



Prysmian Group Company Presentation

January 2016

PLATFORM TO ENHANCE CUSTOMER SERVICE **LINKING THE FUTURE** STRONGER
LEADING TECHNOLOGY LEADING TECHNOLOGY
WORLDWIDE LEADER IN RENEWABLE ENERGY
EXTENDED PRODUCT OFFERING IN OGP AND IN

Prysmian
Group

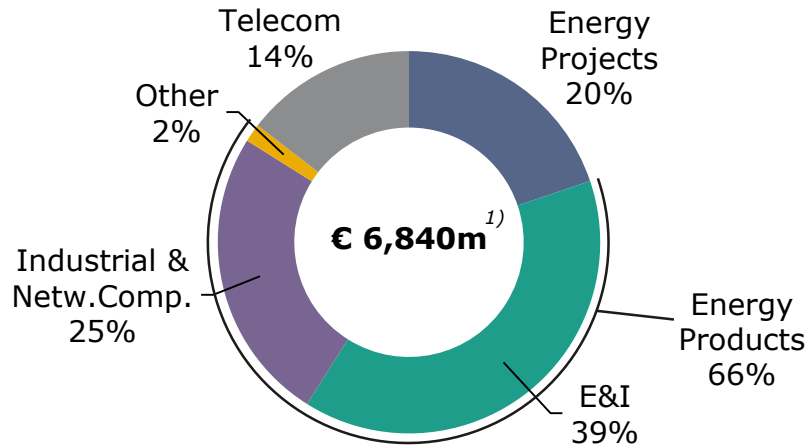


- **Group overview**
- Results by business
- Outlook
- Financial Results
- Appendix

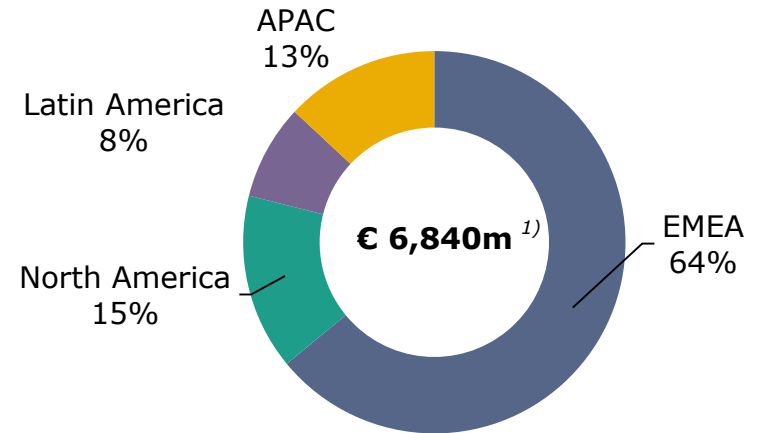
Prysmian group at a glance

FY 2014 Financial Results

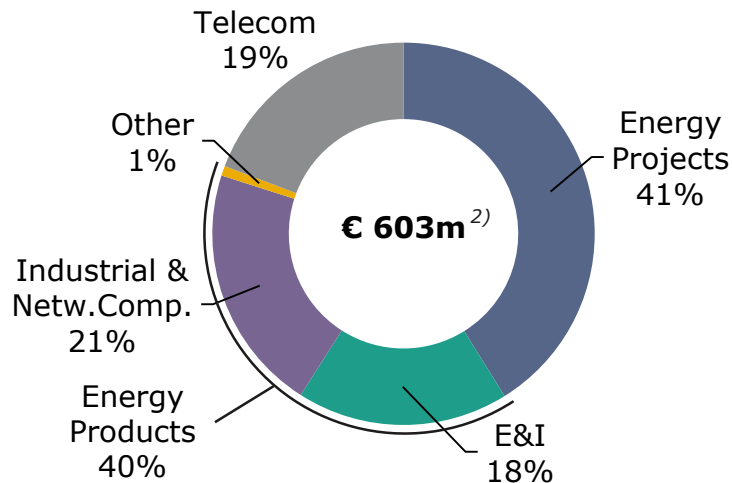
Sales breakdown by business



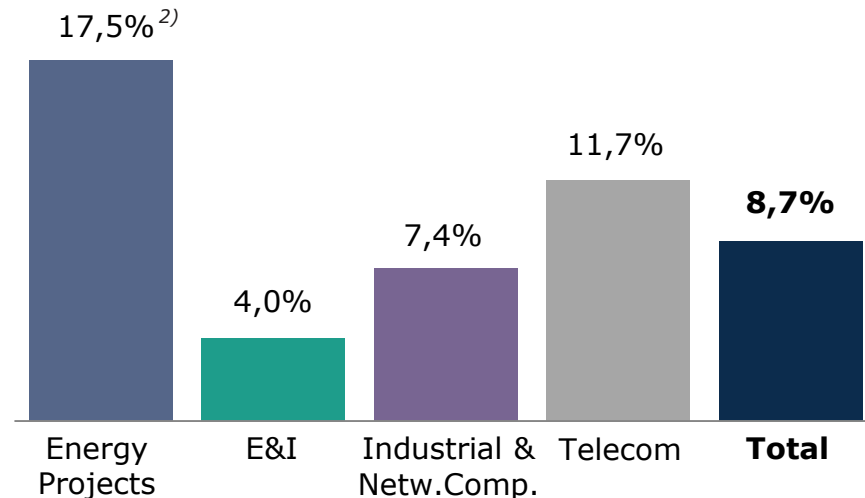
Sales breakdown by geography



Adj. EBITDA by business



Adj. EBITDA margin

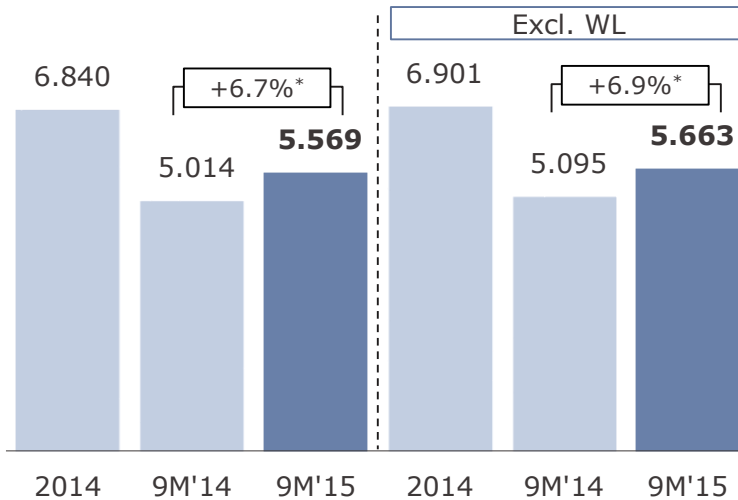


1) Sales including € 61 mln of WL submarine project effect
 2) Excluding WL submarine project effect

9M 2015 Key Financials

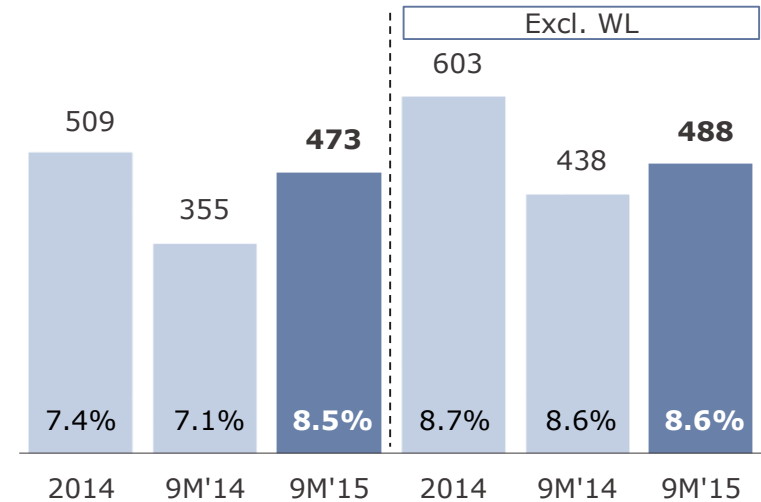
Euro Millions, % on Sales

Sales

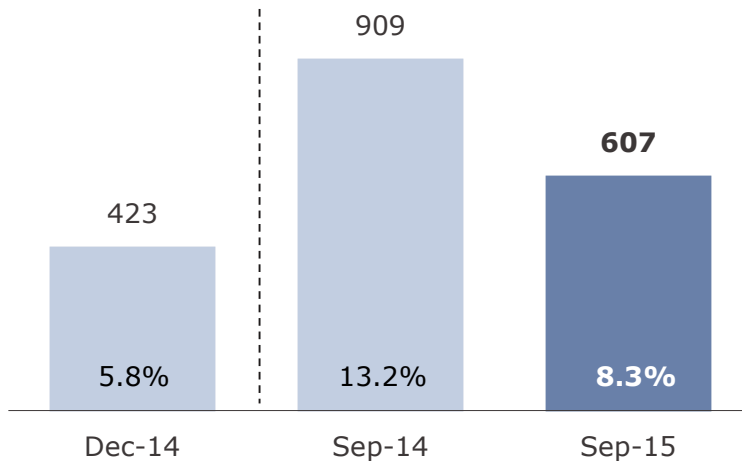


* Org. Growth

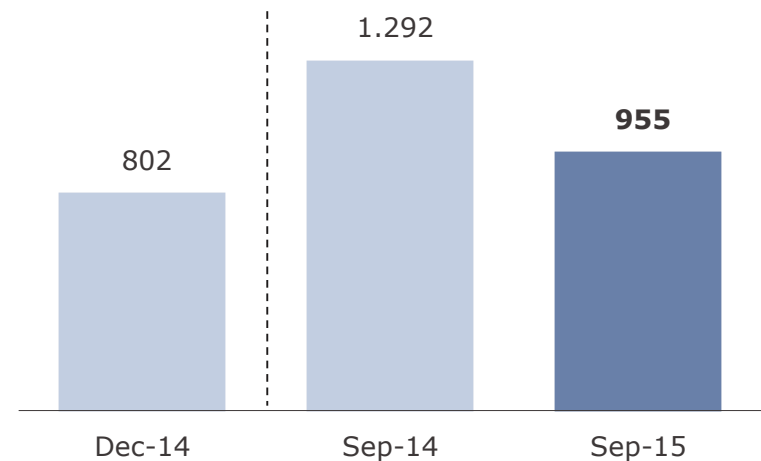
Adjusted EBITDA ⁽¹⁾



Operative Net Working Capital ⁽²⁾



Net Financial Position

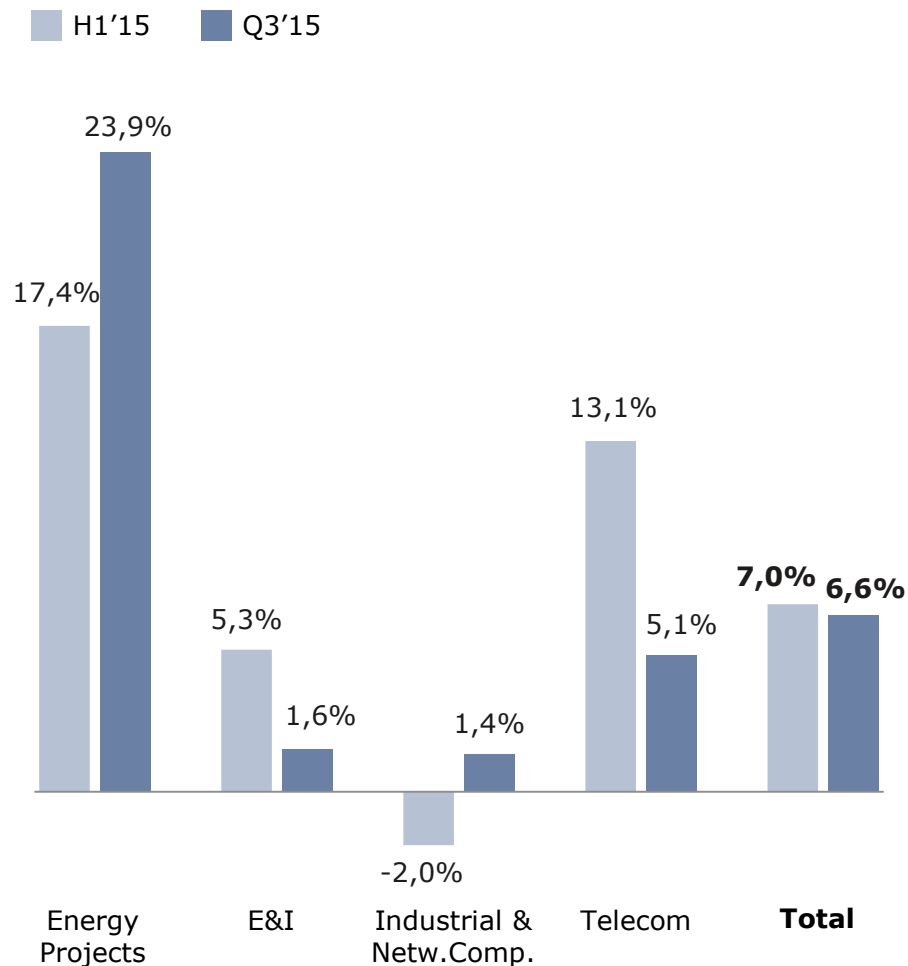


(1) Adjusted excluding non-recurring income/expenses; (2) Defined as NWC excluding derivatives; % on sales is defined as Operative NWC on annualized last quarter sales

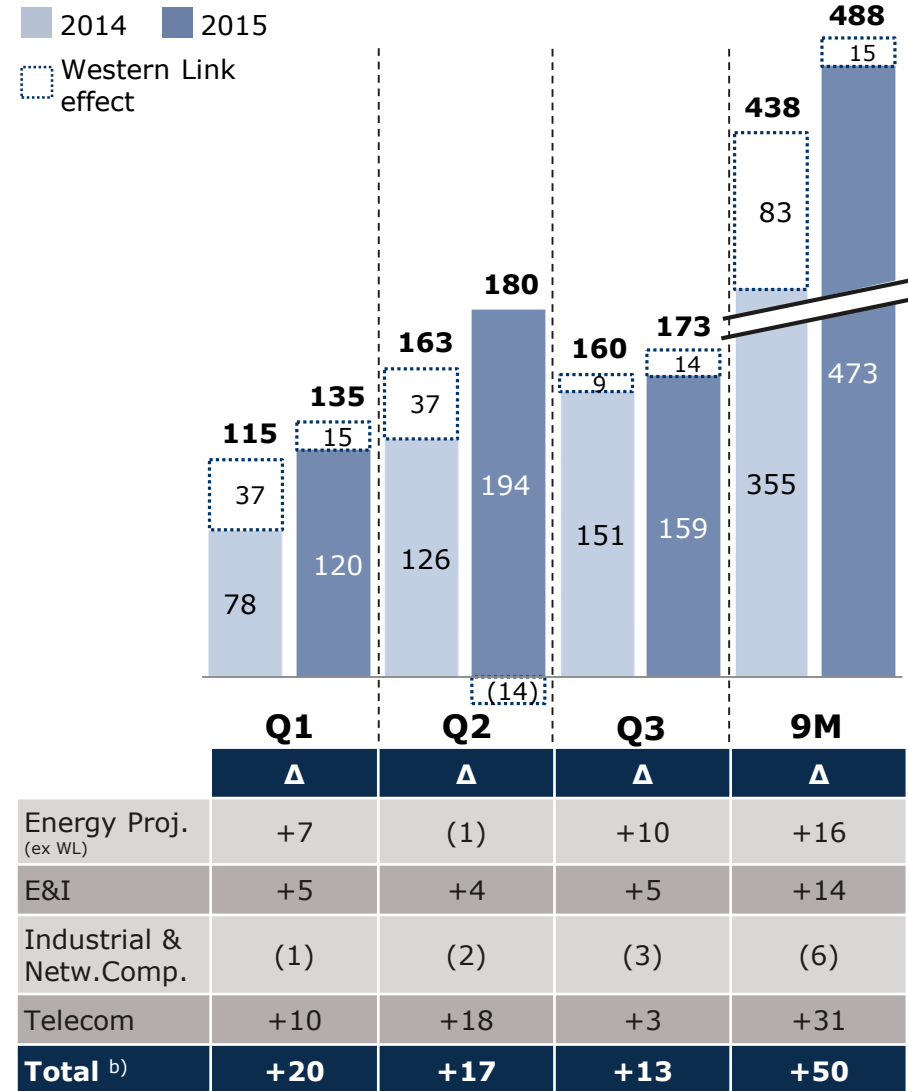
Continued organic growth and profitability improvement

Profitability increase driven by Energy Projects, Telecom & E&I

Organic Growth ^{a)} (% change)



Adj.EBITDA (€ M)



a) Org.growth excluding WL submarine project effect

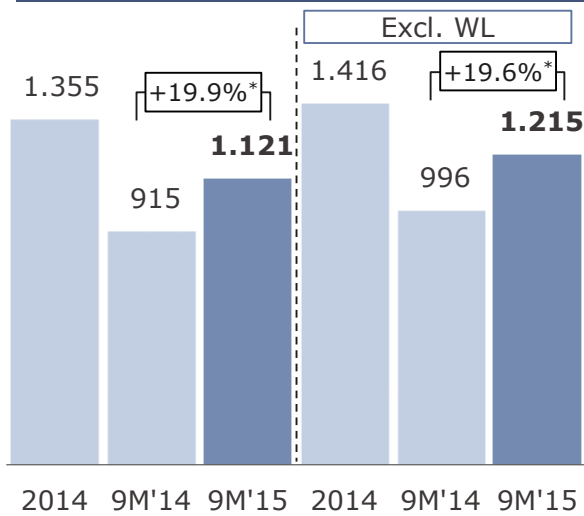
b) Total includes Other Energy business: ΔQ1 (€1m), ΔQ2 (€2m), ΔQ3 (€2m), Δ9M (€5m)

