

Company Presentation

HSBC - 11th HSBC's Equity Conference
Paris, 22nd March 2013



WORLDWIDE LEADER IN RENEWABLE ENERGY
SMARTER AND GREENER POWER GRIDS **LINKING THE FUTURE** SUPPORTING GLOBAL
STRONGER PLATFORM TO ENHANCE CUSTOMER EXPERIENCE

Prysmian
Group



AGENDA

➤ Group Overview & FY 2012 Results

➤ Draka integration

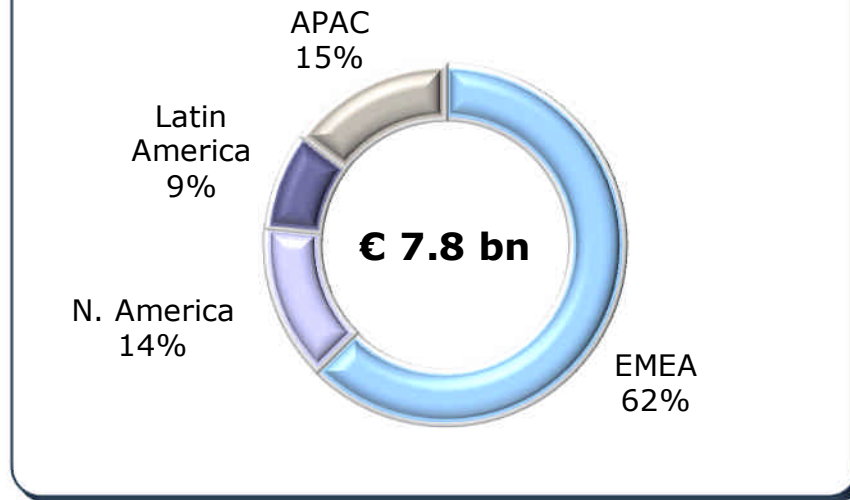
➤ Financial Results

➤ Appendix

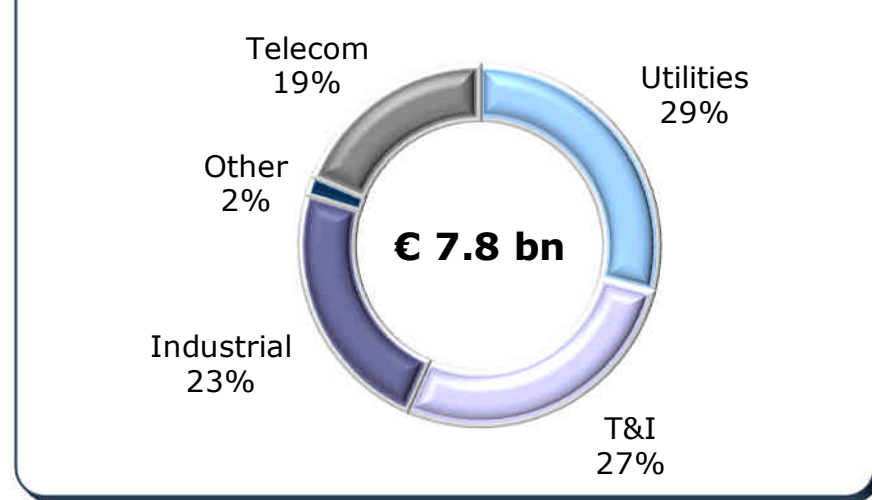
Prysmian Group at a glance

FY 2012 Results

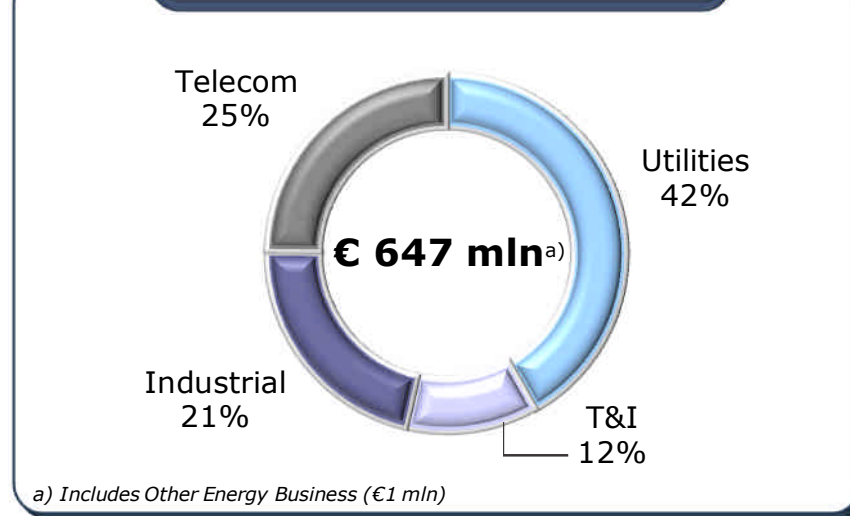
Sales breakdown by geography



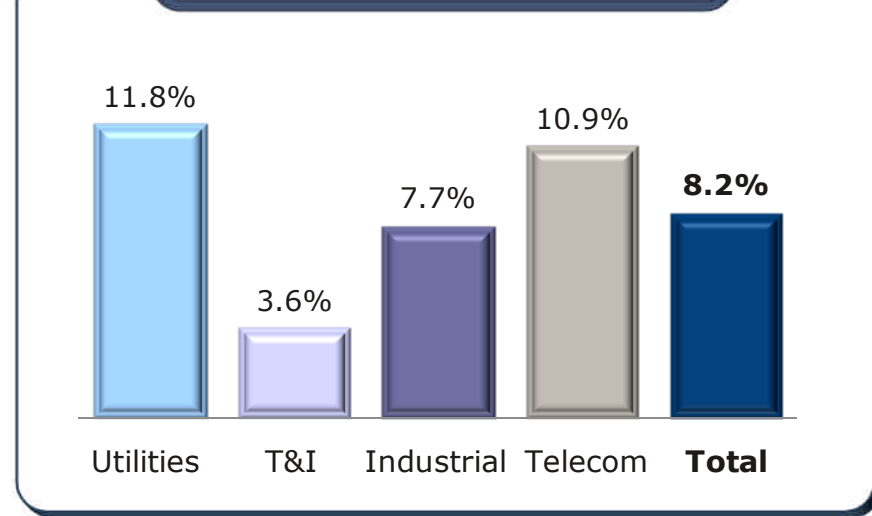
Sales breakdown by business



Adj. EBITDA by business



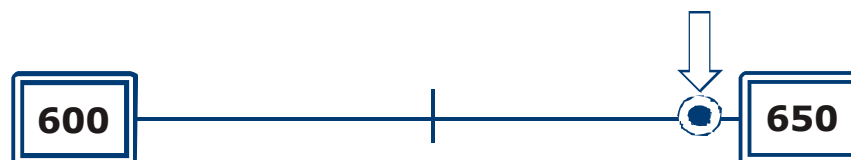
Adj. EBITDA margin by business



2012 Key Achievements

All targets fully achieved despite a worsening economic environment

- Adj. EBITDA at **€ 647 million**:
top of initial guidance (€ 600-650 million)

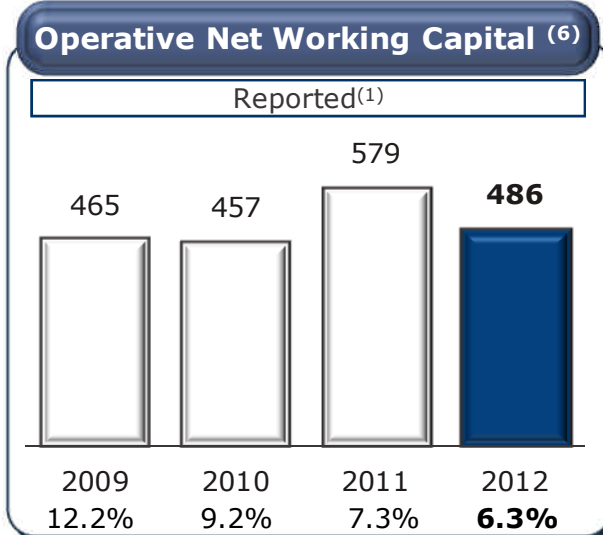
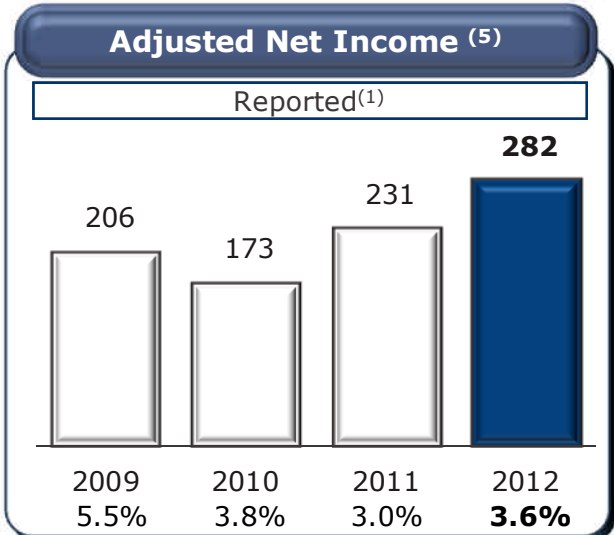
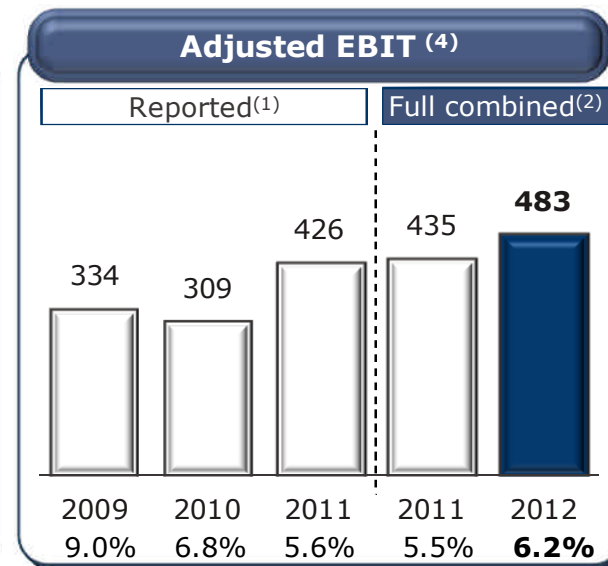
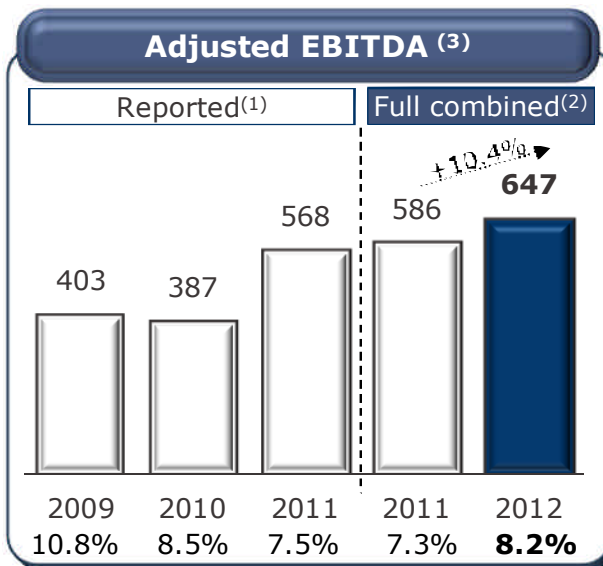
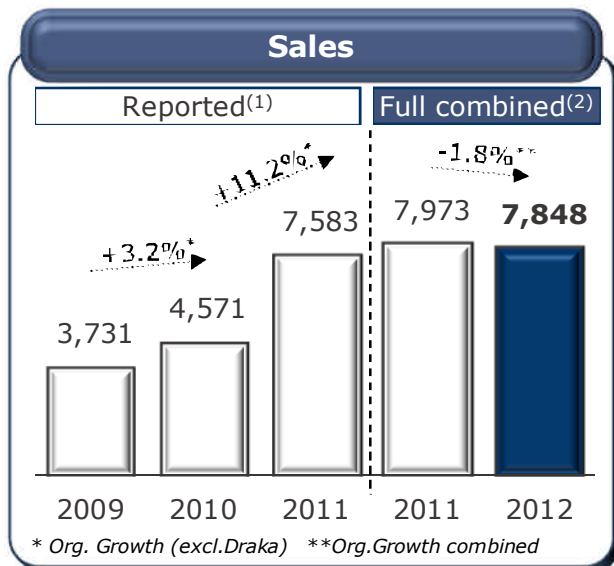


- Net Financial Position at **€ 918 million**:
strong improvement vs. initial target and previous year (FY2011: € 1,064 million)
- Sound balance sheet:
Net Financial Position / Adj. EBITDA at **1.4x** (from 1.8x in FY2011)
- Strong Free Cash Flow at **€ 284 million** ⁽¹⁾ (from € 209 million in FY2011)
- Cumulated Synergies at **€ 65 million** (vs. € 45 million target)

(1) Free Cash Flow levered excluding acquisitions, dividends paid and other equity movements

FY 2012 Key Financials

Euro Millions, % on Sales



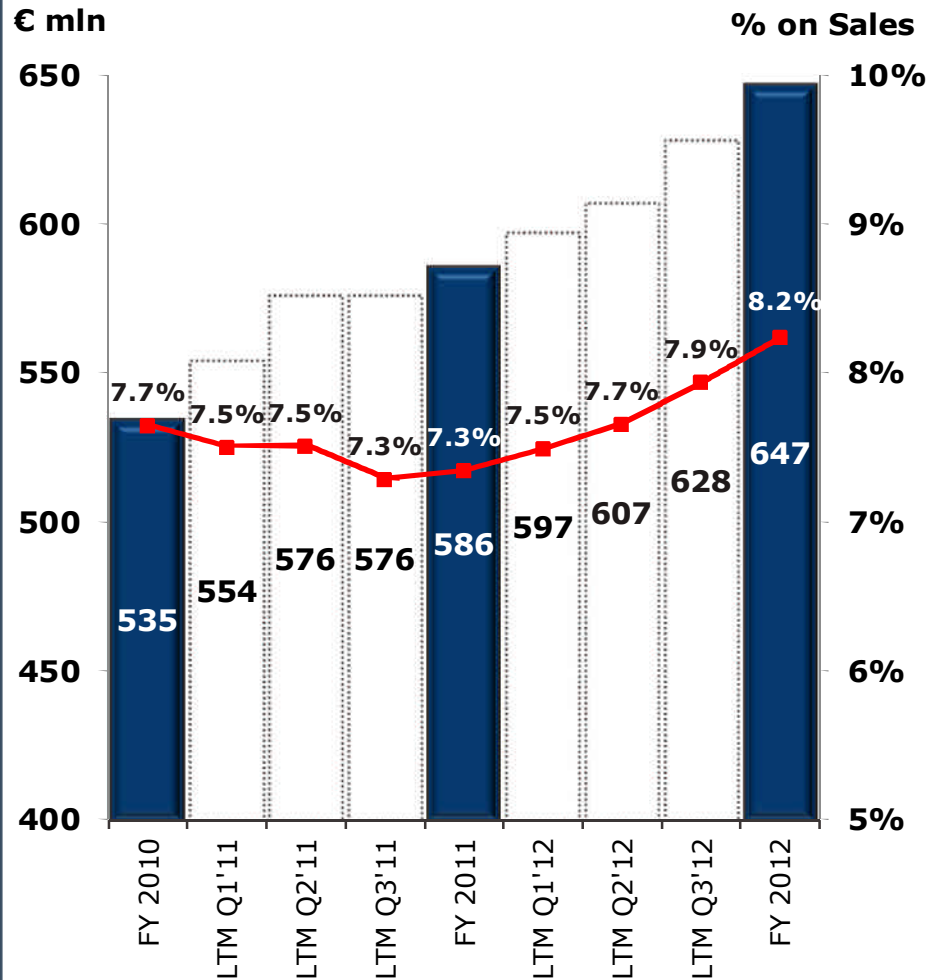
(1) Reported figures include Draka Group's results since 1 March 2011; (2) Full combined figures include Draka Group's results for the period 1 January - 31 December; (3) Adjusted excluding non-recurring income/expenses; (4) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (5) 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; (6) 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

Increasing profitability and margins across all businesses

Selective growth in high value added businesses and synergies as key drivers

LTM* Adj. EBITDA Evolution

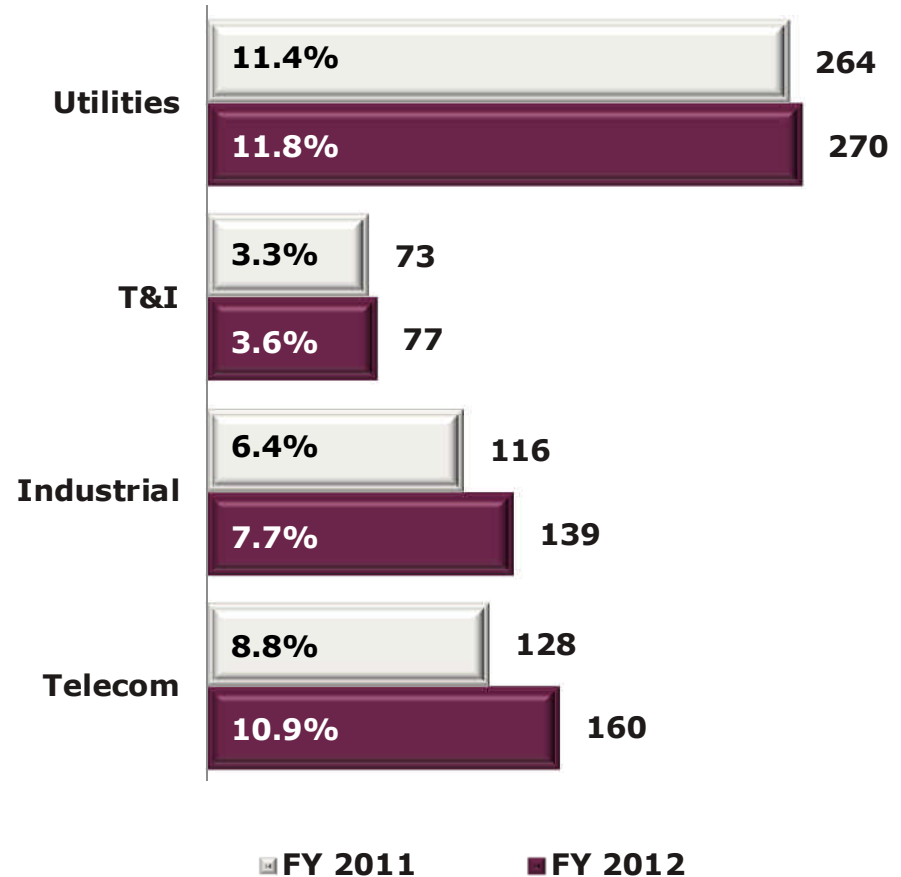
€ million - % on Sales



* LTM = Last Twelve Months. Full combined figures

Adj. EBITDA breakdown

€ million - % on Sales



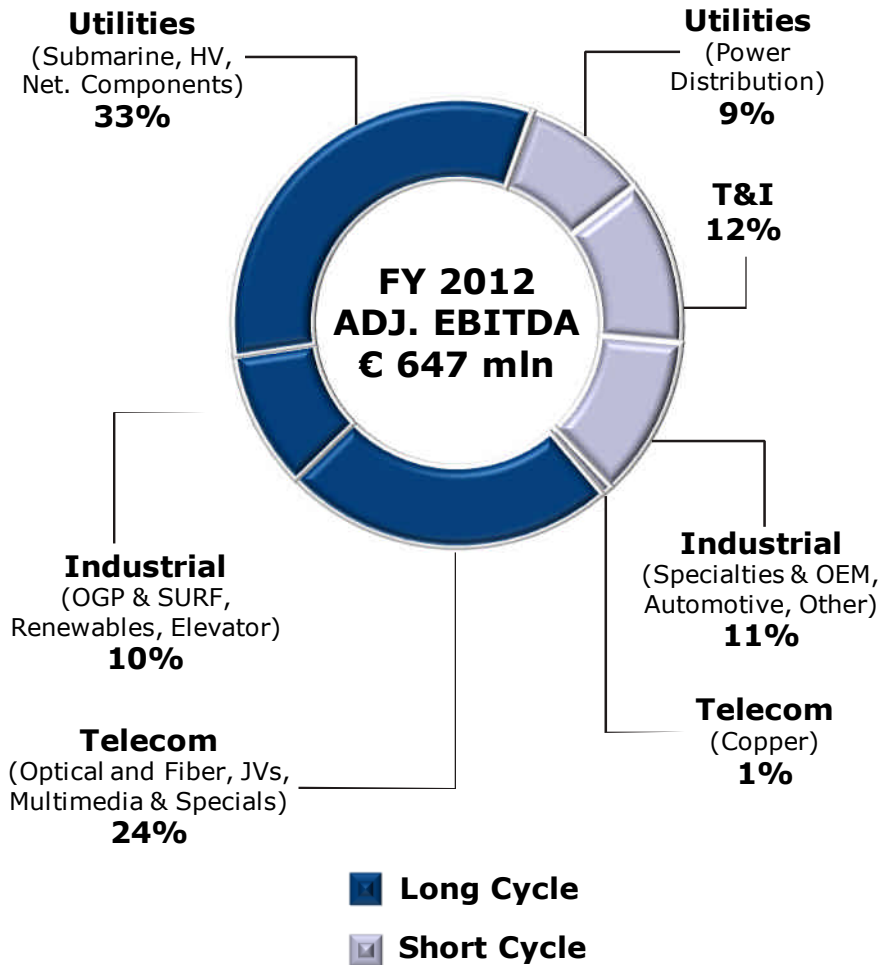
Note: Other Energy Business not included (€5 mln in 2011, €1 mln in 2012).
FY 2011 reclassified to reflect new segment reporting

