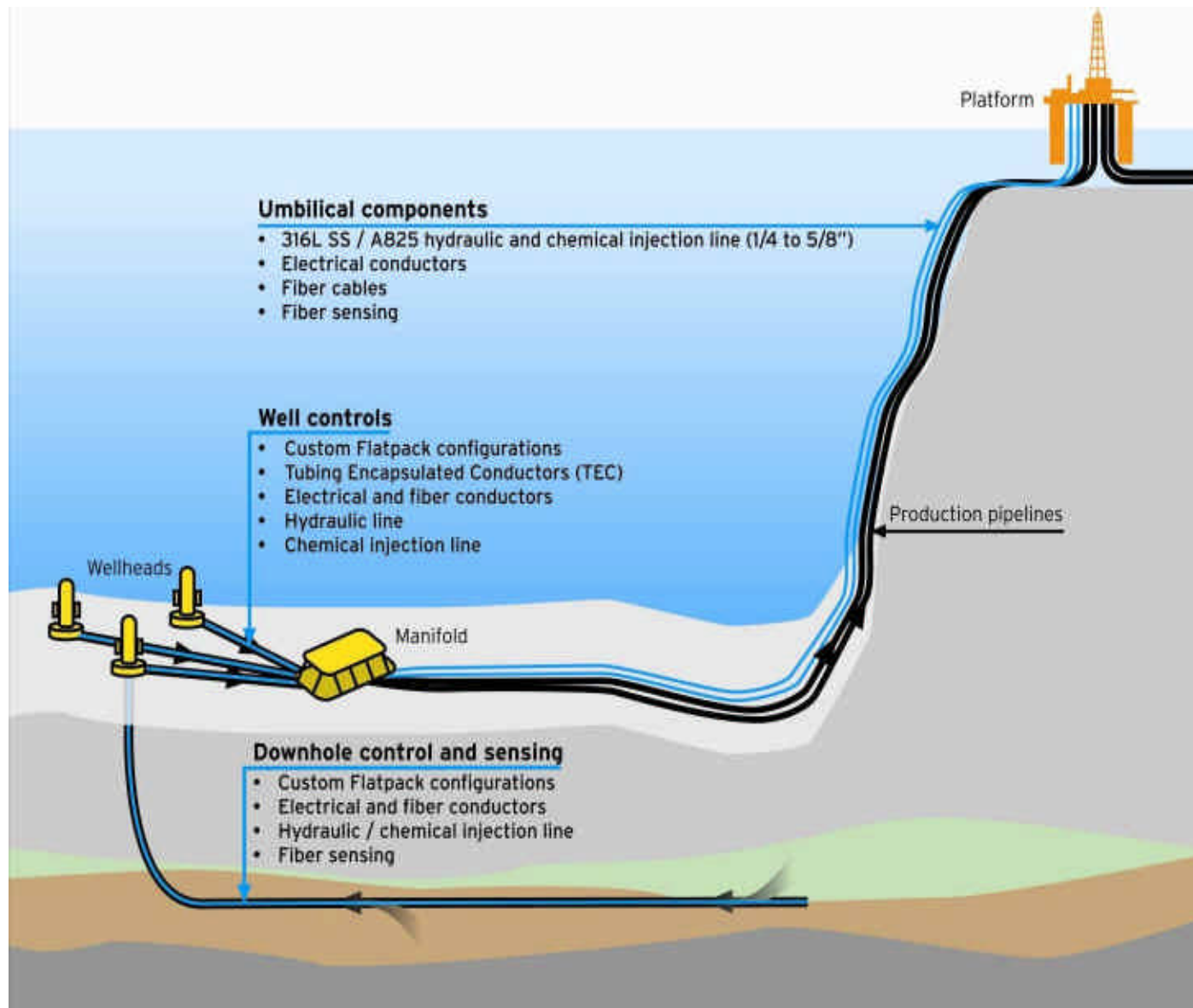
# Industrial – Off-shore oil exploration

## Oilfield structure

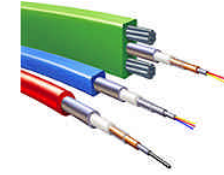


# Industrial – Off-shore oil exploration

Cross selling opportunities driven by the new Downhole technology business contributed by Draka



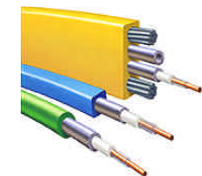
## Downhole Technology (DHT)



HYBRID ELECTRO-OPTIC



FIBER OPTIC



ELECTRICAL



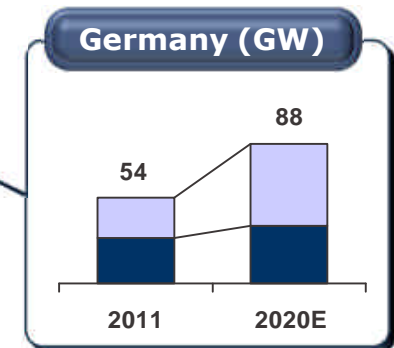
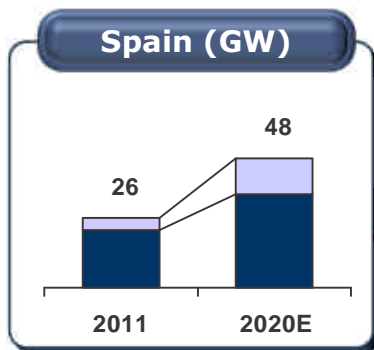
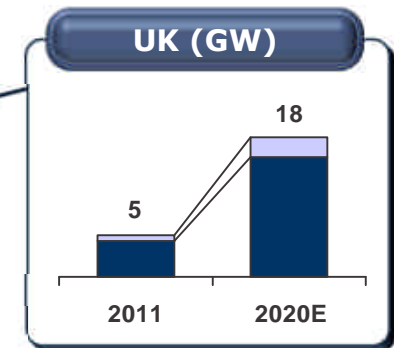
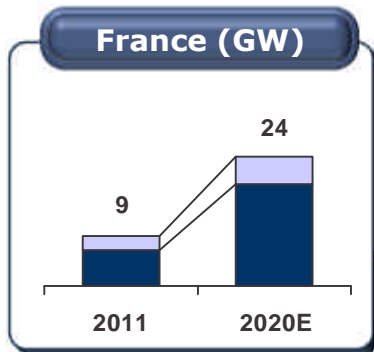
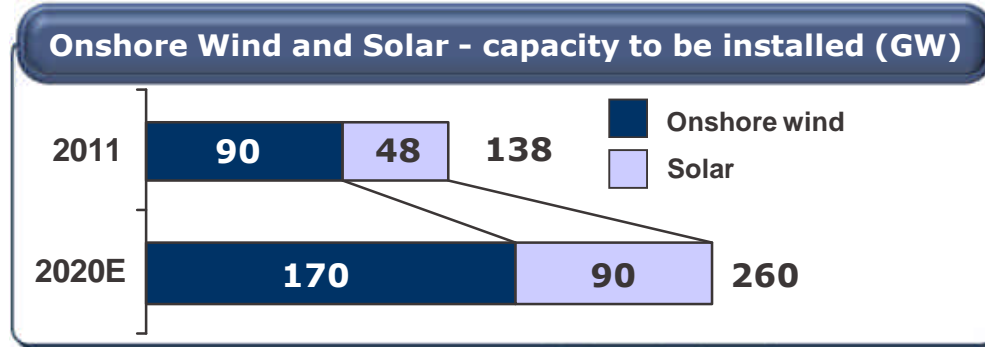
GAS & FLUID TUBING



PACKAGED GAS & FLUID TUBING

# Industrial – EU Renewables market perspectives

120GW of new Solar and Onshore Wind capacity by 2020



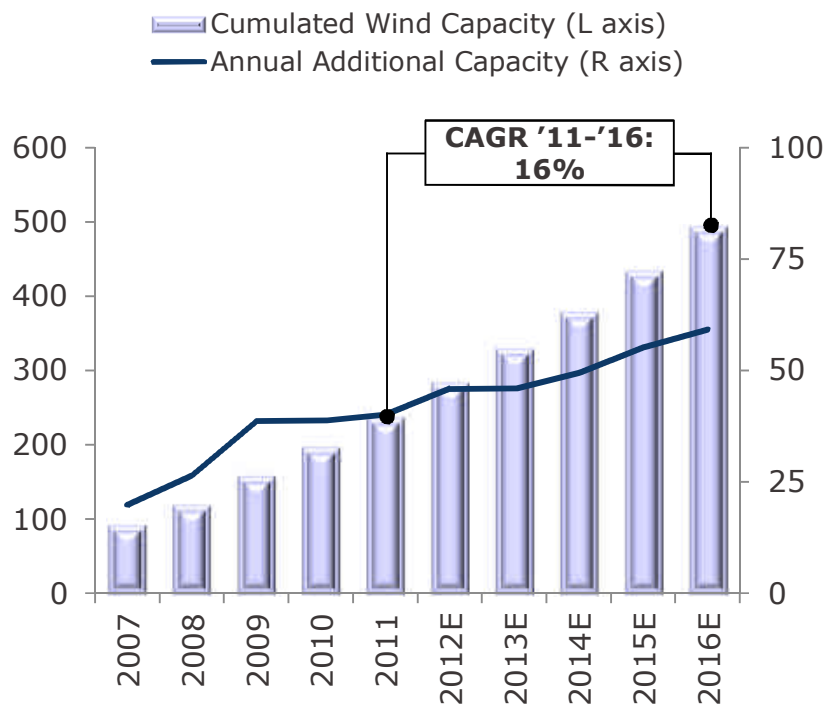
Source: 2011: EPIA and EWEA (Jan 2012); 2020: Targets as from National Renewable Energy Action Plans (June 2010)

Note: includes EU-27 countries

# Industrial – Global renewables market

Steady growth expected across all geographical areas

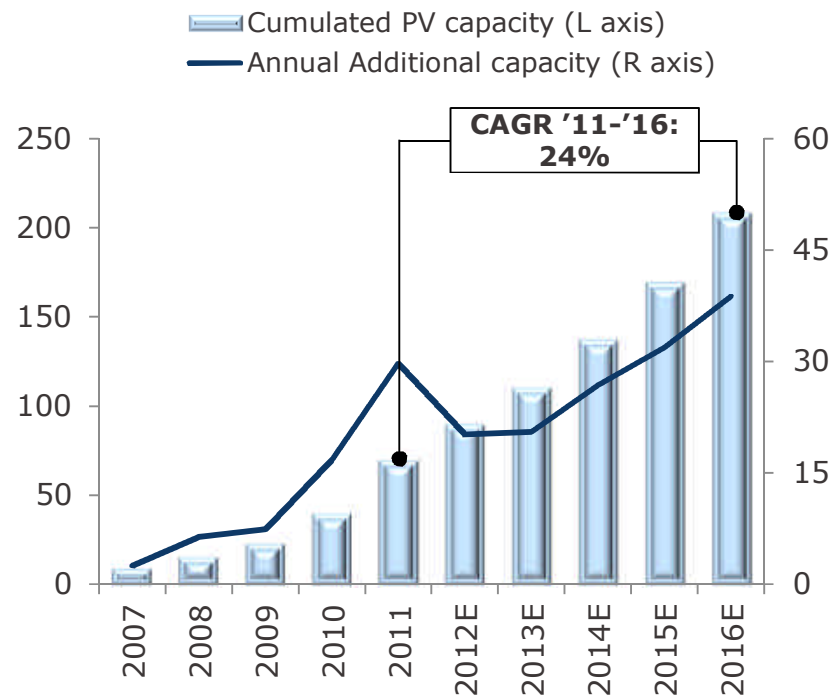
### Global Installed Wind Capacity (GW)