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Energy Projects

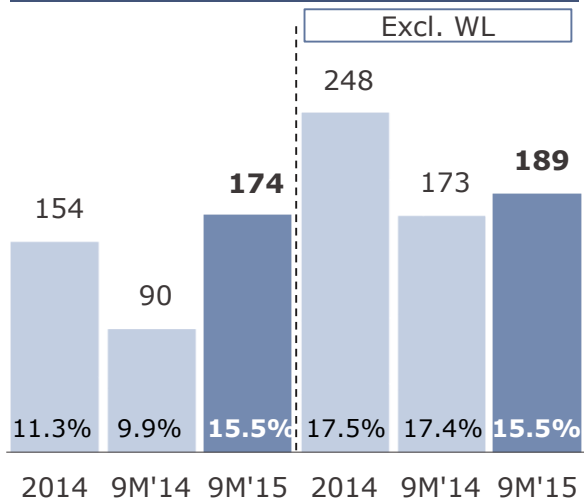
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA



Highlights

Submarine

- Market remains solid in Europe, mainly driven by Interconnections projects. Off shore wind farms tenders in France and UK
- Order book remains close to peak levels, supported also by the recent award of the first submarine project in China
- WL production and installation on track

Underground High Voltage

- Performance substantially in line with previous year: stability in Europe and North America, positive trend in China and Middle East

SURF

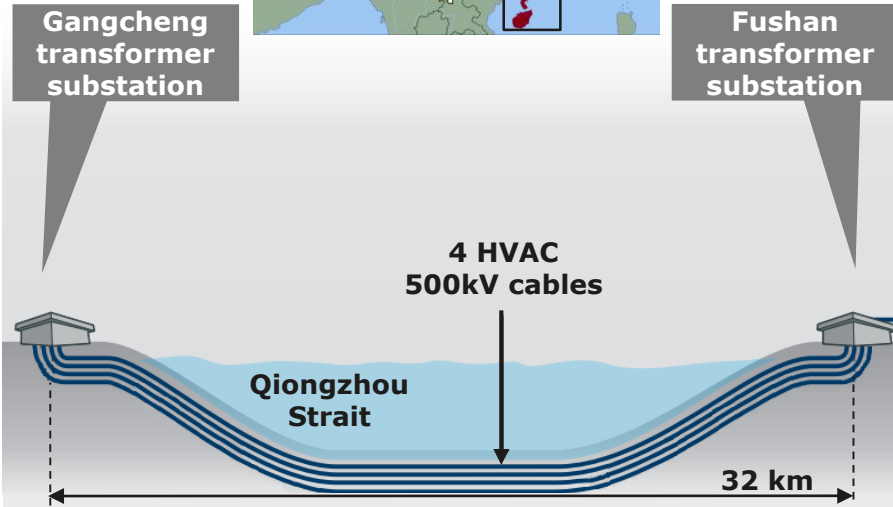
- Positive contribution from the Umbilicals business (Brazil). Stabilization of DHT thanks to a broad customer base and wide geographical presence
- Acquisition of GCDT to expand presence in DHT business and complement the product range. Consolidation starting from October 1, 2015

Focus on two milestones in Energy Projects strategy

Award of first submarine project in China and acquisition of GCDT in the US

Hainan-China mainland submarine interconnection

- The first submarine cable project in People's Republic of China for the Group



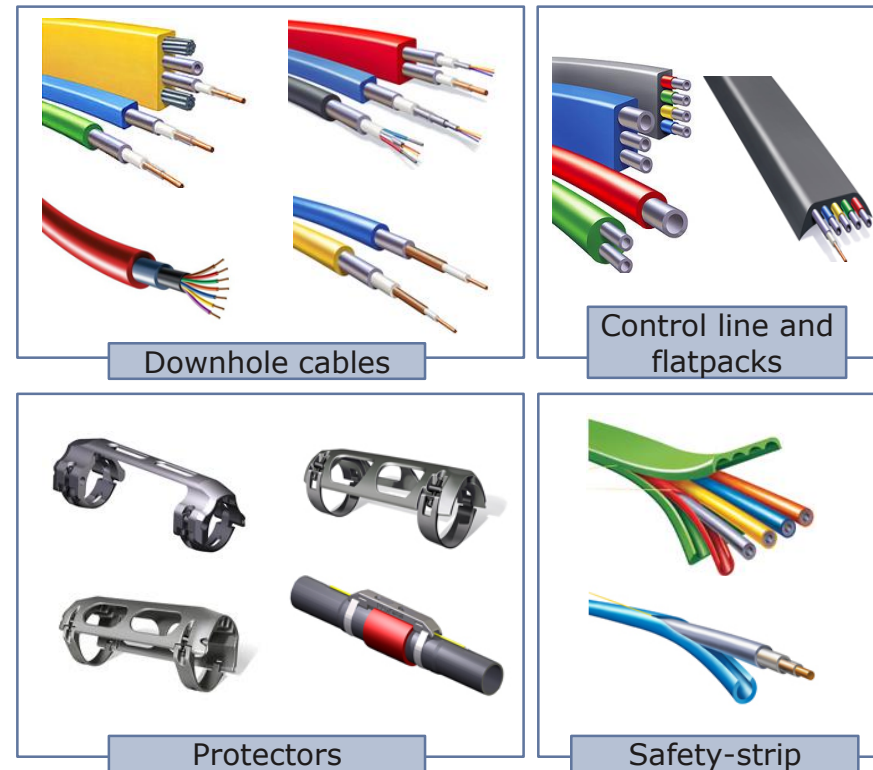
- Total project value above \$ 140 million
- Customer: China Southern Power Grid
- Delivery and commissioning: Q1 2019

Gulf Coast Downhole Technologies

- Acquisition of 100% of the privately-held US company GCDT for \$45 M in cash + max \$21 M earn-out payment



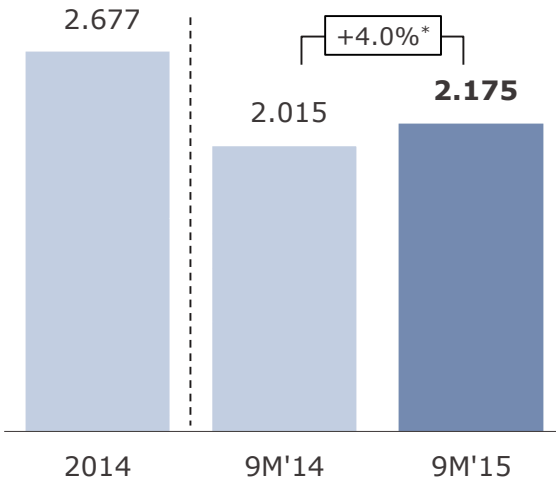
- Rationale: further increased differentiation of the product offer in a high-ROCE niche (DHT – SURF)
- Turnover: \$34 million in 2014
- Products



Energy & Infrastructure

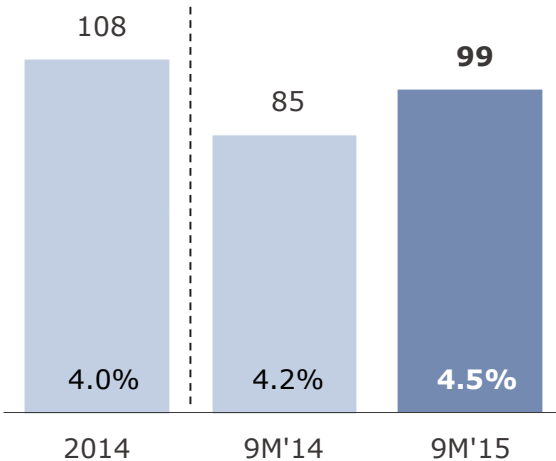
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA



Highlights

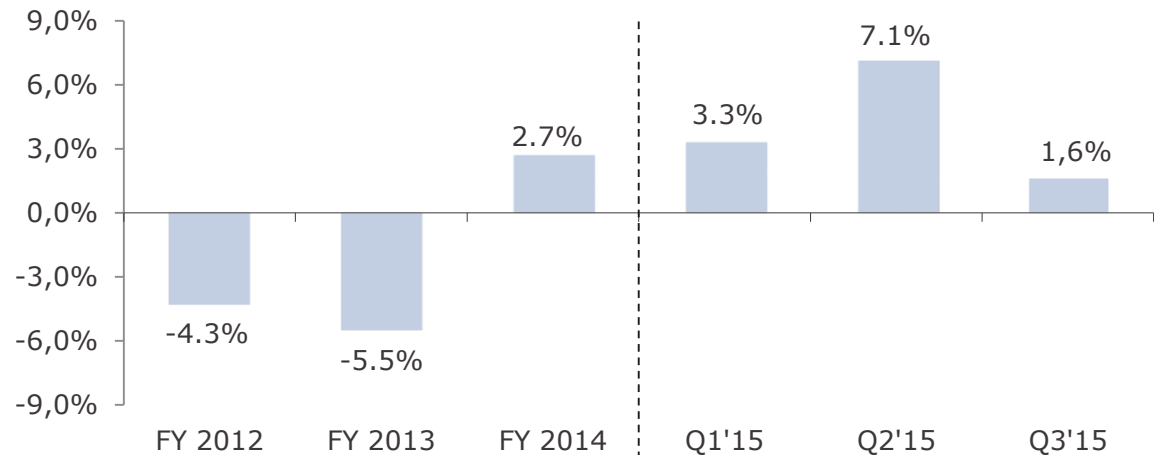
Trade & Installers

- Flat organic sales in 9M, softening in Q3
- Positive trend in some European countries (Spain, UK and Danubian area) and robust orders for wind farms in N.A.
- Further slowdown in Brazil and weak market in France, Turkey and Germany

Power Distribution

- Solid organic growth driven by good volume recovery in the Nordics, Germany and Argentina
- Prices in line with previous quarters

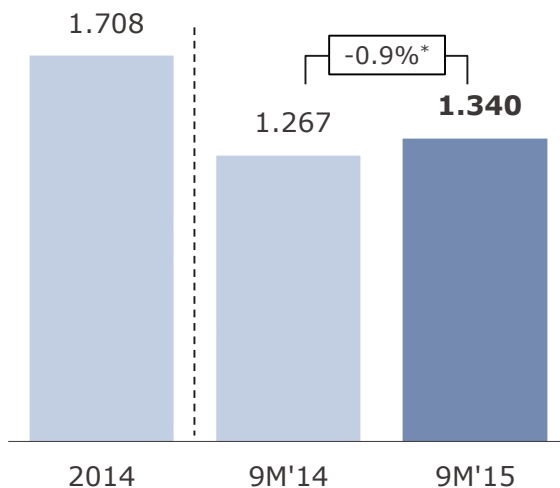
Organic Growth*



Industrial & Network Components

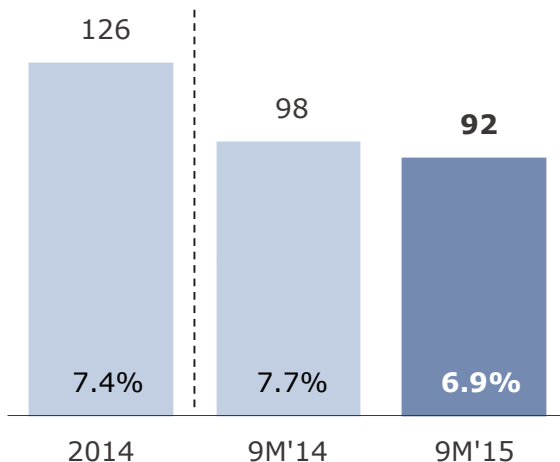
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA



Highlights

Specialties & OEMs

- Progressive organic improvement along the year
- Positive performance in N. America and Europe, mainly driven by Nuclear (France, Germany), Crane (Germany, US) and Railway (Germany, Italy, US)

Oil & Gas

- Tough market with MRO business at the bottom and slowdown in new projects

Elevator

- Positive developments in all geographies (US, Europe and APAC)

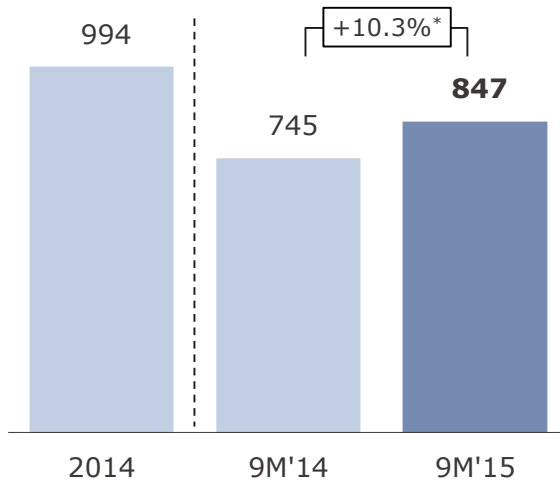
Automotive

- Strong competition on standard products still affecting the performance of the business

Network Components

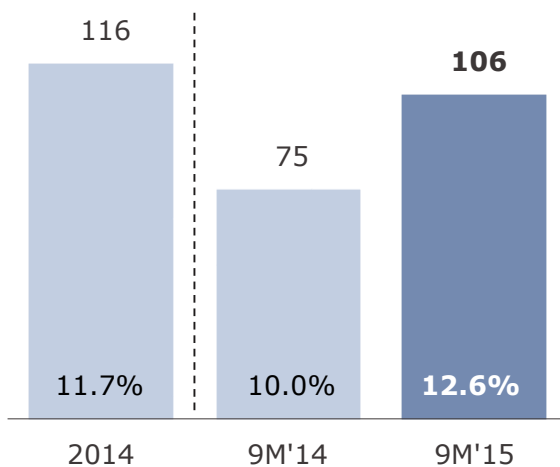
- Positive performance in China and North America offset by weak demand of HV accessories in Europe and tough market in Brazil

Sales



* Org. Growth

Adj. EBITDA



Highlights

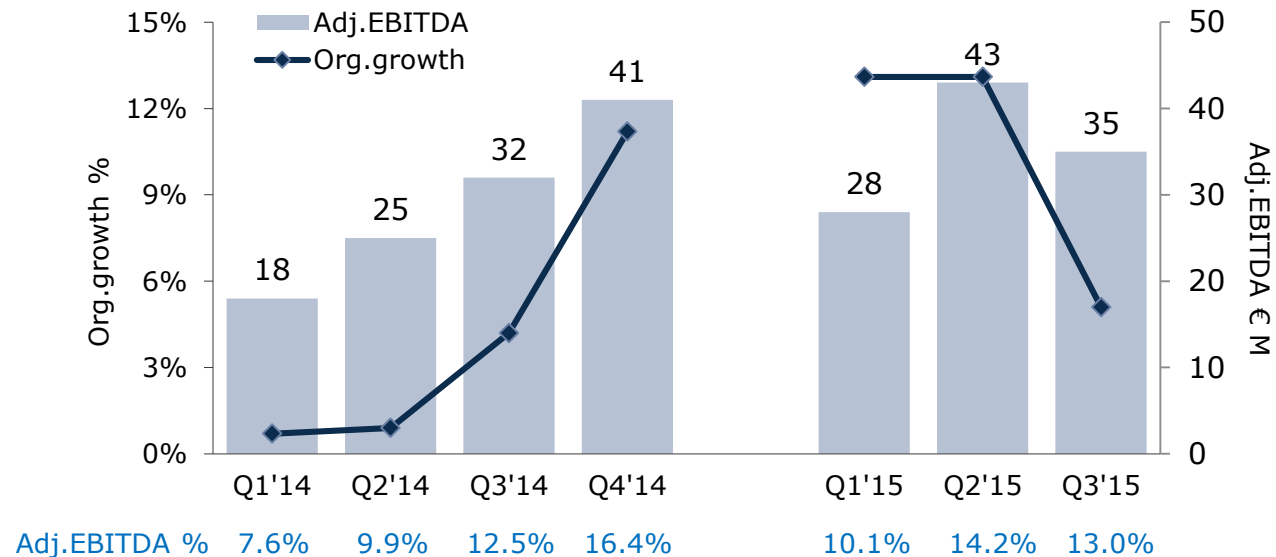
Optical, Connectivity & Fiber

- Positive organic growth in all geographies with the anticipated softening in H2, prices stable vs. previous year
- Market fundamentals remain sound in the US, Europe and Australia (despite expected slowdown in H2). Brazil still weak
- Challenging comparison basis in Q3 and particularly in Q4, which benefited from one-off effect of YOFC

Multimedia & Specials

- Ongoing improving trend in APAC and Europe

Organic growth * and Adj.EBITDA evolution



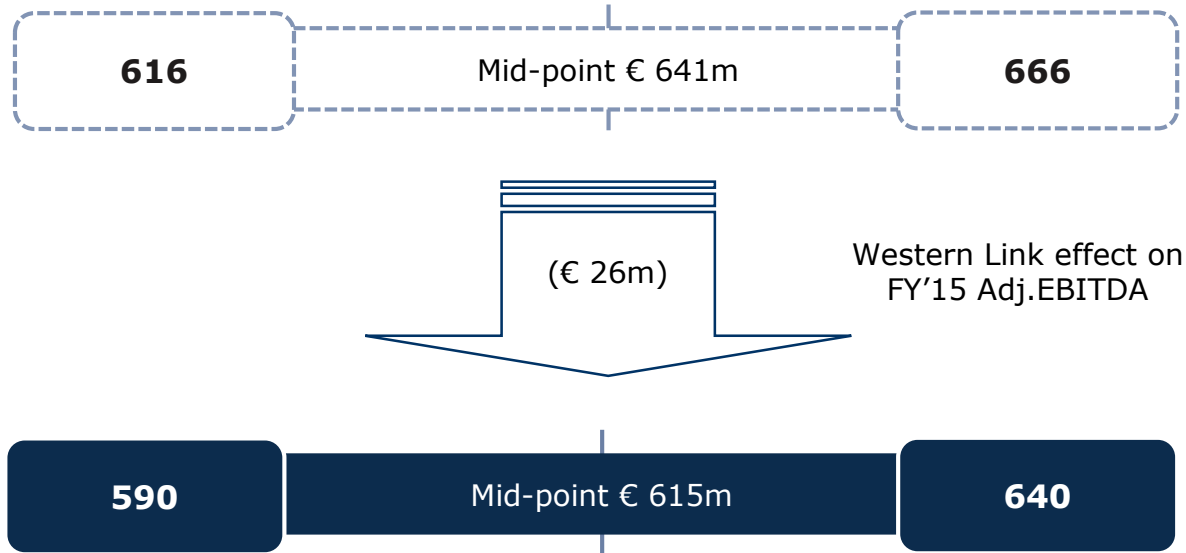
* % change vs. same quarter of previous year

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FY 2015 Outlook

FY target confirmed above mid-point of the range

2015 Adj.EBITDA Target (€ million)



FY 2015 expected above mid-point of the range based on:

- Confirmed positive trend in Energy Projects
- Softening of Telecom and cyclical businesses in some countries
- Q4 expected to be negatively impacted by the recent weakening of several currencies (mainly BRL, TRY, NOK, AUD)

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Profit and Loss Statement

Euro Millions

	9M 2015	9M 2014	WL effect 9M'15 vs. 9M'14
Sales	5,569	5,014	(13)
<i>YoY total growth</i>	11.0%		
<i>YoY organic growth</i>	6.7%		
<i>YoY organic growth excl. WL</i>	6.9%		
Adj.EBITDA	473	355	68
<i>% on sales</i>	8.5%	7.1%	
Adj.EBITDA excl. WL	488	438	-
<i>% on sales</i>	8.6%	8.6%	
Non recurring items	(28)	28	-
EBITDA	445	383	68
<i>% on sales</i>	8.0%	7.6%	
Adj.EBIT	364	249	68
<i>% on sales</i>	6.5%	5.0%	
Non recurring items	(28)	28	-
Special items	(52)	4	-
EBIT	284	281	68
<i>% on sales</i>	5.1%	5.6%	
Financial charges	(77)	(108)	-
EBT	207	173	68
<i>% on sales</i>	3.7%	3.5%	
Taxes	(68)	(38)	(21)
<i>% on EBT</i>	32.9%	22.0%	
Net income	139	135	47
<i>% on sales</i>	2.5%	2.7%	
Net income excl. WL	149	192	-
<i>% on sales</i>	2.6%	3.8%	

(15) in 9M'15
(83) in 9M'14

(10) in 9M'15
(57) in 9M'14

Non Recurring and Special Items on EBIT

Euro Millions

	9M 2015	9M 2014
Antitrust	21	28
Restructuring	(36)	(16)
Price adjustments	-	22
Other	(13)	(6)
EBITDA adjustments	(28)	28
Special items	(52)	4
<i>Gain/(loss) on metal derivatives</i>	(29)	12
<i>Assets impairment</i>	(7)	(5)
<i>Other</i>	(16)	(3)
EBIT adjustments	(80)	32

Financial Charges

Euro Millions

	9M 2015	9M 2014
Net interest expenses	(59)	(67)
<i>of which non-cash conv.bond interest exp.</i>	(6)	(6)
Bank fees amortization	(3)	(5)
Gain/(loss) on exchange rates	(30)	(18)
Gain/(loss) on derivatives ¹⁾	19	(9)
Non recurring effects	(4)	(9)
Net financial charges	(77)	(108)

1) Includes currency and interest rate derivatives

Statement of financial position (Balance Sheet)

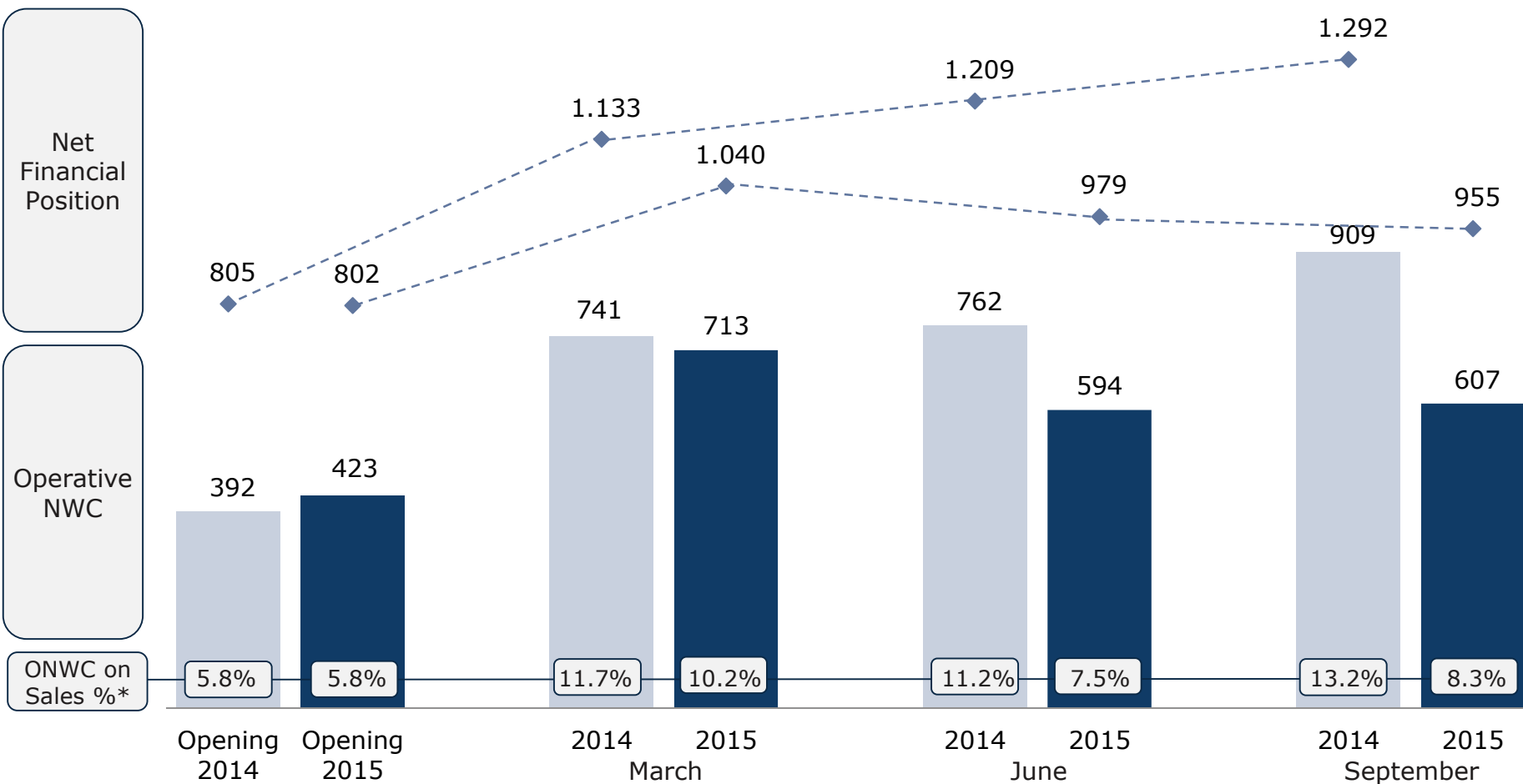
Euro Millions

	30 Sep 2015	30 Sep 2014	31 Dec 2014
Net fixed assets	2,224	2,255	2,219
<i>of which: intangible assets</i>	545	586	561
<i>of which: property, plants & equipment</i>	1,418	1,430	1,414
Net working capital	571	900	407
<i>of which: derivatives assets/(liabilities)</i>	(36)	(9)	(16)
<i>of which: Operative Net working capital</i>	607	909	423
Provisions & deferred taxes	(279)	(281)	(281)
Net Capital Employed	2,516	2,874	2,345
Employee provisions	357	333	360
Shareholders' equity	1,204	1,249	1,183
<i>of which: attributable to minority interest</i>	32	32	33
Net financial position	955	1,292	802
Total Financing and Equity	2,516	2,874	2,345

Strong working capital management

Euro Millions

Evolution of Net Financial Position and Operative NWC



* % on sales is defined as Operative NWC on annualized last quarter sales

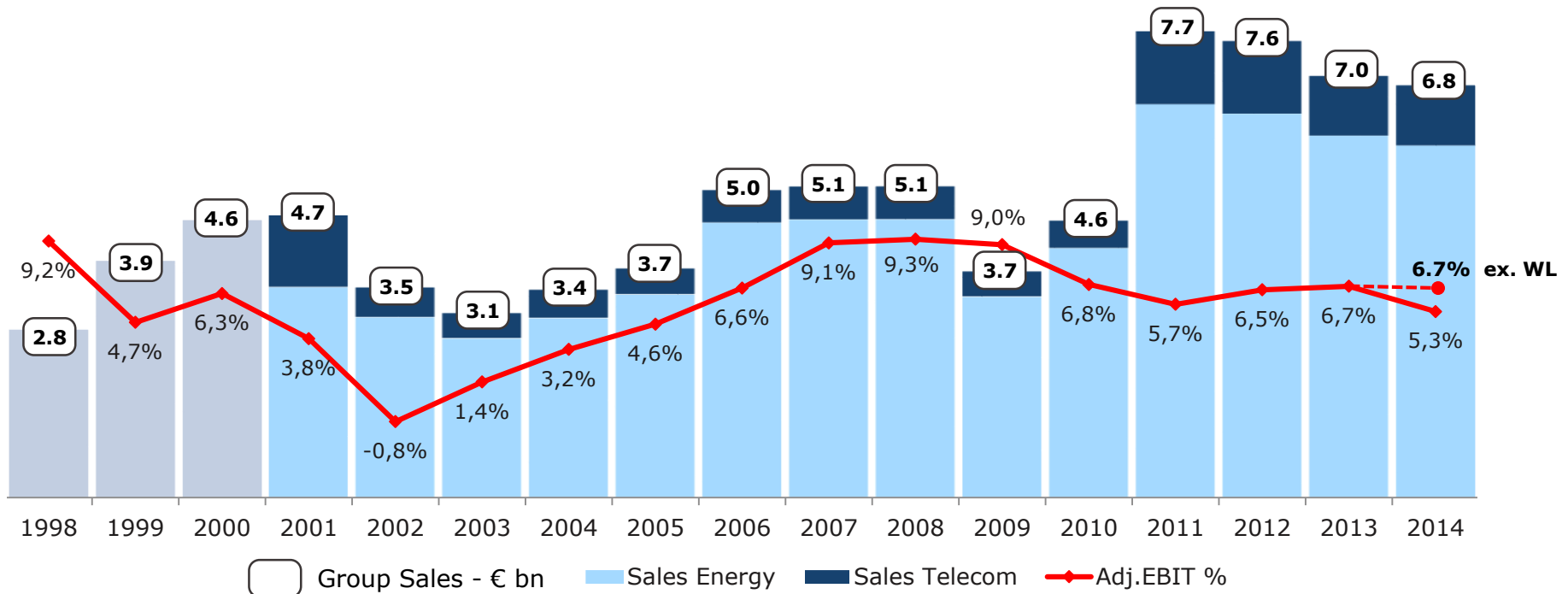
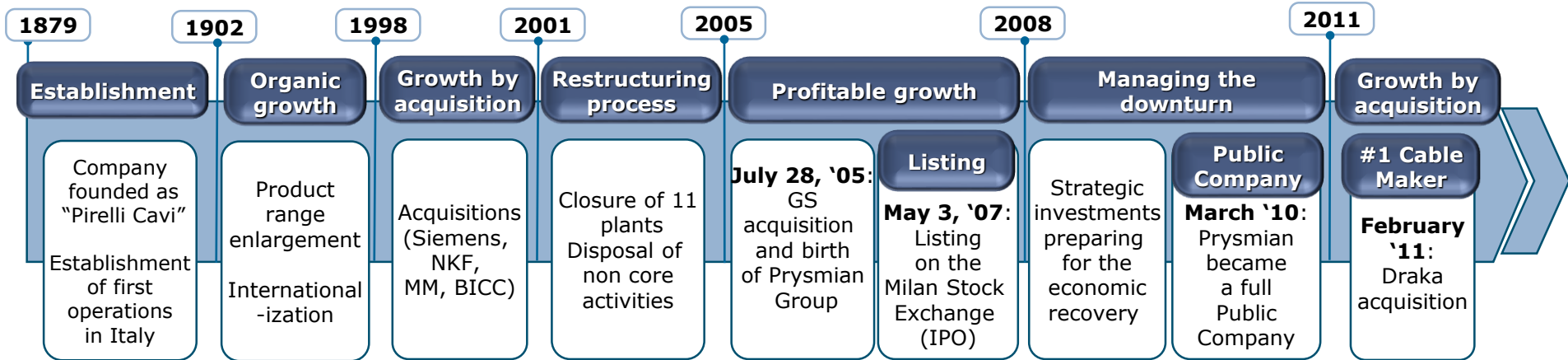
Cash Flow

Euro Millions

	9M 2015	9M 2014	FY 2014
Adj.EBITDA	473	355	509
Non recurring items	(28)	28	(13)
EBITDA	445	383	496
Net Change in provisions & others	(41)	(65)	(53)
Share of income from investments in op.activities	(27)	(26)	(43)
Cash Flow from operations (bef. WC changes)	377	292	400
Working Capital changes	(198)	(472)	(1)
Dividends received	15	12	36
Paid Income Taxes	(39)	(46)	(72)
Cash flow from operations	155	(214)	363
Acquisitions	-	9	9
Net Operative CAPEX	(117)	(106)	(155)
Free Cash Flow (unlevered)	38	(311)	217
Financial charges	(88)	(88)	(110)
Free Cash Flow (levered)	(50)	(399)	107
Free Cash Flow (levered) excl. acquisitions	(50)	(408)	98
Dividends	(91)	(90)	(90)
Treasury shares buy-back & other equity movements	3	-	(20)
Net Cash Flow	(138)	(489)	(3)
NFP beginning of the period	(802)	(805)	(805)
Net cash flow	(138)	(489)	(3)
Other variations	(15)	2	6
NFP end of the period	(955)	(1,292)	(802)

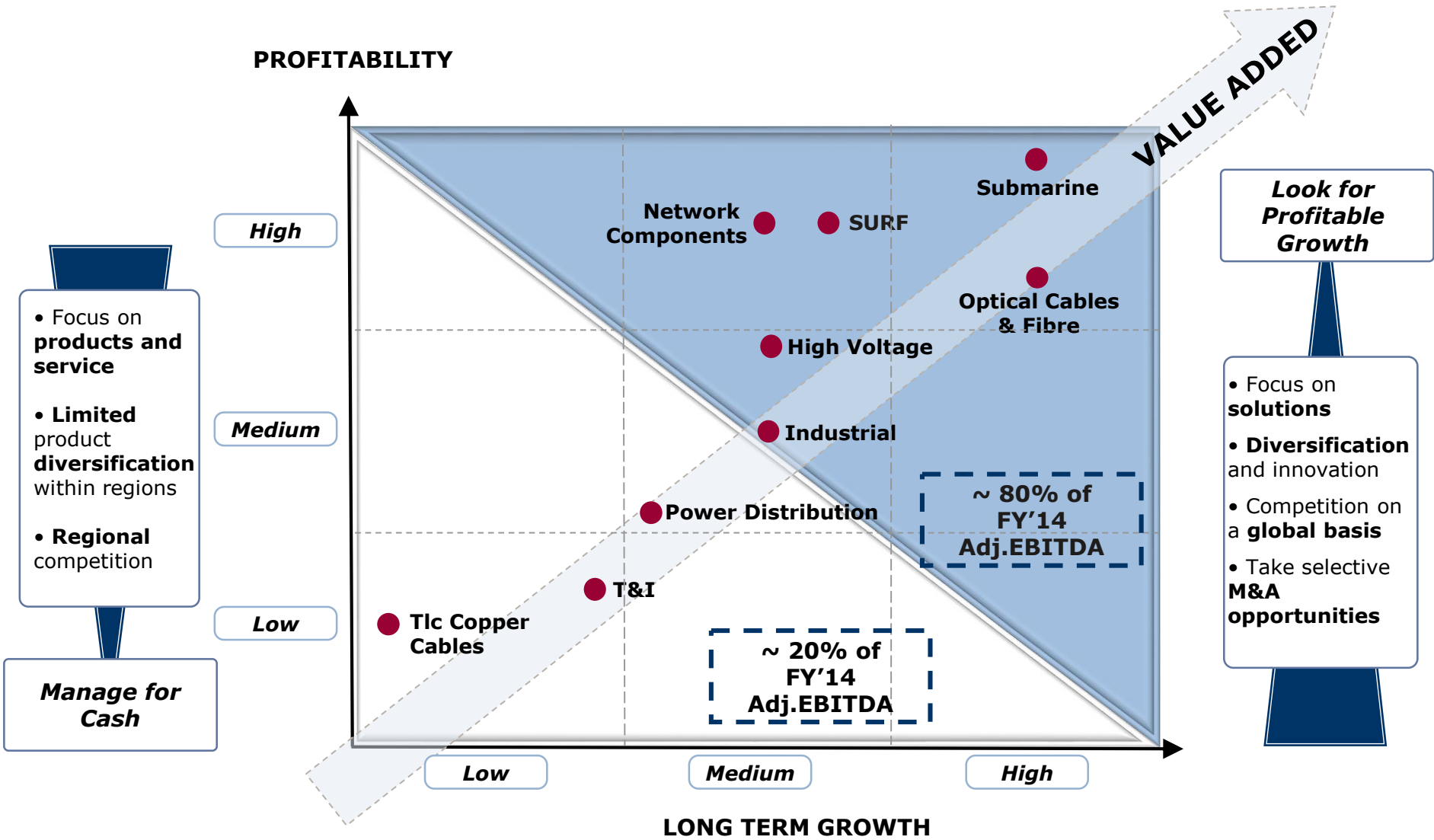
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 - Telecom