Long Cycle Businesses Vs. Short Cycle Businesses

Adj. EBITDA breakdown

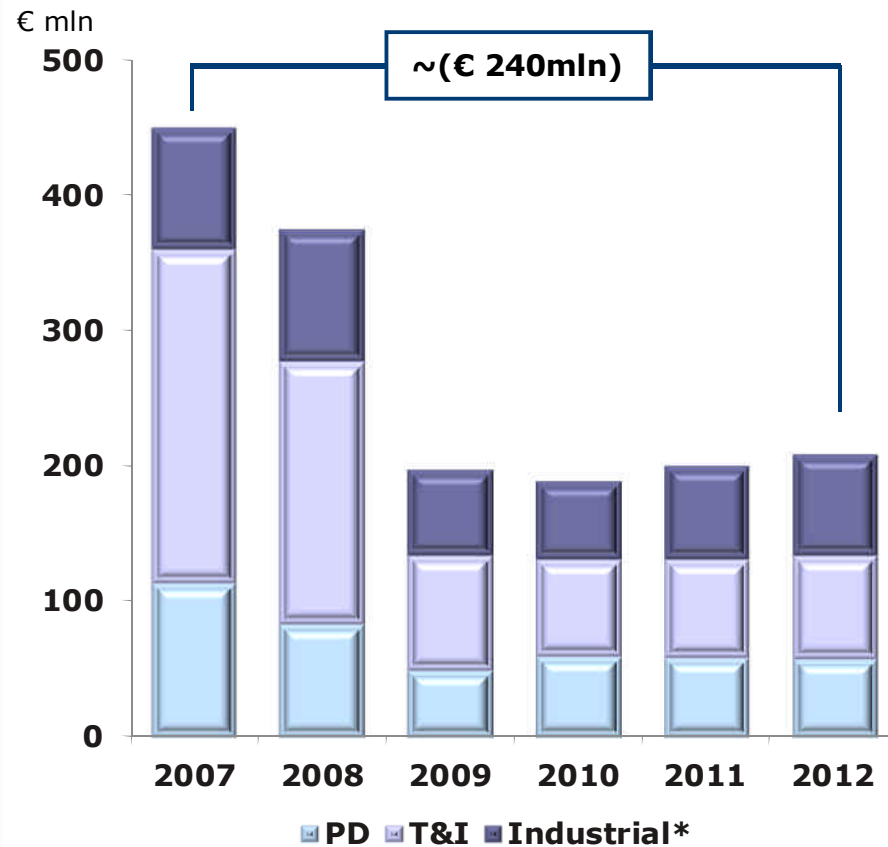
Long Cycle Businesses
67%

Short Cycle Businesses
33%



Short Cycle Businesses Adj. EBITDA
(Combined Prysmian + Draka)

- Profitability: stable at bottom level (excl. synergies contribution)
- Over 50% profitability decrease from the peak

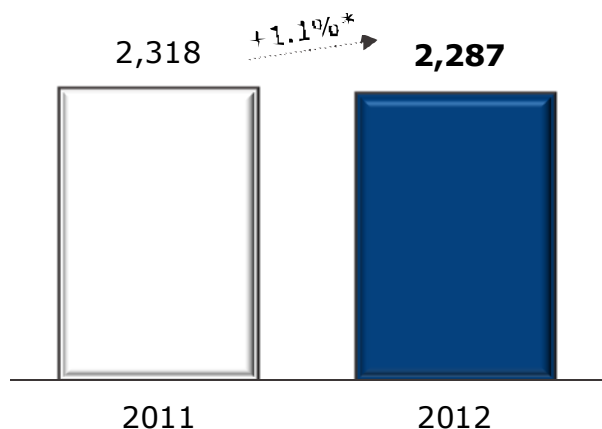


* Industrial includes Specialties & OEM, Automotive and Other segments

Utilities

Euro Millions, % on Sales – Full Combined Results

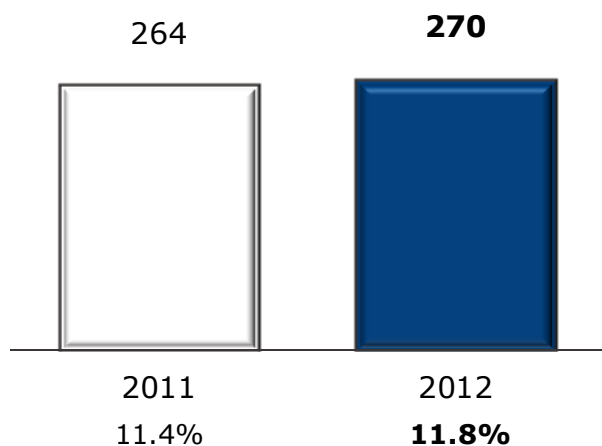
Sales to Third Parties



* Organic Growth

Note: 2011 reclassified to reflect new segment reporting

Adjusted EBITDA (1)



(1) Adjusted excluding non-recurring income/expenses
Note: 2011 reclassified to reflect new segment reporting

Highlights

DISTRIBUTION

- Further volume decrease in Europe, partially offset by positive demand in extra-European countries
 - Europe: weak demand expected to continue next quarters in all countries except Nordics and UK
 - North America: continuous positive trend in volume and profitability
 - South America: growing volume in Brazil
 - Asia: extending presence in all main regions to benefit from the positive demand. Still low volume in Australia
- Slight margin improvement thanks to industrial efficiencies and better sales geographical mix

TRANSMISSION – HV

- In line with expectations, strong Q4'12 contribution due to project phasing
- Stable profits with low double digit adj. ebitda margin achieved in FY despite Transco project
- Reasonable visibility on 2013 based on order-book
- Growing demand in US and Asia (e.g. Singapore, Indonesia and Australia)
- European demand sustained by land portion of submarine connections

TRANSMISSION – Submarine

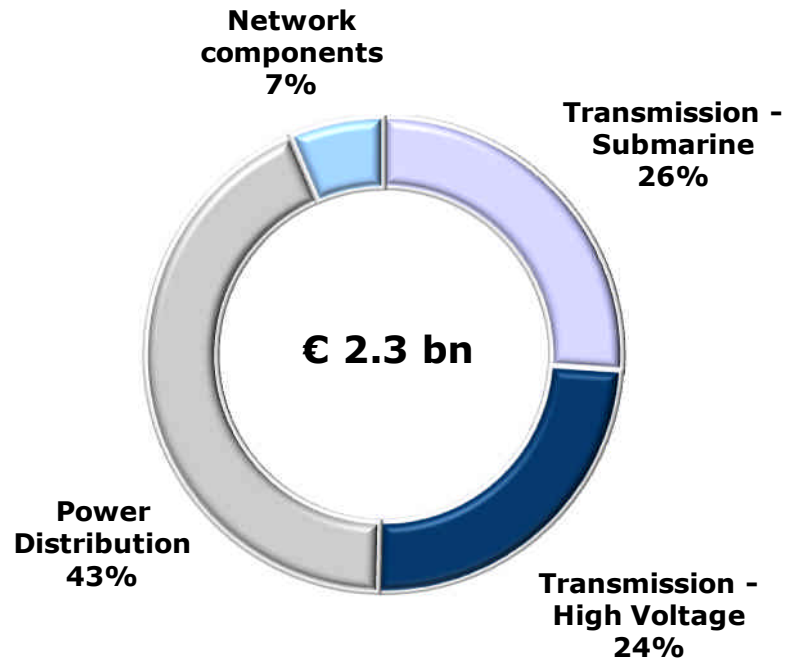
- Double digit organic growth in FY with large order book to support growth in 2013
- Sound market demand, particularly in off-shore wind farm projects, expected to drive strong order intake in 2013
- Germany, UK and Netherlands as major drivers of off-shore wind in Europe. First projects expected in US
- Strong focus on projects execution to maintain profitability

Utilities – Submarine as key driver of profitability increase

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

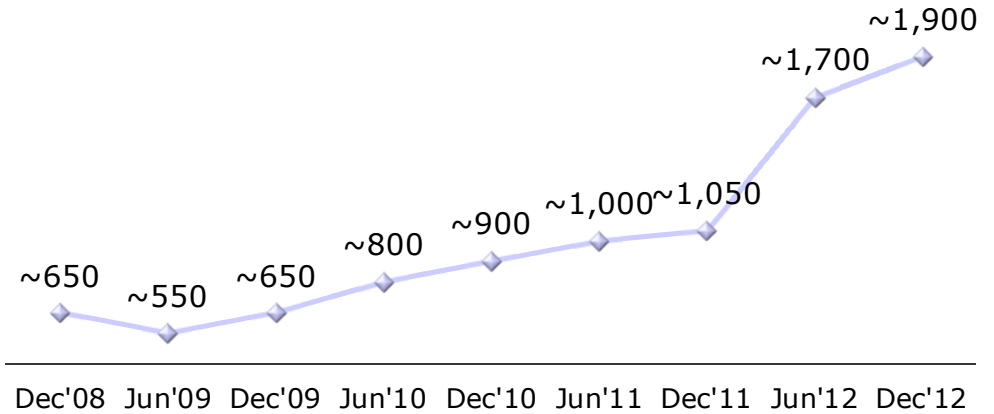
Sales breakdown

FY 2012



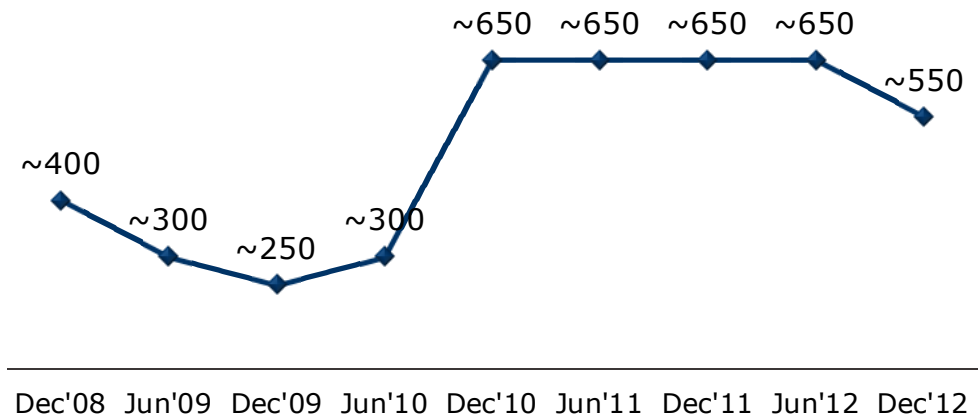
Orders Backlog Evolution

Submarine (€ million)



Orders Backlog Evolution

High Voltage (€ million)



Utilities – Investing in submarine to increase ROCE

Strengthening production and installation (GME acquisition) capabilities



Arco Felice (Italy)



Drammen (Norway)



Pikkala (Finland)



- Main projects in execution/order backlog:**
1. Western Link
 2. HelWin 1-2/ SylWin 1/ BorWin 2/ DolWin 3
 3. Hudson
 4. Messina
 5. Dardanelles
 6. Phu Quoc
 7. Mon.Ita
 8. Normandie 3



Giulio Verne

- Length overall: 133.2m
 - Depth moulded: 7.6m
 - Gross tonnage: 10,617 t



Cable Enterprise

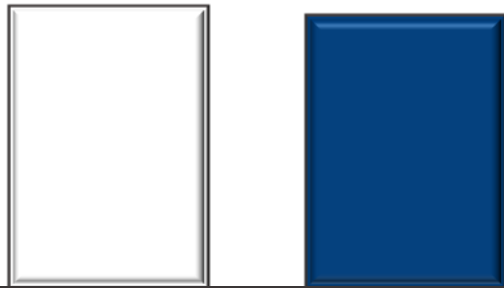
- Length overall: 115m
 - Depth moulded: 6.8m
 - Gross tonnage: 8,328t

Trade & Installers

Euro Millions, % on Sales – Full Combined Results

Sales to Third Parties

2,233 $\xrightarrow{-2.6\%*}$ 2,159



2011

2012

* Organic Growth

Note: 2011 reclassified to reflect new segment reporting

Highlights

- Weak volume in Q4'12 expected to continue due to lower construction activity in Europe
 - Europe: focus on profitability and cash flow in a declining demand in Central and South Europe. Ongoing production capacity rationalization
 - Positive demand in US and Canada expected to drive higher contribution in profitability
 - Growing volume in South America and APAC (e.g. Singapore, Malaysia, HK, Indonesia)
- Focus on product portfolio rationalization and service to the customers

Adjusted EBITDA ⁽¹⁾

73 77



2011

2012

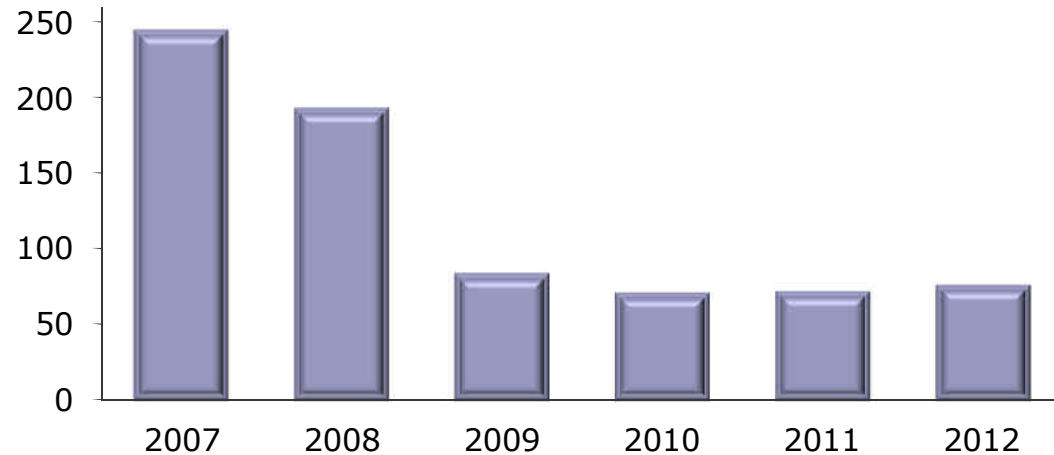
3.3%

3.6%

(1) Adjusted excluding non-recurring income/expenses
Note: 2011 reclassified to reflect new segment reporting

Adj.EBITDA^{a)} evolution from peak to bottom

Euro millions



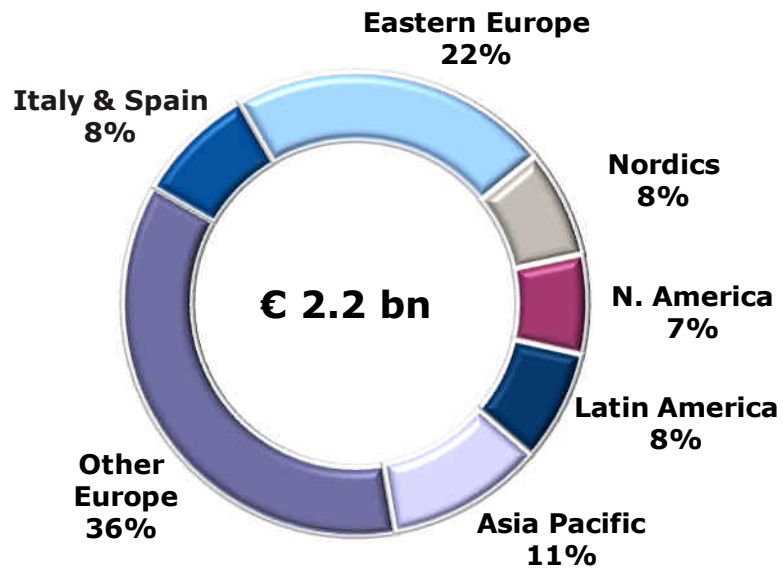
a) Full combined. 2007-2009: T&I business for Prysmian and E&I business for Draka; 2010-2012 T&I for both Prysmian and Draka according to Prysmian definitions

Trade & Installers

Sales breakdown

Sales breakdown by geographical area

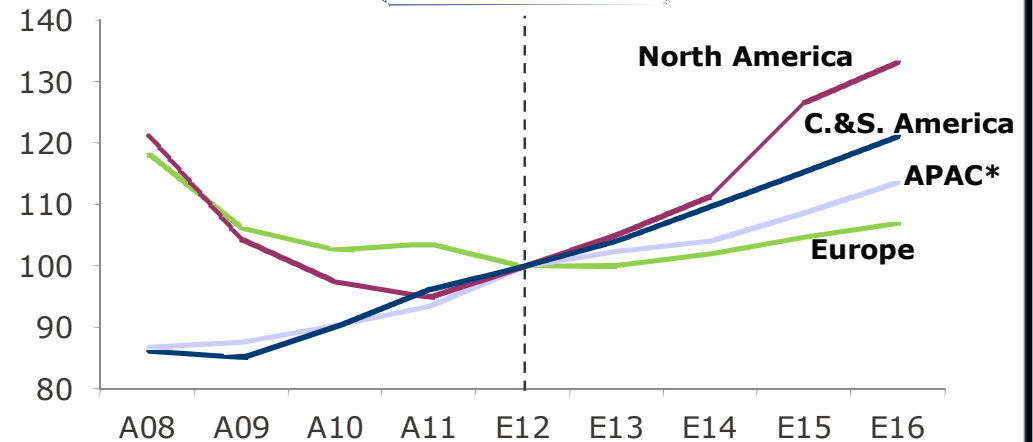
FY 2012



Nordics: Norway, Sweden, Finland, Denmark, Estonia
 Eastern Europe: Austria, Czech Rep, Slovakia, Hungary, Romania, Turkey, Russia

Total Construction Investments

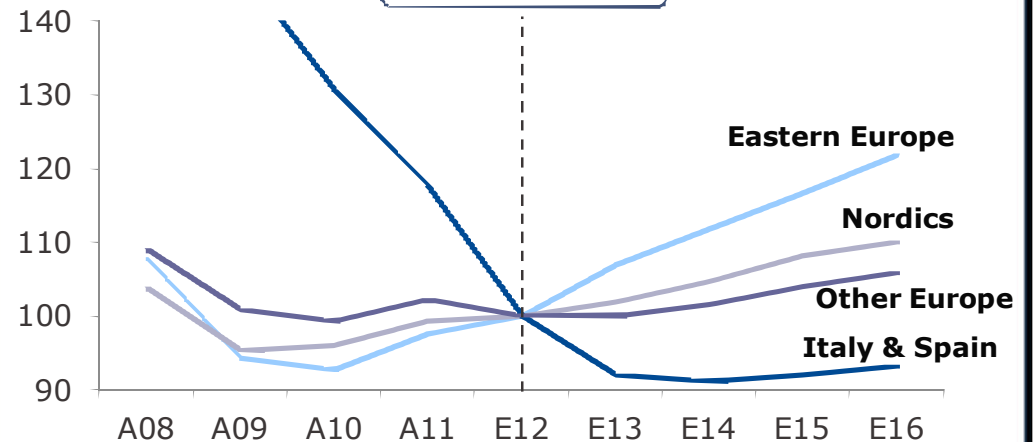
2012 = 100



* Excl. China

Focus on Europe

2012 = 100

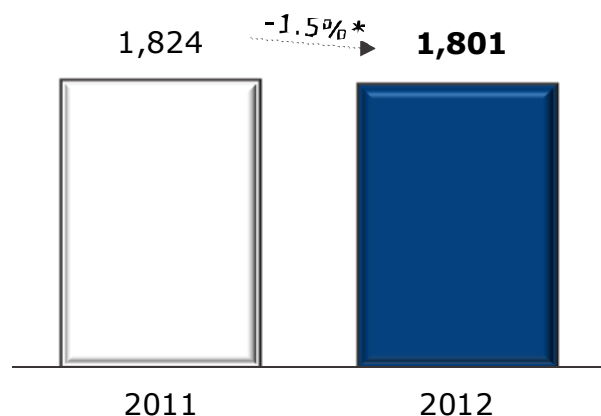


Source: Cresme Ricerche - Euroconstruct, December 2012

Industrial

Euro Millions, % on Sales – Full Combined Results

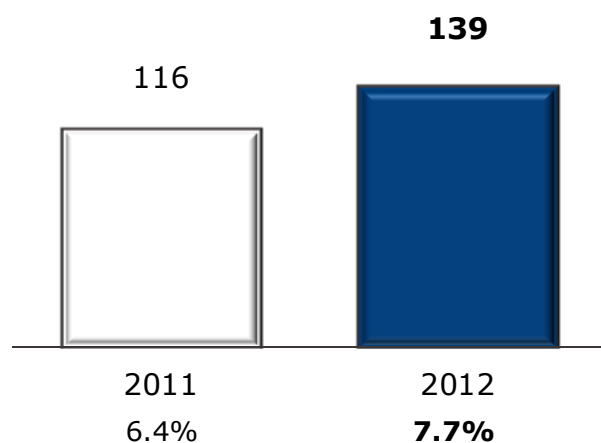
Sales to Third Parties



* Organic Growth

Note: 2011 reclassified to reflect new segment reporting

Adjusted EBITDA (1)



(1) Adjusted excluding non-recurring income/expenses
Note: 2011 reclassified to reflect new segment reporting

Highlights

OGP

- Positive performance in off-shore during 2012 with growing order-book in North Europe and Asia. Increasing exposure to large Asian markets (e.g. China, Singapore) to benefit from strong demand

SURF

- 2012 deliveries lower than expected. Still limited visibility on 2013 for flexible pipes; growing order book in umbilicals
- DHT: double digit growth in sales and profitability in 2012. Positive outlook on 2013 based on strong order-book

Elevator

- Sales and profitability increase supported by the US market. Leveraging on wide customer base to enlarge presence in Europe, APAC and South America

Renewable

- Lower demand in Europe. Incentives renewed in US expected to drive volume recovery mainly from H2'13

Automotive

- Focus on efficiencies and production costs optimization in a difficult European market. Positive demand in Apac and North/South America partially offsetting Europe

Specialties & OEM

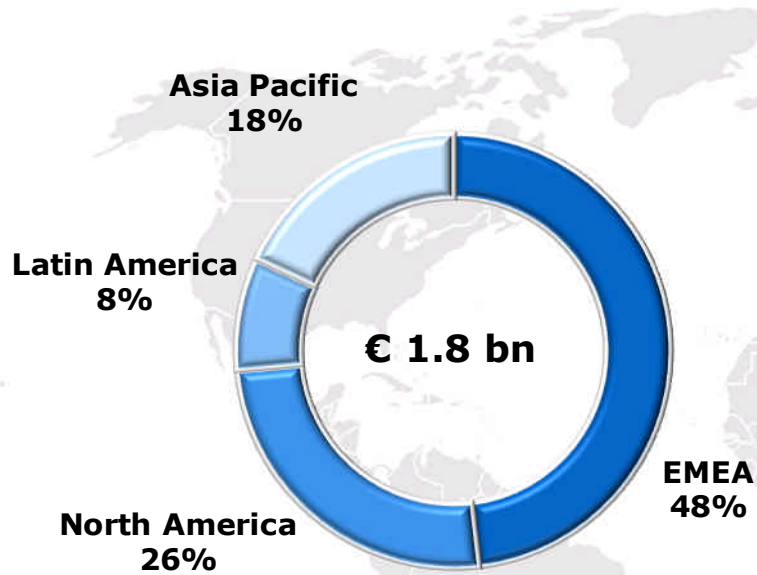
- Expected to keep a stable trend next quarters thanks to positive demand in North/South America and Asia. Lower investments in Europe

Industrial

Sales breakdown

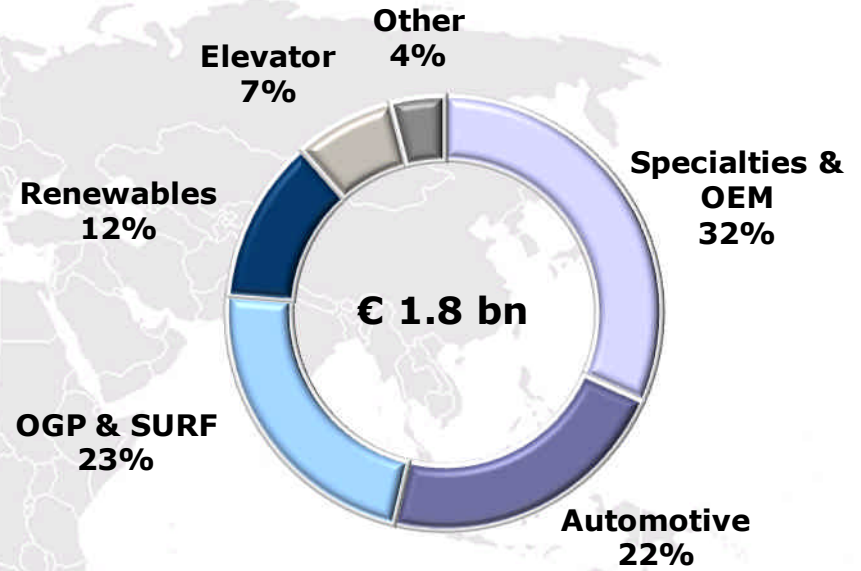
Sales breakdown by geographical area

FY 2012



Sales breakdown by business segment

FY 2012



Telecom

Euro Millions, % on Sales – Full Combined Results

Sales to Third Parties

1,431 $\xrightarrow{-3.5\%*}$ 1,466



2011

2012

* Organic Growth

Adjusted EBITDA ⁽¹⁾

128 **160**



2011

2012

8.8%

10.9%

(1) Adjusted excluding non-recurring income/expenses

Highlights

- Weak sales performance in H2'12 mainly due to lower volumes in North/South America for optical and overall declining trend in copper cables
- Record adj.ebitda margin achieved in 2012. Profitability increase attributable to better sales mix, industrial efficiencies and fixed costs reduction