- 250GW of new wind capacity expected in 2012-16
- China the largest market (26% of global 2011 wind capacity), followed by USA (20%) and Germany (12%)
- Latam and Apac (in particular Brazil and Australia) the fastest growing markets with CAGR '11-'16 of 36% and 20% respectively

Source: GWEC (March 2012)

### Global Installed Solar PV Capacity (GW)



- 140GW of new PV capacity expected in 2012-16
- Europe by far the largest market with 74% of global installed capacity (end '11). Germany and Italy account respectively for 35% and 18%
- PV market expected to triple in the period 2011-16, driven by fast growing USA (+26 GW), China (+18 GW) and Germany (+15 GW)

Source: EPIA (Moderate Scenario - March 2012)

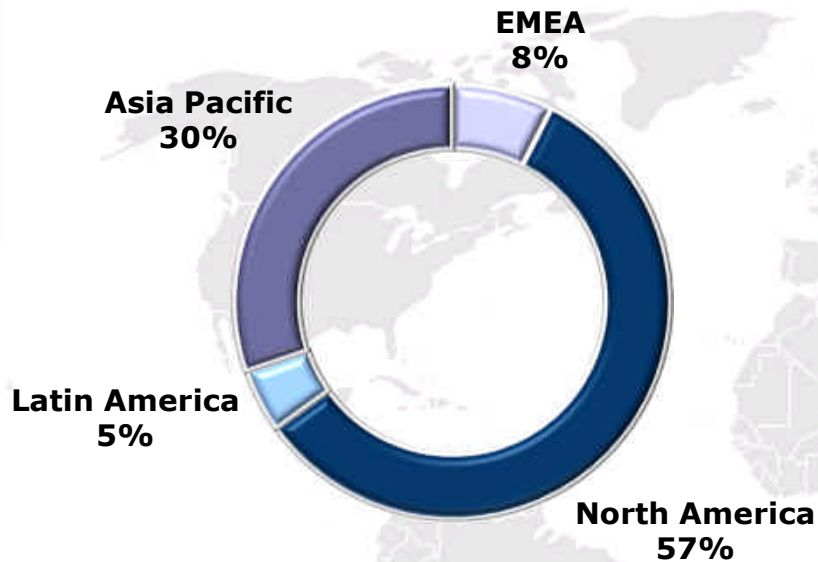


# Industrial – Focus on Elevator business

Leveraging on best-in-class technology to improve geographical reach

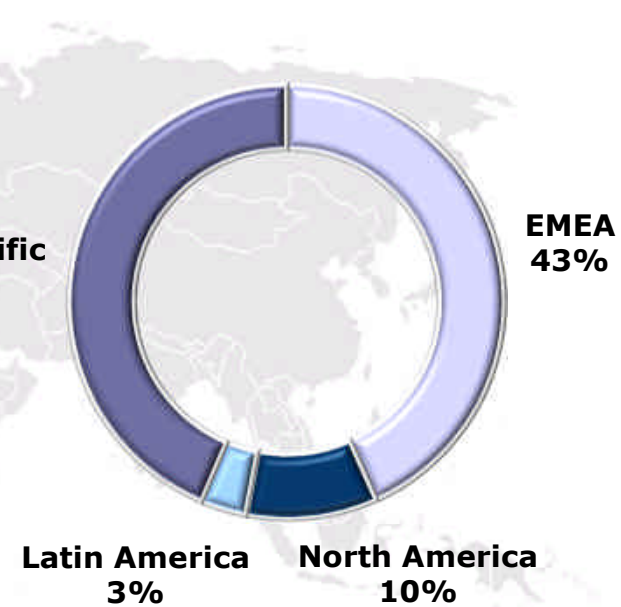
## Prysmian Group Sales breakdown

H1 2012



## Elevator Market breakdown

FY 2011



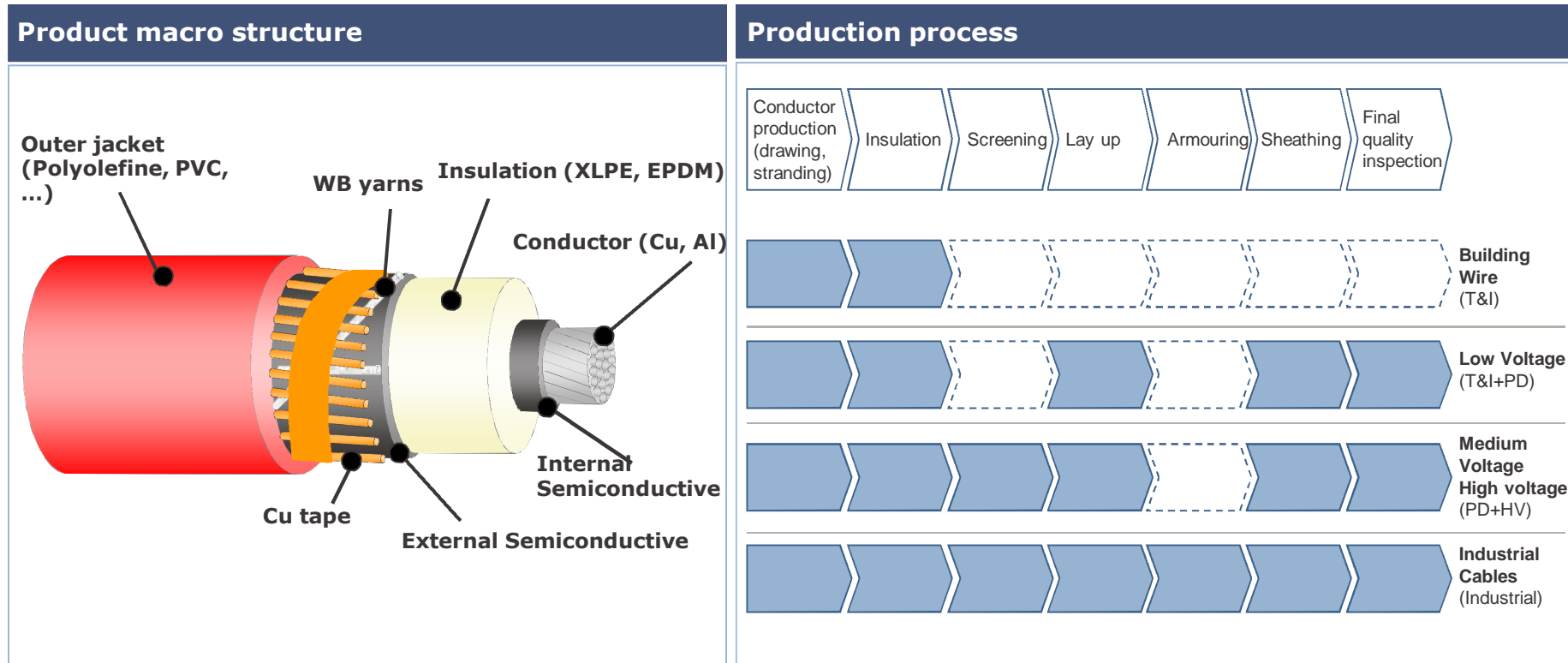
- Leadership in the North American market
- Limited exposure to Europe and Asia as key growing driver
- Strong potential growth in Brazil
- High margins and ROCE in all geographical areas (incl. emerging markets)



Source: Freedonia



# Macro-structure of Energy Cables

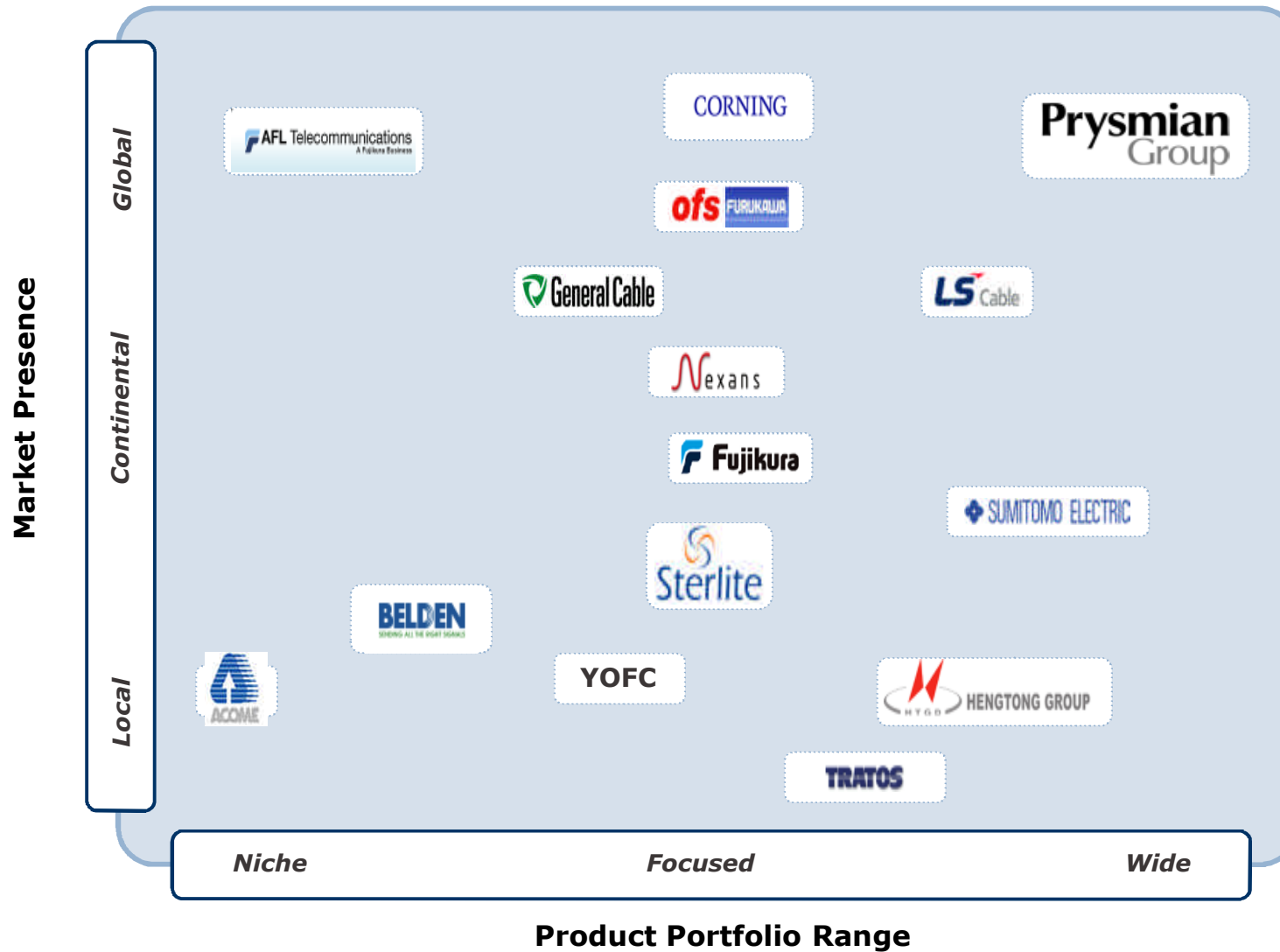


# AGENDA

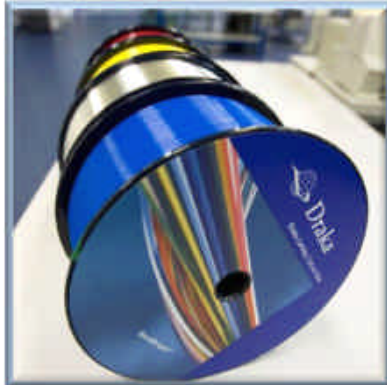
- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Telecom