Key Milestones



Prysmian Group business portfolio

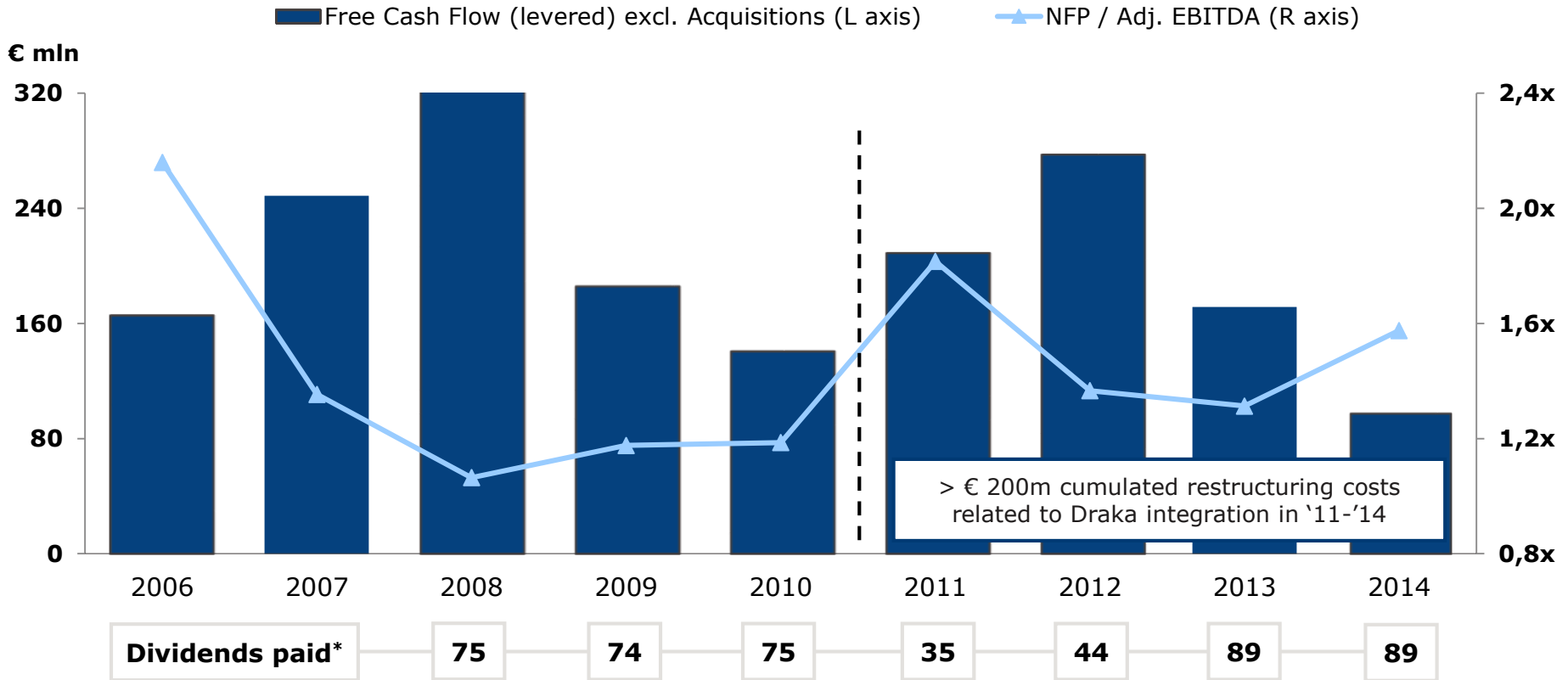
Focus on high value added segments



Cash Flow generation as key priority to create value for shareholders

Growing capabilities to invest organically/acquisitions and remunerate shareholders

Cash Flow generation



Approx. € 200m average free cash flow per year generated in 2006-14

Almost €500m distributed to shareholders since IPO

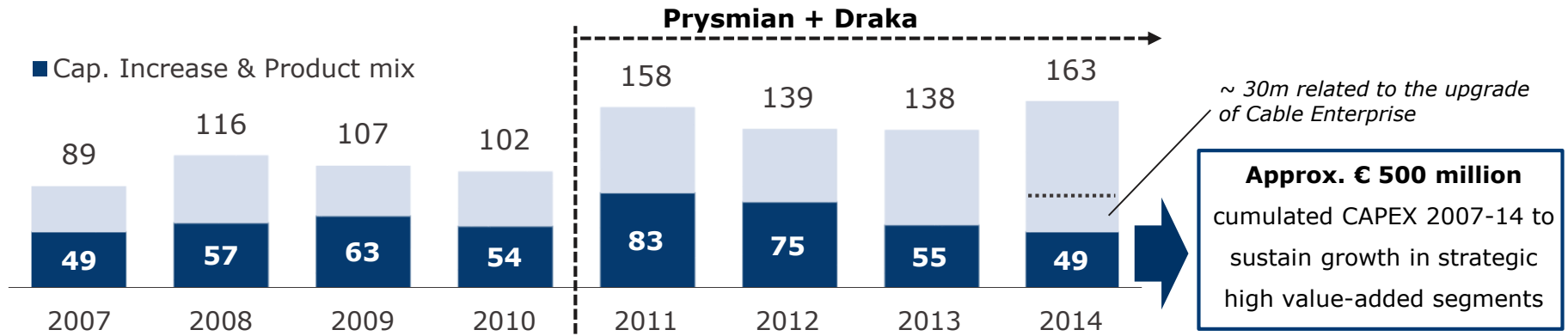
Note: 2011 combined; 2012-13 restated in application of IFRS 10-11 and reclassification of share of net income

* By Prysmian SpA

Disciplined Capex to grow in high margin business and out of Europe

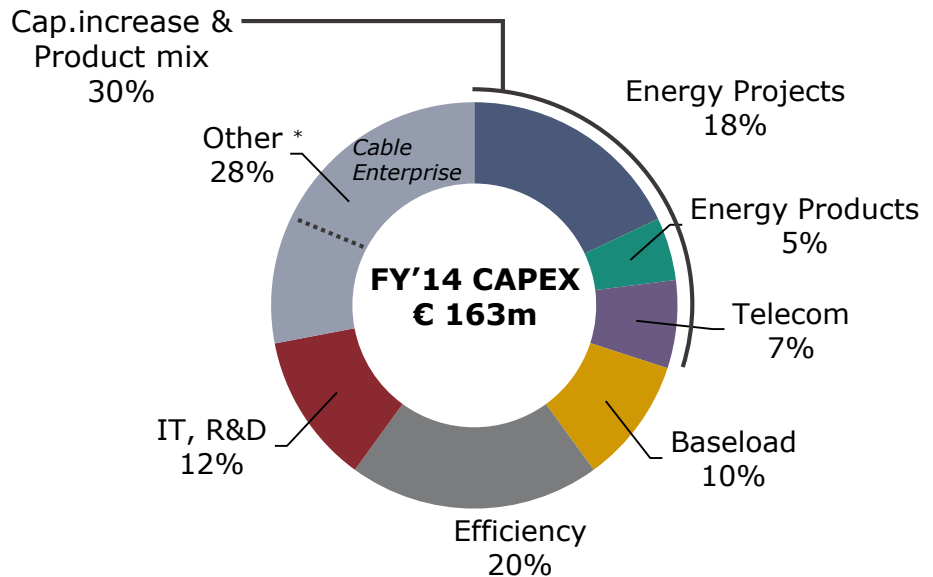
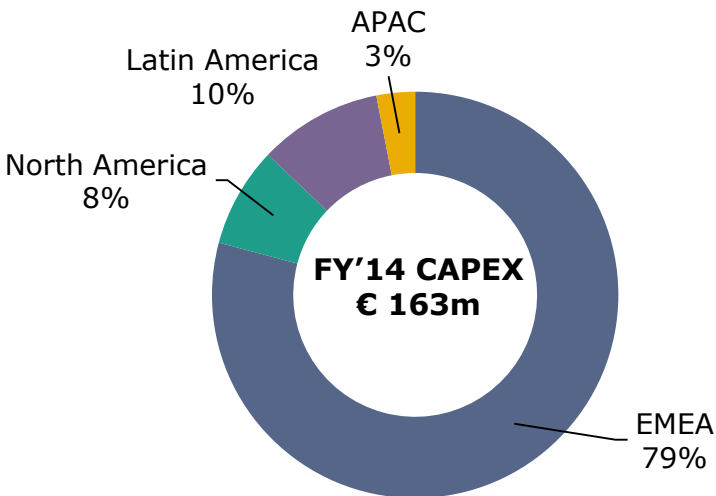
Investments focused on business with long term drivers and high entry barriers

CAPEX 2007-2014 (€ mln)

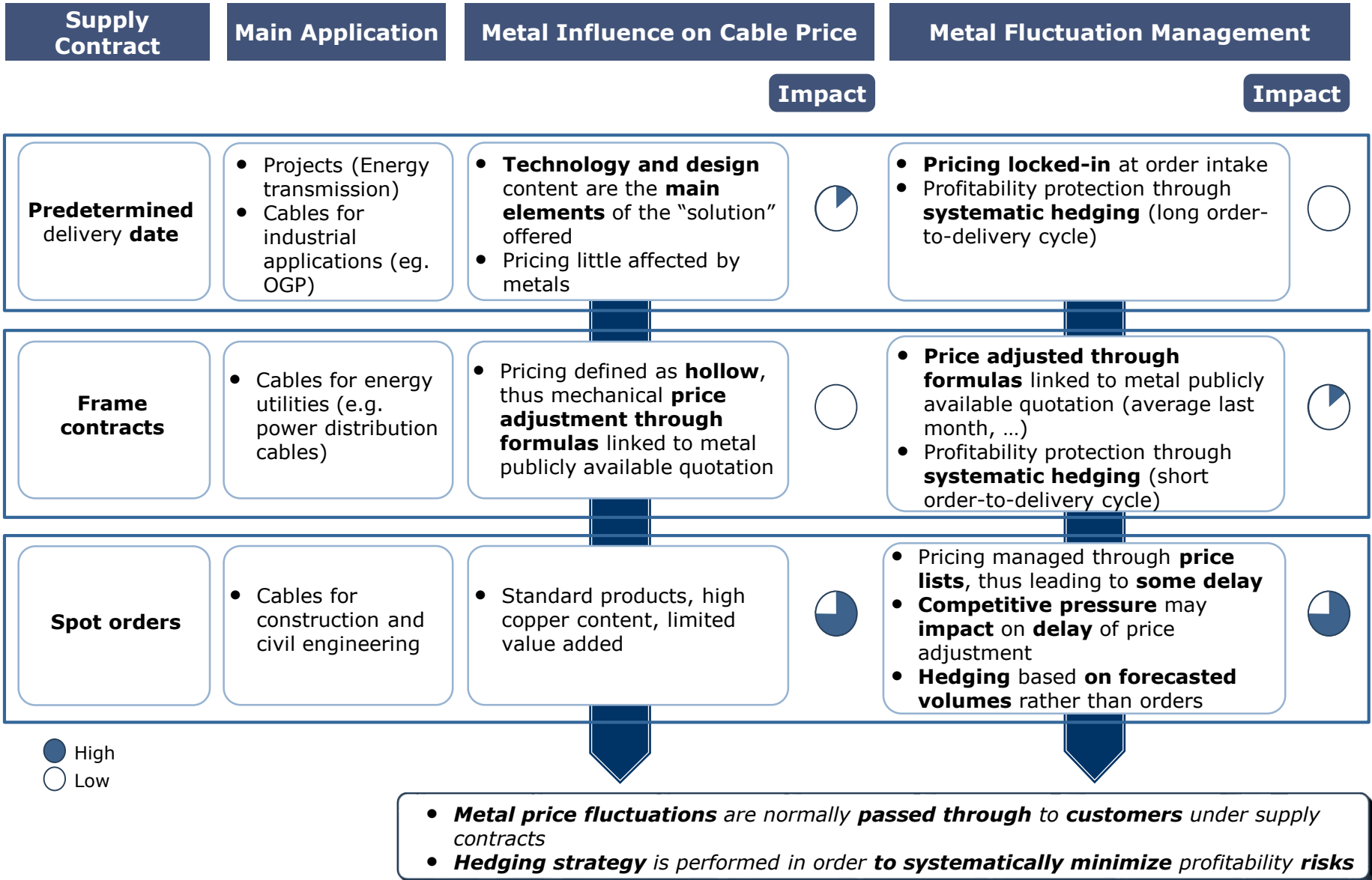


2011 Combined; 2012-13 restated in application of IFRS 10-11 and reclassification of share of net income

CAPEX 2014 breakdown



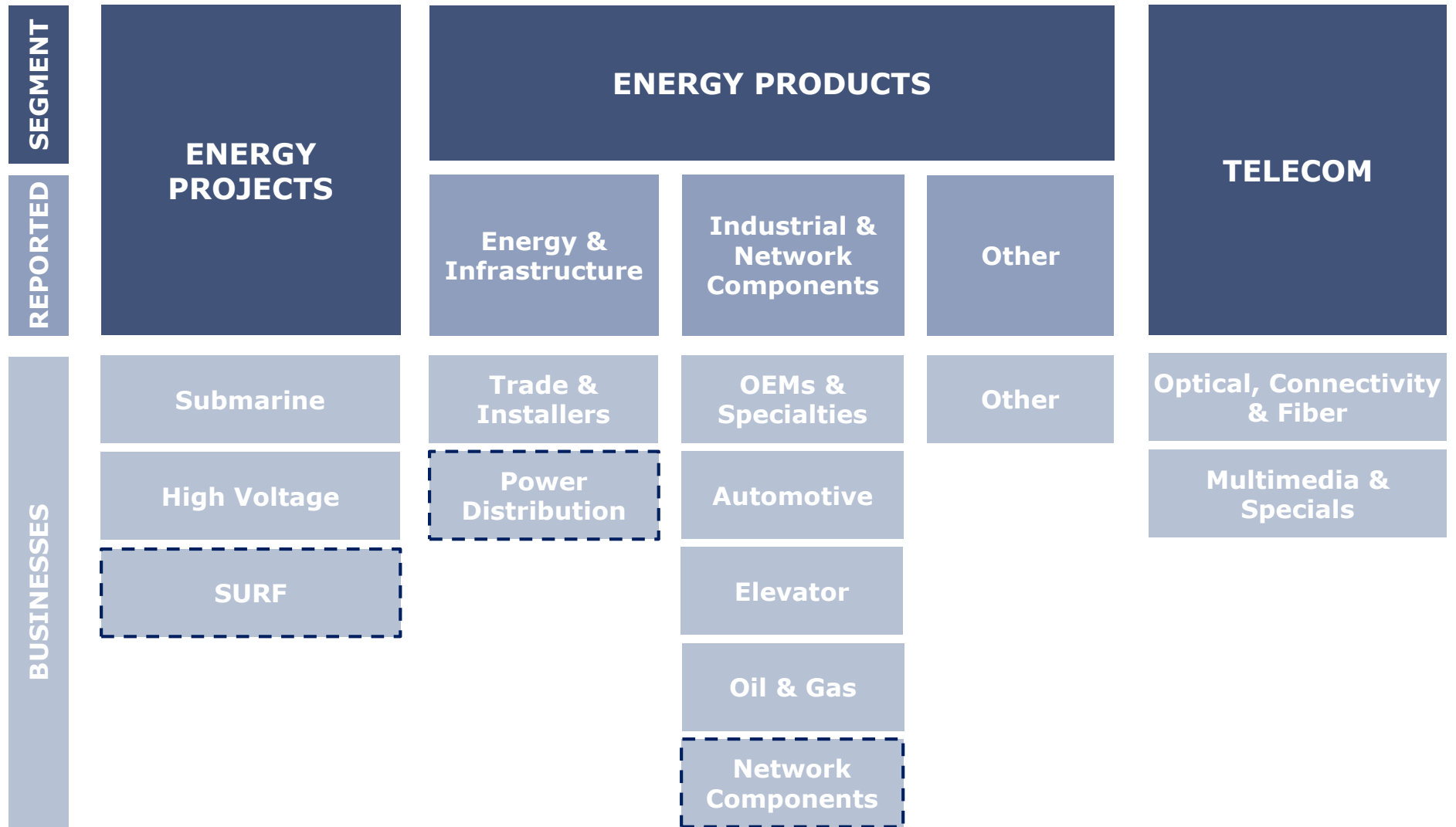
Metal Price Impact on Profitability



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New segment reporting

Effective from FY 2014



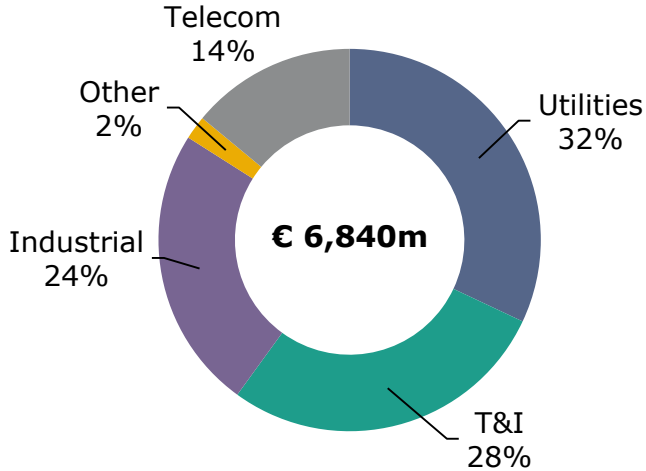
 **Change in reporting**

New segment reporting

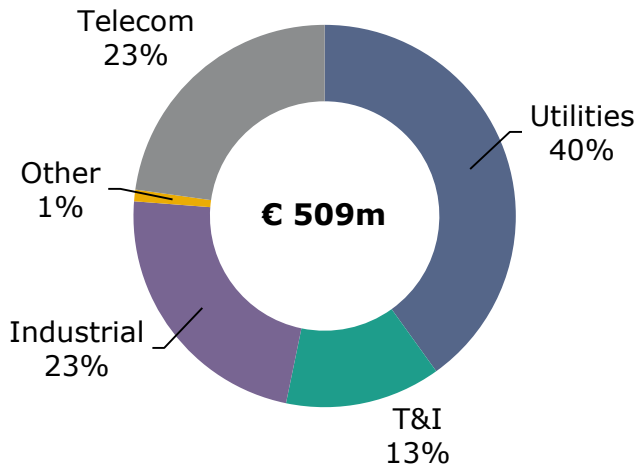
Sales and Adj.EBITDA breakdowns

Previous Segment Reporting

Sales

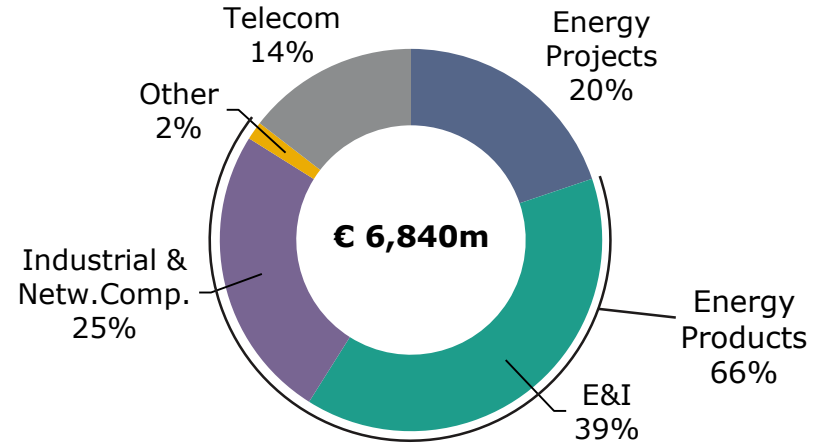


Adj.EBITDA

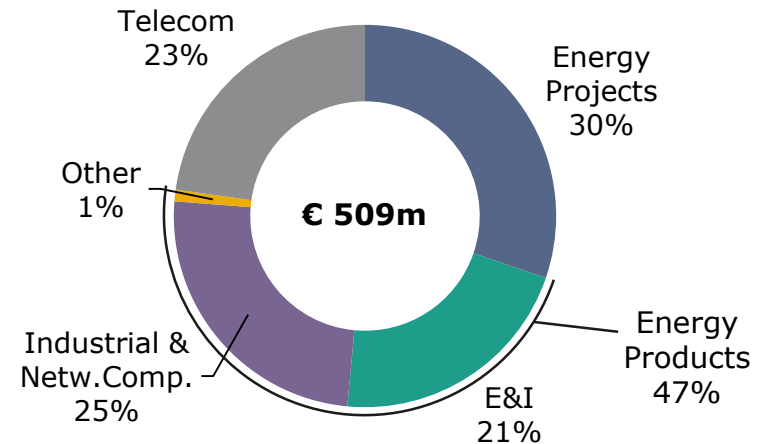


New Segment Reporting

Sales



Adj.EBITDA



Energy Projects Segment – Profit and Loss Statement

Euro Millions

	FY 2014 excl. WL submarine project effect	WL Submarine project effect	FY 2014	FY 2013 ¹⁾
Sales to Third Parties	1,416	(61)	1,355	1,360
<i>YoY total growth</i>	4.2%		(0.3%)	
<i>YoY organic growth</i>	6.1%		1.7%	
Adj. EBITDA	248	(94)	154	231
<i>% on sales</i>	17.5%		11.3%	17.0%
Adj. EBIT	208	(94)	114	192
<i>% on sales</i>	14.7%		8.4%	14.1%