Optical / Fiber

- **Europe:** positive volume trend supported by major countries (e.g. UK, Italy and Spain)
- **North America:** low H2'12 due to incentives suspended. Volume down to pre-stimulus level (2010)
- **Australia:** Strong performance expected in H1'13 due to a low comparable basis. High investments confirmed
- **Brazil:** volume recovery mainly expected from H2'13 thanks to reintroduction of stimulus packages
- **China:** high investments in all applications (Backbone, Metropolitan Ring and Access network) supporting positive demand

Multimedia & Specials

- Increased profitability confirmed on back of extended commercial footprint (products and regions), and sustainable cost reduction

OPGW

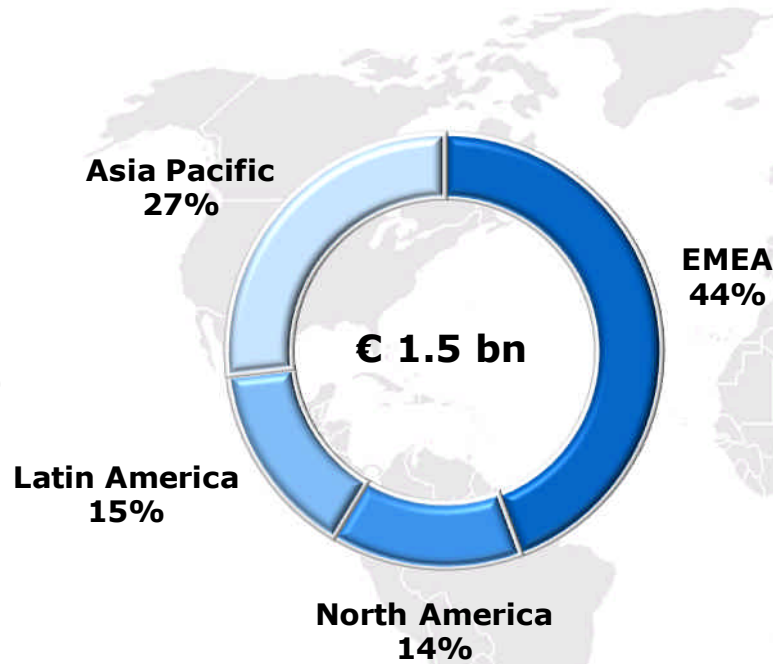
- Growing sales in Spain, Middle East & Africa

Telecom

Sales breakdown

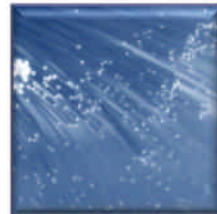
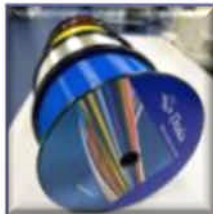
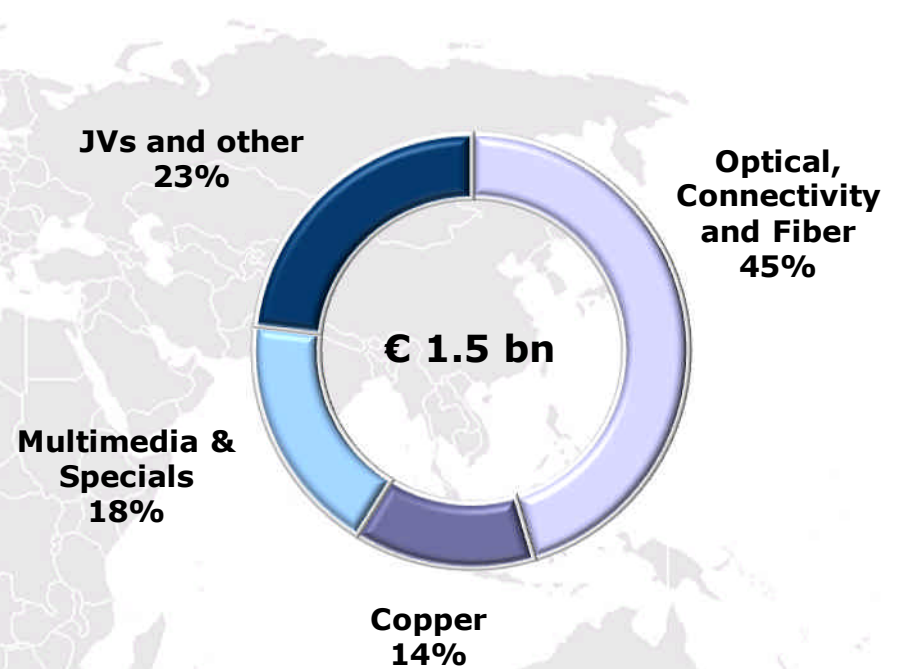
Sales breakdown by geographical area

FY 2012



Sales breakdown by business segment

FY 2012

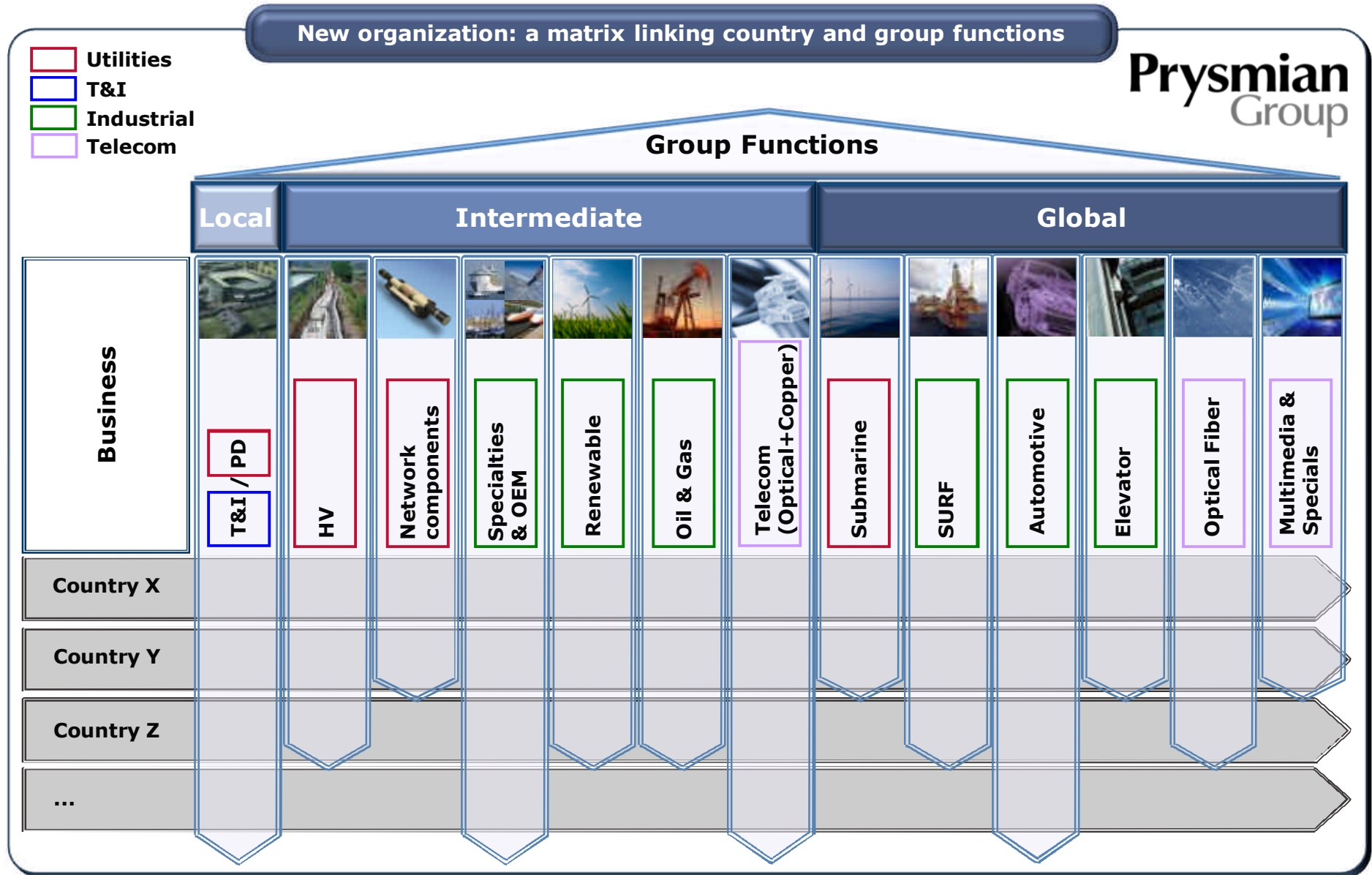


AGENDA

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

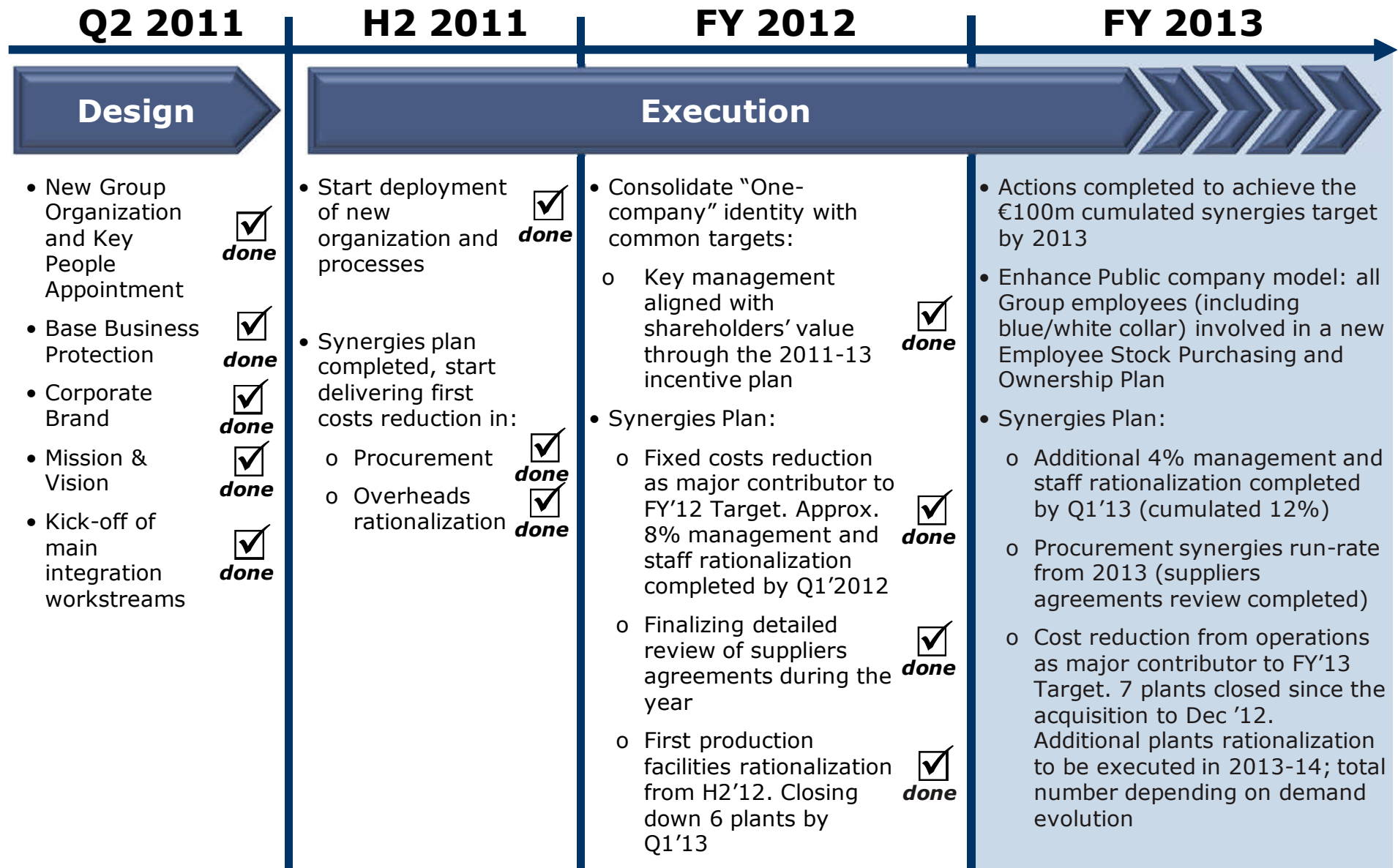
The new organization model

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



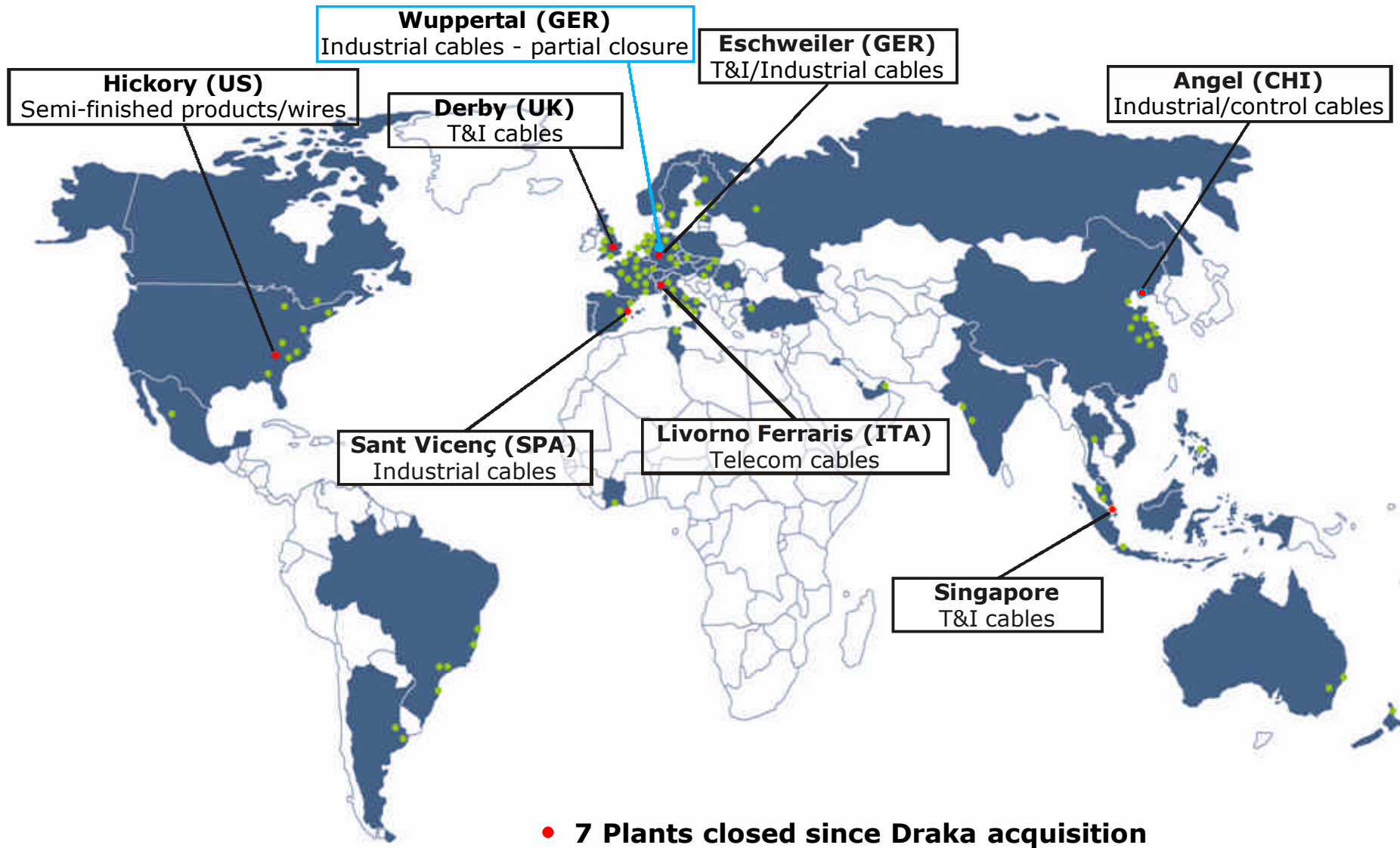
Integration process update

In 2011-12 executed over 50% of actions planned in the full integration process



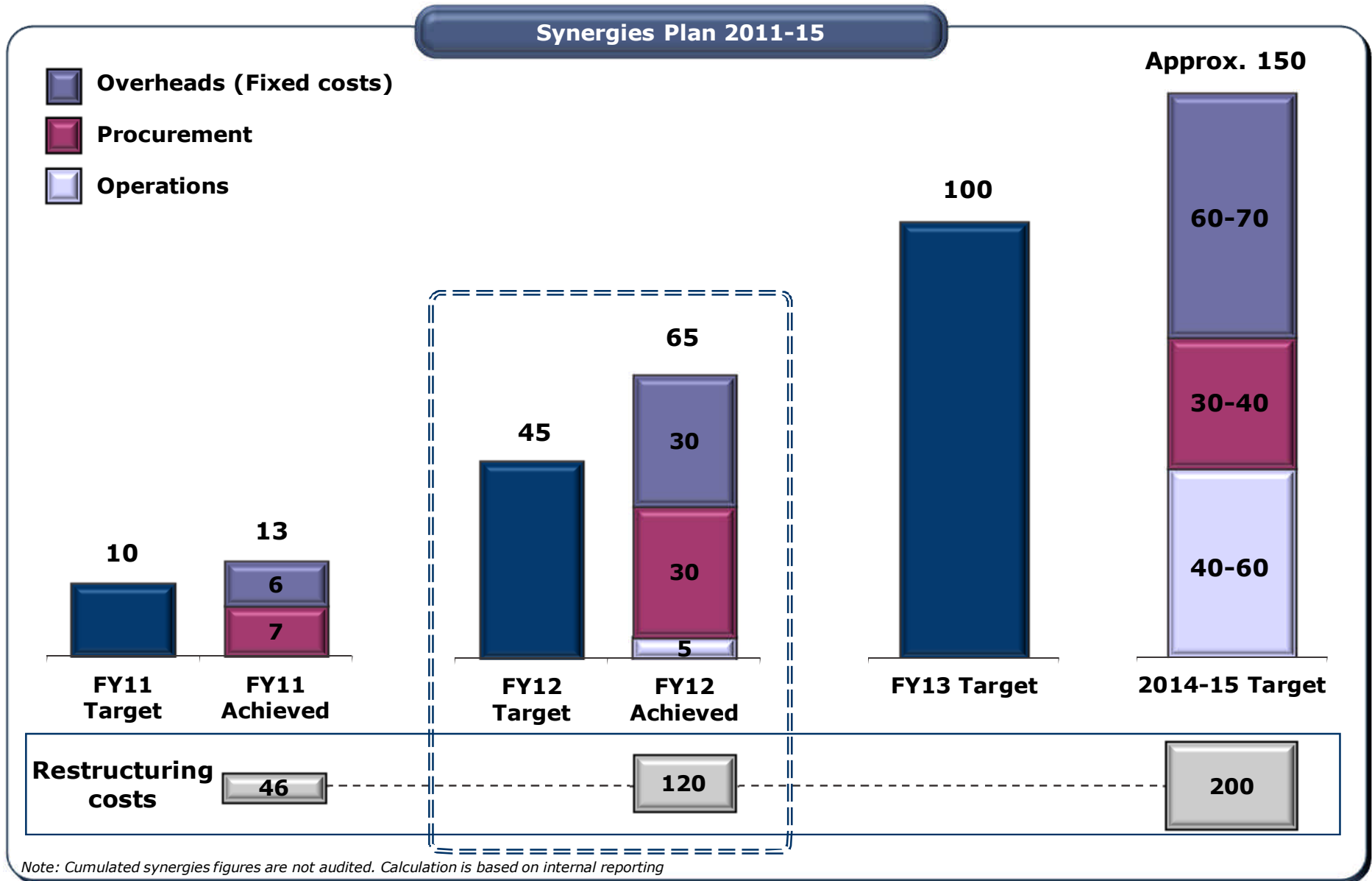
First step of production footprint optimization completed

7 plants closed and 1 plant restructured since Draka acquisition



On the right track towards 2015 Target

Euro Millions



AGENDA

- Group Overview & FY 2012 Results
- Draka integration
- **Financial Results**
- Appendix

Profit and Loss Statement

Euro Millions

	FY 2012	FY 2011 Reported ^{a)}	FY 2011 Combined ^{b)}
Sales	7,848	7,583	7,973
<i>YoY total growth</i>	<i>(1.6%) ^{c)}</i>		
<i>YoY organic growth</i>	<i>(1.8%) ^{c)}</i>		
Adj.EBITDA	647	568	586
<i>% on sales</i>	<i>8.2%</i>	<i>7.5%</i>	<i>7.3%</i>
<i>Non recurring items</i>	<i>(101)</i>	<i>(299)</i>	
EBITDA	546	269	
<i>% on sales</i>	<i>7.0%</i>	<i>3.4%</i>	
Adj.EBIT	483	426	435
<i>% on sales</i>	<i>6.2%</i>	<i>5.6%</i>	<i>5.5%</i>
<i>Non recurring items</i>	<i>(101)</i>	<i>(299)</i>	
<i>Special items</i>	<i>(20)</i>	<i>(108)</i>	
EBIT	362	19	
<i>% on sales</i>	<i>4.6%</i>	<i>0.3%</i>	
<i>Financial charges</i>	<i>(118)</i>	<i>(120)</i>	
EBT	244	(101)	
<i>% on sales</i>	<i>3.1%</i>	<i>(1.3%)</i>	
Taxes	(73)	(44)	
<i>% on EBT</i>	<i>30.0%</i>	<i>n.m.</i>	
Net income	171	(145)	
<i>Extraordinary items (after tax)</i>	<i>(111)</i>	<i>(376)</i>	
Adj.Net income	282	231	