# Major Players within the Telecom Industry

Competitive scenario

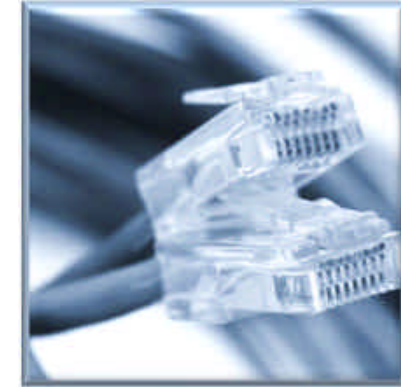


# All cable solutions for Telecom Business



## Telecom

- **Optical Cables**
- **Connectivity/FTTx passive systems**
- **Optical Fiber**
- **Copper Cables**
- **Multimedia Solutions**
- **Telecom Solutions**



# Our Telecom Business

## Business description

*Integrated cable solutions focused on high -end Telecom*

### Telecom solutions

Optical cables: tailored for all today's challenging environments from underground ducts to overhead lines, rail tunnels and sewerage pipes

Copper cables: broad portfolio for underground and overhead solutions, residential and commercial buildings

Connectivity: FTTH systems based upon existing technologies and specially developed proprietary optical fibres



### MMS

Multimedia specials: solutions for radio, TV and film, harsh industrial environments, radio frequency, central office switching and datacom

Mobile networks: Antenna line products for mobile operators

Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



### Optical Fiber

Optical fiber products: single-mode optical fiber, multimode optical fibers and specialty fibers (DrakaElite)

Manufacturing: our proprietary manufacturing process for Plasma-activated Chemical Vapor Deposition and Licensed OVD Technology (600 unique inventions corresponding to > 1.4K patents) positions us at the forefront of today's technology



## Key customers

Key customers include key operators in the telecom sector



# Optical cables

## Global overview

---

### Market trends

- Demand function of level of capital expenditures budgeted by large telecom companies (PTT/incumbents as well as alternative operators) for network infrastructures, mainly as a consequence of:
  - Growing number of internet users
  - Diffusion of broadband services / other high-tech services (i.e. IPTV)

### Key success factors

- Continuous innovation and development of new cable & fibre products
- Cable design innovation with special focus on installation cost reduction
- Relentless activity to maintain the highest quality and service level
- Focus on costs to remain competitive in a highly price sensitive environment

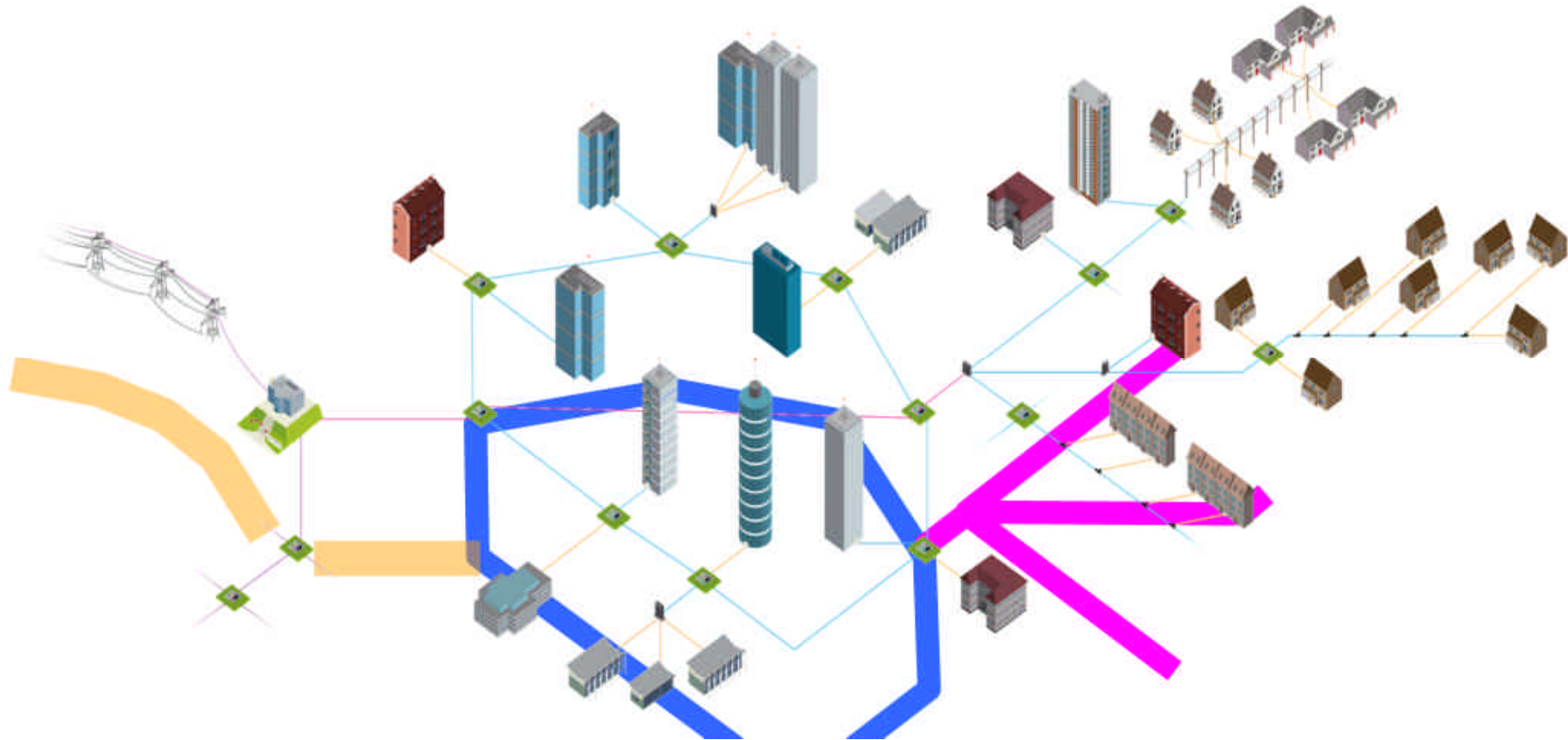
### Strategic value of fibre

- Fibre optic represents the major single component cost of optical cables
- Fibre optic production has high entry barriers:
  - Proprietary technology or licenses difficult to obtain
  - Long time to develop know-how
  - Capital intensity
- When fibre optic is short, vertically integrated cable manufacturers leverage on a strong competitive advantage

### Action plan

- Maintain & reinforce position with key established clients
- Further penetration of large incumbents in emerging regions
- Optimize utilization of low cost manufacturing units
- Expand distribution model in Domestic & Export
- Streamline the inter-company process
- Fully integrated products sales
- Refocus on export activities
- Increase level and effectiveness of agents