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Energy Products Segment – Profit and Loss Statement

Euro Millions

	FY 2014	FY 2013 ¹⁾	
Sales to Third Parties	E&I	2,677	2,747
	<i>YoY total growth</i>	(2.6%)	
	<i>YoY organic growth</i>	2.7%	
	Industrial & Netw. Comp.	1,708	1,788
	<i>YoY total growth</i>	(4.4%)	
	<i>YoY organic growth</i>	(0.3%)	
	Other	106	114
<i>YoY total growth</i>	(7.6%)		
<i>YoY organic growth</i>	(4.8%)		
ENERGY PRODUCTS	4,491	4,649	
<i>YoY total growth</i>	(3.4%)		
<i>YoY organic growth</i>	1.4%		
Adj. EBITDA	E&I	108	127
	<i>% on sales</i>	4.0%	4.6%
	Industrial & Netw. Comp.	126	141
	<i>% on sales</i>	7.4%	7.9%
	Other	5	8
<i>% on sales</i>	4.6%	7.0%	
ENERGY PRODUCTS	239	276	
<i>% on sales</i>	5.3%	5.9%	
Adj. EBIT	E&I	74	90
	<i>% on sales</i>	2.8%	3.3%
	Industrial & Netw. Comp.	100	116
	<i>% on sales</i>	5.9%	6.5%
	Other	3	4
<i>% on sales</i>	3.2%	3.8%	
ENERGY PRODUCTS	177	210	
<i>% on sales</i>	3.9%	4.5%	

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Telecom Segment – Profit and Loss Statement

Euro Millions

	FY 2014	FY 2013 ¹⁾
Sales to Third Parties	994	986
<i>YoY total growth</i>	<i>0.8%</i>	
<i>YoY organic growth</i>	<i>4.0%</i>	
<hr/>		
Adj. EBITDA	116	106
<i>% on sales</i>	<i>11.7%</i>	<i>10.8%</i>
<hr/>		
Adj. EBIT	74	63
<i>% on sales</i>	<i>7.4%</i>	<i>6.4%</i>
<hr/>		

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

New segment reporting: 2013-14 by quarter

Euro Millions

	SALES and ORGANIC GROWTH							
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14
ENERGY PROJECTS	278	324	368	390	268 2.3%	321 1.4%	326 -10.8%	440 13.4%
E&I	676	746	711	614	638 4.7%	678 -0.8%	699 0.9%	662 6.9%
INDUSTRIAL & NET.COMP.	434	478	438	438	414 3.7%	434 -1.8%	419 -2.0%	441 -0.9%
OTHER	28	26	27	33	23	23	26	34
ENERGY PRODUCTS	1,138	1,250	1,176	1,085	1,075 3.9%	1,135 -1.3%	1,144 -0.3%	1,137 3.7%
TELECOM	253	261	249	223	236 0.7%	252 0.9%	257 4.2%	249 11.2%
TOTAL	1,669	1,835	1,793	1,698	1,579 3.2%	1,708 -0.4%	1,727 -1.9%	1,826 6.8%

	ADJ.EBITDA and % on SALES							
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14
ENERGY PROJECTS	40 14.2%	51 15.9%	58 15.8%	82 21.1%	8 3.1%	28 8.7%	54 16.6%	64 14.6%
E&I	25 3.8%	43 5.8%	36 5.0%	23 3.8%	21 3.3%	33 4.9%	31 4.4%	23 3.5%
INDUSTRIAL & NET.COMP.	28 6.5%	41 8.6%	35 7.9%	37 8.4%	29 7.0%	37 8.4%	32 7.6%	28 6.4%
OTHER	1	3	0	4	2	3	2	-2
ENERGY PRODUCTS	54 4.8%	87 7.0%	71 6.0%	64 5.9%	52 4.8%	73 6.4%	65 5.7%	49 4.3%
TELECOM	20 8.0%	30 11.5%	31 12.4%	25 11.2%	18 7.6%	25 9.9%	32 12.5%	41 16.4%
TOTAL	114 6.8%	168 9.2%	160 8.9%	171 10.1%	78 4.9%	126 7.4%	151 8.7%	154 8.4%

Financial Structure

Euro Millions

Debt structure (€m)

	31.12.14	30.09.14	31.12.13 ⁽¹⁾
Term Loan 2010 ⁽²⁾	-	-	183
Eurobond 5.25%	415	409	414
Term Loan 2011	400	400	400
Revolving 2011	-	150	-
Convertible bond 1.25%	272	270	264
Revolving 2014	30	30	-
Revolving 2014 in pool	-	150	-
EIB Loan	100	100	-
Other Debt	181	193	177
Total Gross Debt	1,398	1,702	1,438
Cash & Cash equivalents	(494)	(311)	(510)
Other Financial Assets	(92)	(88)	(114)
NFP Vs third parties	812	1,303	814
Bank Fees	(10)	(11)	(9)
NFP	802	1,292	805

31.12.2014 (€m)

Used	Available Funds ⁽³⁾	Maturity
-	-	-
415	-	04/2015
400	-	03/2016
-	400	03/2016
272	-	03/2018
30	70	02/2019
-	1,000	06/2019
100	-	02/2021
181	-	-
1,398	1,470	2.8 y⁽⁴⁾
(494)	494	
(92)	76	
812	2,040	

(1) Restated in application of IFRS 10-11

(2) Original maturity December 2014, canceled in advance in June 2014

(3) Defined as Cash + Unused committed credit lines

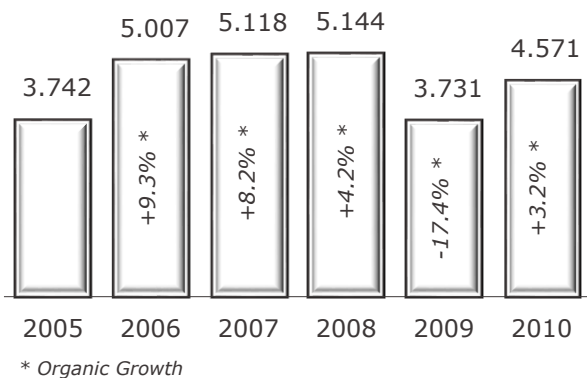
(4) Average maturity as of 31 December 2014 excluding other debt

Note: average interest rate in period, including IRS effect: 3.9%

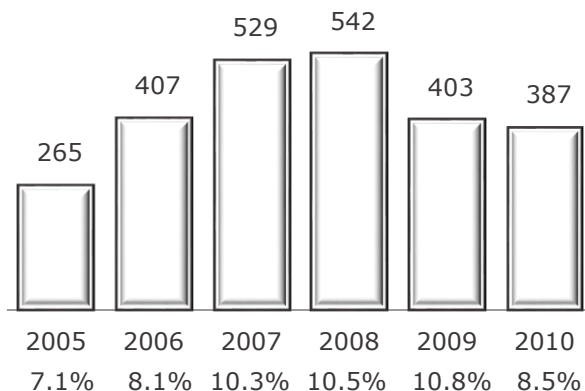
Prysmian Historical Key Financials

Euro Millions, % of Sales – Pre Draka acquisition

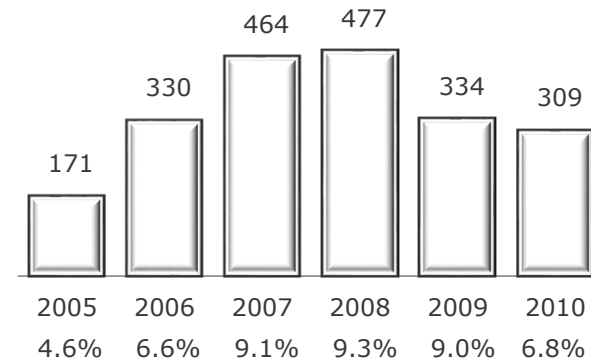
Sales



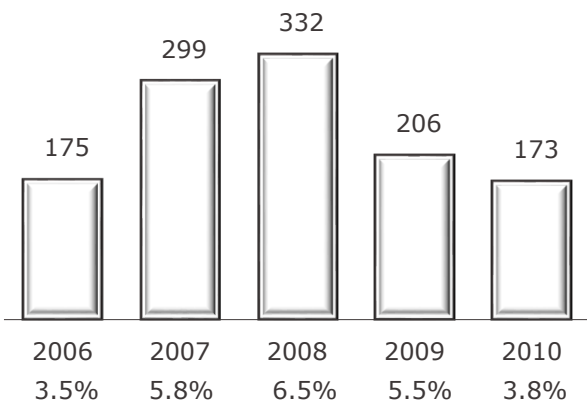
Adjusted EBITDA (1)



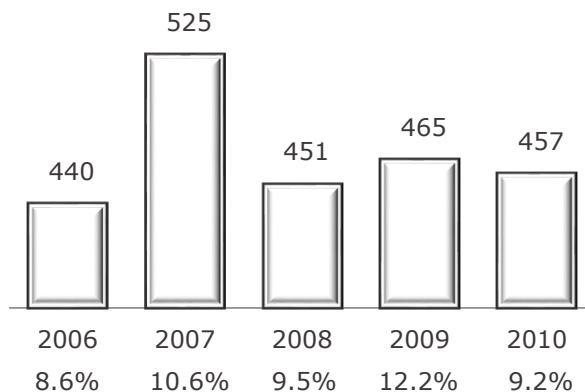
Adjusted EBIT (2)



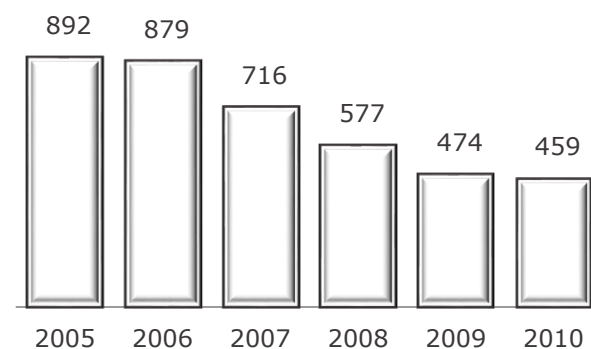
Adjusted Net Income (3)



Operative NWC (4)



Net Financial Position



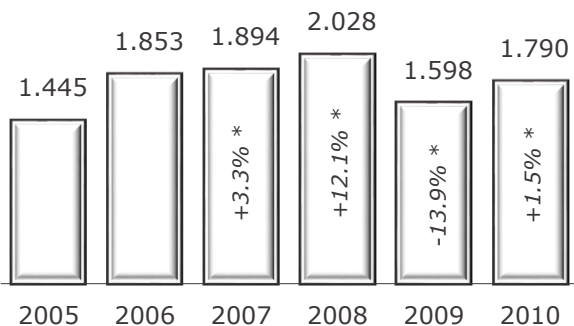
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair 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 – 1/2

Euro Millions, % of Sales – Pre Draka acquisition

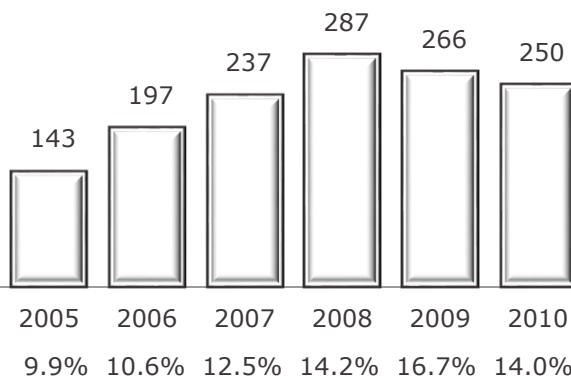
Utilities

Sales Vs Third Parties

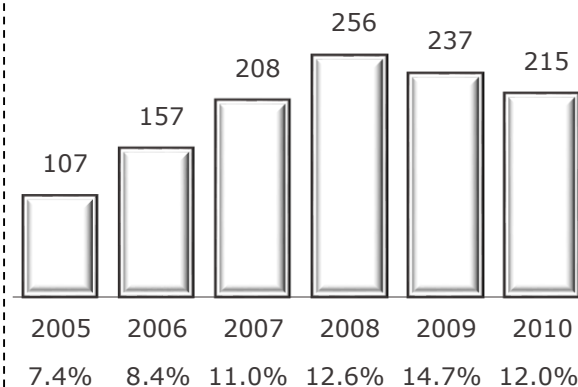


* Organic Growth

Adjusted EBITDA (1)

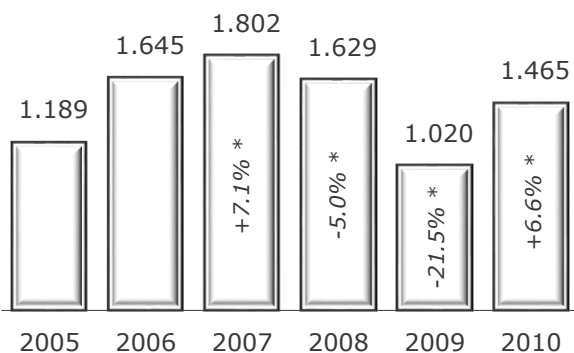


Adjusted EBIT (2)



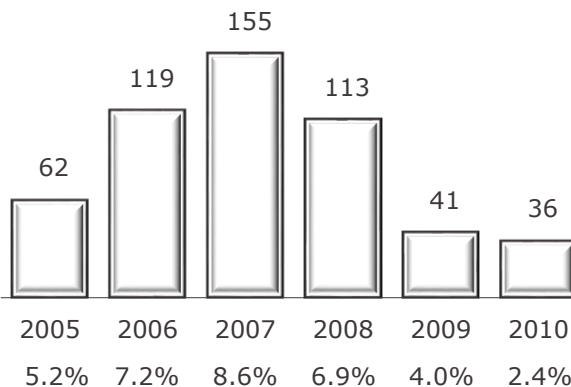
T&I

Sales Vs Third Parties

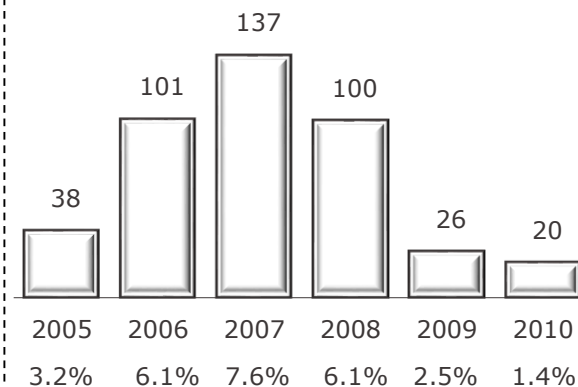


* Organic Growth

Adjusted EBITDA (1)



Adjusted EBIT (2)



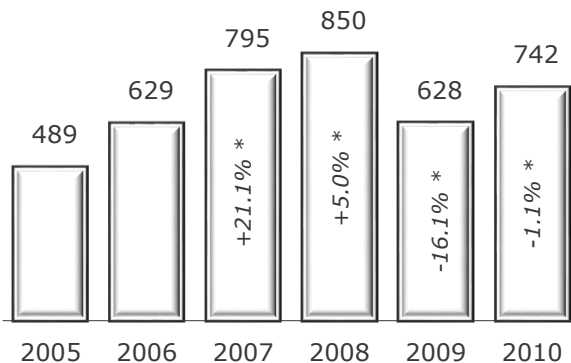
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

Historical Key Financials by Business Area – 2/2

Euro Millions, % of Sales – Pre Draka acquisition

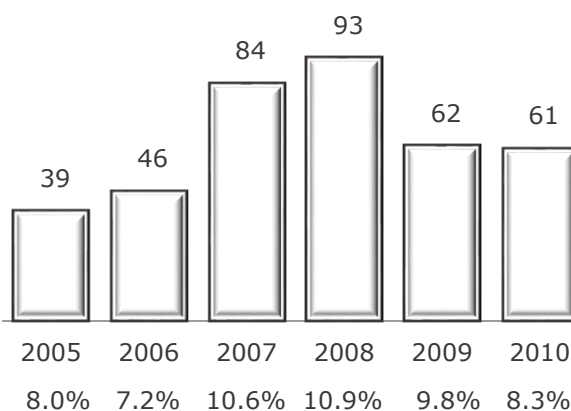
Industrial

Sales Vs Third Parties

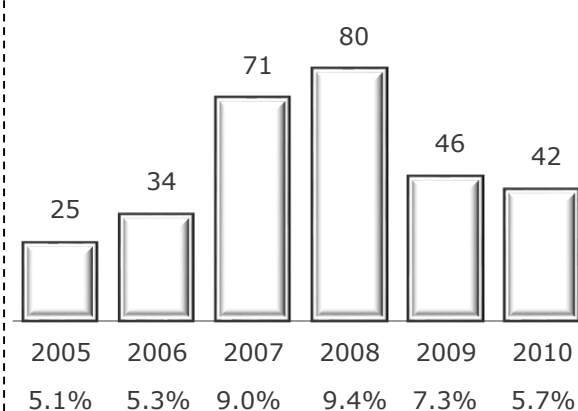


* Organic Growth

Adjusted EBITDA (1)