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

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

c) Variation calculated on FY 2011 Combined

Extraordinary Effects

Euro Millions

	FY 2012	FY 2011 Reported ^{a)}
Antitrust investigation	(1)	(205)
Restructuring	(74)	(56)
Draka transaction costs	-	(6)
Draka integration costs	(9)	(12)
Draka change of control effects	-	(2)
Inventory step-up (PPA)	-	(14)
Other	(17)	(4)
EBITDA adjustments	(101)	(299)
Special items	(20)	(108)
Gain/(loss) on metal derivatives	14	(62)
Assets impairment	(24)	(38)
Other	(10)	(8)
EBIT adjustments	(121)	(407)
Gain/(Loss) on other derivatives ⁽¹⁾	18	7
Gain/(Loss) exchange rate	(29)	(21)
Other one-off financial Income/exp.	(5)	-
EBT adjustments	(137)	(421)
Tax	26	45
Net Income adjustments	(111)	(376)

Notes

(1) Includes currency and interest derivatives

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

Financial Charges

Euro Millions

	FY 2012	FY 2011 Reported ^{a)}
Net interest expenses	(109)	(104)
Bank fees Amortization	(10)	(11)
Gain/(loss) on exchange rates	(29)	(21)
Gain/(loss) on derivatives ⁽¹⁾	18	7
Non recurring effects	(5)	-
Net financial charges	(135)	(129)
Share in net income of associates	17	9
Total financial charges	(118)	(120)

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

	31 December 2012	31 December 2011
Net fixed assets	2,311	2,255
<i>of which: intangible assets</i>	655	618
<i>of which: property, plants & equipment</i>	1,543	1,544
Net working capital	479	552
<i>of which: derivatives assets/(liabilities)</i>	(7)	(27)
<i>of which: Operative Net working capital</i>	486	579
Provisions & deferred taxes	(369)	(371)
Net Capital Employed	2,421	2,436
Employee provisions	344	268
Shareholders' equity	1,159	1,104
<i>of which: attributable to minority interest</i>	47	62
Net financial position	918	1,064
Total Financing and Equity	2,421	2,436

Cash Flow

Euro Millions

	FY 2012	FY 2011 Combined ^{a)}
Adj. EBITDA	647	586
Non recurring items	(101)	(303)
EBITDA	546	283
Net Change in provisions & others	(1)	197
Release of inventory step-up	-	14
Cash flow from operations (before WC changes)	545	494
Working Capital changes	75	91
Paid Income Taxes	(74)	(98)
Cash flow from operations	546	487
Acquisitions	(86)	(501)
Net Operative CAPEX	(141)	(150)
Net Financial CAPEX	8	4
Free Cash Flow (unlevered)	327	(160)
Financial charges	(129)	(132)
Free Cash Flow (levered)	198	(292)
Free Cash Flow (levered) excl. acquisitions	284	209
Dividends	(45)	(37)
Other Equity movements	1	1
Net Cash Flow	154	(328)
NFP beginning of the period	(1,064)	(732)
Net cash flow	154	(328)
Other variations	(8)	(4)
NFP end of the period	(918)	(1,064)

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

Dividends

Strong dividend increase supported by high cash generation

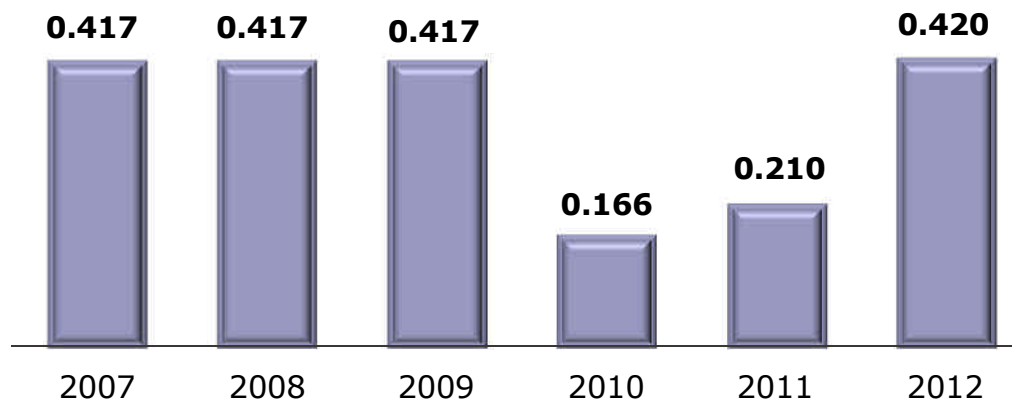
Proposed DPS doubled vs. 2011

- **Dividend Per Share** **€ 0.420**
 - Total payout: € 89 millions
 - Ex-dividend date: 22 April 2013
 - Payment date: 25 April 2013

- **Dividend Yield:** 2.7% ⁽³⁾

DPS evolution

Euro per share



Total Shares ⁽¹⁾

214,508,781

**Shares with
dividend right ⁽²⁾**

211,480,281

Dividend Per Share

€ 0.420

(1) Outstanding as of February 27, 2013

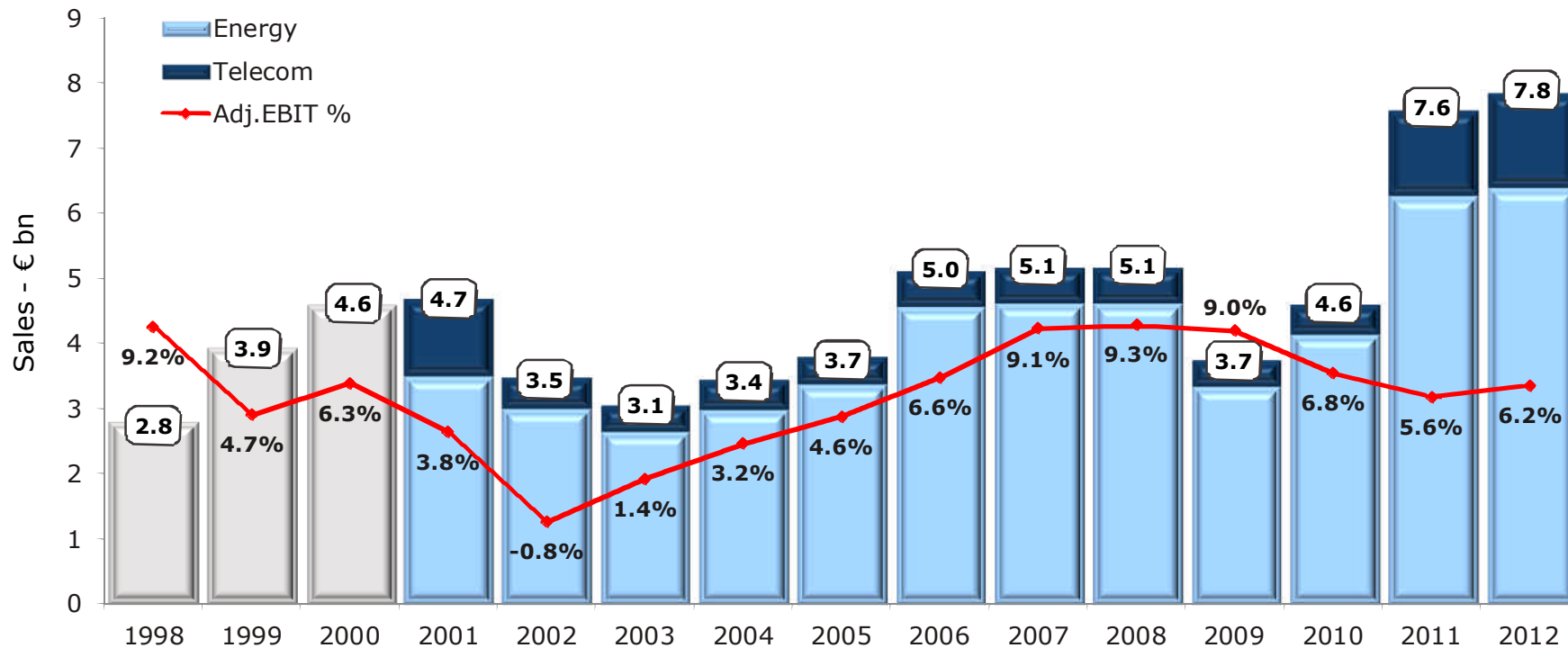
(2) Shares with dividend right: Total shares outstanding (214,508,781) – Treasury shares owned by the Company (3,028,500)

(3) Based on last 30 trading days average share closing price (€ 15.675) at February 22, 2013

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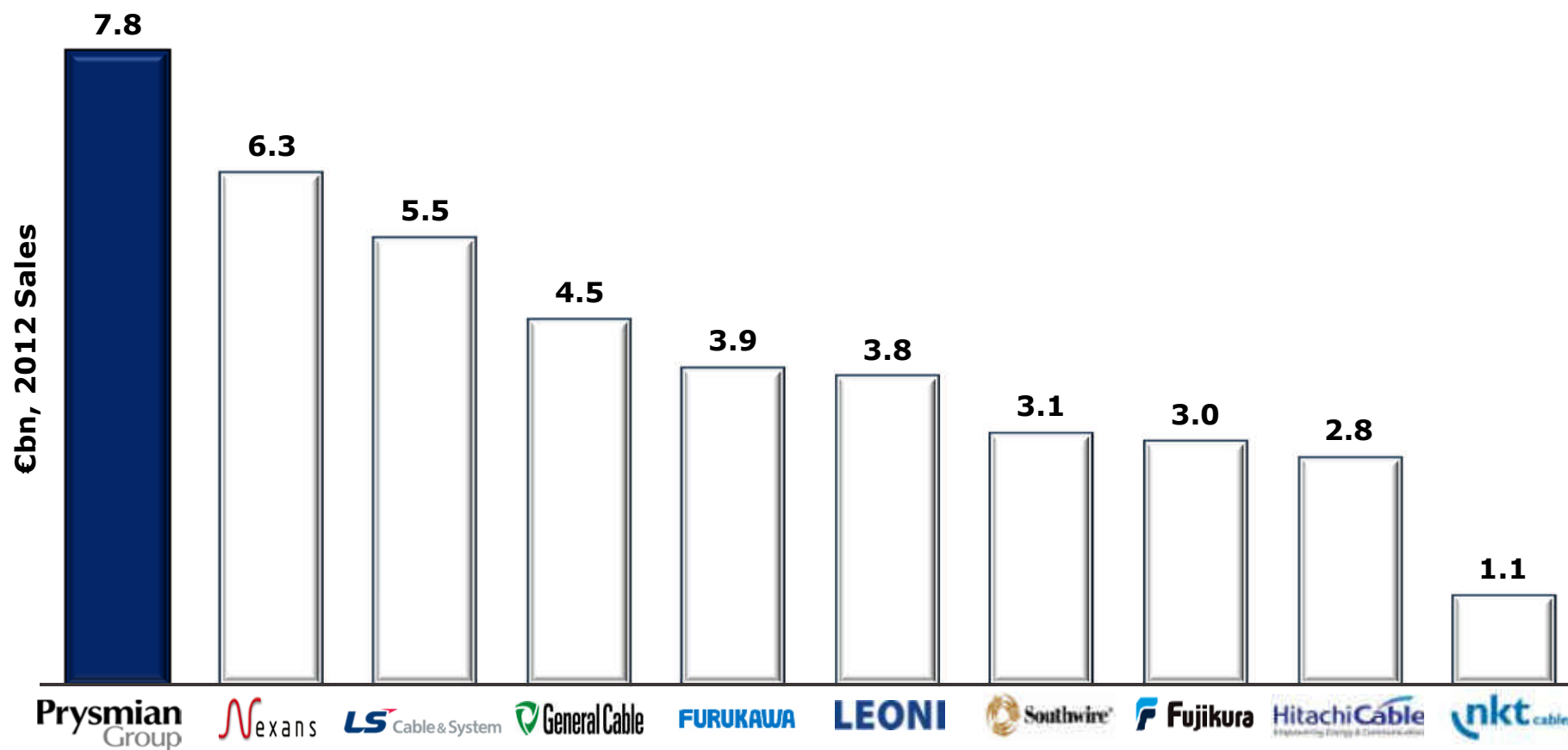
Key Milestones



Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2012 Prysmian accounts, data reported under IFRS. Draka consolidated since 1 March 2011

The World's Leading Cables & Systems Company

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

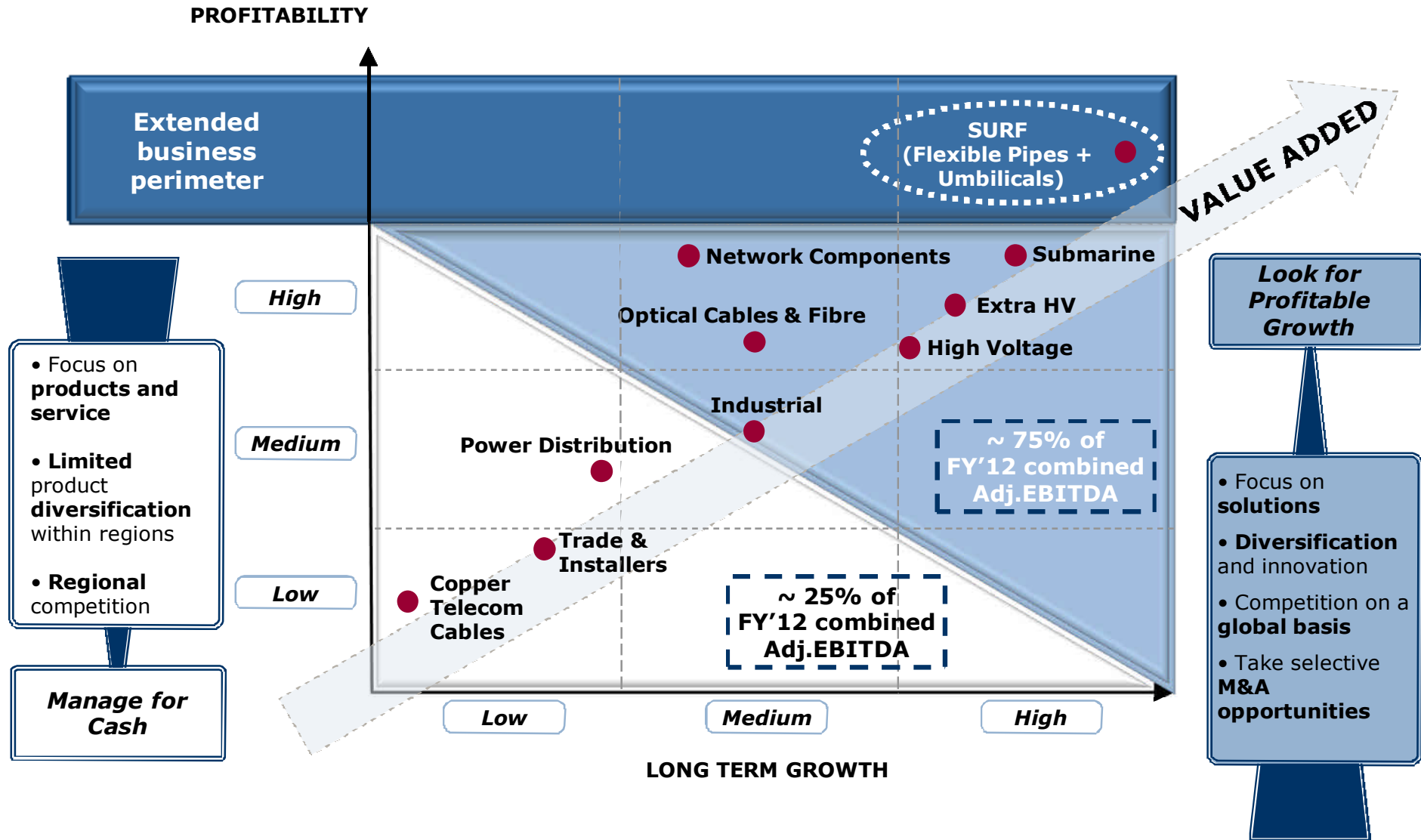


Source: Companies' public documents.

Note: Nexans excluding Other segment (mainly Electrical Wire); LS Cable & System FY2011; General Cable excluding Rod Mill Products; Furukawa considering only Telecommunications and Energy & Industrial Products segments, LTM figures as of 31-Dec-2012; Southwire FY2011; Furjikura considering only Telecom and Metal Cable & Systems segments, LTM figures as of 31-Dec-2012; 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-2012. All figures are expressed in € based on the average exchange rate of the reference period

Prysmian Group business portfolio

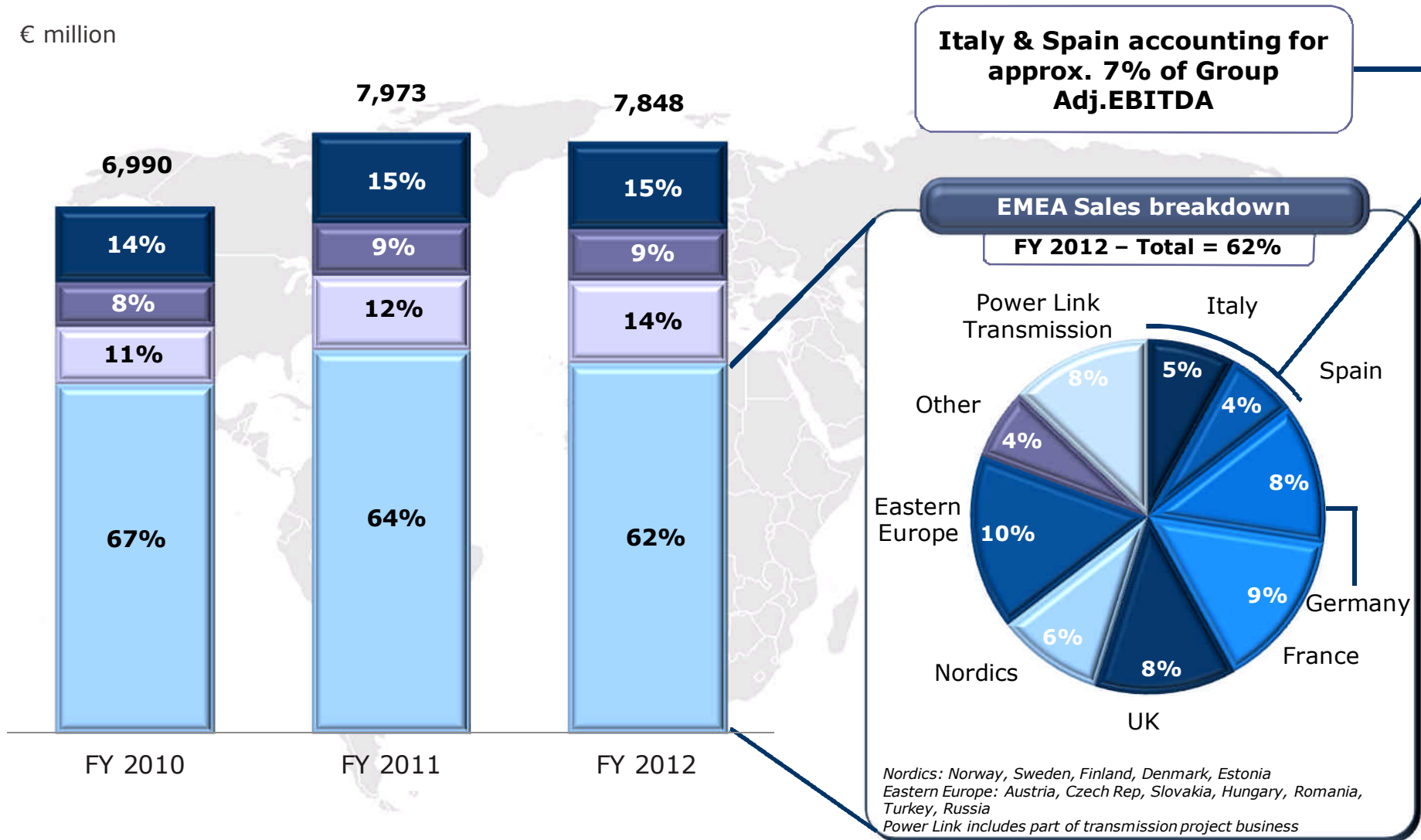
Focus on high value added segments



Sales evolution by geographical area

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

€ million

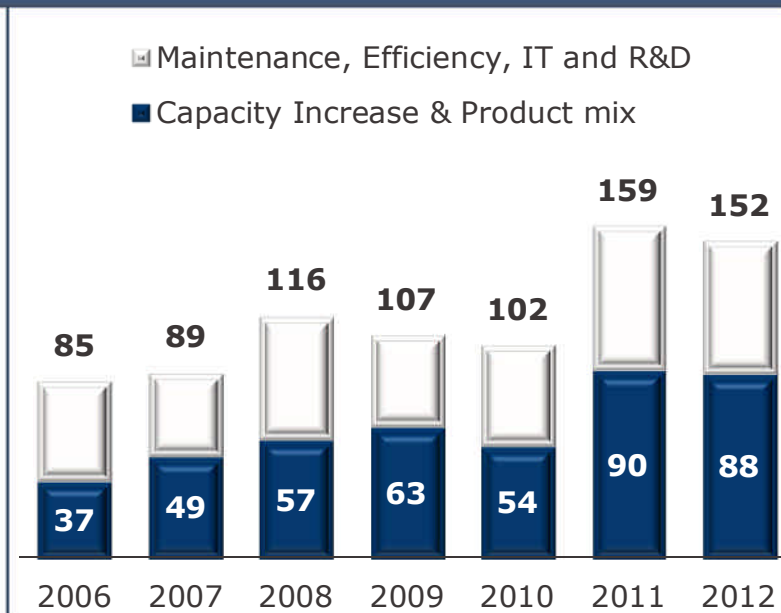


Note: FY2010 and FY2011 Sales Combined Prysmian + Draka

CAPEX evolution

Investments focused on high value added businesses

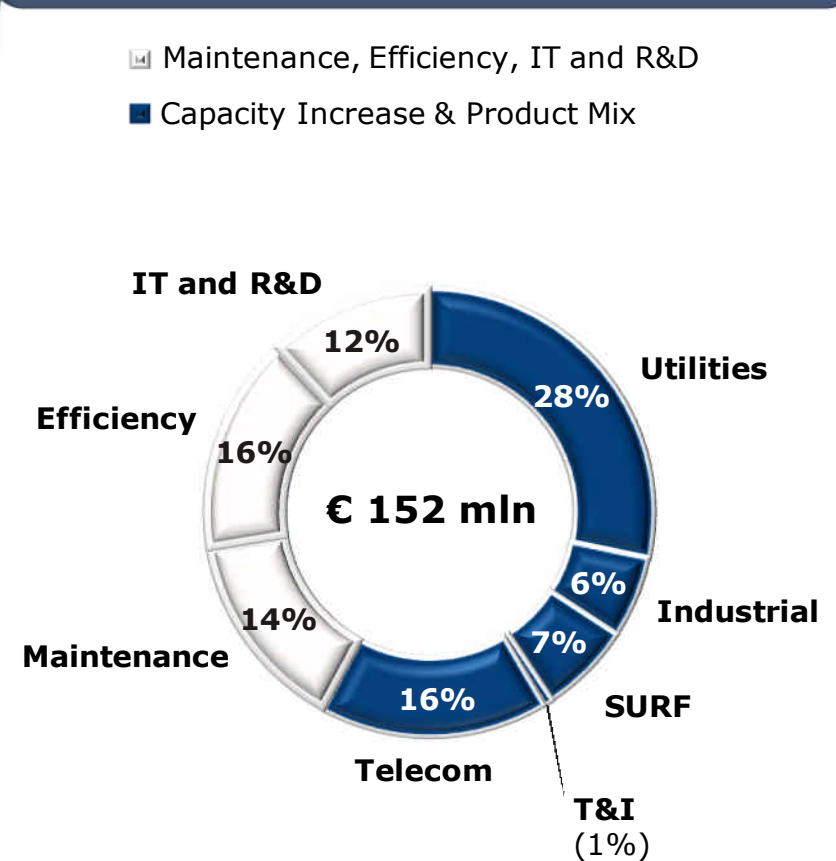
Capacity Increase & Product mix (€m)