# Telecom Cables Main Applications



**BACKBONE**

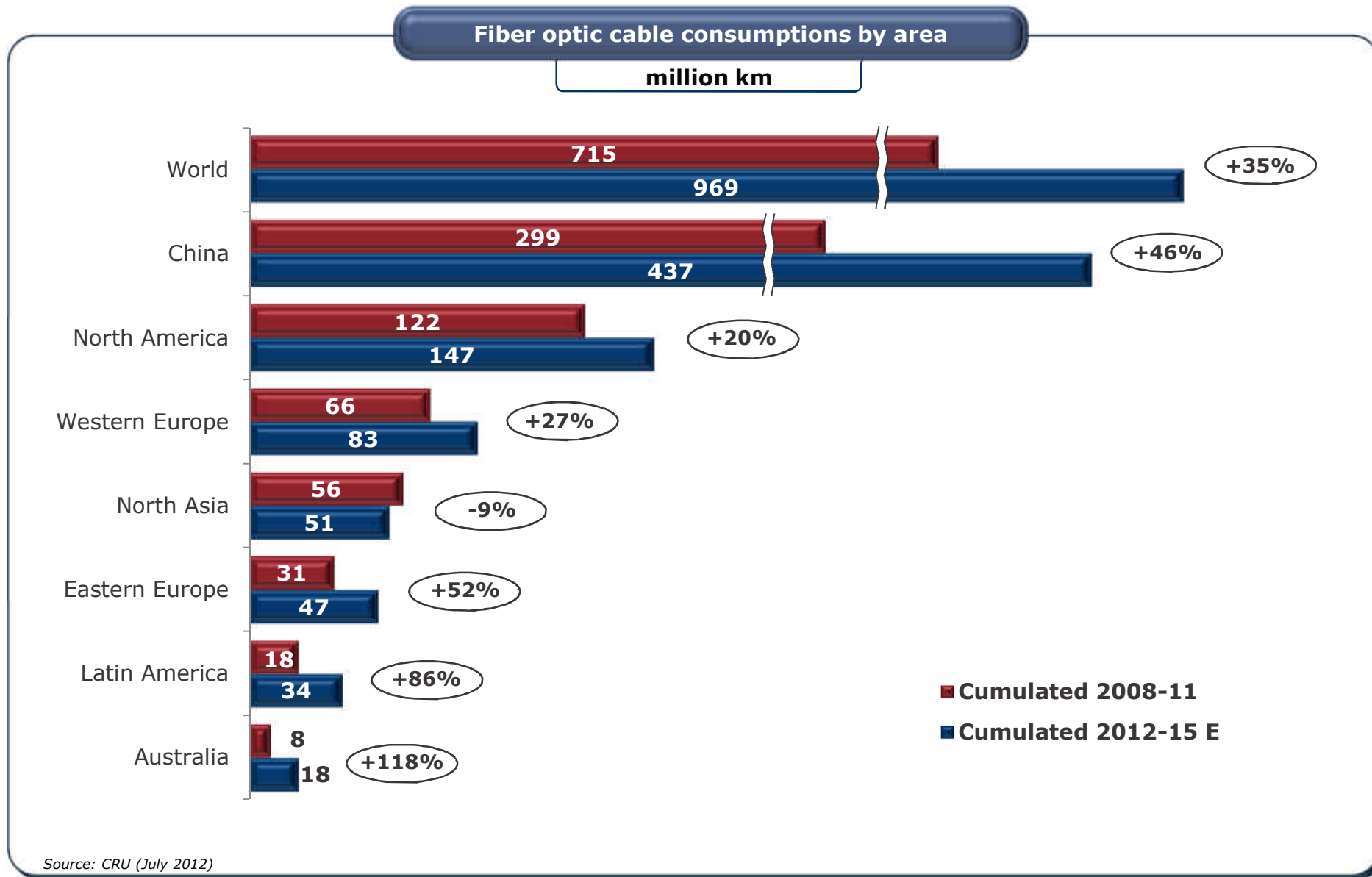
**METROPOLITAN RING**

**ACCESS NETWORK**



# Telecom – Optical cable market trend

Leadership position in the fastest growing markets



# Telecom – Europe as major opportunity in optical cables development

FTTH investments continue to grow but still at 3% of total subscribers in Europe

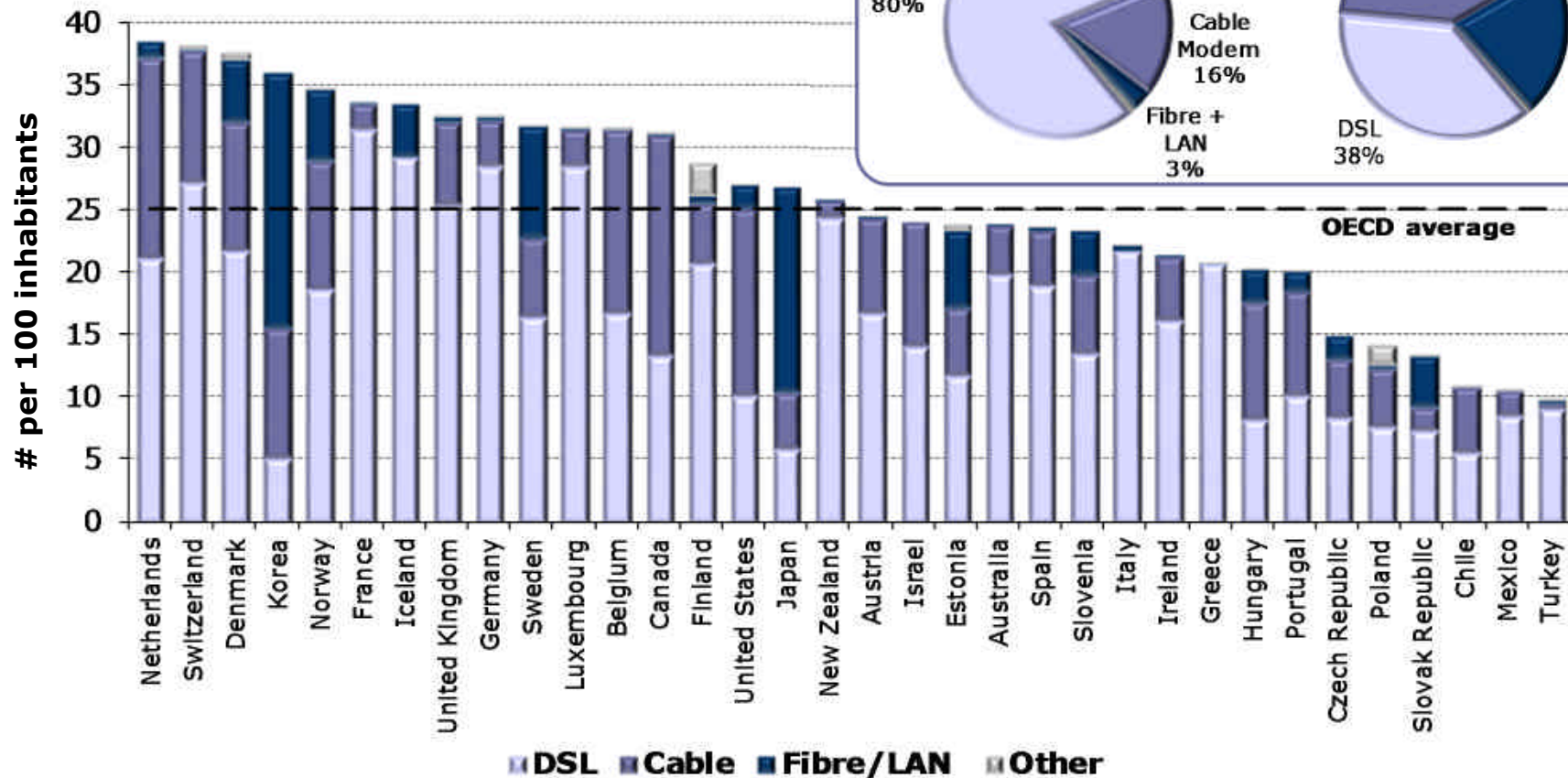
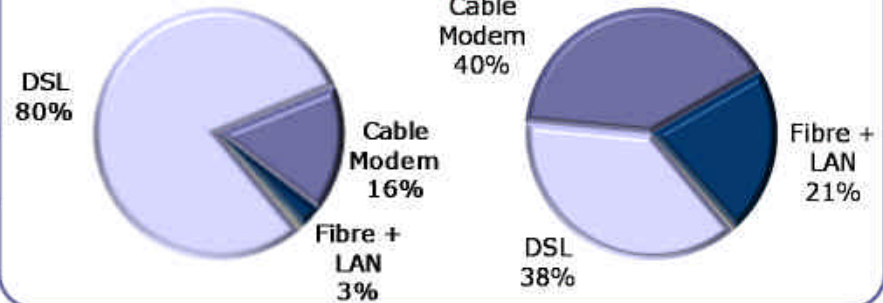
## OECD fixed (wired) broadband subscribers by country

Prysmian Group Leader in most of the European countries

### OECD Total subscribers (309mln) by technology

Europe: 140 mln

Non-Europe: 169 mln







Source: OECD, June 2011

# Consolidated leadership in Australia to benefit from new NBN project

Start-up of National broadband network in 2011

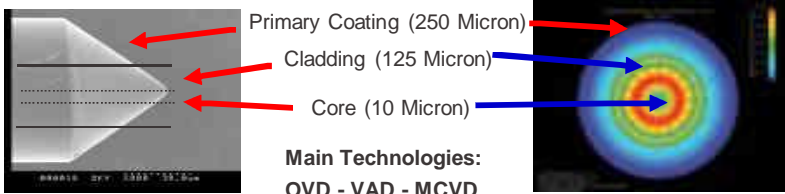
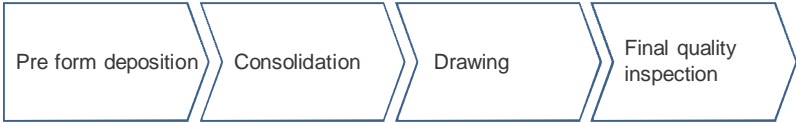
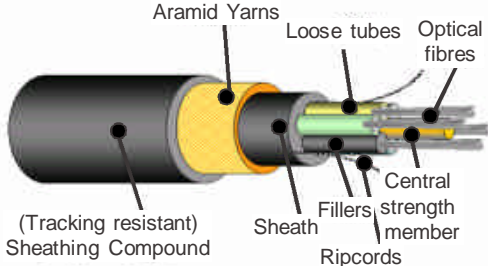
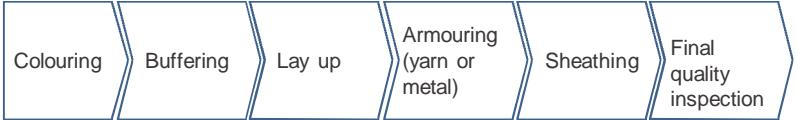
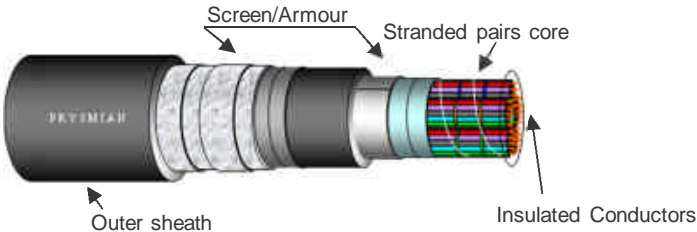
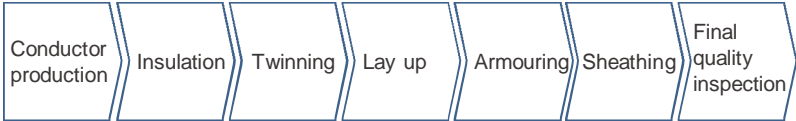


-  Priority locations
-  First release sites
-  Second release sites
-  Cities/Towns

## Rollout plan for National Broadband Network

- Government initiative to provide direct fibre connection to 93% of Australian subscribers (residential and business)
- AUD 43 bn capex planned during the period (2011-2019); construction started in 2011
- Telstra and NBN agreed to jointly develop the new network
- Prysmian signed a 5-year agreement with NBN as major supplier of optical cables for the network (AUD 300m)
- Prysmian signed new 4-year frame agreement with Telstra to supply optical and copper cables
- Large part of existing and new Telstra cable infrastructure being used within the NBN network
- Prysmian doubling optical cable capacity in Australian Dee Why site