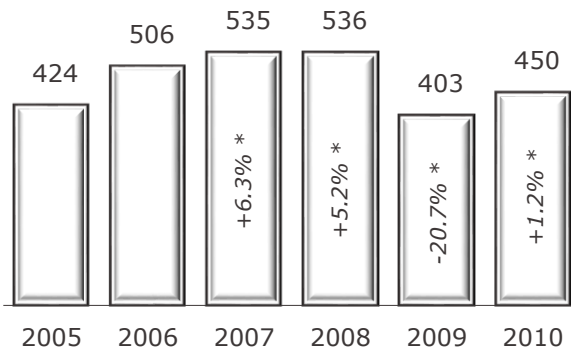


Adjusted EBIT (2)



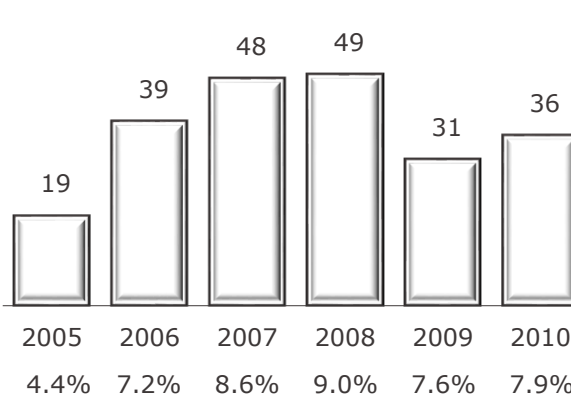
Telecom

Sales Vs Third Parties

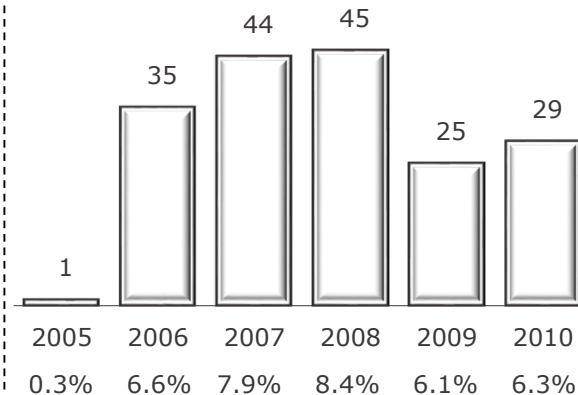


* Organic Growth

Adjusted EBITDA (1)



Adjusted EBIT (2)



(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

- Group overview
- Results by business
- Outlook
- Financial Results
- **Appendix**
 - Prysmian at a glance
 - Financials
 - **Energy Projects and Energy Products**
 - Telecom

Investing in submarine to increase ROCE

Strengthening production and installation (Cable Enterprise) capabilities



Arco Felice (Italy)



Drammen (Norway)



Pikkala (Finland)



Main projects in execution/orders backlog:

- Western Link
- HelWin 2/ SylWin 1/ BorWin 3/ DolWin 3 / Deutsche Bucht
- US Offshore platforms
- Messina
- Dardanelles 1 & 2
- Mon.Ita
- Balearic Islands
- Capri
- Zakum
- Shannon River
- West of Adlergrund
- Cyclades
- Philippines
- Wikinger



Giulio Verne

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



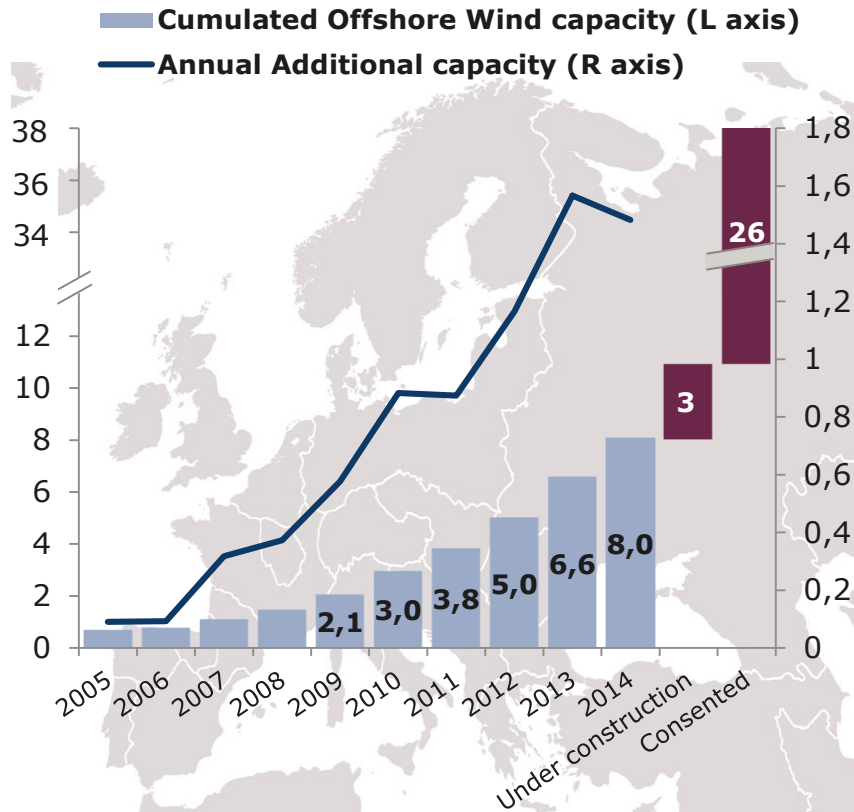
Cable Enterprise

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

Off-shore wind development in Europe

High visibility on new projects to be awarded next quarters

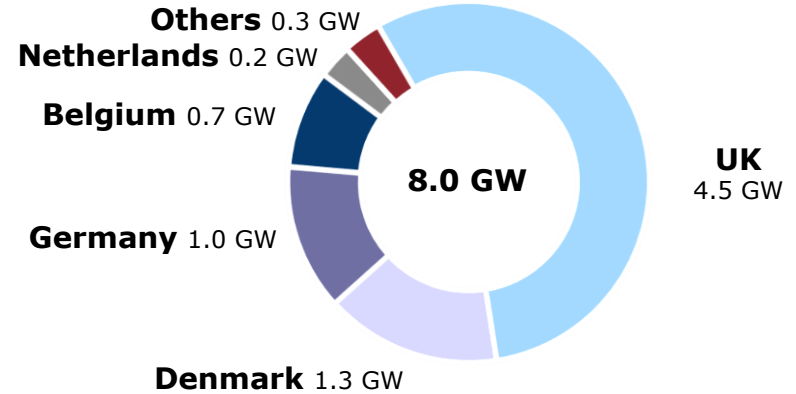
Europe Offshore Wind capacity (GW)



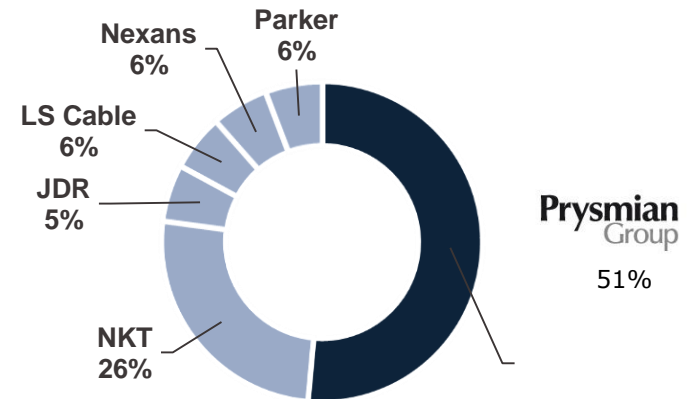
- **Capacity Increase: 1.5 GW** in 2014
- **Total capacity: 8.0 GW** at end 2014 (+23% vs. 2013)
- **Under construction: 3 GW** at end 2014
- **Consented: 26 GW**

Source: EWEA (January 2015)

Europe 2014 Cumulated Capacity by Country



Mkt share of export cable suppliers in 2014 *



* Calculated on no. of cables fully or partially completed, percentage. EWEA (January 2015)

Major transmission projects to be awarded

Large pipeline of pan-European projects under development

Main subsea and underground projects of pan-European significance



List of main projects

1. Germany (Borwin IV, Dolwin VI)
2. France Off-Shore
3. Cobra (NL-DK)
4. France – UK (Eurotunnel)
5. Western Isles Link
6. Green Connector
7. Västervik – Gotland
8. Tunisia – Italy
9. Marseille – Languedoc
10. ALEGRO (Belgium – Germany)
11. Denmark – Germany

Other Projects: Spain-France (sub), Ireland-France (sub), Israel-Cyprus (sub), Ireland-UK (sub), North-South Germany (underground), Italy-Slovenia

Source: ENTSO-E

Latest submarine projects awarded

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 ships

Action plan

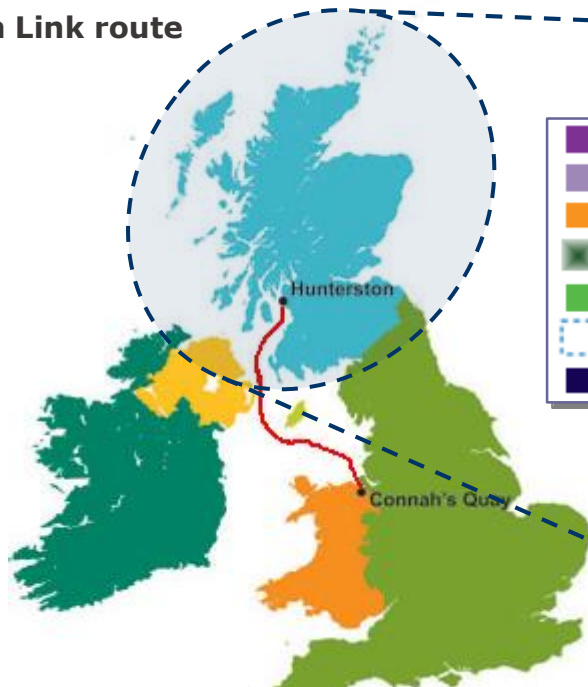
- Cable Enterprise vessel conversion to improve installation capacity
- New investment worth approx. €40m in Pikkala and Arco Felice to enhance the production capability to meet the order backlog requirements
- Leverage on strong off-shore wind-farms trend
- Secure orders to protect long-term growth
- Focus on execution

Latest Key projects	Customers	Period	€m*
NSN Link	Statnett SF – National Grid	2015-21	550
West of Adlergrund Option	50Hertz Offshore GmbH	From 2015	230
Wikinger	Iberdrola Renovables Offshore	2015-16	60
Philippines	NGCP	2015-16	90
Dardanelles 2	TEIAS	2015-16	64
Cyclades	IPTO	2015-16	95
West of Adlergrund	50Hertz Offshore GmbH	From 2015	480
Shannon River Crossing	ESB	2014-16	40
Zakum offshore oil field	Emirates Holding	2014-15	30
BorWin3	TenneT	2014-17	250
Capri	Terna	2014-15	70
US Offshore platforms	ExxonMobil's	2014-15	\$100m
Balearic Islands	Red Eléctrica de España	2014-15	85
Deutsche Bucht	TenneT	2014-15	50
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	National Grid-Scottish Power JV	2012-17	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

* Prysmian portion of the project

Western Link a milestone in the submarine sector

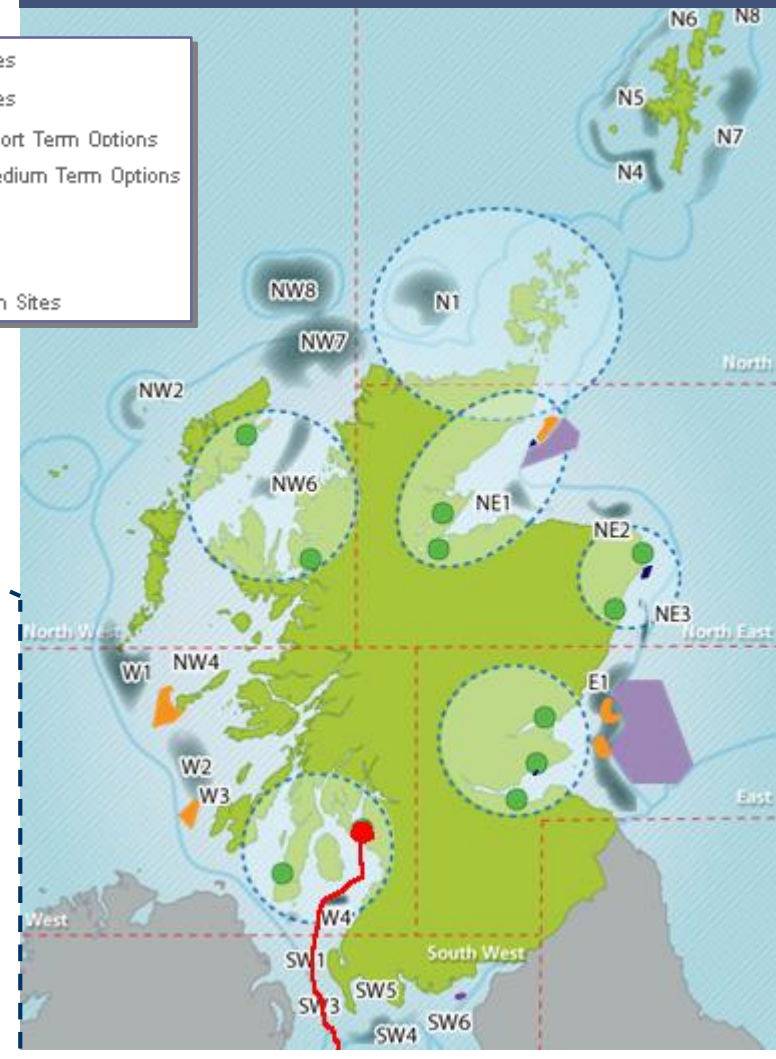
Western Link route



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 with PPL (Paper Polypropylene Laminate) insulation has been used as an integral part of the GB Transmission System
- The unique project with PPL technology

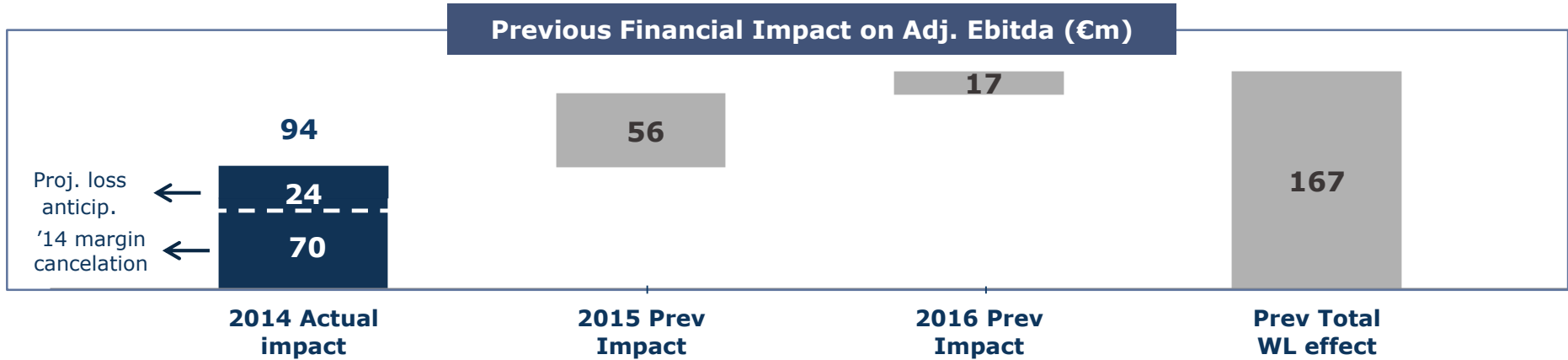
Large Off-shore Wind investments planned in Scotland



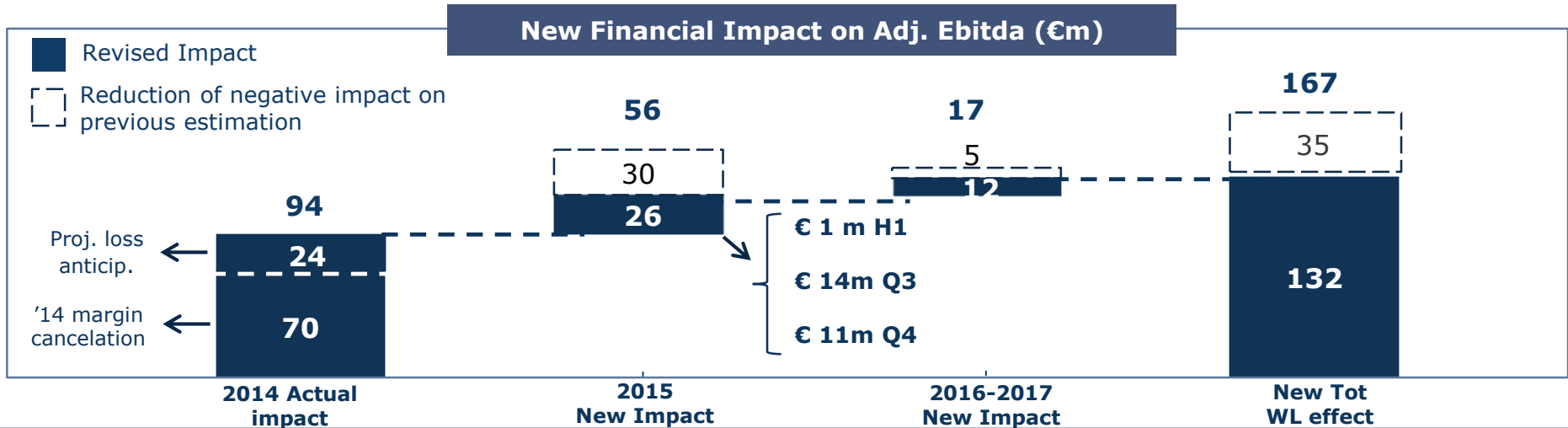
Source: www.offshorewindscotland.org, www.westernhvdlink.co.uk