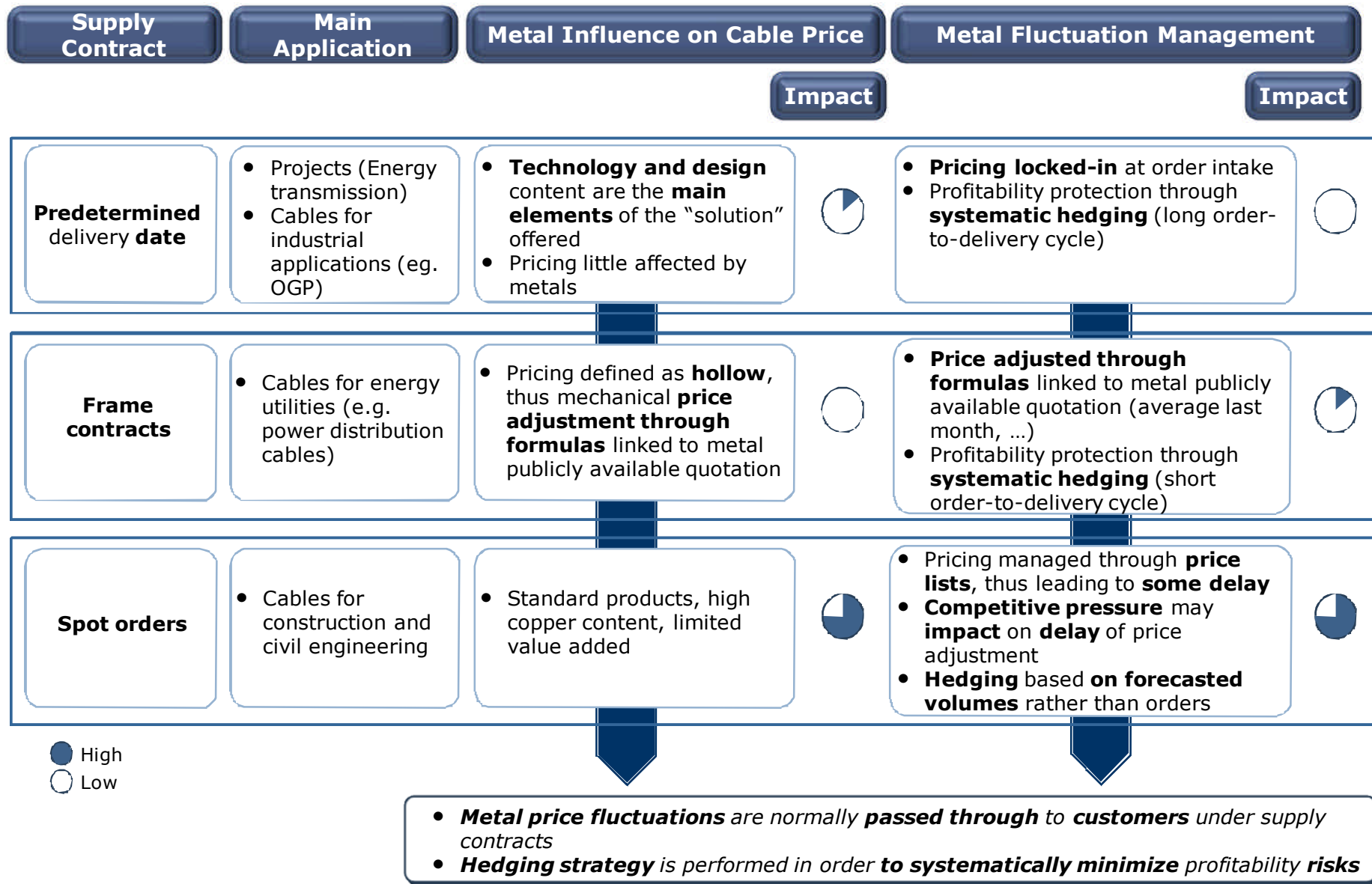
Utilities	35%	73%	72%	43%	22%	60%	49%
Industrial	3%	14%	9%	6%	2%	7%	10%
Surf	57%	-	4%	43%	65%	21%	12%
T&I	-	10%	2%	-	-	1%	1%
Telecom	5%	3%	13%	8%	11%	11%	28%
Total ⁽¹⁾	100%	100%	100%	100%	100%	100%	100%

(1) % of Capacity Increase & Product mix
Note: Draka consolidated since 1 March 2011

2012 Capex by destination



Metal Price Impact on Profitability

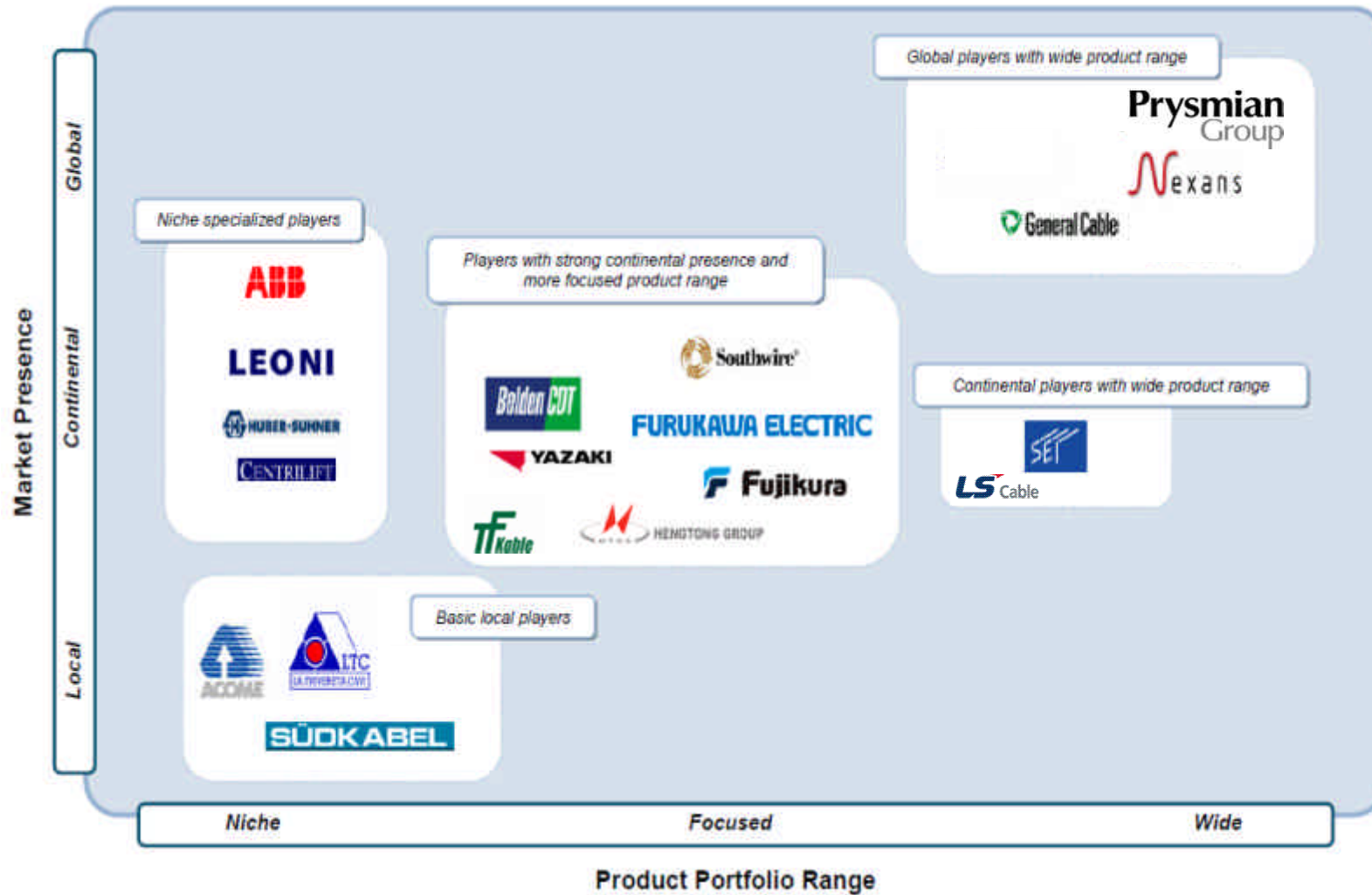


AGENDA

- Group Overview & FY 2012 Results
- 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

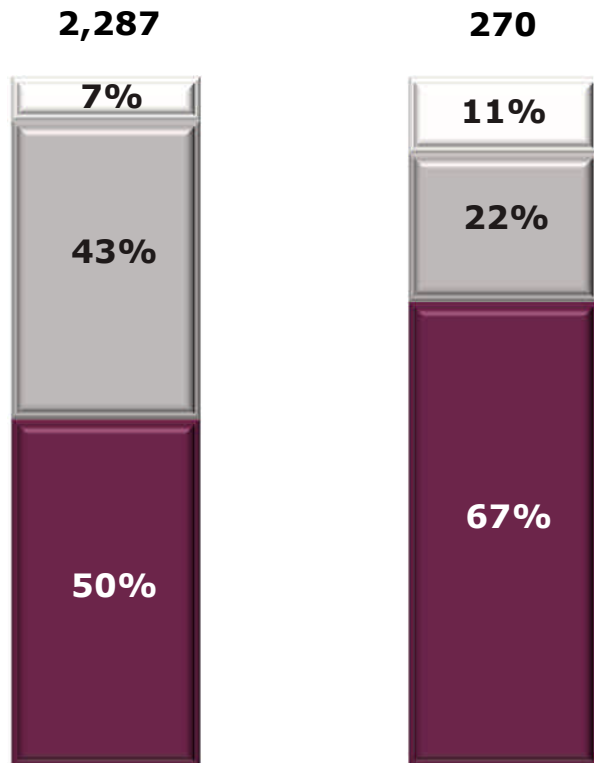


Utilities – Positive transmission outlook in 2013

Record Order-intake in submarine and good coverage for HV sales

Utilities – FY2012 Results

€ million



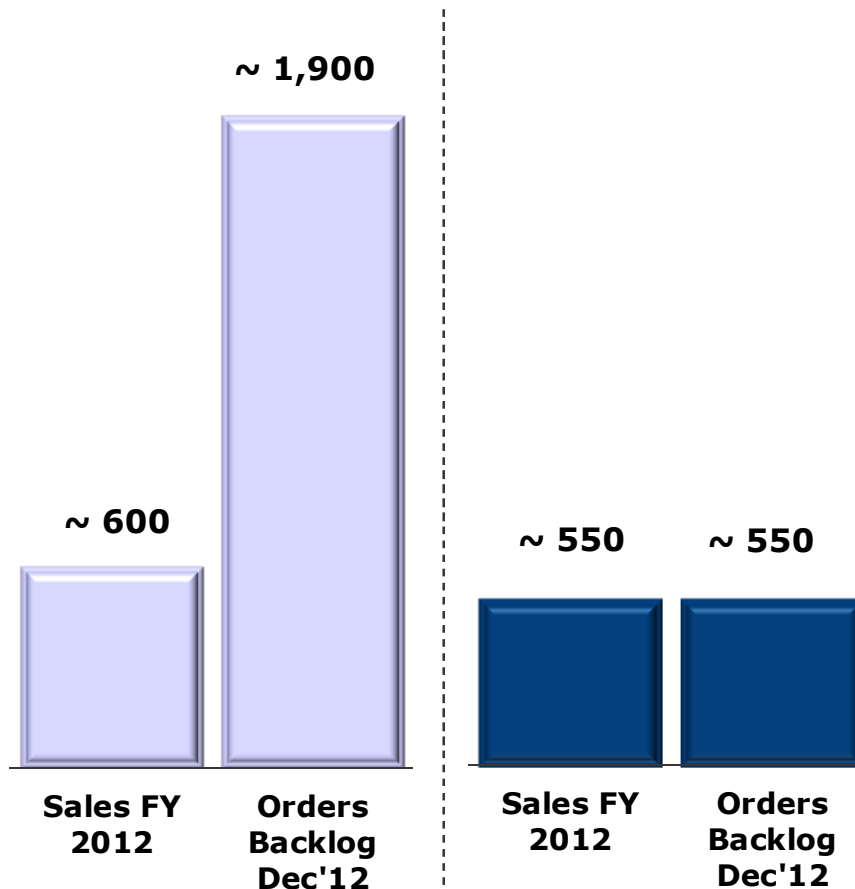
Sales

Adj. EBITDA

- Network Components
- Distribution
- Transmission

Transmission – Sales & Orders Backlog

€ million



Sales FY 2012

Orders Backlog Dec '12

Sales FY 2012

Orders Backlog Dec '12

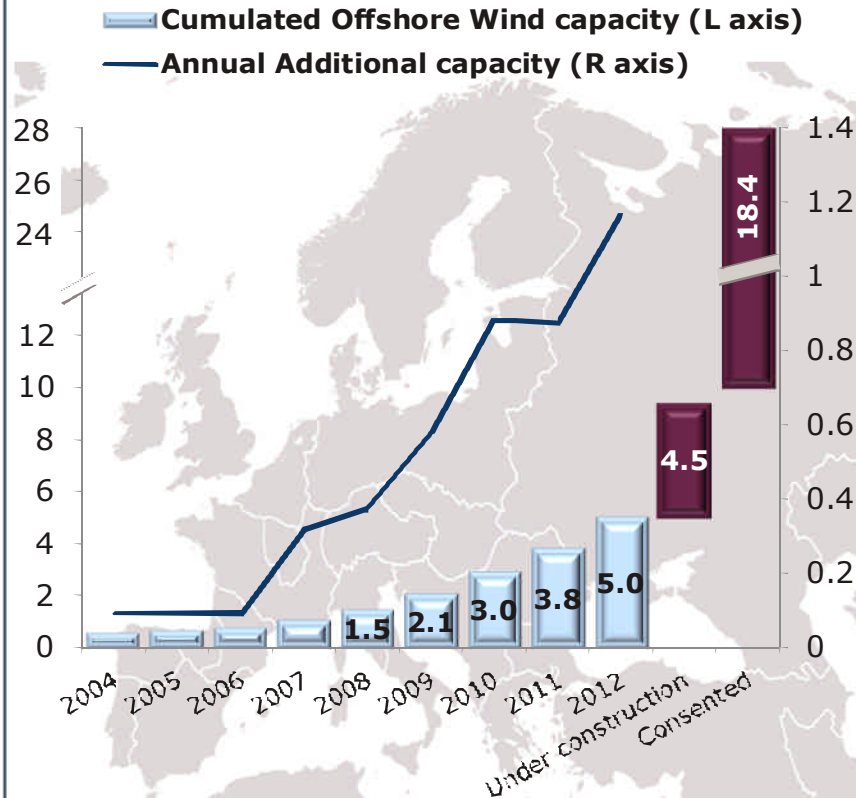
Submarine

High Voltage

Utilities – Off-shore wind development in Europe still at early stage

High visibility on new projects to be awarded next quarters

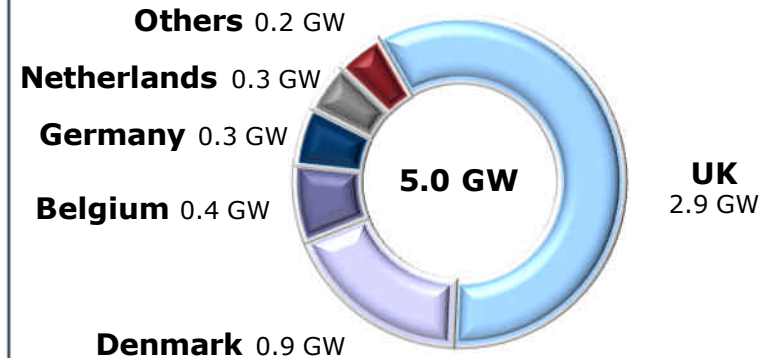
Europe Offshore Wind capacity (GW)



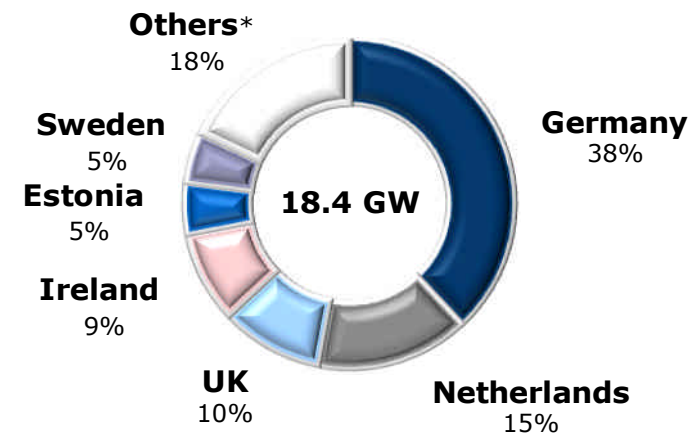
- **Capacity Increase: 1.2 GW** in 2012
- **Total capacity: 5.0 GW** at end 2012 (+30% vs. 2011)
- **Under construction: 4.5 GW** at end 2012
- **Consented: 18.4 GW**

Source: EWEA (January 2013)

Europe 2012 Cumulated Capacity by Country



Consented Offshore Capacity by Country

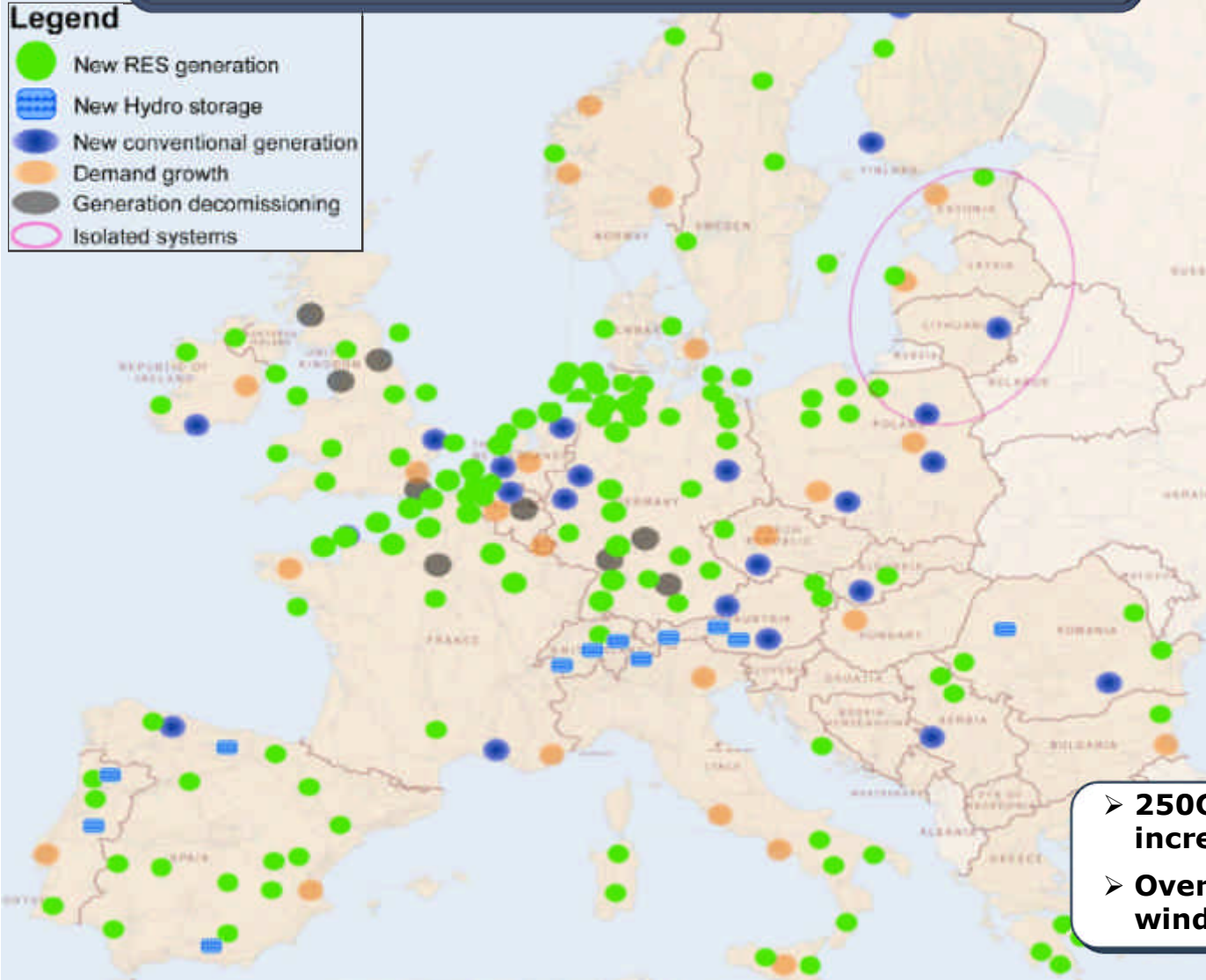


* Include Finland, Belgium, Greece, Italy, Latvia, France

Utilities – Transmission

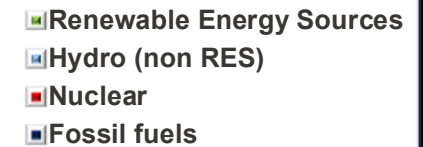
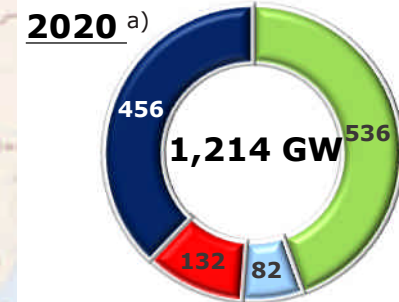
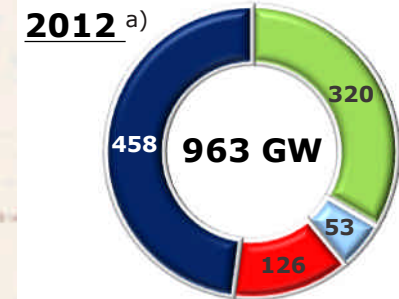
Changing Energy generation mix implies a re-engineering of transmission grids

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**

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

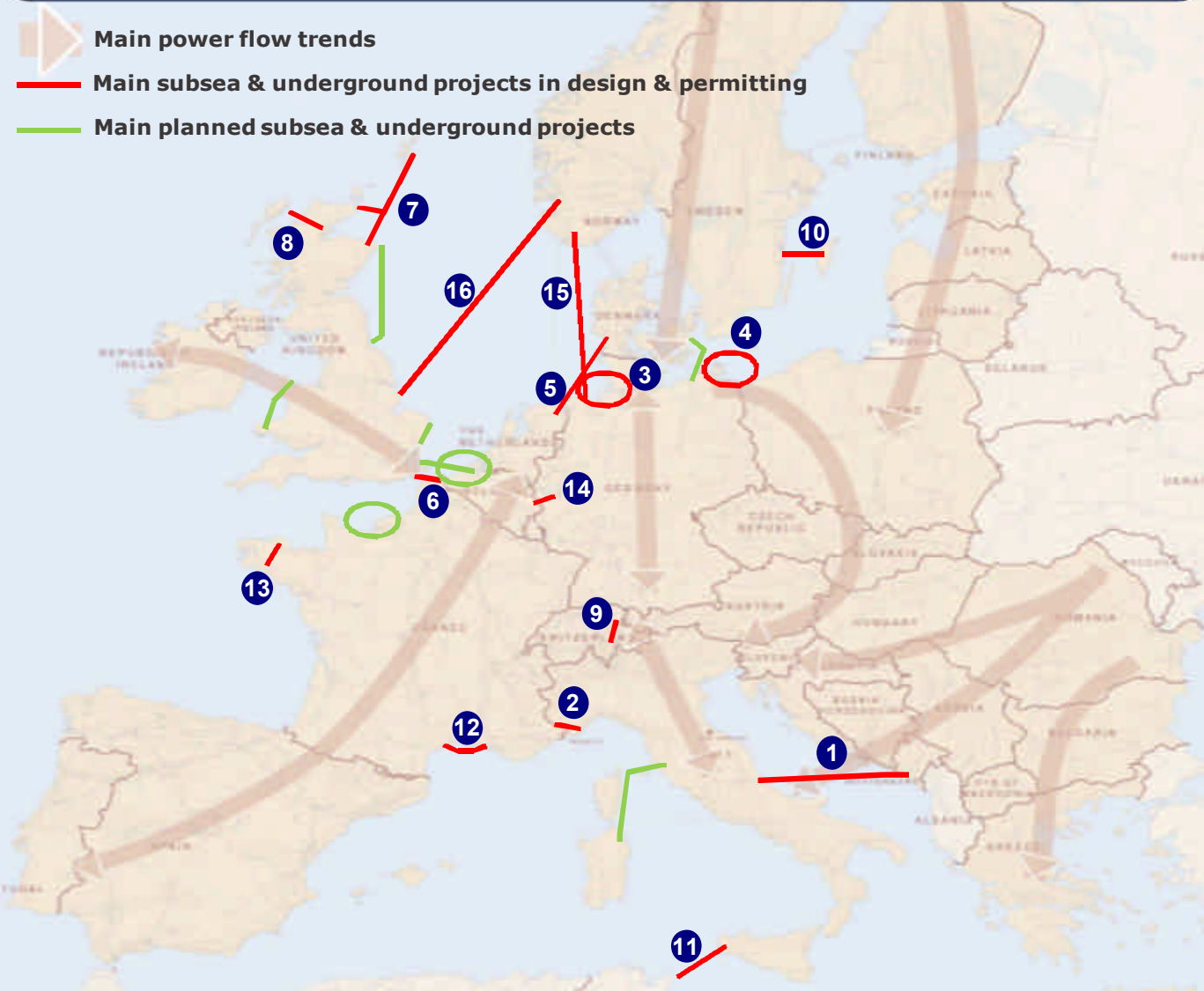
Source: ENTSO-ETYPNDP 2012 (July 2012). RES stands for Renewable Energy Sources

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-ETYNDP 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

Increased installation capacity thanks to GME acquisition.