# Macro-structure of Telecom Cables

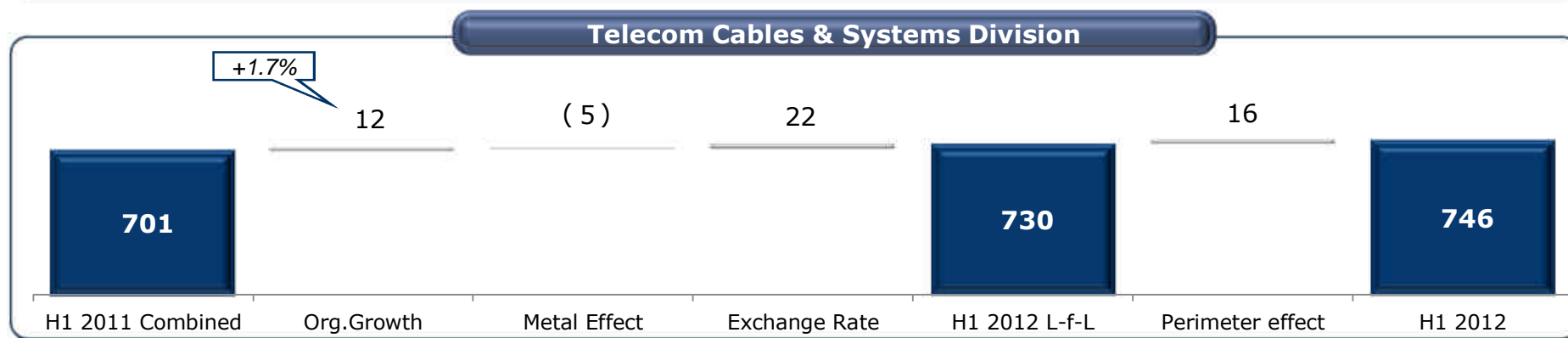
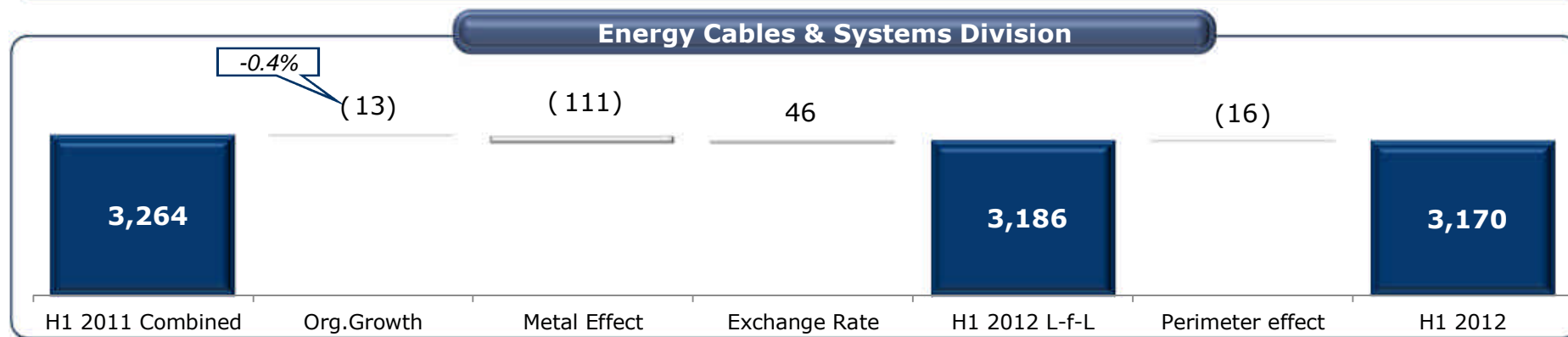
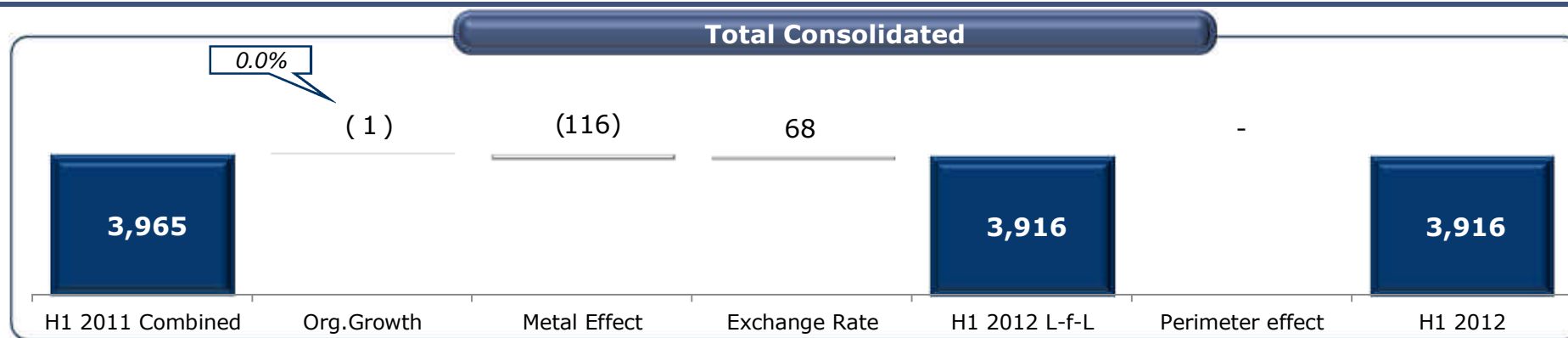
	Product macro structure	Production process
<b>Fibre optic</b>	 <p>Primary Coating (250 Micron) Cladding (125 Micron) Core (10 Micron)</p> <p>Main Technologies: OVD - VAD - MCVD</p>	 <p>Pre form deposition → Consolidation → Drawing → Final quality inspection</p>
<b>Optical cables</b>	 <p>(Tracking resistant) Sheathing Compound Aramid Yarns Loose tubes Optical fibres Central strength member Ripcords Fillers Sheath</p>	 <p>Colouring → Buffering → Lay up → Armouring (yarn or metal) → Sheathing → Final quality inspection</p>
<b>Copper cables</b>	 <p>Outer sheath Screen/Armour Stranded pairs core Insulated Conductors</p>	 <p>Conductor production → Insulation → Twining → Lay up → Armouring → Sheathing → Final quality inspection</p>

# AGENDA

- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Financials

# Bridge Consolidated Sales

Euro Millions – Full Combined



# Energy Segment – Profit and Loss Statement

Euro Millions

	H1 2012	H1 2011 Reported <sup>a)</sup>	H1 2011 Combined <sup>b)</sup>
<b>Sales to Third Parties</b>	<b>3,170</b>	<b>2,989</b>	<b>3,264</b>
<i>YoY total growth</i>	<i>-2.9% <sup>c)</sup></i>		
<i>YoY organic growth</i>	<i>-0.4% <sup>c)</sup></i>		
<b>Adj. EBITDA</b>	<b>229</b>	<b>215</b>	<b>225</b>
<i>% on sales</i>	<i>7.2%</i>	<i>7.1%</i>	<i>6.9%</i>
<b>Adj. EBIT</b>	<b>175</b>	<b>168</b>	<b>173</b>
<i>% on sales</i>	<i>5.5%</i>	<i>5.6%</i>	<i>5.3%</i>

a) Includes Draka Group's results since 1 March 2011  
 b) Includes Draka Group's results since 1 January 2011  
 c) Variation calculated on H1 2011 Combined



# Energy Segment – Sales and Profitability by business area

Euro Millions, % of Sales Growth – H1 combined

	H1 2012	H1 2011 Comb.	Total growth	Organic growth	
<b>Sales to Third Parties</b>	Utilities	1,073	-4.7%	-2.4%	
	Trade & Installers	1,110	-4.2%	-0.4%	
	Industrial	920	889	3.6%	4.9%
	Others	67	91	<i>n.m.</i>	<i>n.m.</i>
	<b>Total Energy</b>	<b>3,170</b>	<b>3,264</b>	<b>-2.9%</b>	<b>-0.4%</b>
<b>Adj. EBITDA</b>	Utilities	117	10.9%	12.0%	
	Trade & Installers	42	3.8%	3.5%	
	Industrial	70	7.6%	5.6%	
	Others	-	(1)	<i>n.m.</i>	<i>n.m.</i>
	<b>Total Energy</b>	<b>229</b>	<b>225</b>	<b>7.2%</b>	<b>6.9%</b>
<b>Adj. EBIT</b>	Utilities	100	9.3%	10.3%	
	Trade & Installers	28	2.5%	2.4%	
	Industrial	49	5.4%	3.8%	
	Others	(2)	(2)	<i>n.m.</i>	<i>n.m.</i>
	<b>Total Energy</b>	<b>175</b>	<b>173</b>	<b>5.5%</b>	<b>5.3%</b>

# Telecom Segment – Profit and Loss Statement

Euro Millions

	H1 2012	H1 2011 Reported <sup>a)</sup>	H1 2011 Combined <sup>b)</sup>
<b>Sales to Third Parties</b>	<b>746</b>	<b>585</b>	<b>701</b>
<i>YoY total growth</i>	6.4% <sup>c)</sup>		
<i>YoY organic growth</i>	1.7% <sup>c)</sup>		
<b>Adj. EBITDA</b>	<b>79</b>	<b>54</b>	<b>62</b>
<i>% on sales</i>	10.6%	9.0%	8.6%
<b>Adj. EBIT</b>	<b>54</b>	<b>36</b>	<b>39</b>
<i>% on sales</i>	7.3%	6.0%	5.4%

a) Includes Draka Group's results since 1 March 2011  
 b) Includes Draka Group's results since 1 January 2011  
 c) Variation calculated on H1 2011 Combined

# Financial Structure

Euro Millions

	Debt structure (€m)		30.06.2012 (€m)		
	30.06.12	31.12.11	Used	Available Funds <sup>(2)</sup>	Maturity
Term Loan	674	674	674	-	12/2014
Eurobond	402	412	402	-	04/2015
Revolving Credit Facility	-	-	-	396	12/2014
Securitization	149	111	149	1	07/2013
Term Loan 2011	400	400	400	-	03/2016
Revolving 2011	-	-	-	400	03/2016
Other Debt	344	325	344	-	-
<b>Total Gross Debt</b>	<b>1,969</b>	<b>1,922</b>	<b>1,969</b>	<b>797</b>	<b>2.6 y <sup>(1)</sup></b>
Cash & Cash equivalents	(472)	(727)	(472)	472	
Other Financial Assets	(75)	(103)	(75)	65	
<b>NFP Vs third parties</b>	<b>1,422</b>	<b>1,092</b>	<b>1,422</b>	<b>1,334</b>	
Bank Fees	(26)	(28)			
<b>NFP</b>	<b>1,396</b>	<b>1,064</b>			

(1) Average maturity as of 30 June 2012

(2) Defined as Cash and Unused committed credit lines

Note: Average spread on utilized credit lines equal to 1.7%

# Profit and Loss Statement

Euro Millions

	FY 2011 Reported a)				FY 2010 Combined b)			FY 2011 Combined b)			
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total	PRY	DRAK	Cons. adj.	Total
<b>Sales</b>	<b>5,363</b>	<b>2,279</b>	<b>(59)</b>	<b>7,583</b>	<b>4,571</b>	<b>2,419</b>	<b>6,990</b>	<b>5,363</b>	<b>2,669</b>	<b>(59)</b>	<b>7,973</b>
<i>YoY total growth</i>	17.3%	8.5%		65.9%	22.5%	18.7%		17.3%	10.4%		14.1%
<i>YoY organic growth</i>	11.2%	4.0%			3.2%	3.5%		11.2%	4.2%		8.8%
<b>Adj. EBITDA</b>	<b>419</b>	<b>149</b>	<b>-</b>	<b>568</b>	<b>387</b>	<b>148</b>	<b>535</b>	<b>419</b>	<b>167</b>	<b>-</b>	<b>586</b>
<i>% on sales</i>	7.8%	6.5%		7.5%	8.5%	6.1%	7.7%	7.8%	6.3%		7.3%
<i>Non recurring items</i>	(247)	(38)	(14)	(299)	(22)	(56)	(78)				
<b>EBITDA</b>	<b>172</b>	<b>111</b>	<b>(14)</b>	<b>269</b>	<b>365</b>	<b>92</b>	<b>457</b>				
<i>% on sales</i>	3.2%	4.9%		3.4%	8.0%	3.8%	6.5%				
<b>Adj. EBIT</b>	<b>342</b>	<b>98</b>	<b>(14)</b>	<b>426</b>	<b>309</b>	<b>85</b>	<b>394</b>	<b>342</b>	<b>107</b>	<b>(14)</b>	<b>435</b>
<i>% on sales</i>	6.4%	4.3%		5.6%	6.8%	3.5%	5.6%	6.4%	4.0%		5.5%
<i>Non recurring items</i>	(247)	(38)	(14)	(299)	(22)	(56)	(78)				
<i>Special items</i>	(98)	(10)	-	(108)	20	-	20				
<b>EBIT</b>	<b>(3)</b>	<b>50</b>	<b>(28)</b>	<b>19</b>	<b>307</b>	<b>29</b>	<b>336</b>				
<i>% on sales</i>	0.1%	2.2%		0.3%	6.7%	1.2%	4.8%				
<i>Financial charges</i>	(102)	(13)	(5)	(120)	(94)	(24)	(118)				
<b>EBT</b>	<b>(105)</b>	<b>37</b>	<b>(33)</b>	<b>(101)</b>	<b>213</b>	<b>5</b>	<b>218</b>				
<i>% on sales</i>	-1.8%	1.6%		-1.3%	4.7%	0.2%	3.1%				
<i>Taxes</i>	(32)	(17)	5	(44)	(63)	2	(61)				
<i>% on EBT</i>	n.m.	n.m.		n.m.	29.8%	37.5%	28.0%				
<b>Net income</b>	<b>(137)</b>	<b>20</b>	<b>(28)</b>	<b>(145)</b>	<b>150</b>	<b>7</b>	<b>157</b>				
<i>Extraordinary items (after tax)</i>	(321)	(44)	(11)	(376)	(23)	(57)	(80)				
<b>Adj. Net income</b>	<b>184</b>	<b>64</b>	<b>(17)</b>	<b>231</b>	<b>173</b>	<b>64</b>	<b>237</b>				

a) Includes Draka consolidated 10 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Extraordinary Effects

