



# Prysmian Group Company Presentation

March 2015

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

 **PRYSMIAN**

 **Draka**

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



- Adj. EBITDA at **€ 509m** (€ 603m excl. Western Link): guidance achieved
  - Still weak market demand in cyclical businesses
  - Strong growth in the Submarine business, solid recovery in Telecom's volumes and profitability
  - Weaker than expected development in OEMs and Oil & Gas



- Net Financial Position at **€ 802m** much better than expected (also considering the € 20m buy-back)  
Free Cash Flow at € 98m<sup>1)</sup>



- Dividend proposed to the forthcoming Shareholders' Meeting at **€ 0.42 per share**, in line with previous year (total pay-out € 90m)



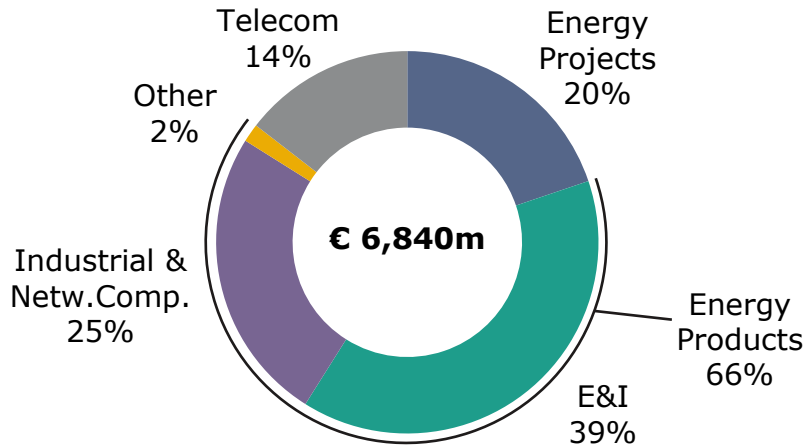
- Acceleration of industrial footprint restructuring in Europe: 2 plants closed, 1 closure ongoing

<sup>1)</sup> Free Cash Flow levered excluding acquisitions, dividends paid and other equity movements