Capacity expansion completed in Pikkala. Ongoing capacity increase 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

Latest Key projects

Customers

Period

€m ⁽¹⁾

DolWin3	TenneT	2014-16	350
Normandie 3	Jersey Electricity plc	2013-14	45
Mon.Ita	Terna	2013-16	400
Dardanelles	TEIAS	2012-14	67
Phu Quoc	EVNSPC	2012-14	67
Western Link	NGET/SPT Upgrades	2012-15	800
HelWin2	TenneT	2012-15	200
Hudson Project	Hudson Transm. 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 Elect.	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 Coop. Council Inter. Aut.	2006-10	132
Angel development	Woodside		
Rathlin Island	N.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

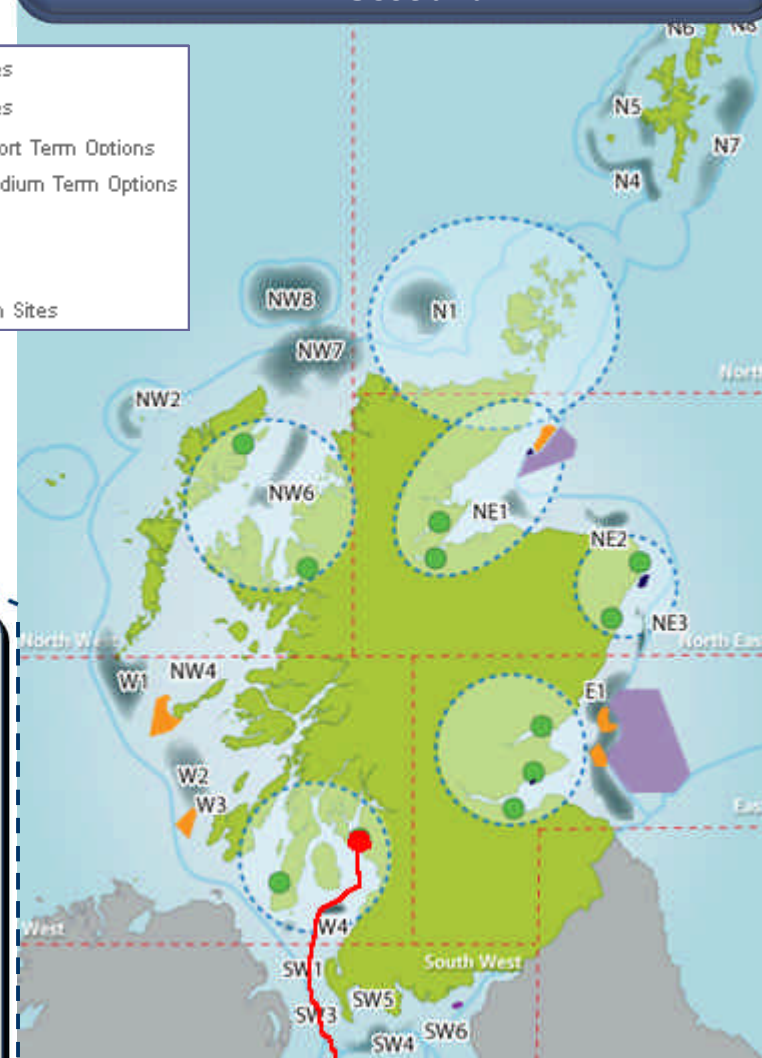
Western Link route



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, www.westernhvdlink.co.uk

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

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

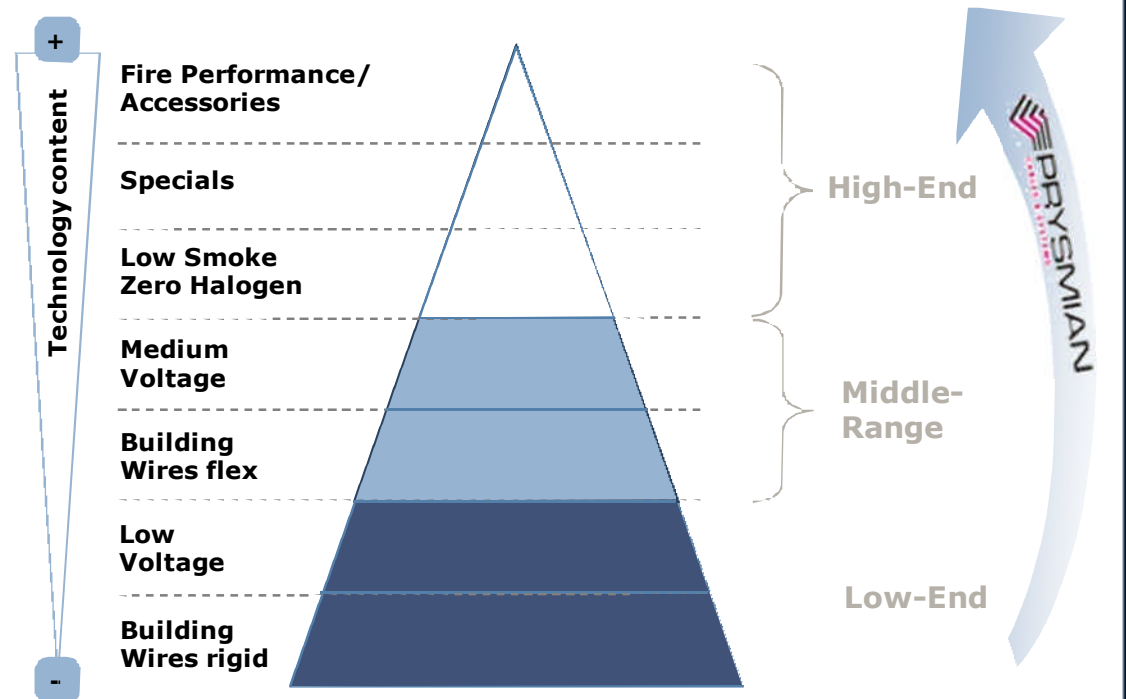
Key success factors

- 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

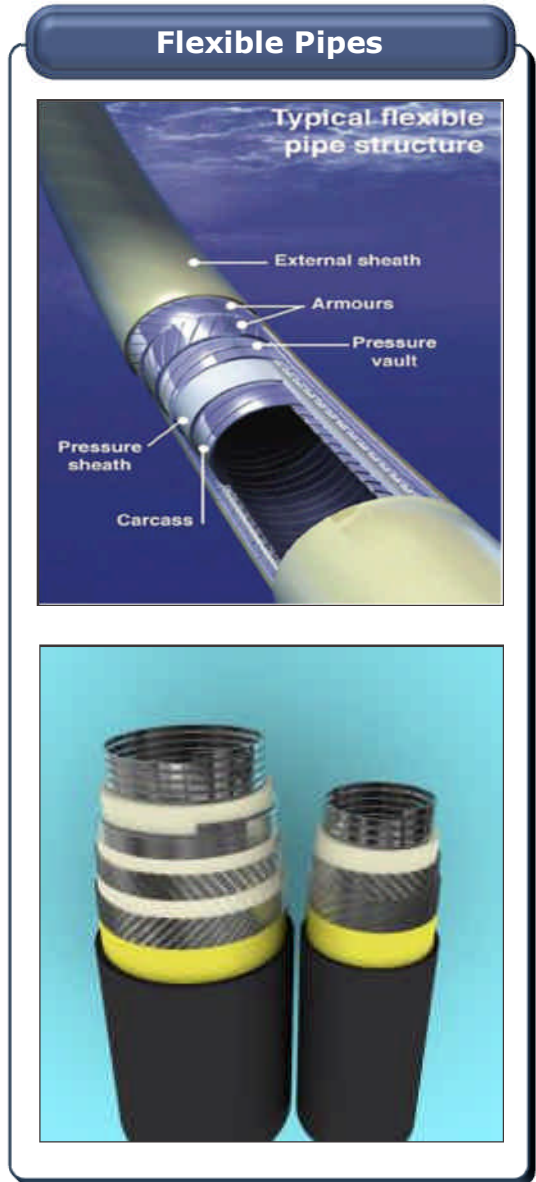
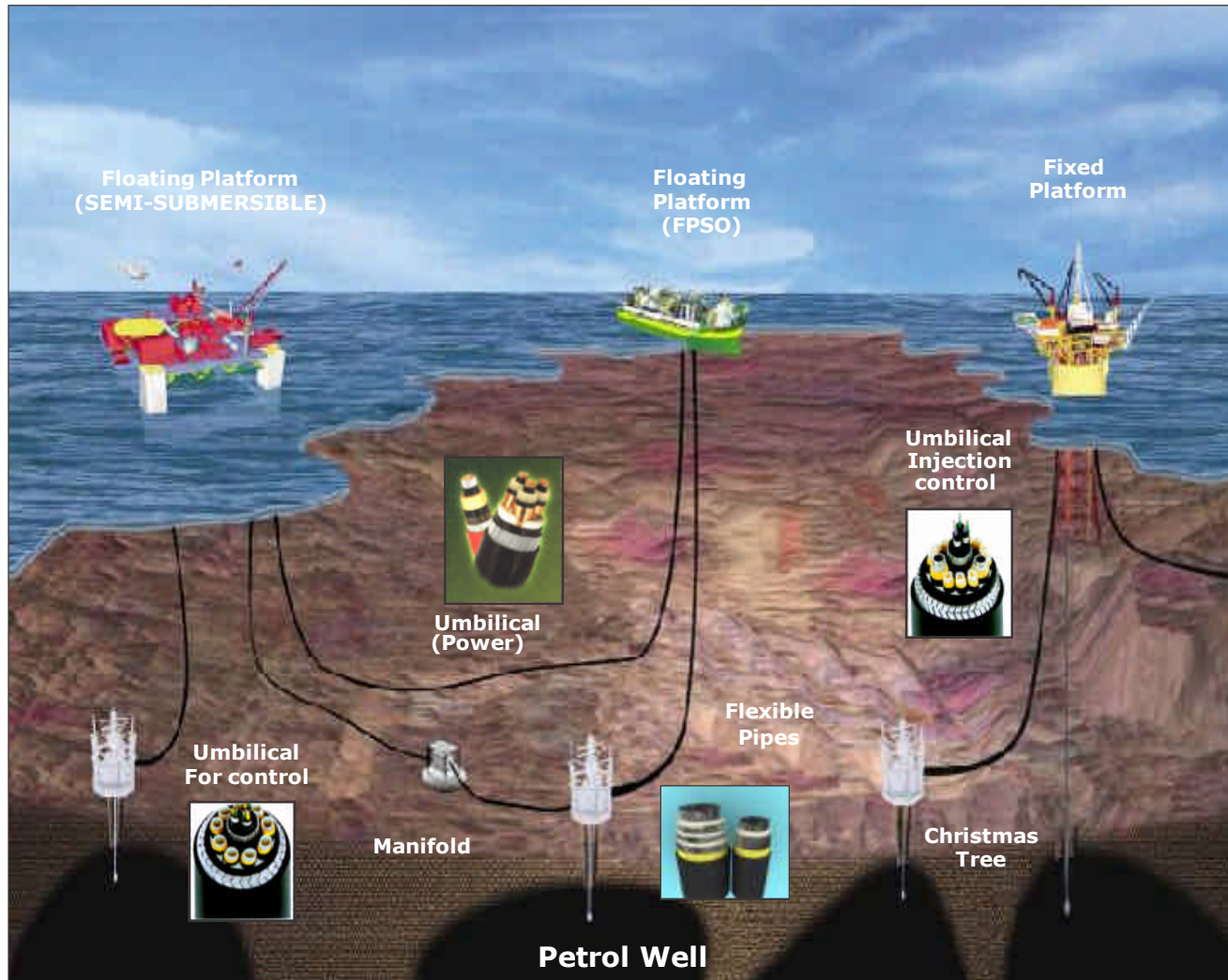
Key customers

Large and differentiated customer base generally served through direct sales



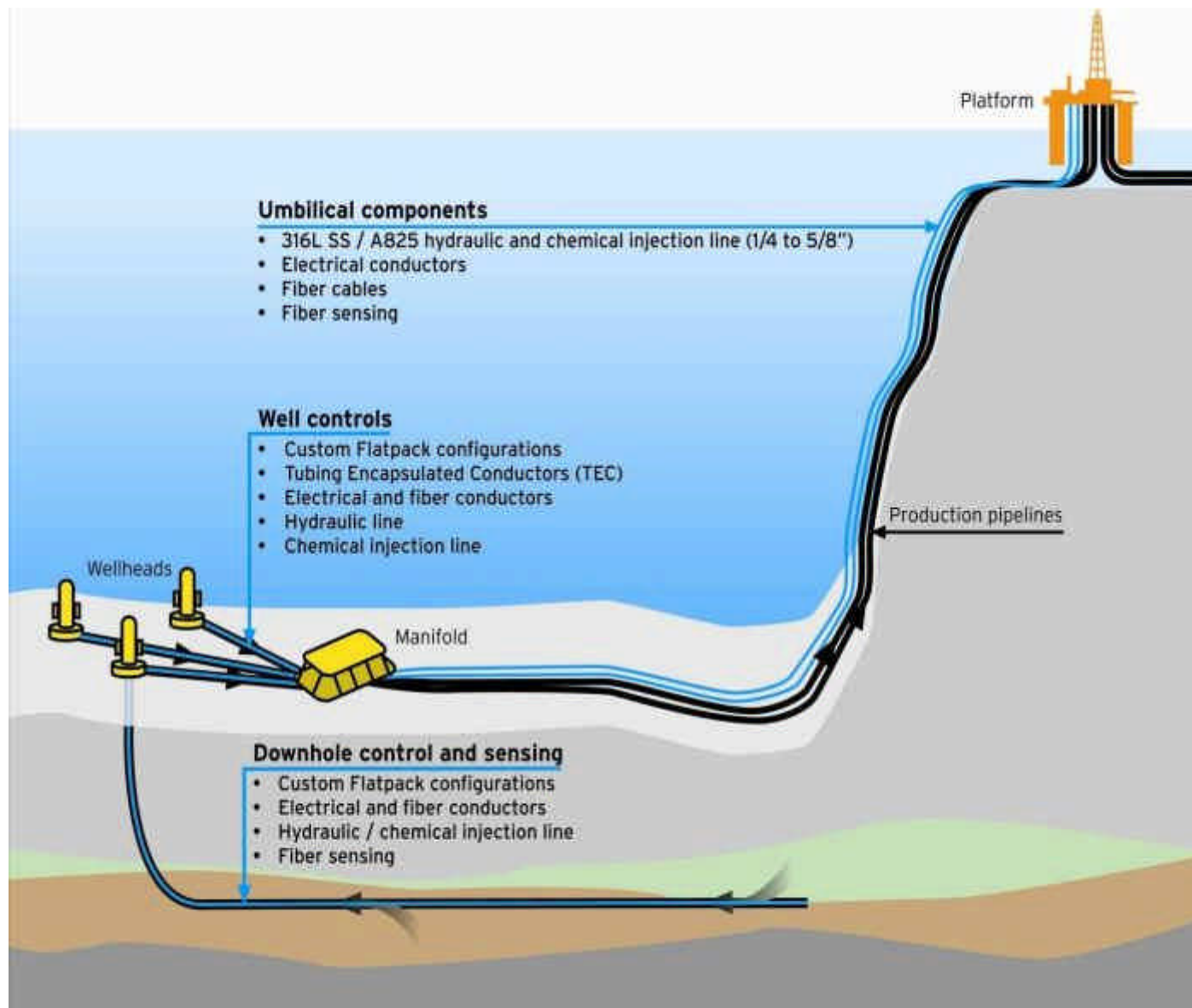
Industrial – Off-shore oil exploration

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

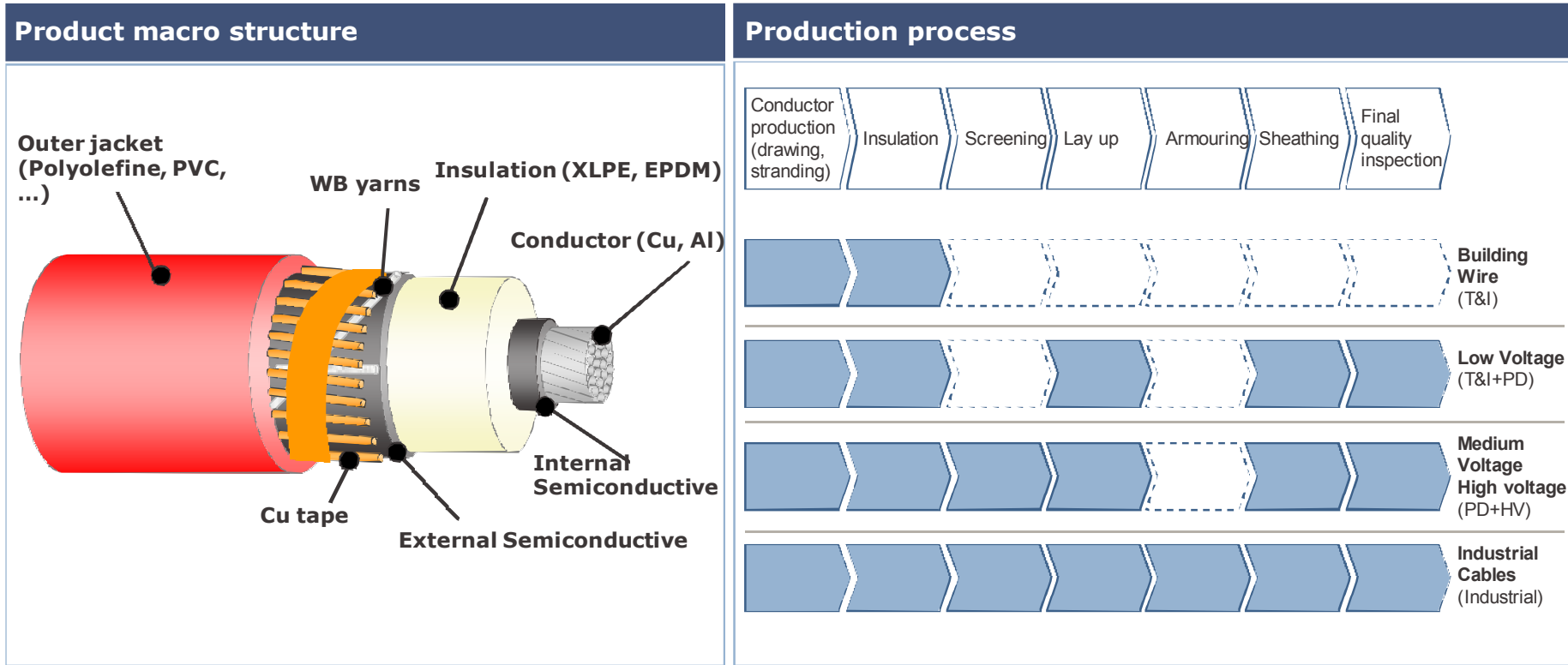


GAS & FLUID TUBING



PACKAGED GAS & FLUID TUBING

Macro-structure of Energy Cables

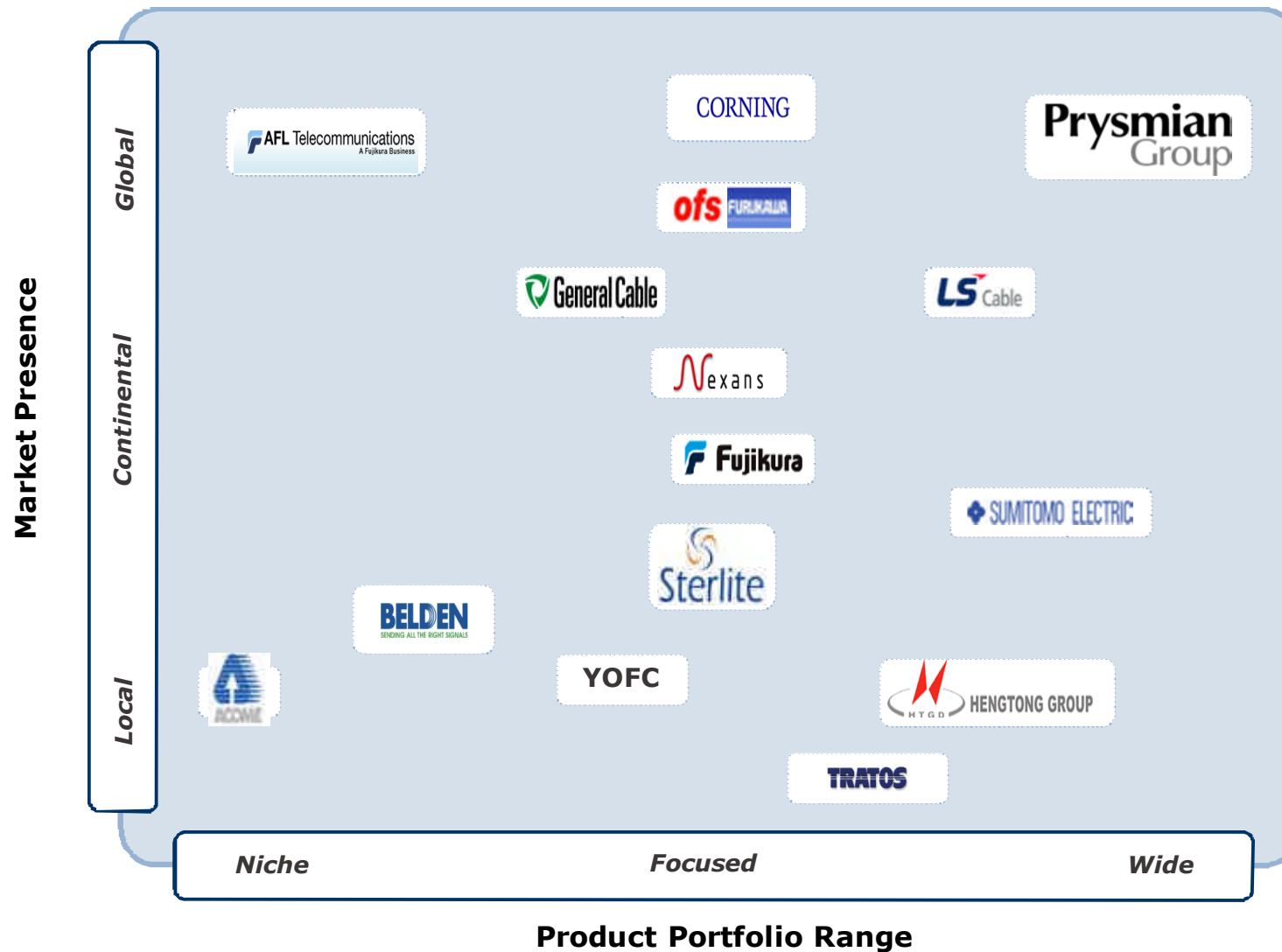


AGENDA

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

Major Players within the Telecom Industry

Competitive scenario



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

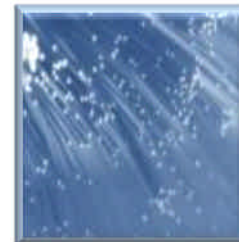
Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