Euro Millions

	FY 2011 Reported <sup>a)</sup>				FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total
Antitrust investigation	(205)	-	-	(205)	-	-	-
Restructuring	(22)	(34)	-	(56)	(11)	(48)	(59)
Legal costs	-	-	-	-	(5)	-	(5)
Draka transaction costs	(6)	-	-	(6)	(6)	(8)	(14)
Draka integration costs	(10)	(2)	-	(12)	-	-	-
Draka change of control effects	(2)	-	-	(2)	-	-	-
Inventory step-up (PPA)	-	-	(14)	(14)	-	-	-
Other	(2)	(2)	-	(4)	-	-	-
<b>EBITDA adjustments</b>	<b>(247)</b>	<b>(38)</b>	<b>(14)</b>	<b>(299)</b>	<b>(22)</b>	<b>(56)</b>	<b>(78)</b>
Special items	(98)	(10)	-	(108)	20	-	20
Gain/(loss) on metal derivatives	(56)	(6)	-	(62)	28	-	28
Assets impairment	(36)	(2)	-	(38)	(8)	-	(8)
Other	(6)	(2)	-	(8)	-	-	-
<b>EBIT adjustments</b>	<b>(345)</b>	<b>(48)</b>	<b>(14)</b>	<b>(407)</b>	<b>(2)</b>	<b>(56)</b>	<b>(58)</b>
Gain/(Loss) on other derivatives <sup>(1)</sup>	5	2	-	7	(38)	1	(37)
Gain/(Loss) exchange rate	(19)	(2)	-	(21)	7	(3)	4
Other one-off financial income/exp.	-	-	-	-	2	(3)	(1)
<b>EBT adjustments</b>	<b>(359)</b>	<b>(48)</b>	<b>(14)</b>	<b>(421)</b>	<b>(31)</b>	<b>(61)</b>	<b>(92)</b>
Tax	38	4	3	45	8	4	12
<b>Net Income adjustments</b>	<b>(321)</b>	<b>(44)</b>	<b>(11)</b>	<b>(376)</b>	<b>(23)</b>	<b>(57)</b>	<b>(80)</b>

## Notes

(1) Includes currency and interest derivatives

a) Includes Draka consolidated 10 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Financial Charges

Euro Millions

	FY 2011 Reported <sup>a)</sup>				FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total
<b>Net interest expenses</b>	<b>(84)</b>	<b>(20)</b>	<b>-</b>	<b>(104)</b>	<b>(61)</b>	<b>(23)</b>	<b>(84)</b>
Bank fees Amortization	(11)	-	-	(11)	(6)	(4)	(10)
Gain/(loss) on exchange rates	(19)	(2)	-	(21)	7	(3)	4
Gain/(loss) on derivatives <sup>(1)</sup>	5	2	-	7	(38)	1	(37)
Non recurring effects	-	-	-	-	2	(3)	(1)
<b>Net financial charges</b>	<b>(109)</b>	<b>(20)</b>	<b>-</b>	<b>(129)</b>	<b>(96)</b>	<b>(32)</b>	<b>(128)</b>
Share in net income of associates	7	7	(5)	9	2	8	10
<b>Total financial charges</b>	<b>(102)</b>	<b>(13)</b>	<b>(5)</b>	<b>(120)</b>	<b>(94)</b>	<b>(24)</b>	<b>(118)</b>

## Notes

<sup>(1)</sup> Includes currency and interest derivatives

a) Includes Draka consolidated 10 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Statement of financial position (Balance Sheet)

Euro Millions

	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
	<b>Total</b>	<b>PRY</b>
Net fixed assets	2,255	1,029
<i>of which: intangible assets</i>	618	59
<i>of which: property, plants &amp; equipment</i>	1,544	958
Net working capital	552	494
<i>of which: derivatives assets/(liabilities)</i>	(27)	37
<i>of which: Operative Net working capital</i>	579	457
Provisions & deferred taxes	(371)	(120)
<b>Net Capital Employed</b>	<b>2,436</b>	<b>1,403</b>
Employee provisions	268	145
Shareholders' equity	1,104	799
<i>of which: attributable to minority interest</i>	62	43
Net financial position	1,064	459
<i>Bank Fees</i>	(28)	(20)
<i>Net financial position vs Third Parties</i>	1,092	479
<b>Total Financing and Equity</b>	<b>2,436</b>	<b>1,403</b>

31 Dec 2010 Combined:  
€ 684 mln



# Cash Flow

Euro Millions

	FY 2011 Comb. <sup>a)</sup>	FY 2011 Rep. <sup>b)</sup>	FY 2010 Rep. <sup>c)</sup>
	Total	Total	PRY
<b>Adj.EBITDA</b>	<b>586</b>	<b>568</b>	<b>387</b>
Non recurring items	(303)	(299)	(22)
<b>EBITDA</b>	<b>283</b>	<b>269</b>	<b>365</b>
Net Change in provisions & others	197	198	(17)
Release of inventory step-up	14	14	-
<b>Cash flow from operations (before WC changes)</b>	<b>494</b>	<b>481</b>	<b>348</b>
Working Capital changes	91	183	(6)
Paid Income Taxes	(98)	(97)	(59)
<b>Cash flow from operations</b>	<b>487</b>	<b>567</b>	<b>283</b>
Acquisitions	(501)	(419) <sup>(1)</sup>	(21)
Net Operative CAPEX	(150)	(145)	(95)
Net Financial CAPEX	4	4	5
<b>Free Cash Flow (unlevered)</b>	<b>(160)</b>	<b>7</b>	<b>172</b>
Financial charges	(132)	(130)	(52)
<b>Free Cash Flow (levered)</b>	<b>(292)</b>	<b>(123)</b>	<b>120</b>
Dividends	(37)	(37)	(75)
Other Equity movements	1	1	13
<b>Net Cash Flow</b>	<b>(328)</b>	<b>(159)</b>	<b>58</b>
<b>NFP beginning of the period</b>	<b>(732)</b>	<b>(459)</b>	<b>(474)</b>
Net cash flow	(328)	(159)	58
Perimeter Change	-	(439) <sup>(2)</sup>	-
Other variations	(4)	(7)	(43)
<b>NFP end of the period</b>	<b>(1,064)</b>	<b>(1,064)</b>	<b>(459)</b>

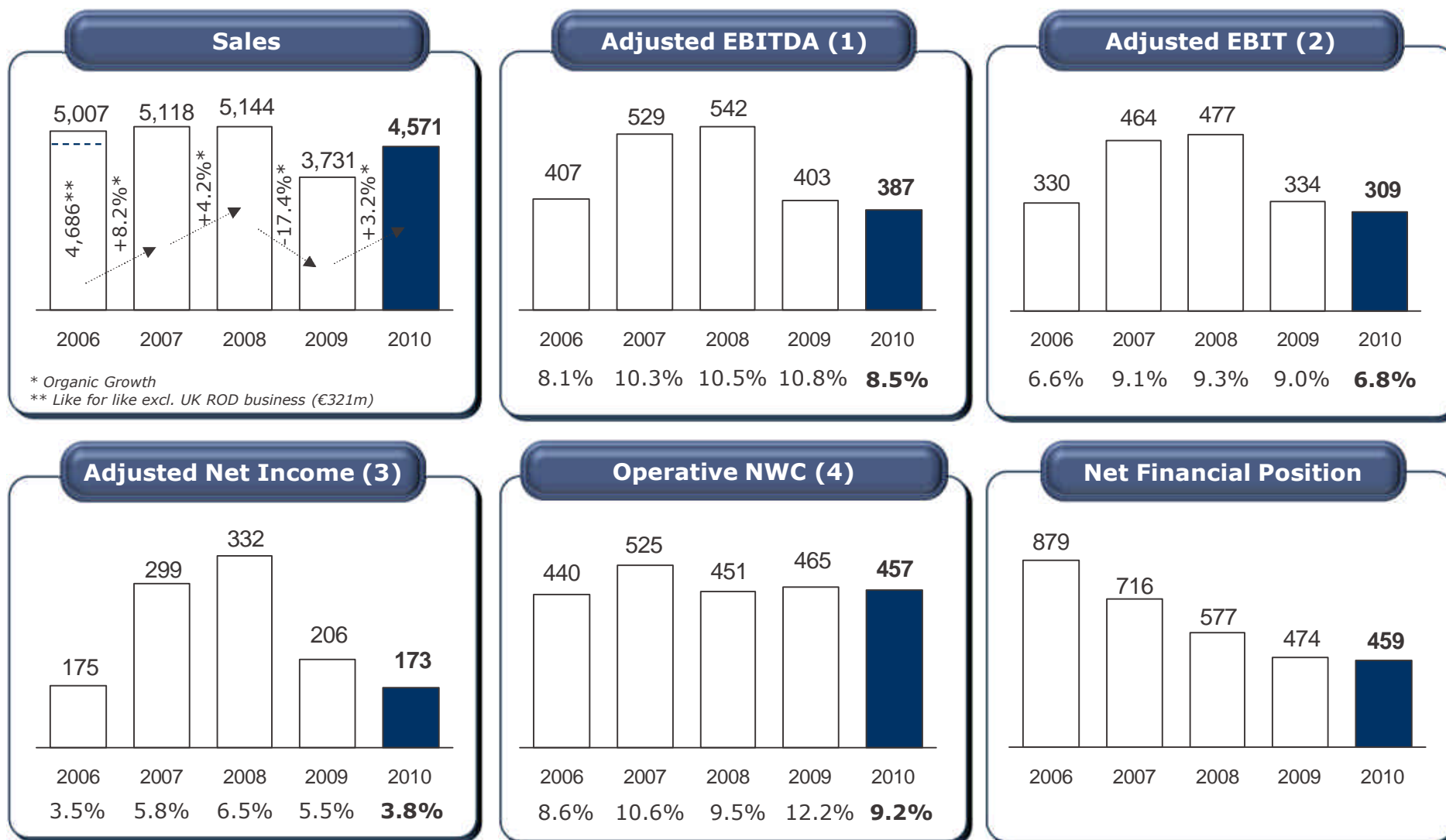
## Notes

(1) Includes € 82m of cash and cash equivalents in Draka consolidated accounts as of 28.02.2011  
 (2) Gross financial debt in Draka consolidated accounts as of 28.02.2011

- a) Includes Draka consolidated all 12 months  
 b) Includes Draka consolidated 10 months from 1 March 2011  
 c) Prysmian only