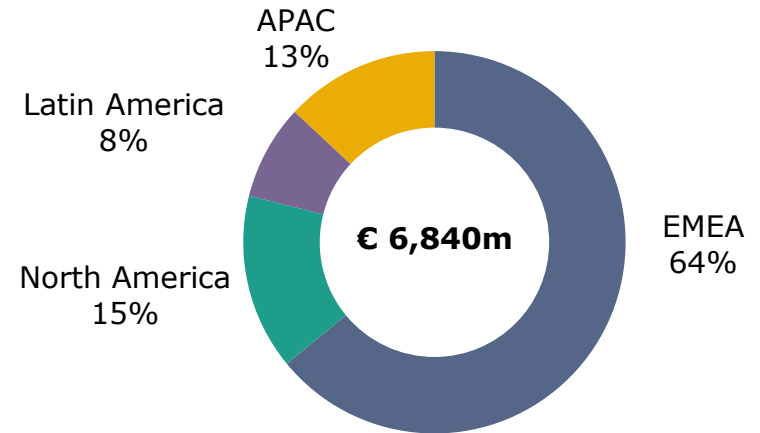
# Prysmian group at a glance

FY 2014 Financial Results

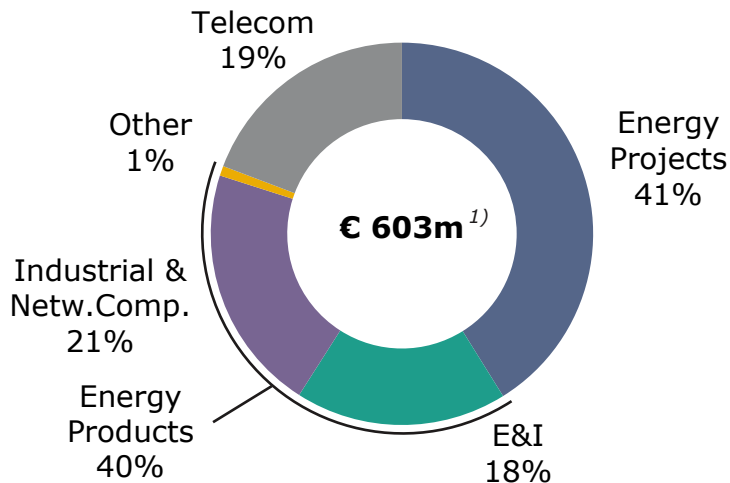
## Sales breakdown by business



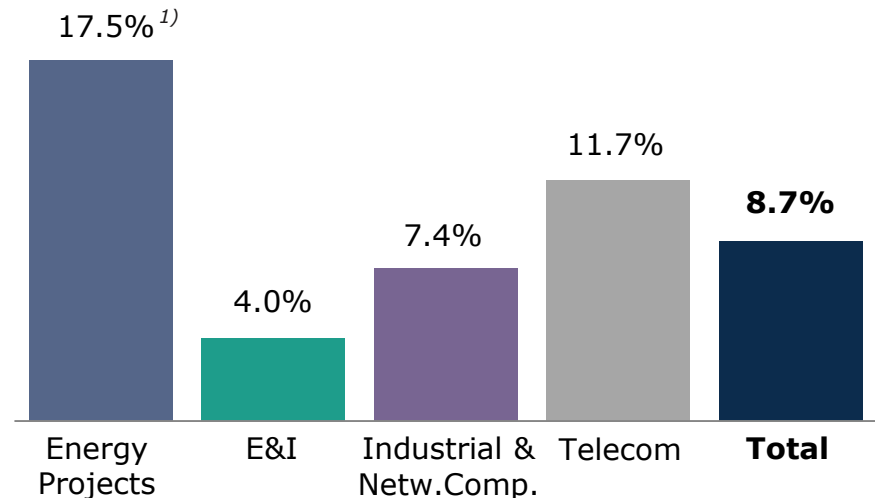
## Sales breakdown by geography



## Adj. EBITDA by business



## Adj. EBITDA margin

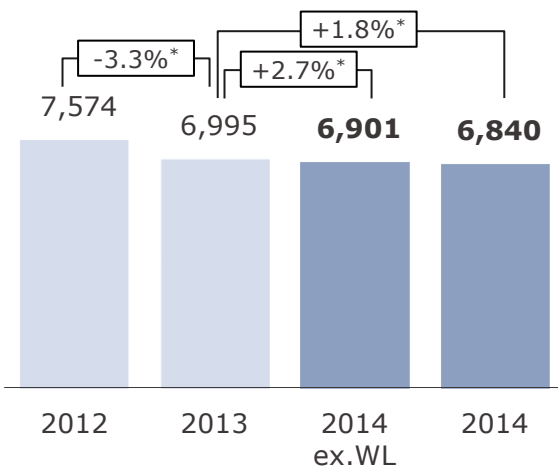


<sup>1)</sup> Excluding WL submarine project effect

# FY 2014 Key Financials

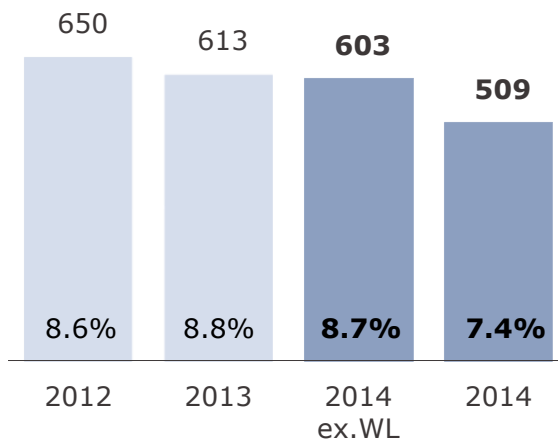
Euro Millions, % on Sales

## Sales

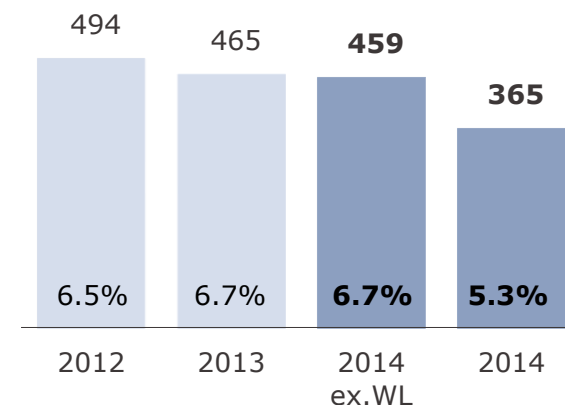