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

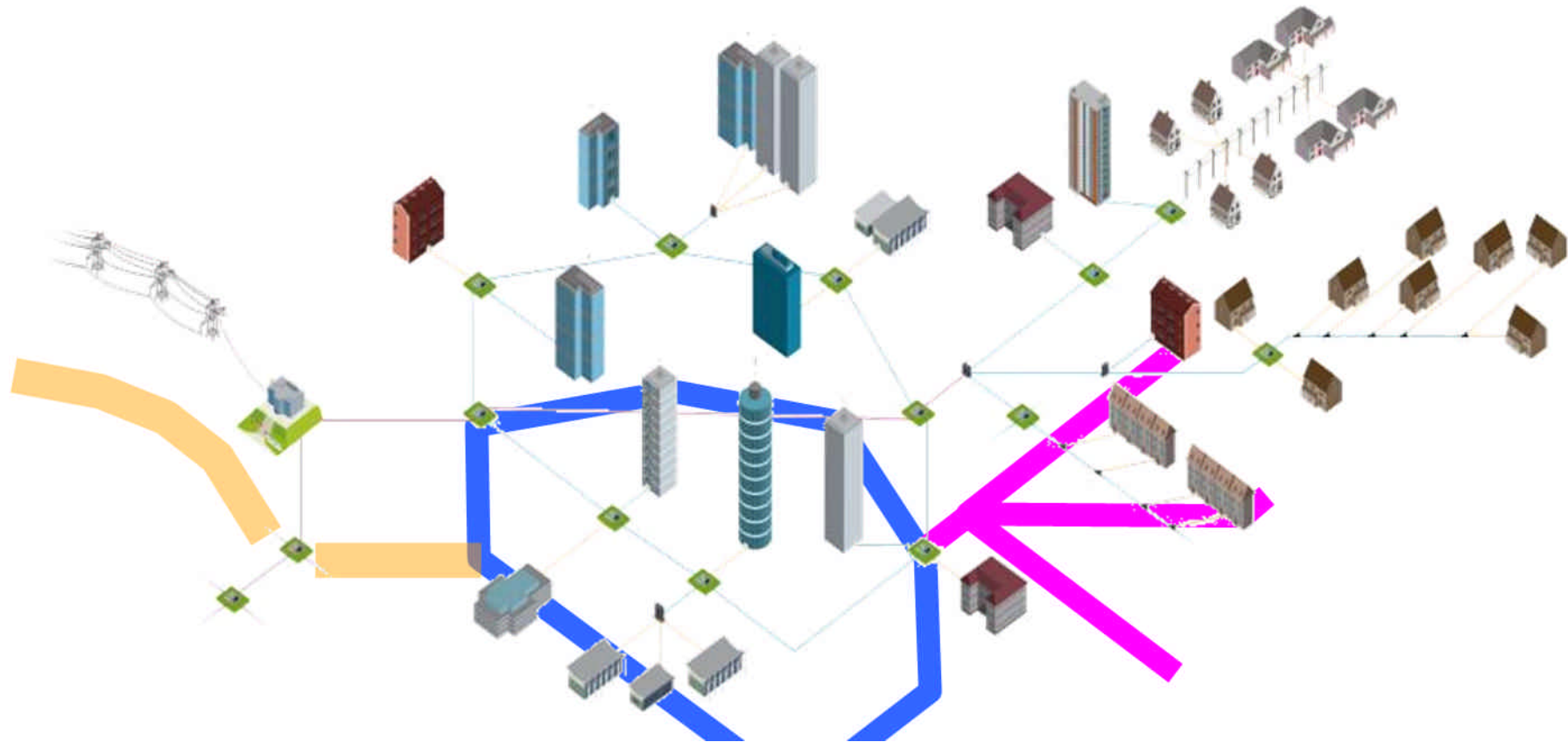
Strategic value of fibre

- 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

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

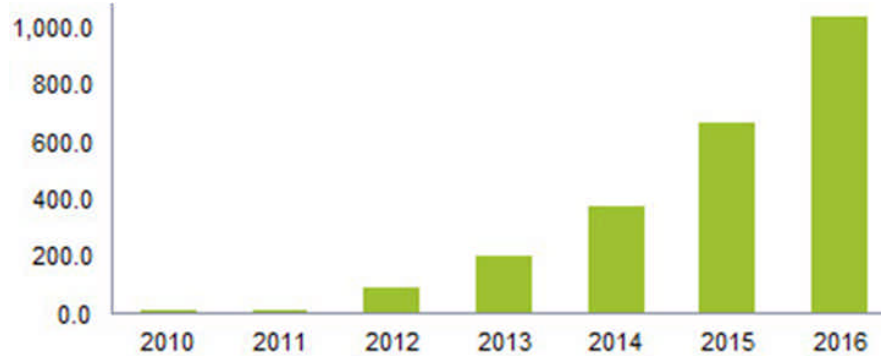
- Government initiative to provide direct fibre connection to 93% of Australian subscribers (residential and business)
- AUD 43 bn capex planned during the period (2011-2019); construction started in 2011
- Telstra and NBN agreed to jointly develop the new network
- Prysmian signed a 5-year agreement 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

Telecom – FTTA as key driver of optical demand

4G and Long Term Evolution (LTE) deployments require Fiber-to-the-Antenna (FTTA)

Number of Global LTE Subscribers Forecast

Millions of users



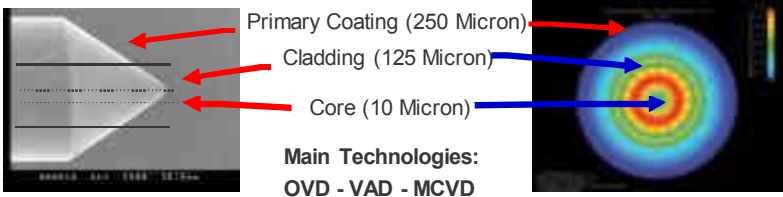
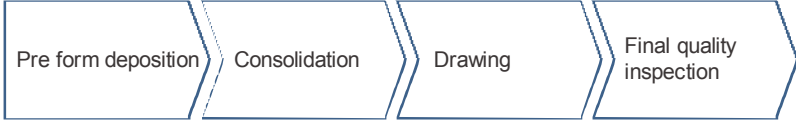
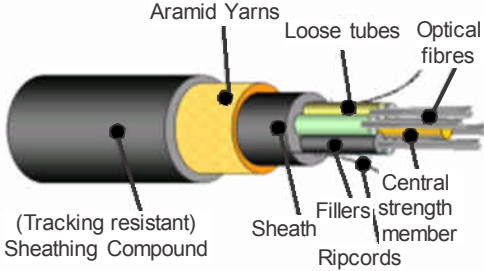
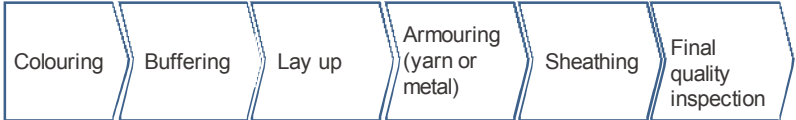
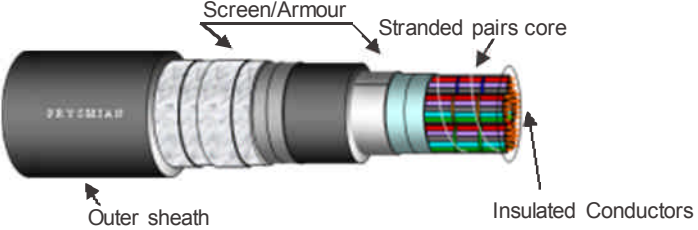
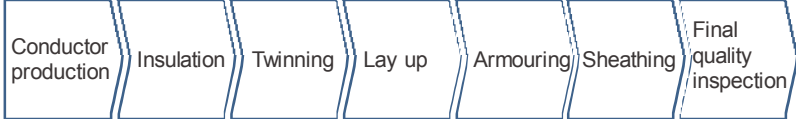
Source: IHS iSuppli Research, January 2013

Roof top antenna towers for urban applications

Antenna towers used by 4G and LTE networks

Distributed antenna systems for dense mobile populations areas

Macro-structure of Telecom Cables

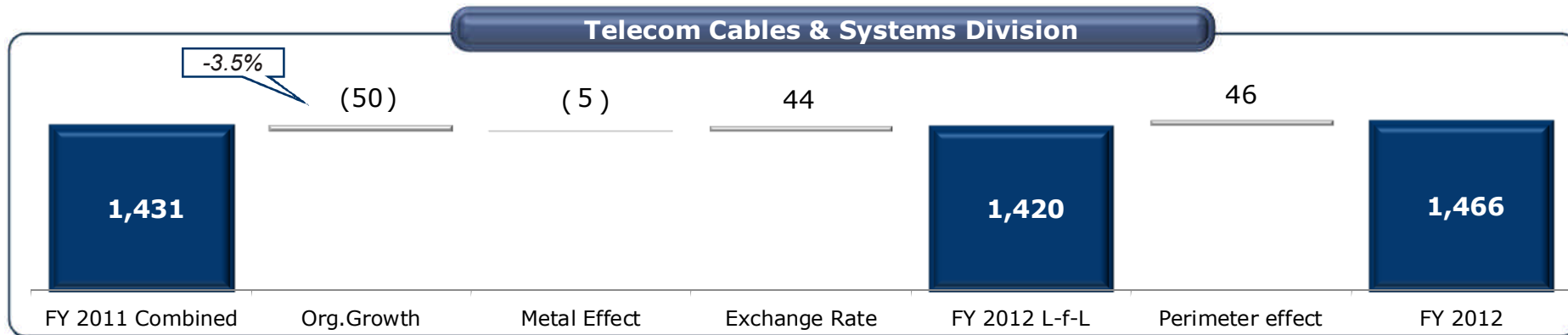
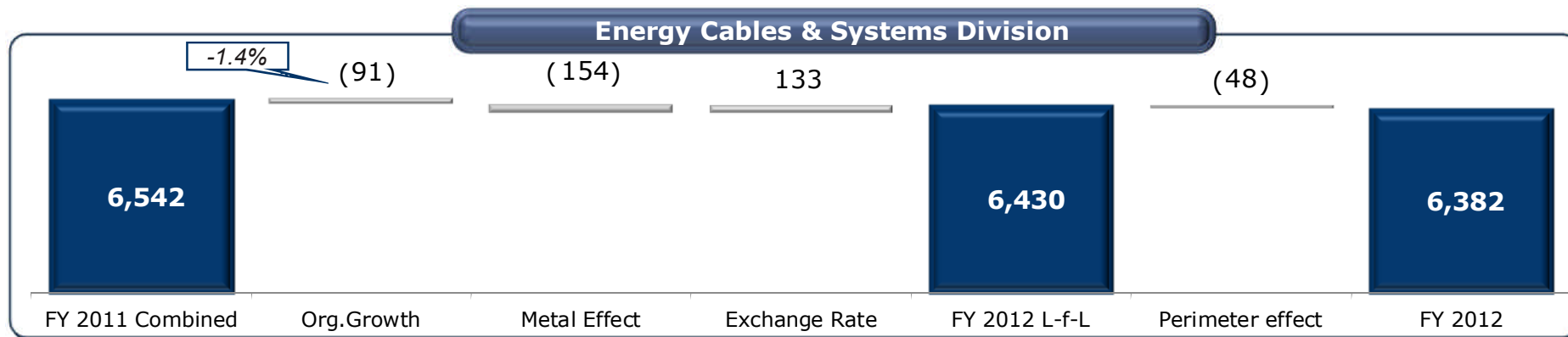
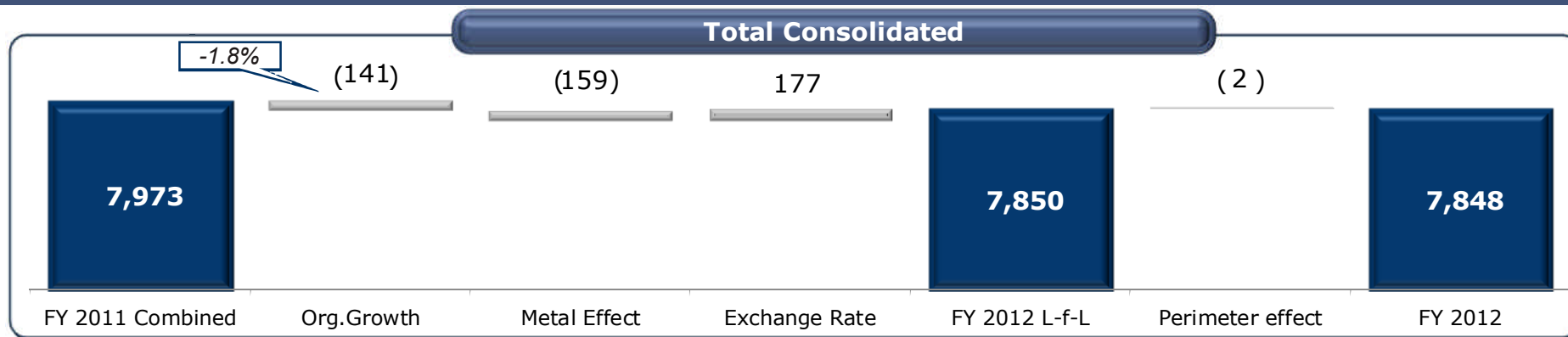
	Product macro structure	Production process
Fibre optic	 <p>Primary Coating (250 Micron) Cladding (125 Micron) Core (10 Micron)</p> <p>Main Technologies: OVD - VAD - MCVD</p>	 <p>Pre form deposition - Consolidation - Drawing - Final quality inspection</p>
Optical cables	 <p>(Tracking resistant) Sheathing 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>
Copper cables	 <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 & FY 2012 Results
- Draka integration
- Financial Results
- **Appendix – Financials**

Bridge Consolidated Sales

Euro Millions – Full Combined



Energy Segment – Profit and Loss Statement

Euro Millions

	FY 2012	FY 2011 Reported ^{a)}	FY 2011 Combined ^{b)}
Sales to Third Parties	6,382	6,268	6,542
<i>YoY total growth</i>	<i>(2.4%) ^{c)}</i>		
<i>YoY organic growth</i>	<i>(1.4%) ^{c)}</i>		
Adj. EBITDA	487	447	458
<i>% on sales</i>	<i>7.6%</i>	<i>7.1%</i>	<i>6.9%</i>
Adj. EBIT	379	348	354
<i>% on sales</i>	<i>5.9%</i>	<i>5.5%</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 FY 2011 Combined

Energy Segment – Sales and Profitability by business area

Euro Millions, % of Sales Growth – FY combined

	FY 2012	FY 2011 Comb.	Total growth	Organic growth	
Sales to Third Parties	Utilities	2,287	2,318	(1.3%)	1.1%
	Trade & Installers	2,159	2,233	(3.3%)	(2.6%)
	Industrial	1,801	1,824	(1.3%)	(1.5%)
	Others	135	167	n.m.	n.m.
	Total Energy	6,382	6,542	(2.4%)	(1.4%)
Adj. EBITDA	Utilities	270	264	11.8%	11.4%
	Trade & Installers	77	73	3.6%	3.3%
	Industrial	139	116	7.7%	6.4%
	Others	1	5	n.m.	n.m.
	Total Energy	487	458	7.6%	6.9%
Adj. EBIT	Utilities	234	238	10.2%	10.3%
	Trade & Installers	49	35	2.3%	1.6%
	Industrial	99	79	5.5%	4.3%
	Others	(3)	2	n.m.	n.m.
	Total Energy	379	354	5.9%	5.3%

Note: FY2011 reclassified to reflect new segment reporting

Telecom Segment – Profit and Loss Statement

Euro Millions

	FY 2012	FY 2011 Reported ^{a)}	FY 2011 Combined ^{b)}
Sales to Third Parties	1,466	1,315	1,431
<i>YoY total growth</i>	<i>2.4% ^{c)}</i>		
<i>YoY organic growth</i>	<i>(3.5%) ^{c)}</i>		
Adj. EBITDA	160	121	128
<i>% on sales</i>	<i>10.9%</i>	<i>9.1%</i>	<i>8.8%</i>
Adj. EBIT	104	78	81
<i>% on sales</i>	<i>7.1%</i>	<i>5.8%</i>	<i>5.6%</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 FY 2011 Combined

Financial Structure

Euro Millions

Debt structure (€m)		31.12.2012 (€m)			
	31.12.12	31.12.11	Used	Available Funds ⁽²⁾	Maturity
Term Loan	670	674	670	-	12/2014
Eurobond	413	412	413	-	04/2015
Revolving Credit Facility	-	-	-	396	12/2014
Securitization ⁽⁵⁾	75	111	75	75	07/2013
Term Loan 2011	400	400	400	-	03/2016
Revolving 2011	-	-	-	400	03/2016
Other Debt	290	325	290	-	-
Total Gross Debt	1,848	1,922	1,848	871	2.2 y ⁽¹⁾
Cash & Cash equivalents	(812)	(727)	(812)	812	
Other Financial Assets	(97)	(103)	(97)	78	
NFP Vs third parties	939	1,092	939	1,761	
Bank Fees	(21)	(28)			
NFP	918	1,064			

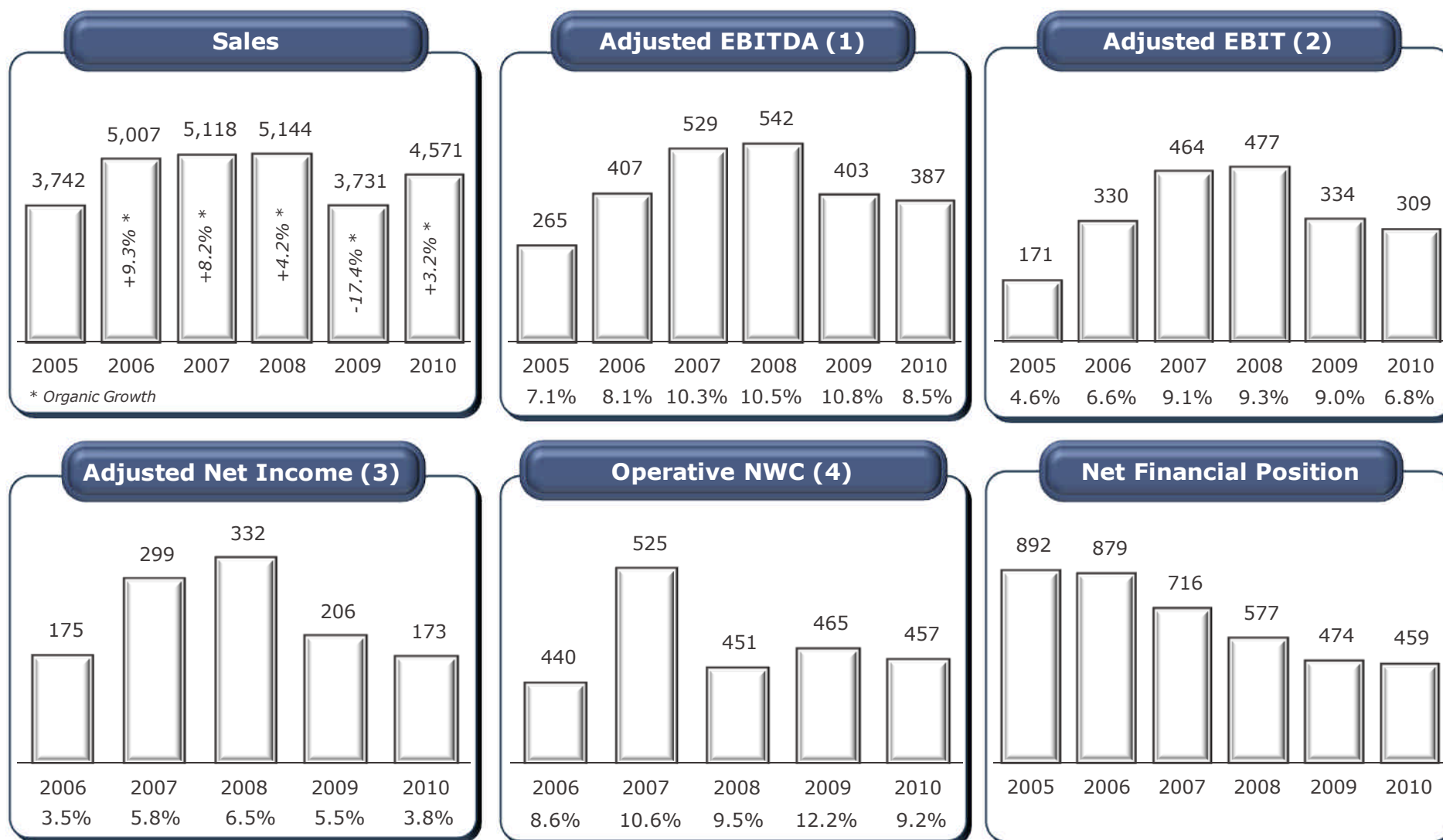
(1) Average maturity as of 31 December 2012