# Prysmian Historical Key Financials

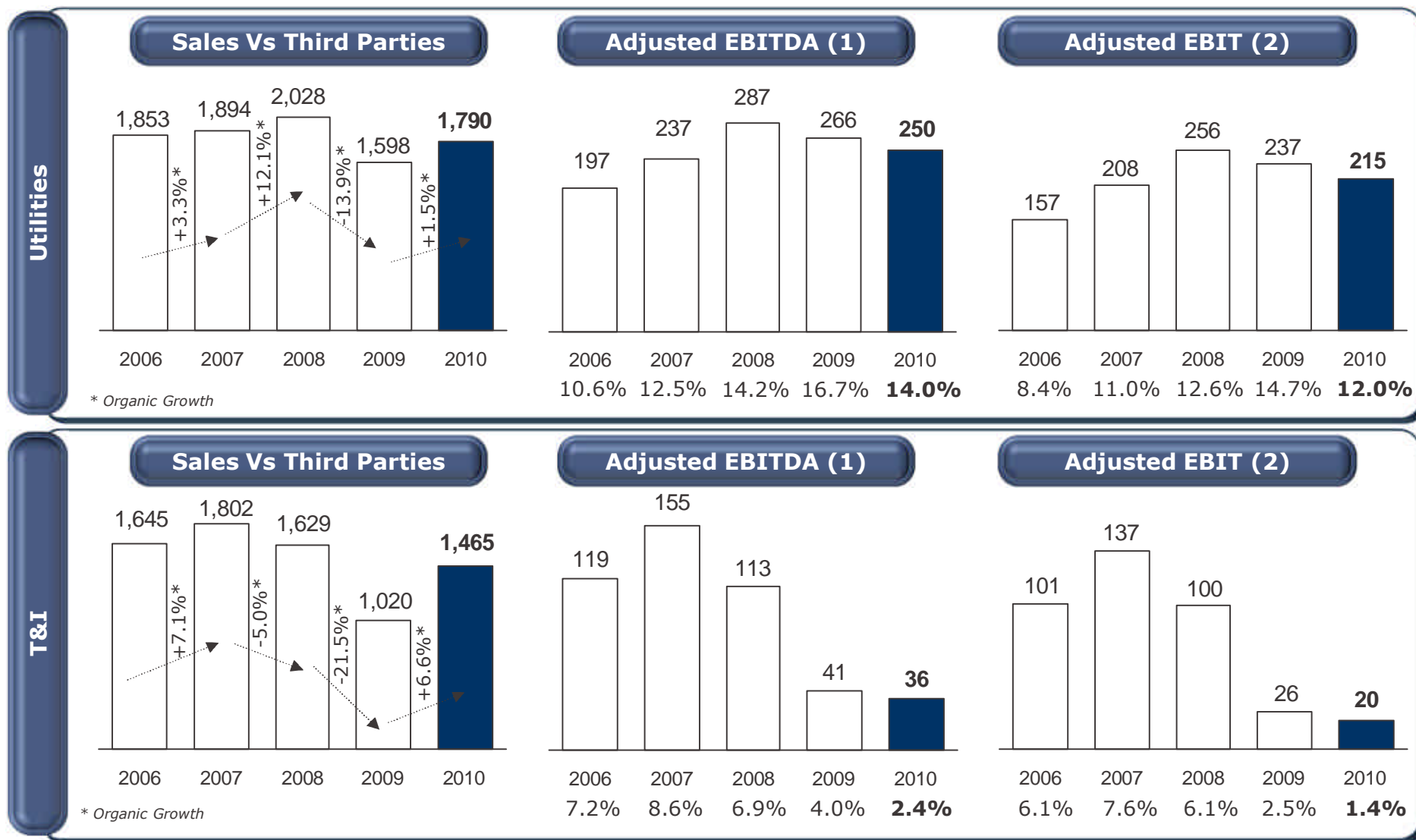
Euro Millions, % of Sales – Pre Draka acquisition



(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (4) Operative Net Working Capital defined as Net Working Capital excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

# Historical Key Financials by Business Area – Utilities and T&I

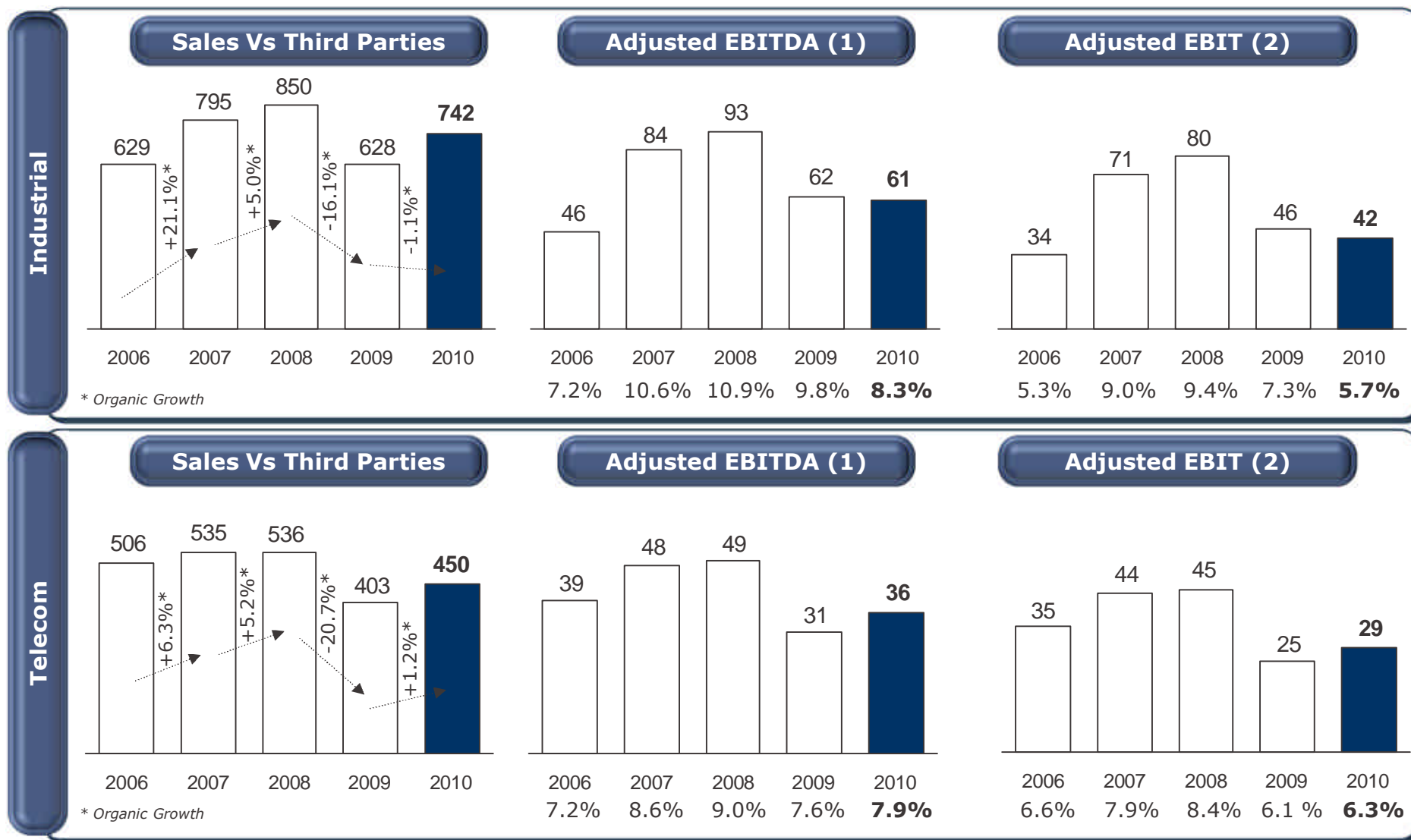
Euro Millions, % of Sales – Pre Draka acquisition



(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

# Historical Key Financials by Business Area – Industrial and Telecom

Euro Millions, % of Sales – Pre Draka acquisition



(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

# AGENDA

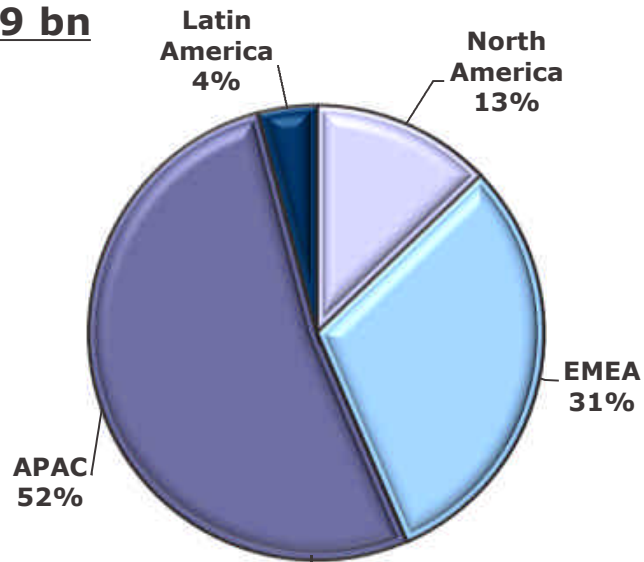
- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Cable Industry Reference Market

# The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2011

## Global Cables Reference Market

€ 99 bn



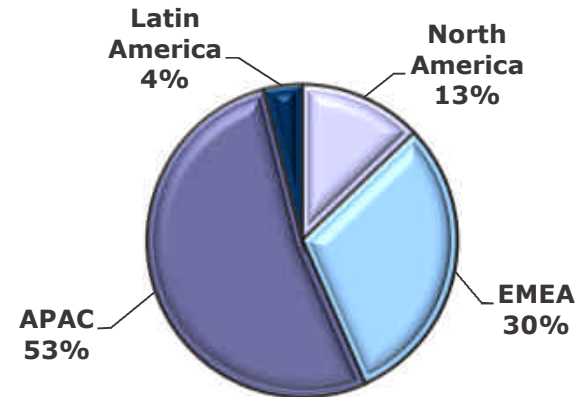
**Energy Cables Reference Market**  
~€89bn

- Trade and Installers
- Utilities
- Industrial

**Telecom Cables Reference Market**  
~€10bn

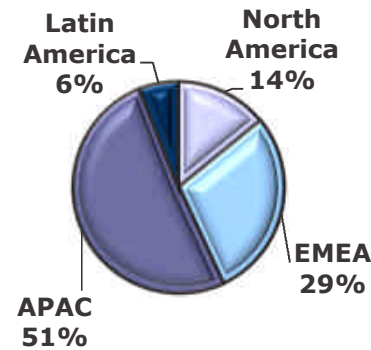
- Fibre Optical Cables
- Copper Cables

## Energy Cables Reference Market (~€89bn)

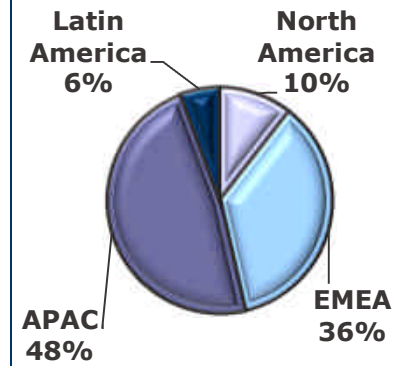


## Telecom Cables Reference Market (~€10bn)

**Optical Cables**  
€6.0bn



**Copper Cables**  
€3.9bn

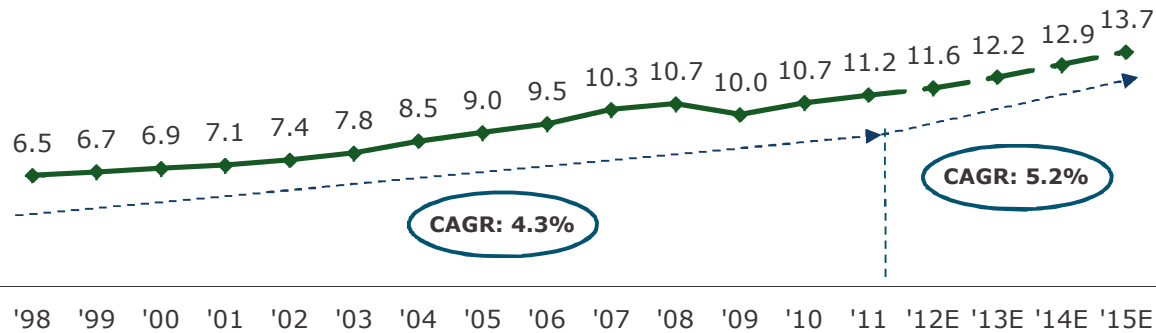


Source: Company analysis based on CRU data- Wire and Cable Quarterly July 2012. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for the energy sector and internal telecom data and copper LAN cables for the telecom sector). Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic

# Market Volumes Trend

## Energy Cables Reference Market

Million Tons Conductor

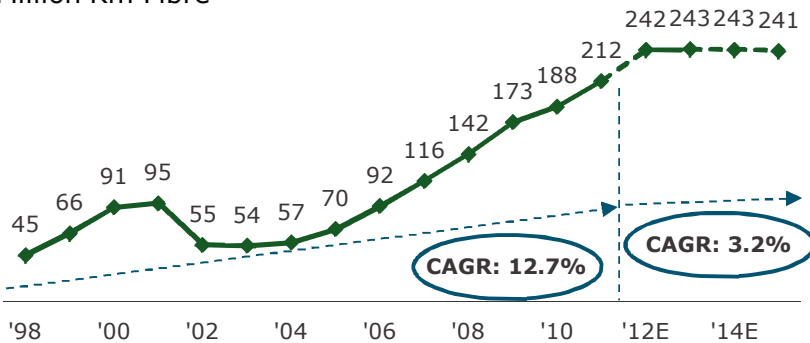


- Long term growth driven by:
  - Energy consumption
  - Investments in power grid interconnections
  - Investments in power transmission and distribution
  - Infrastructure investments
  - Renewable energy

## Telecom Cables Reference Market

### Optical Fiber Cables

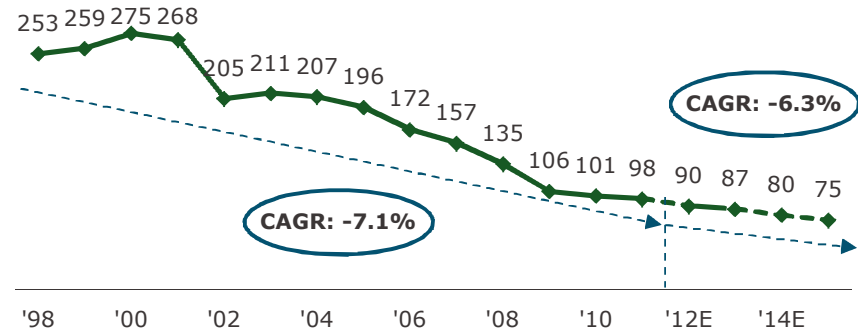
Million Km Fibre



Market growth driven by increased investment in fibre access networks (FTTx) and Next Generation Networks

### Copper Cables

Million Km Pair

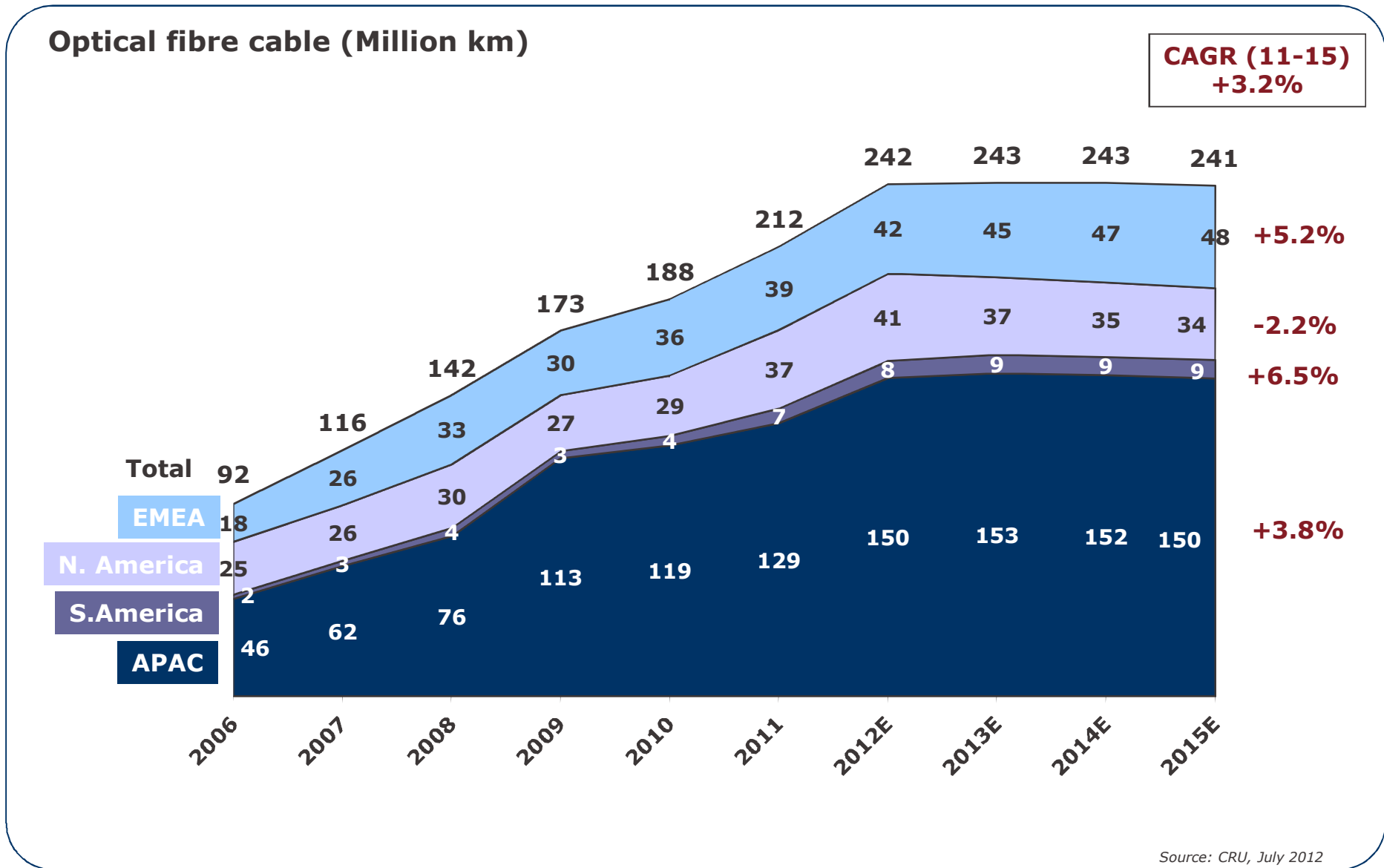


Declining historical development in copper cables expected to continue

Source: Company analysis based on July 2012 CRU data. Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic.



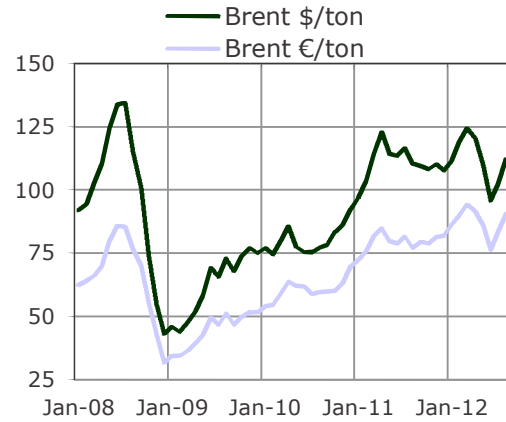
# Telecom – Demand evolution by geographical area



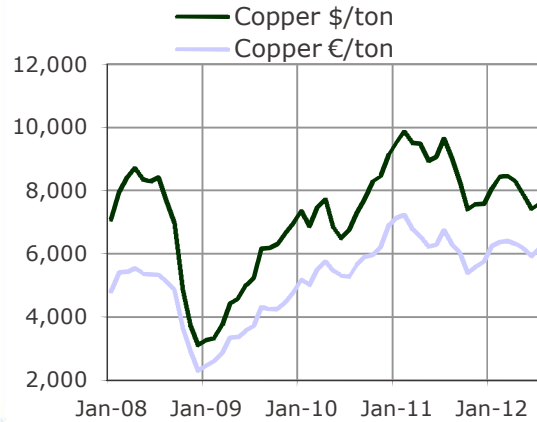
# Reference Scenario

## Commodities & Forex

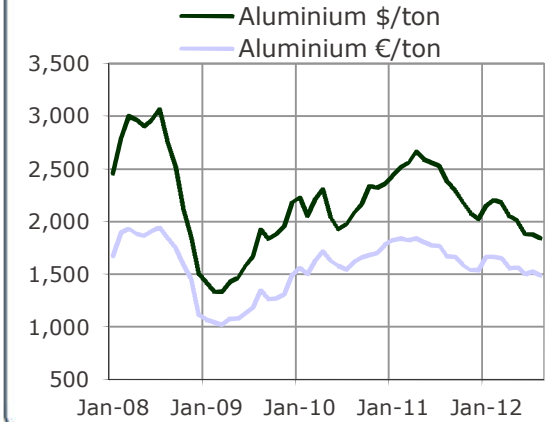
**Brent**



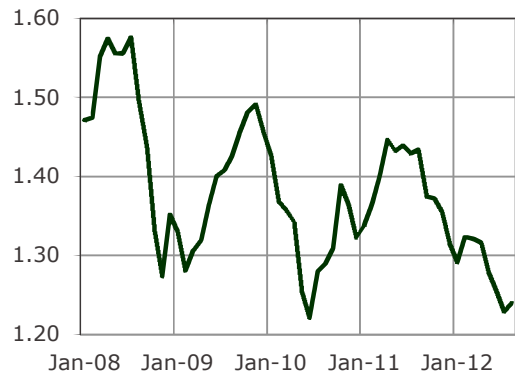
**Copper**



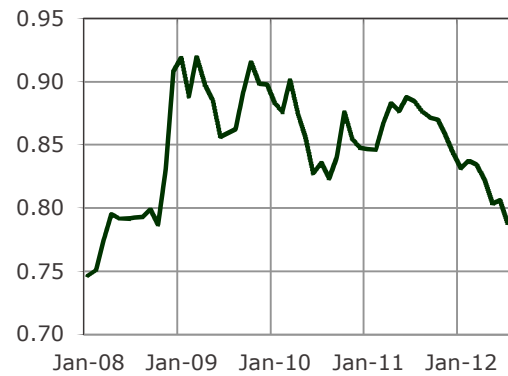
**Aluminium**



**EUR / USD**



**EUR / GBP**



**EUR / BRL**



Based on monthly average data  
Source: Thomson Reuters

# Disclaimer

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- The managers responsible for preparing the company's financial reports, J.Calvo and C.Soprano, declare, pursuant to paragraph 2 of Article 154-bis of the Consolidated Financial Act, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.
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