\* Org. Growth

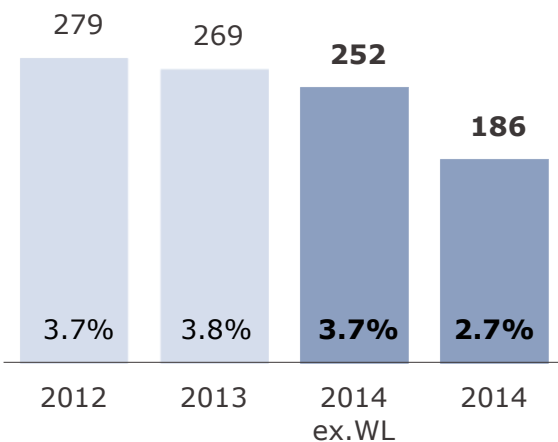
## Adjusted EBITDA <sup>(1)</sup>



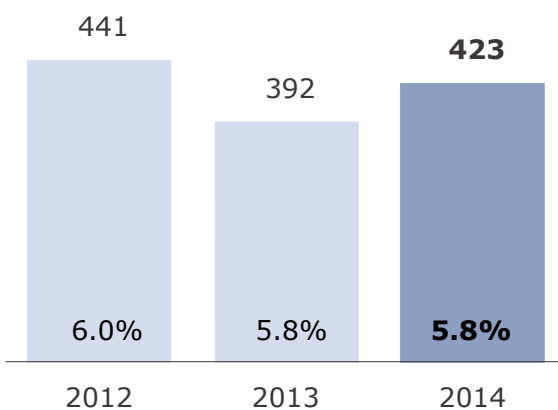
## Adjusted EBIT <sup>(2)</sup>



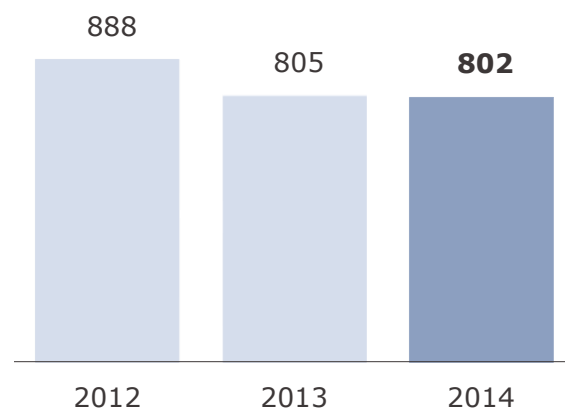
## Adjusted Net Income <sup>(3)</sup>



## Operative Net Working Capital <sup>(4)</sup>



## Net Financial Position



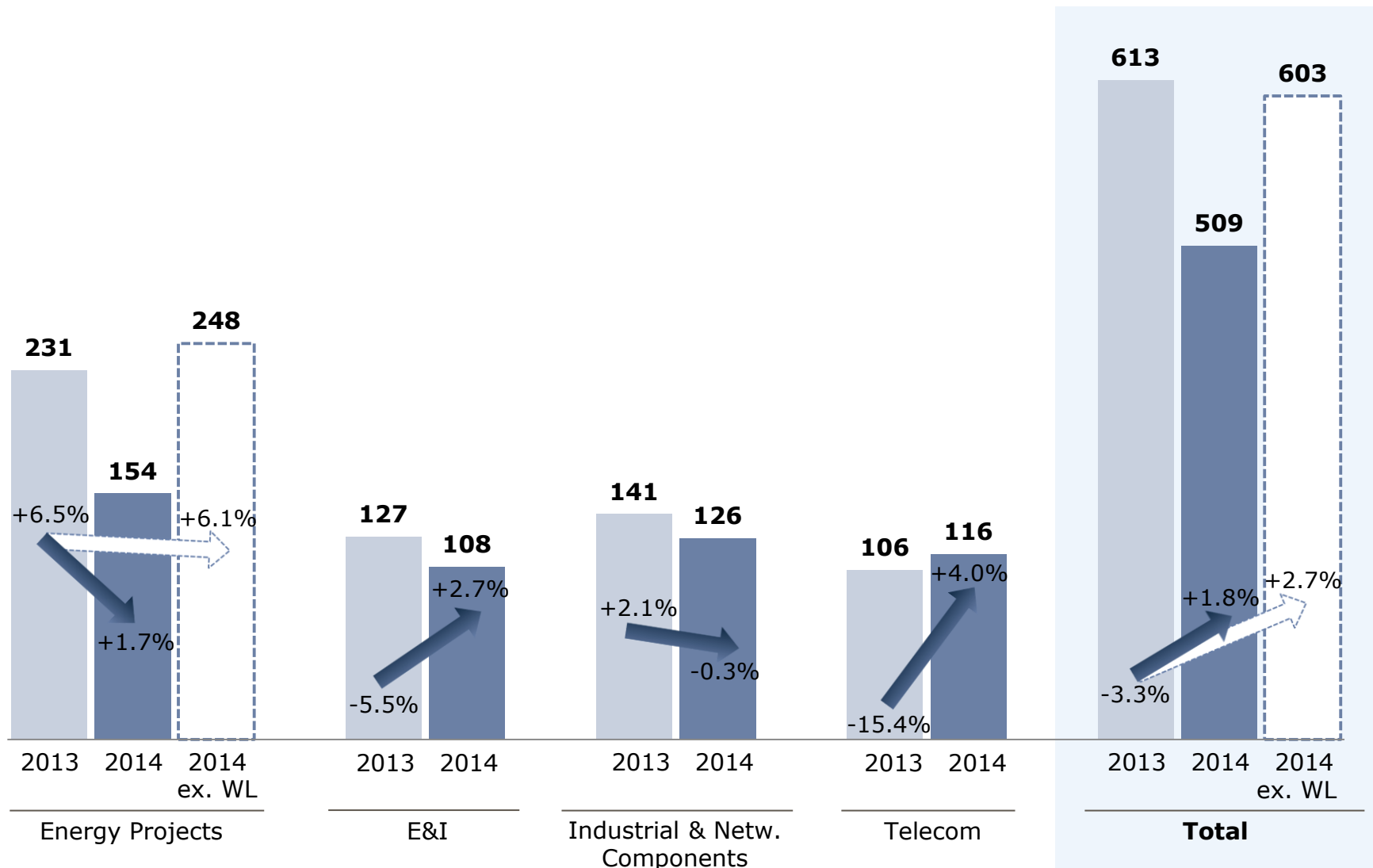
Note: 2012 and 2013 restated in application of IFRS 10-11 and reclassification of share of net income

(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 effect of derivatives and of other fair value items, exchange rate differences, non-monetary interest on the convertible bond and the related tax effects; (4) Defined as NWC excluding derivatives; % on sales is defined as Operative NWC on annualized last quarter sales

# Adj. EBITDA and Organic Growth by business

Profitability decline mainly due to WL issue. Sound recovery in Telecom, E&I at the bottom

Adj. EBITDA (€ million) and Organic Growth (% change vs. previous year)