(2) Defined as Cash and Unused committed credit lines

Note: Compound average spread on used committed credit lines equal to 2.1%

Prysmian Historical Key Financials

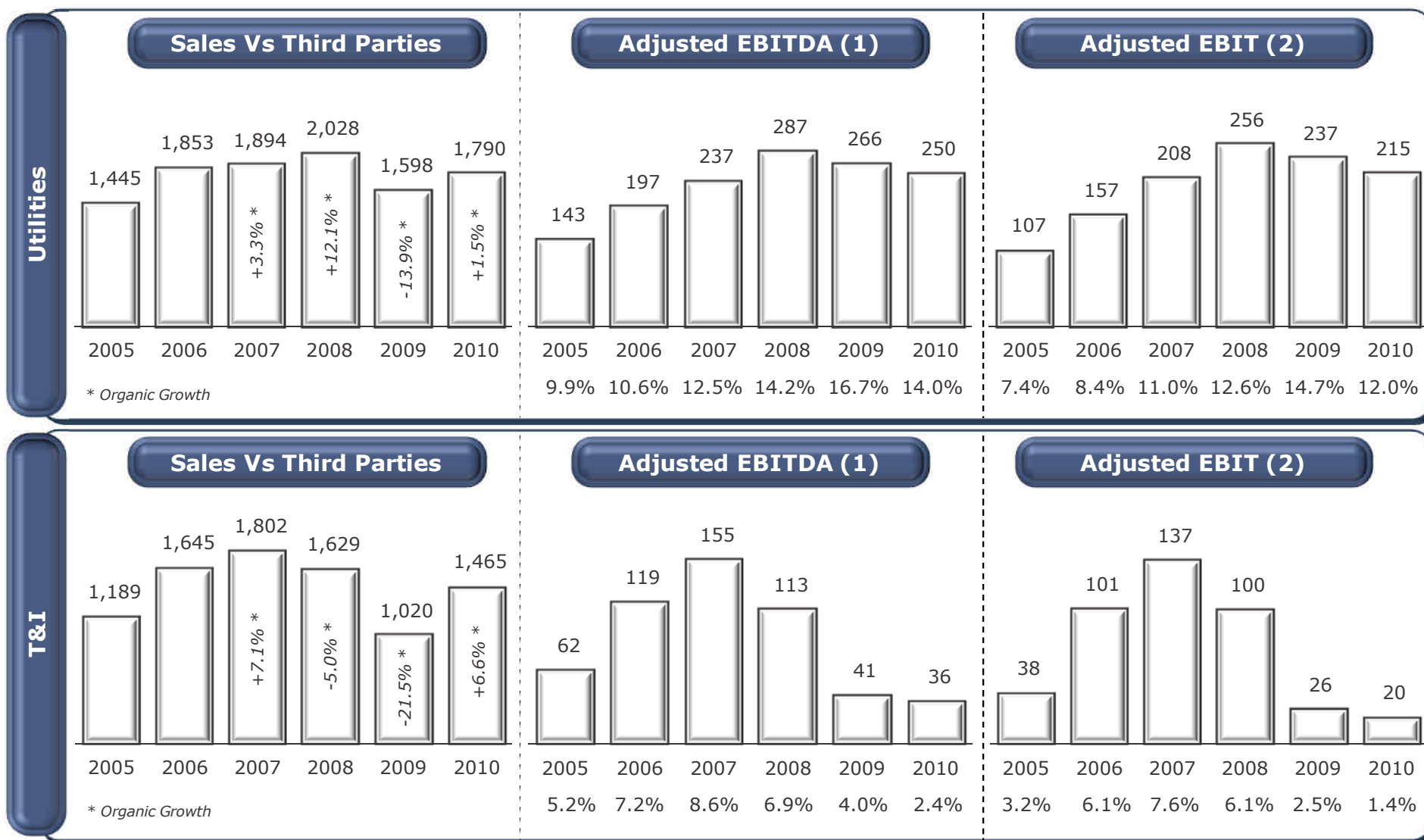
Euro Millions, % of Sales – Pre Draka acquisition



(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.
 Note: 2005 Adj. Net Income and 2005 Operative NWC figures are not available

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

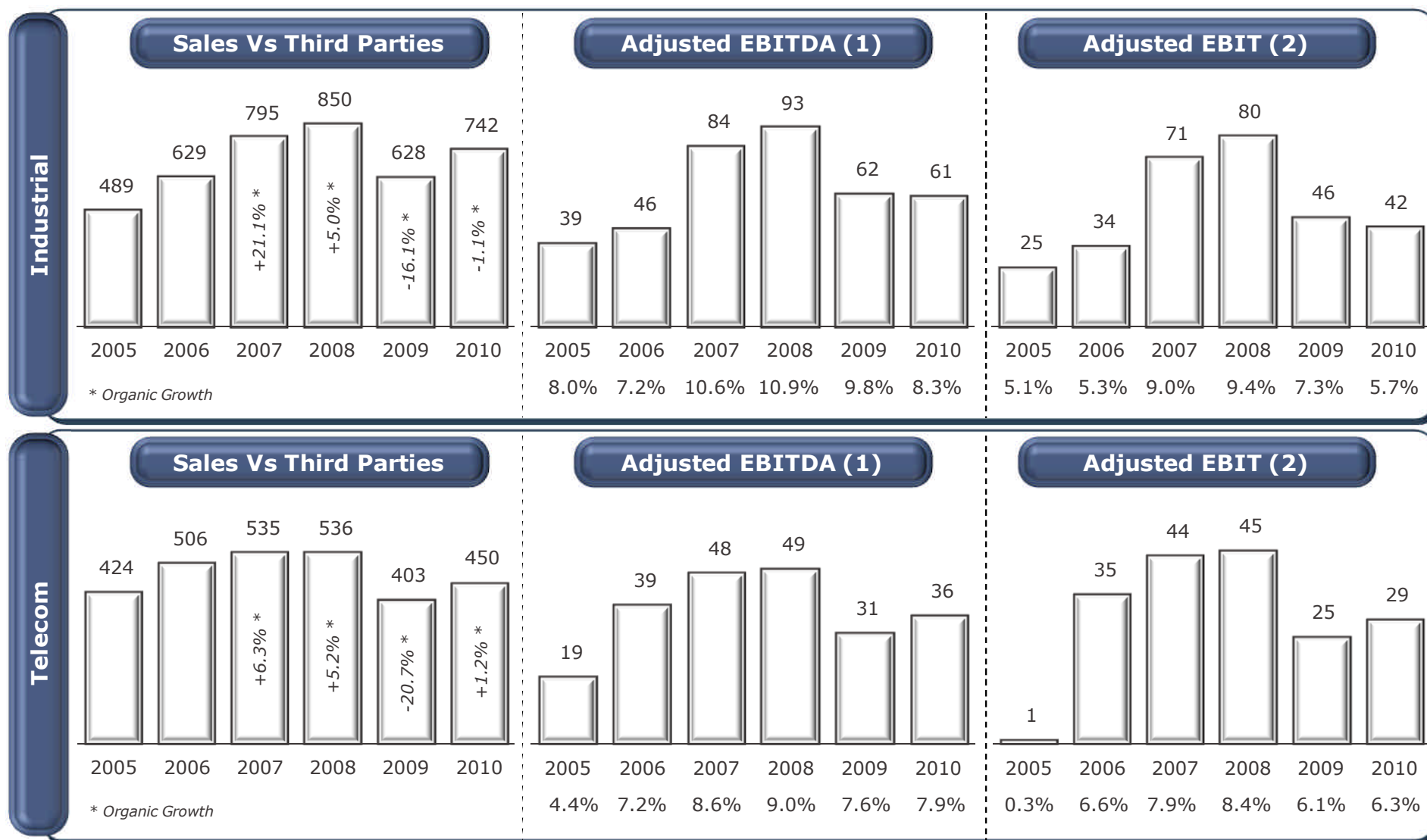
Euro Millions, % of Sales – Pre Draka acquisition



(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

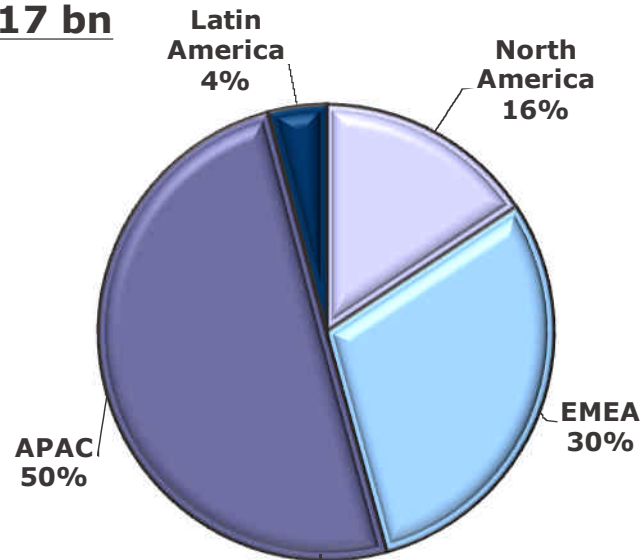
- Group Overview & FY 2012 Results
- Draka integration
- Financial Results
- Appendix – Cable Industry Reference Market

The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2012

2012 Global Cables Reference Market

€ 117 bn



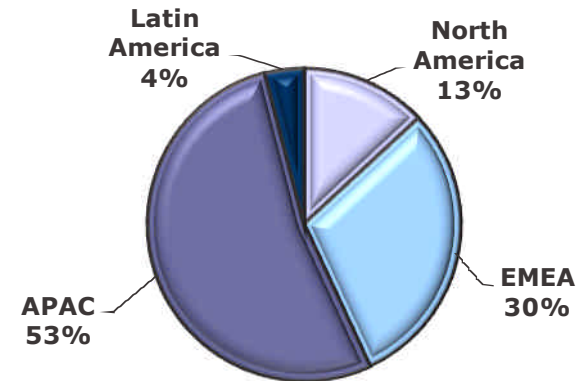
Energy Cables Reference Market
~€93bn

- Trade and Installers
- Utilities
- Industrial

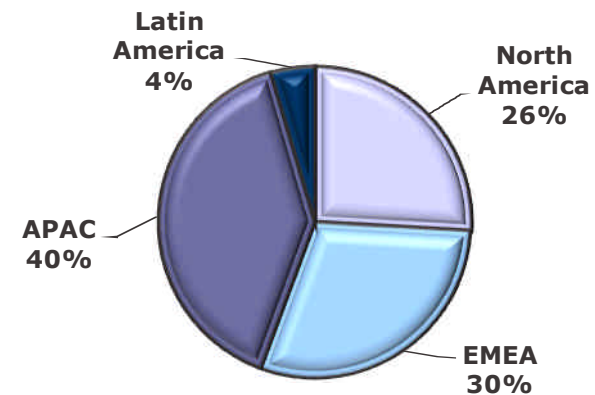
Telecom Cables Reference Market
~€24bn

- Optical cables and fiber
- Copper Cables
- MMS

Energy Cables Reference Market (~€93bn)



Telecom Cables Reference Market (~€24bn)

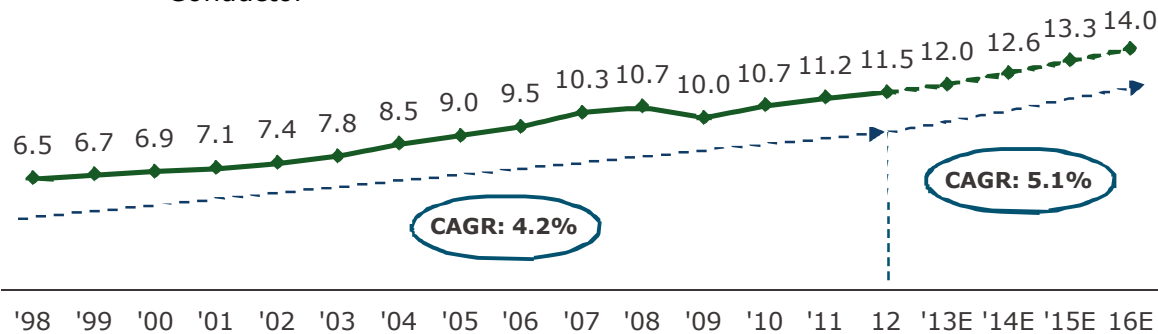


Source: Company analysis based on CRU data - January 2013. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for energy business). Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic, Internal Telecom/Data

Market Volumes Trend

Energy Cables Reference Market

Million Tons Conductor

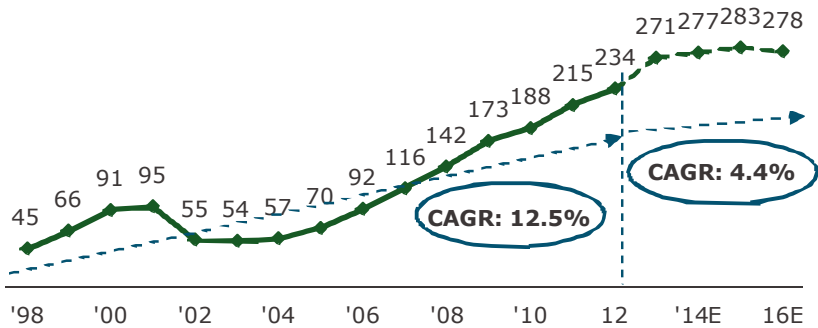


- Long term growth driven by:
 - Energy consumption
 - Investments in power grid interconnections
 - Investments in power transmission and distribution
 - Infrastructure investments
 - Renewable energy

Telecom Cables Reference Market

Optical Fiber Cables

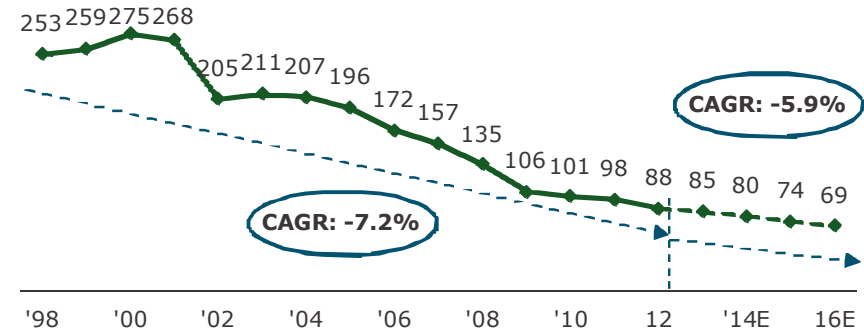
Million Km Fibre



Market growth driven by increased investment in fibre access networks (FTTx) and LTE

Copper Cables

Million Km Pair



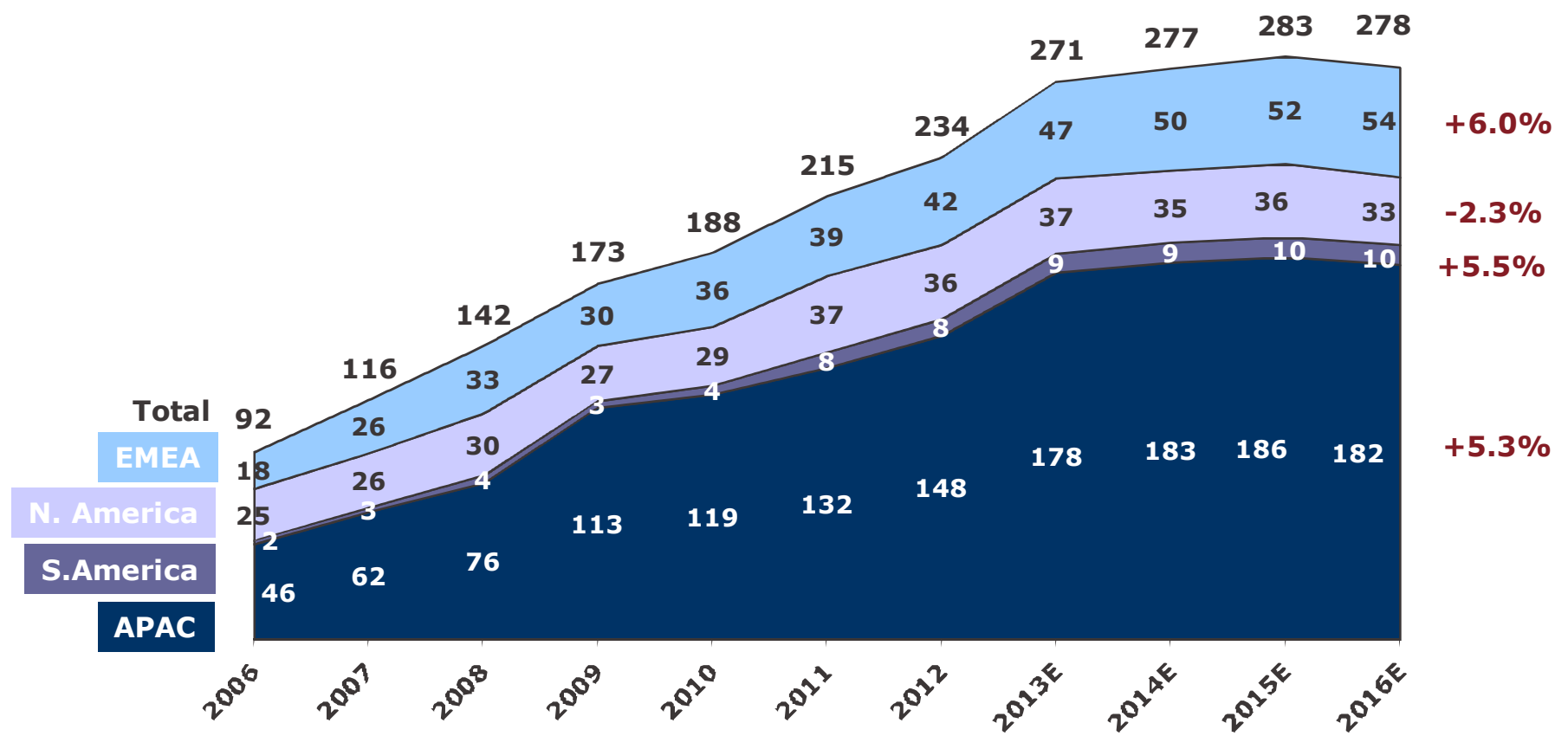
Steady decline of copper cables expected to continue

Source: Company analysis based on January 2013 CRU data. Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic, Internal Telecom/Data

Telecom – Demand evolution by geographical area

Optical fibre cable (Million km)

CAGR (12-16)
+4.4%

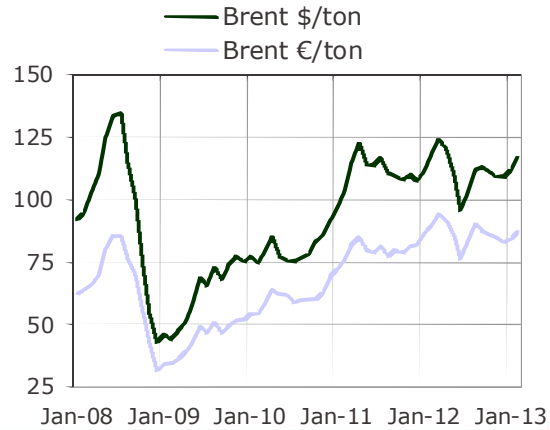


Source: CRU, January 2013

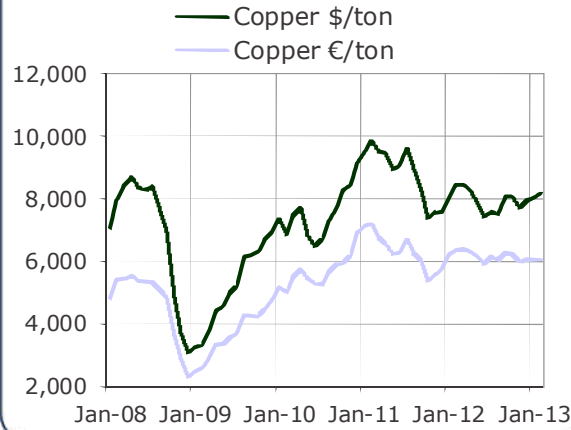
Reference Scenario

Commodities & Forex

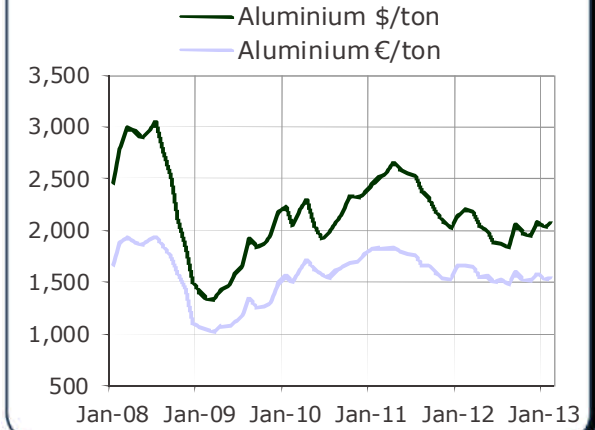
Brent



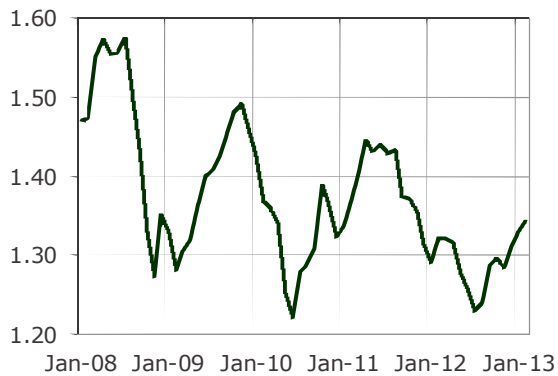
Copper



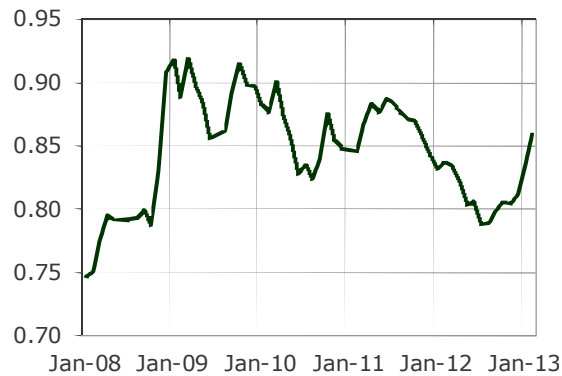
Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Thomson Reuters

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