Western Link effect: new financial impact

Euro 35 Millions project's result improvement

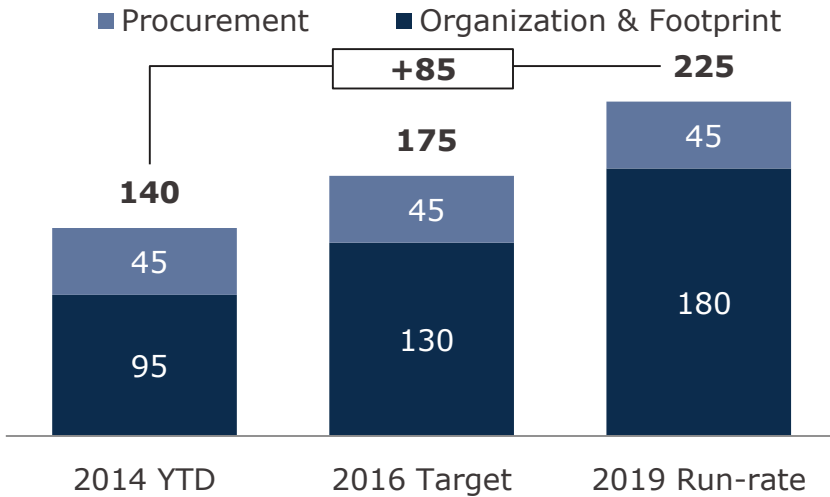


- Highlights and Actions**
- **Improved efficiency of the manufacturing process**
 - **Project execution accelerated thanks to recovery of full capacity**
 - **Enhanced warranty and extended project timing agreed between the parties**

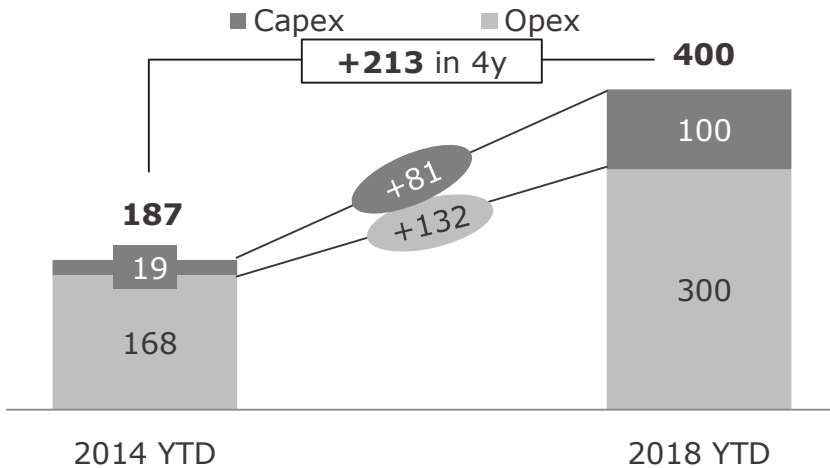


Cost Efficiency plan

Cumulated Cost Savings (€ million)



Cumulated Costs (€ million)



Additional cash-in from disposals of land & building ~€ 30-40m

Organization & Footprint



Optimization of European organization & footprint

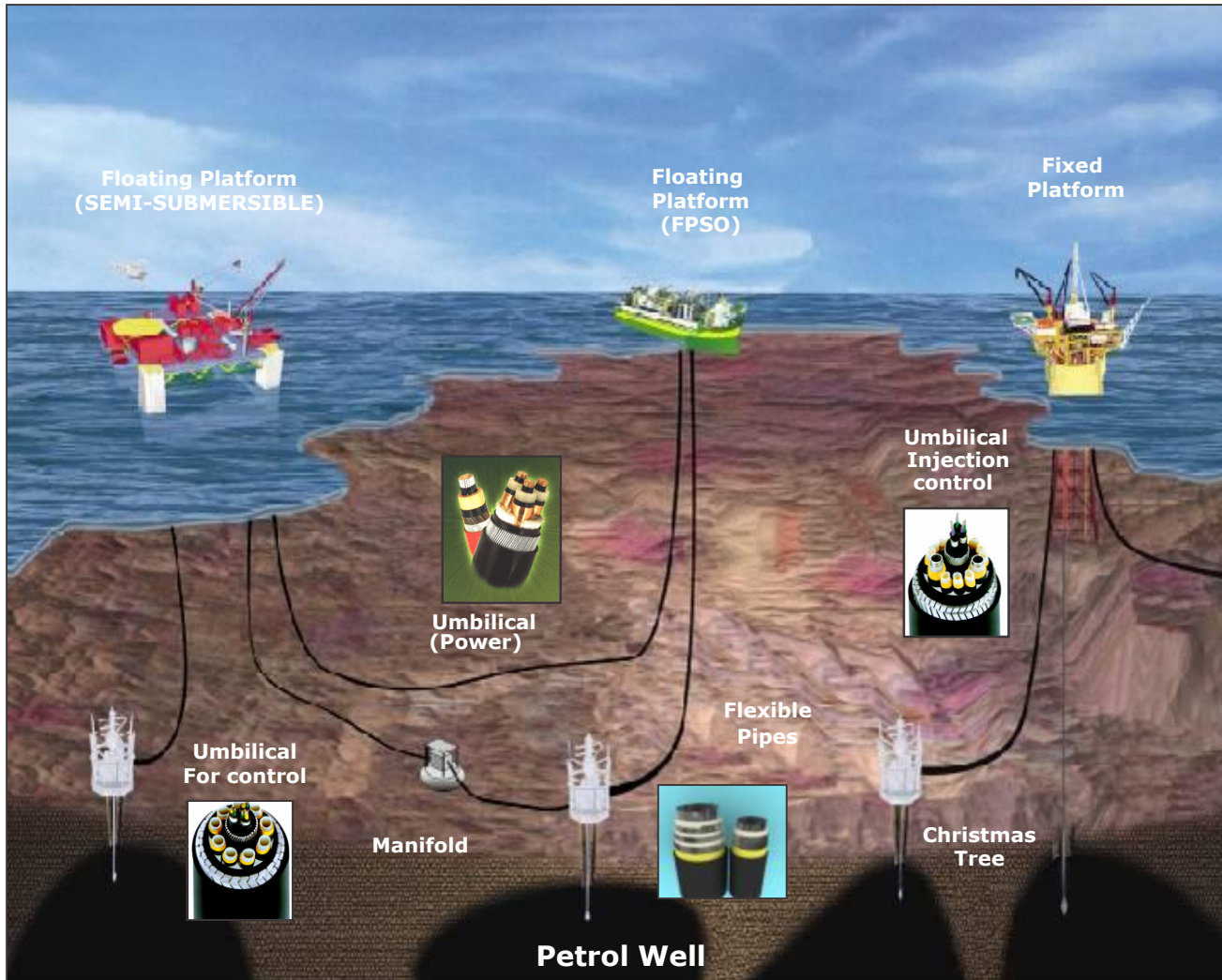
- ✓ Creation of Centers of Operational Excellence and Service Centers
- ✓ Regional scope and scale effectiveness
- ✓ Networking streamlining and lean structures
- ✓ Service performance and flexibility vs. market dynamics

□ **€ 85 million** additional cost efficiencies by 2019

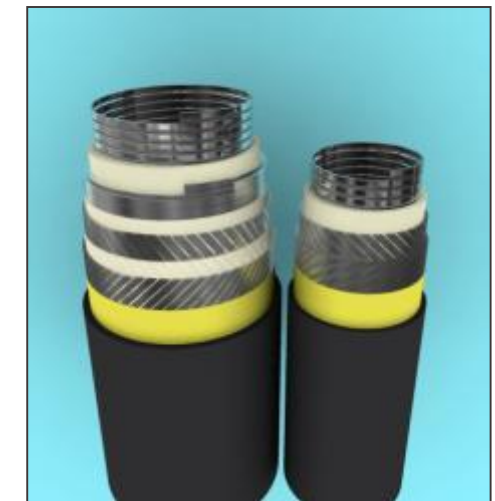
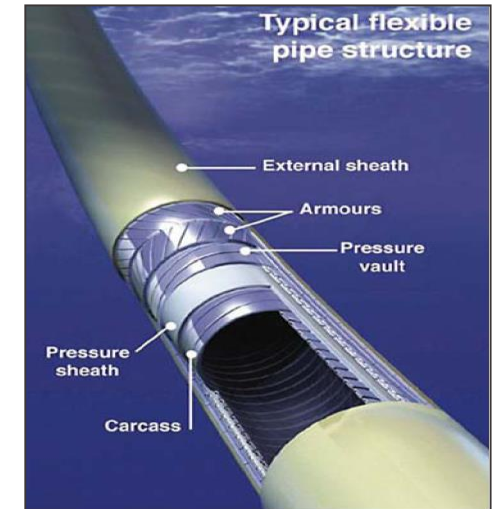
□ **€ 30-40 million** future cash-in from disposals of land & building

SURF – Off-shore oil exploration

Oilfield structure

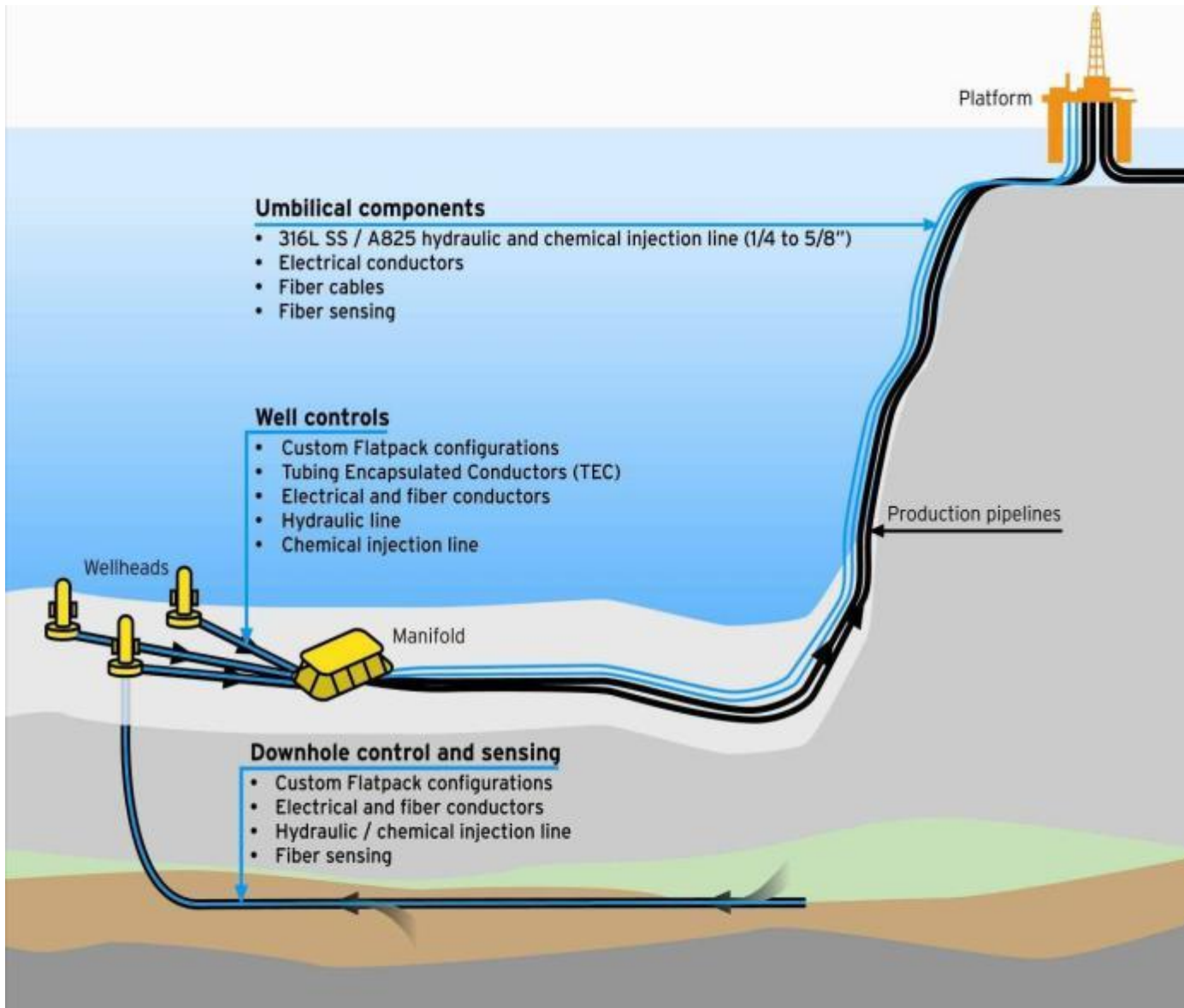


Flexible Pipes

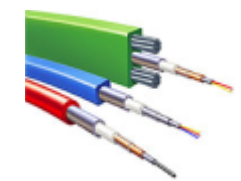


SURF – Off-shore oil exploration

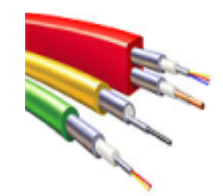
Cross selling opportunities driven by the Downhole technology business contributed by Draka



Downhole Technology (DHT)



HYBRID ELECTRO-OPTIC



FIBER OPTIC



ELECTRICAL



GAS & FLUID TUBING






PACKAGED GAS & FLUID TUBING

Trade & Installers – Overview

BUSINESS DESCRIPTION

- Building wires, Low and Medium voltage cables for residential, commercial, industrial and infrastructure constructions
- Partner of the World best Wholesalers, Installers, Contractors & Specialized Distributors; with a clear focus on their needs following a Customer Centricity approach
- Complete product range of solutions for the construction world, including residential, commercial, industrial and infrastructure with focus on high performance products: best in class Fire Resistant cables, LSOH, Green cables, Easy to Install and Total Cost of Ownership reduction solutions

KEY SUCCESS FACTORS

-  Global partner with strong local presence
-  Full Product range
-  Technological leadership and product excellence
-  Customer centric approach
-  Capillary logistical distribution network and service
-  Technical support
-  Extra services
-  Unique industry expertise

KEY CUSTOMERS

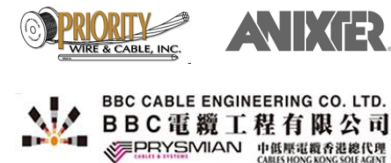
Contractors & Installers



Wholesalers



Specialized distributors



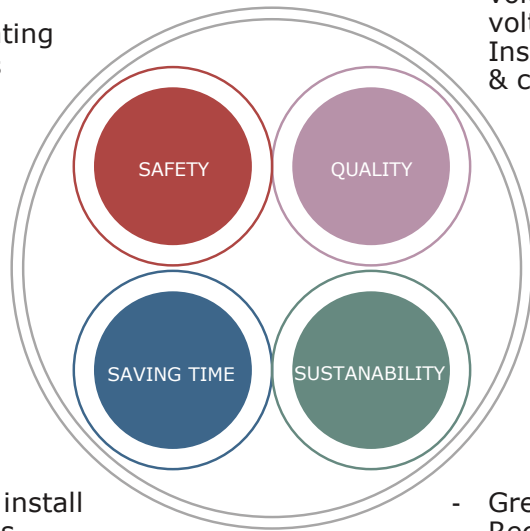
Offer overview

**RESIDENTIAL – COMMERCIAL –
INDUSTRIAL - INFRASTRUCTURE**

- POWER SUPPLY
- EMERGENCY CIRCUITS
- CONNECTIONS
- MACHINERY (MOBILE OR NOT)
- SWITCHBOARD
- LIGHTING (INTERIOR/EXTERIOR)
- BRANCHES
- CONTROL/DATA
- ELECTRICAL APPLIANCES

BEST IN CLASS FIRE RESISTANT AND LSOH CABLES

- Fire fighting systems



- Full range quality Building Wires, Low voltage, Medium voltage, Instrumentation & control

- Easy to install solutions
- Smart Packaging
- Hybrid cables Energy + Data

- Green products
- Recycled packaging
- Full life cycle assessment approach

A MAJOR ROLE IN MILAN 2015 EXPO



Special fire safety and eco-friendly cables for the site hosting the **Milan Universal Exposition** of 2015: 50 km of medium voltage P-Laser cables and 300 km of low voltage Afumex cables

TAKING SAFETY TO NEW HEIGHTS



Approximately 350 km of high-tech fire-resistant cables for power distribution supplied within the **Shard skyscraper**, the tallest building in London and Western Europe. Prysmian chosen as global supplier of BASEC and LPCB certified cables and components, and of support and advice to the construction company on the best installation methods to use

THE LIVES OF THESE PEOPLE DO NOT HANG BY A THREAD



Around 500 km of cables for **Tele2 Arena**, a new, ultra-modern multi-purpose stadium in Stockholm. Prysmian Group has supplied halogen-free cables for the stadium's power, telecommunication, and lighting systems, selected by the customer as the latest technology to guarantee safety

Industrial & Network Components – Overview

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, offshore and onshore



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



Automotive

Standard and specialist cables for the automotive and transport industry, collaborating with the sector's leading international manufacturers



Specialties & OEM

Products for mining, crane, marine, railway, rolling stock, nuclear, renewables, defense and other niches



Network Components

Network accessories and components to connect cables and other network elements



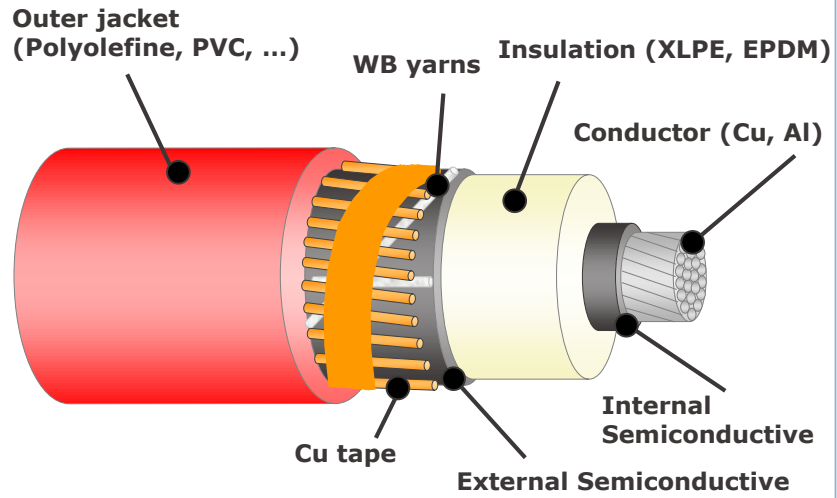
Key customers

Large and differentiated customer base generally served through direct sales

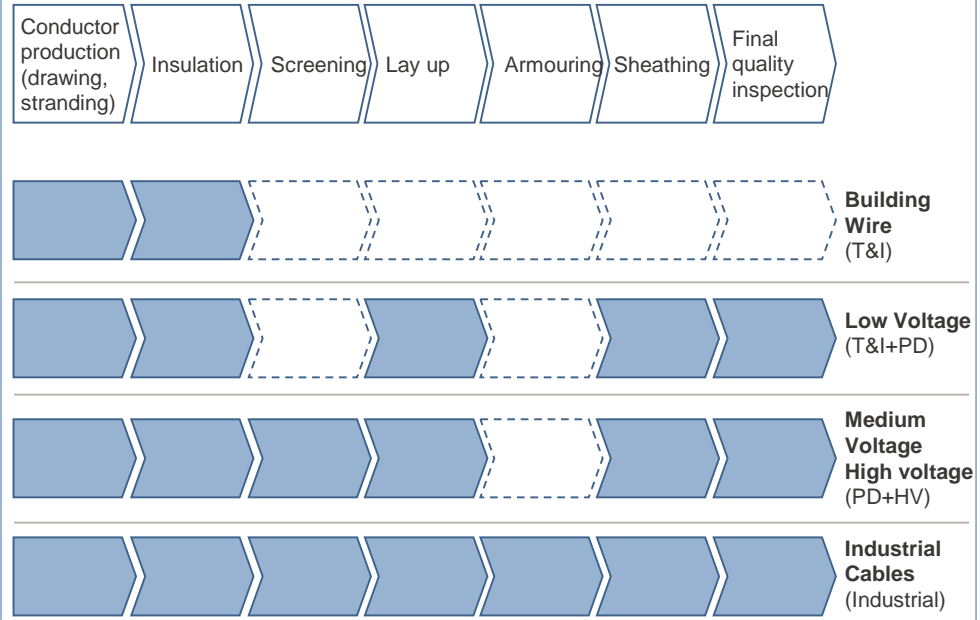


Macro-structure of Energy Cables

Product macro structure



Production process



- Group overview
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 - **Telecom**

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

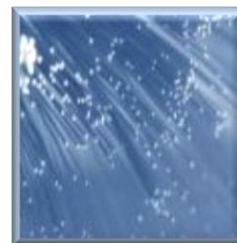
Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



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



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 data traffic
 - 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

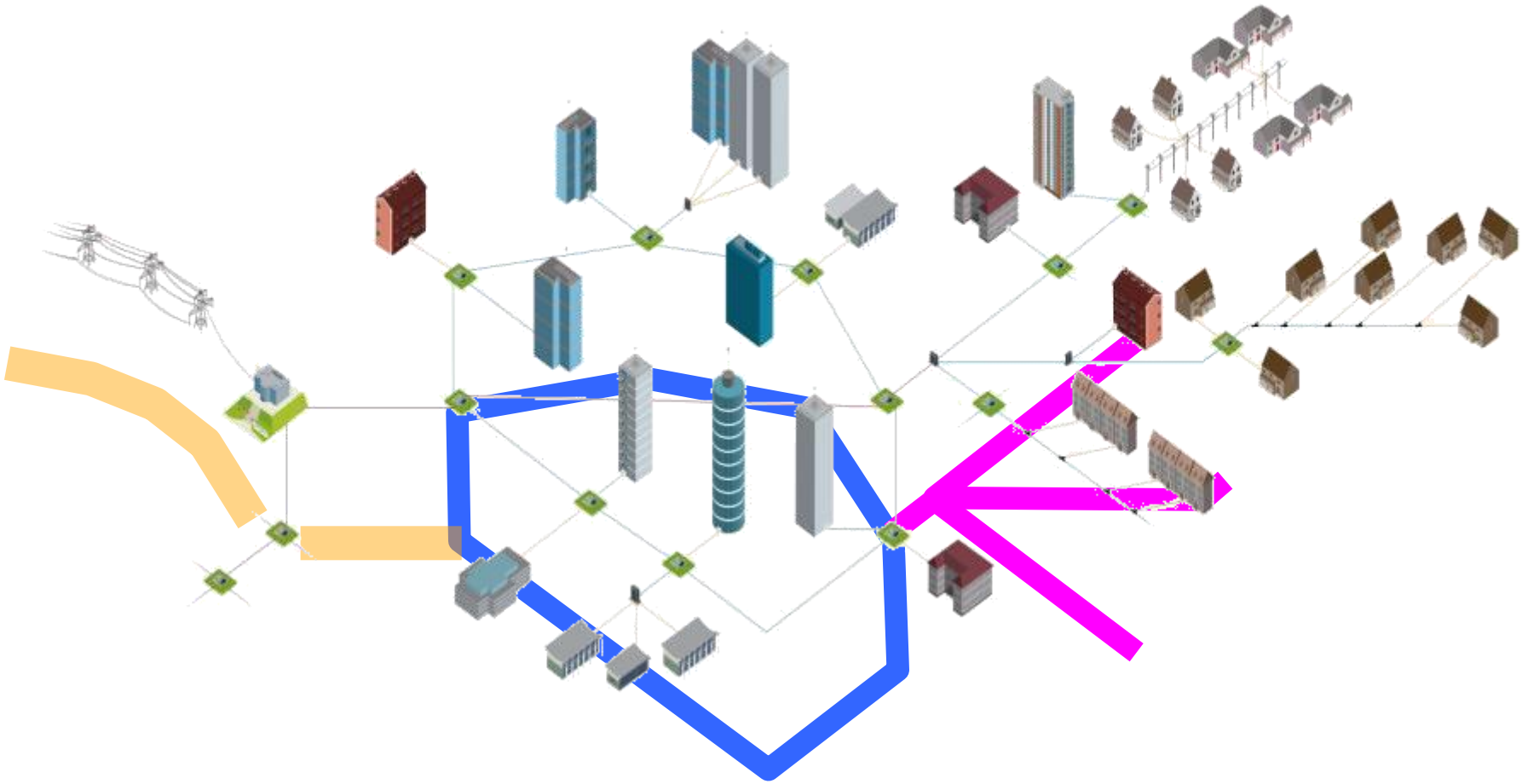
Strategic value of fibre

- 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

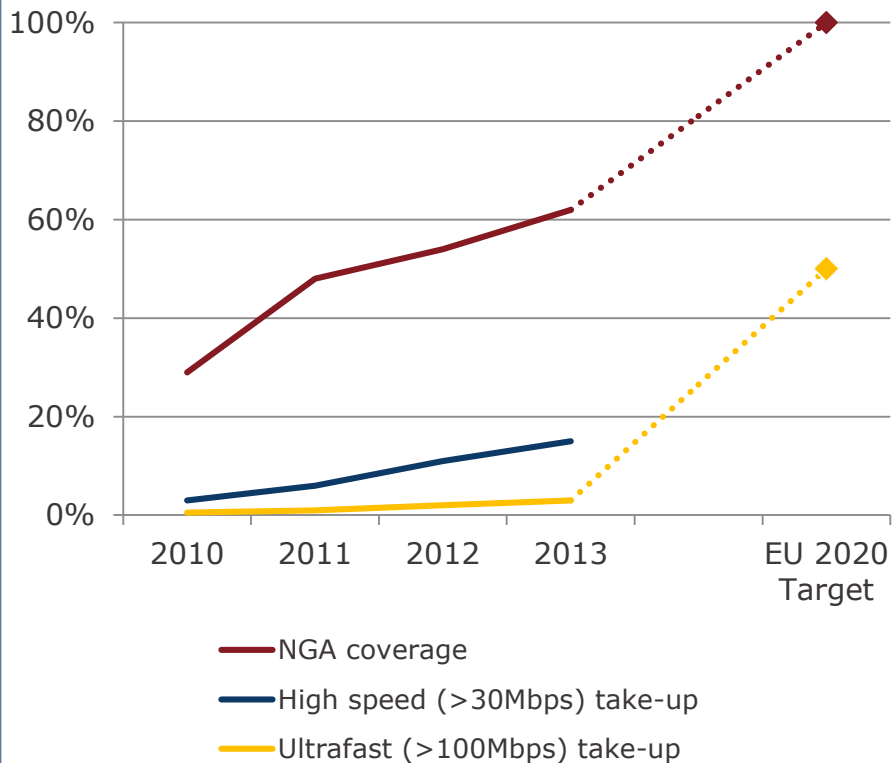
METROPOLITAN RING

ACCESS NETWORK

Telecom – Market trend

Growth opportunities coming from the development of broadband in Europe

Evolution of NGA (Next Generation Access) coverage and high-speed (>30Mbps) / ultrafast (>100Mbps) take-up (% of homes) in the EU



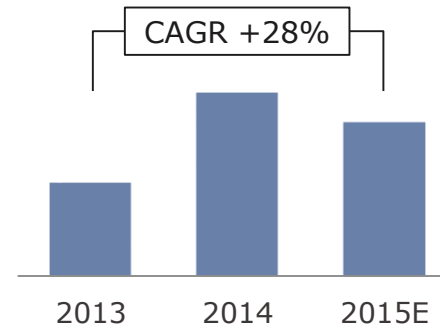
- Coverage of NGA technologies doubled since 2010, but further efforts are requested to meet 2020 target of 100% coverage
- Take-up of ultrafast (>100Mbps) broadband remains marginal (3% of homes) still faraway from 2020 target (50%)

Source: European Commission Digital Agenda Scoreboard 2014

Opportunities coming from national plans to achieve EU 2020 Digital Agenda targets

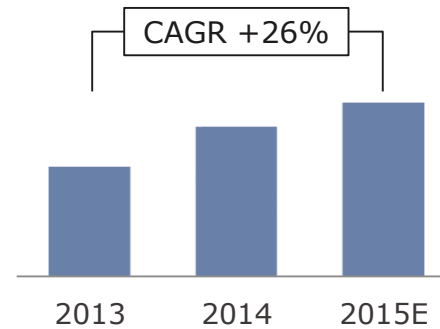
Consumption of fiber optic cable ('000,000 fiber km)

Spain



- 4G mobile broadband availability at 47% in 2013 Vs EU average of 59%
- Incentives by local Government to support investments and reach 75% coverage in 2015

France



- Coverage of NGA in France (41%) well below EU average (62%) at end 2013
- THD plan to attract €20bn public/private investments in 2012-22 to develop high speed and ultrafast infrastructures

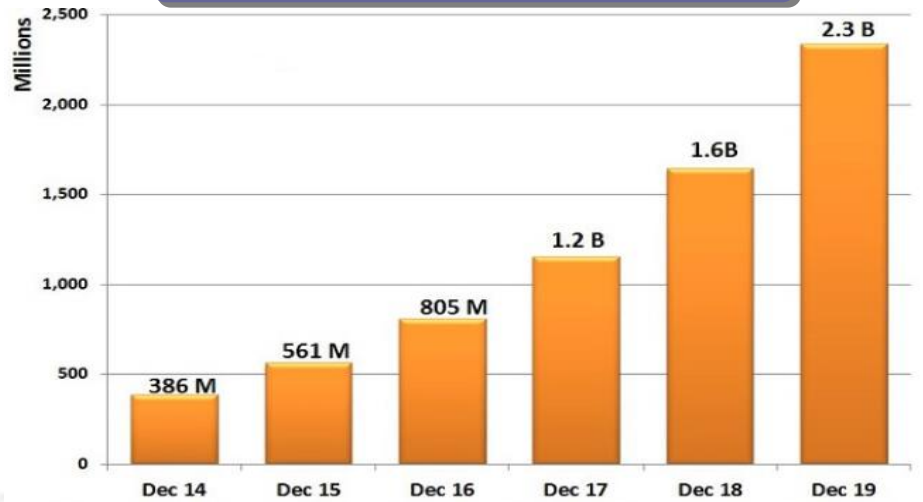
Source: CRU, January 2015; European Commission Digital Agenda Scoreboard 2014

Telecom – FTTA as key driver of optical demand

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

Global LTE Growth Forecast

of users



Source: Informa Telecoms & Media, WCIS+, March 2014

Roof top antenna towers for urban applications

Antenna towers used by 4G and LTE networks

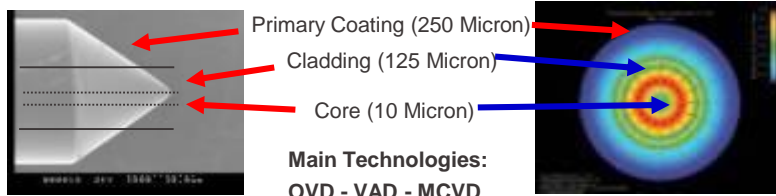
Distributed antenna systems for dense mobile populations areas

Macro-structure of Telecom Cables

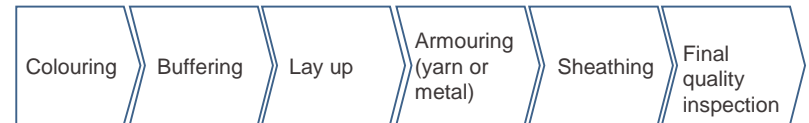
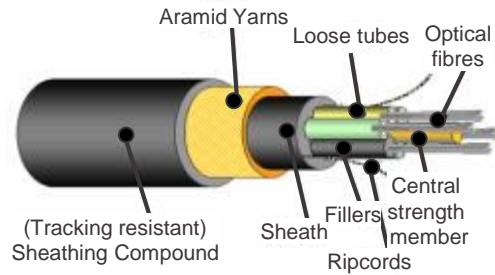
Product macro structure

Production process

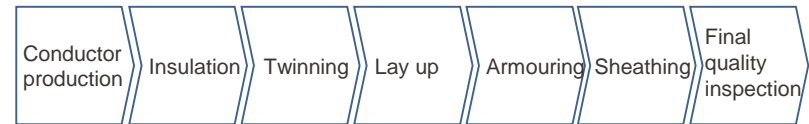
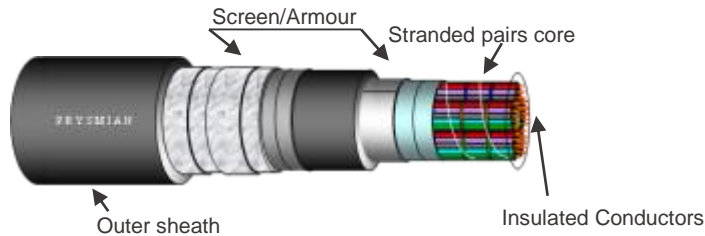
Fibre optic



Optical cables



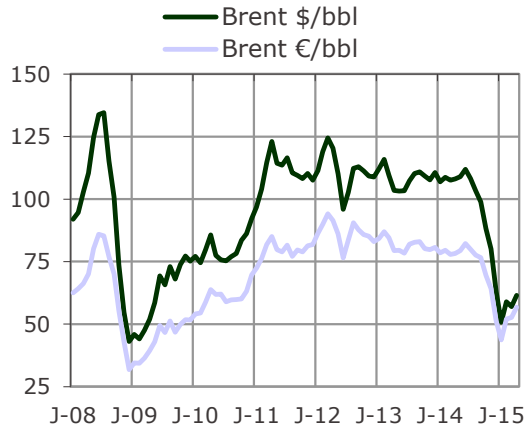
Copper cables



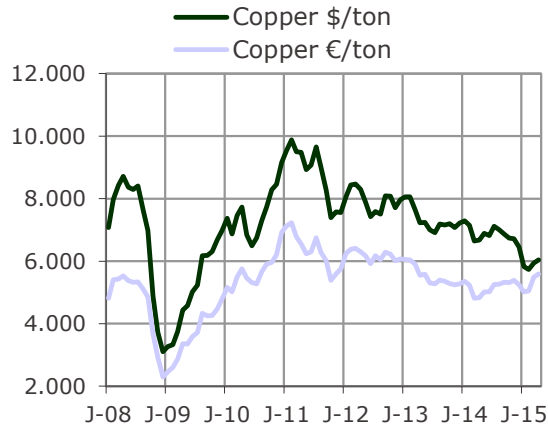
Reference Scenario

Commodities & Forex

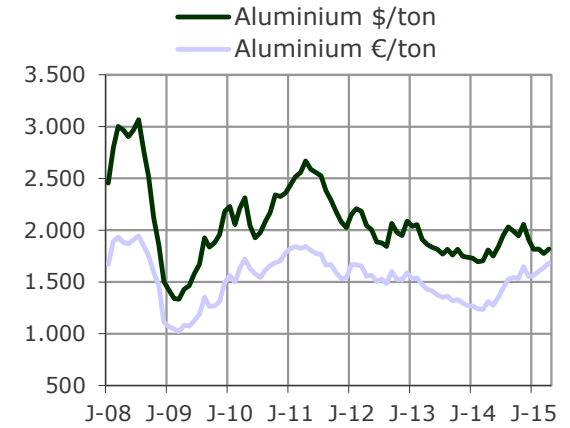
Brent



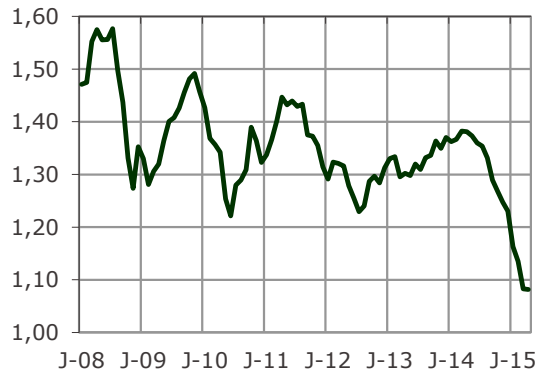
Copper



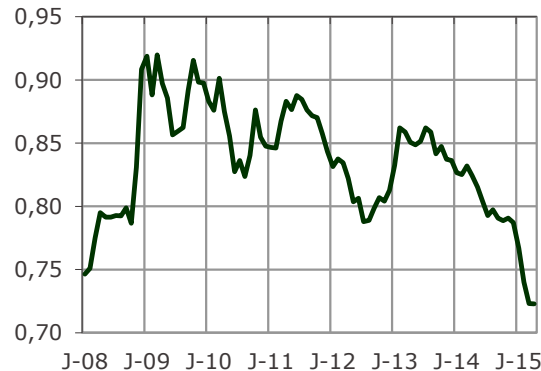
Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Nasdaq OMX

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