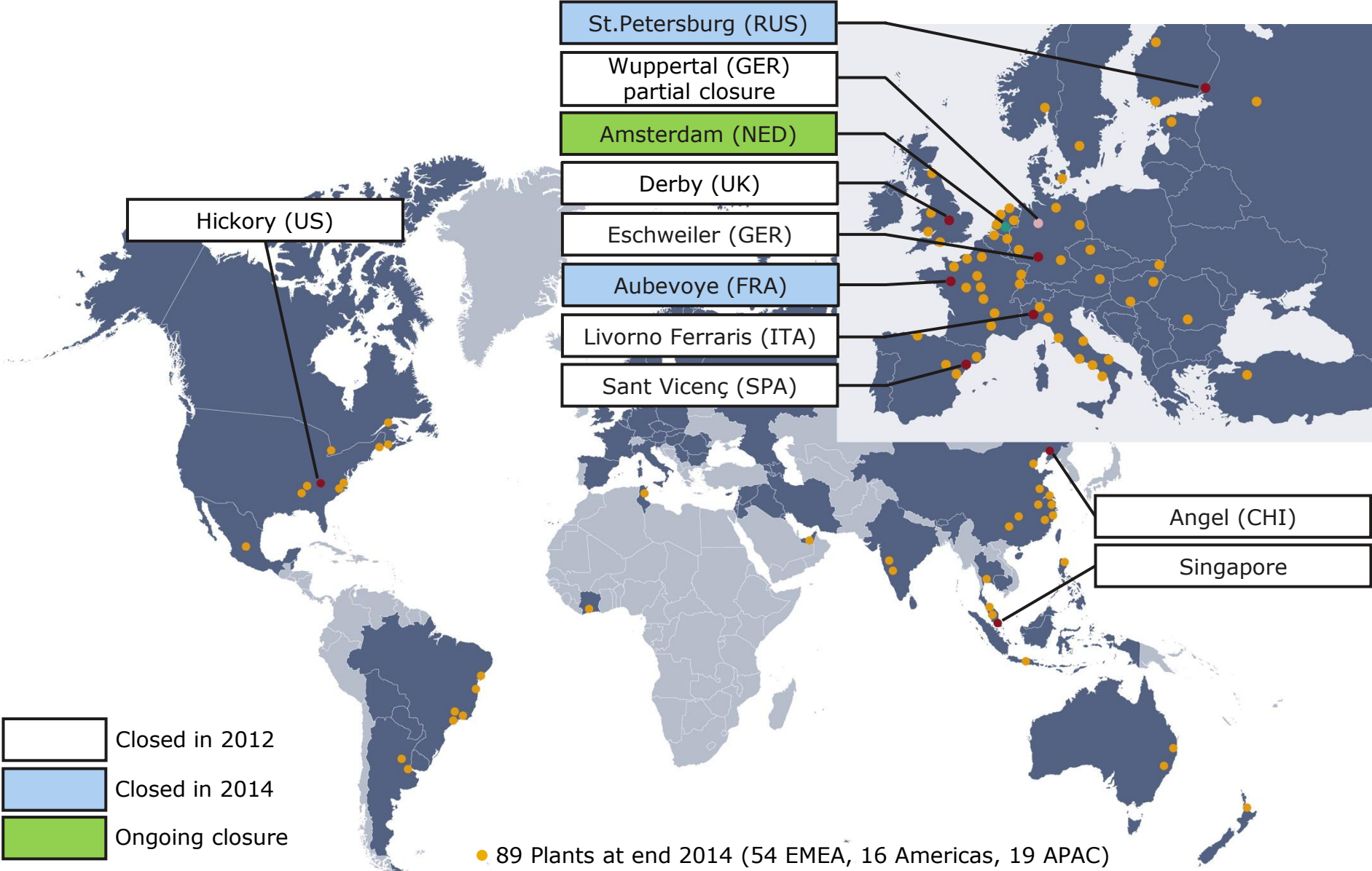


Note: Total includes Other business (Energy Products)



# Production capacity rationalization restarted

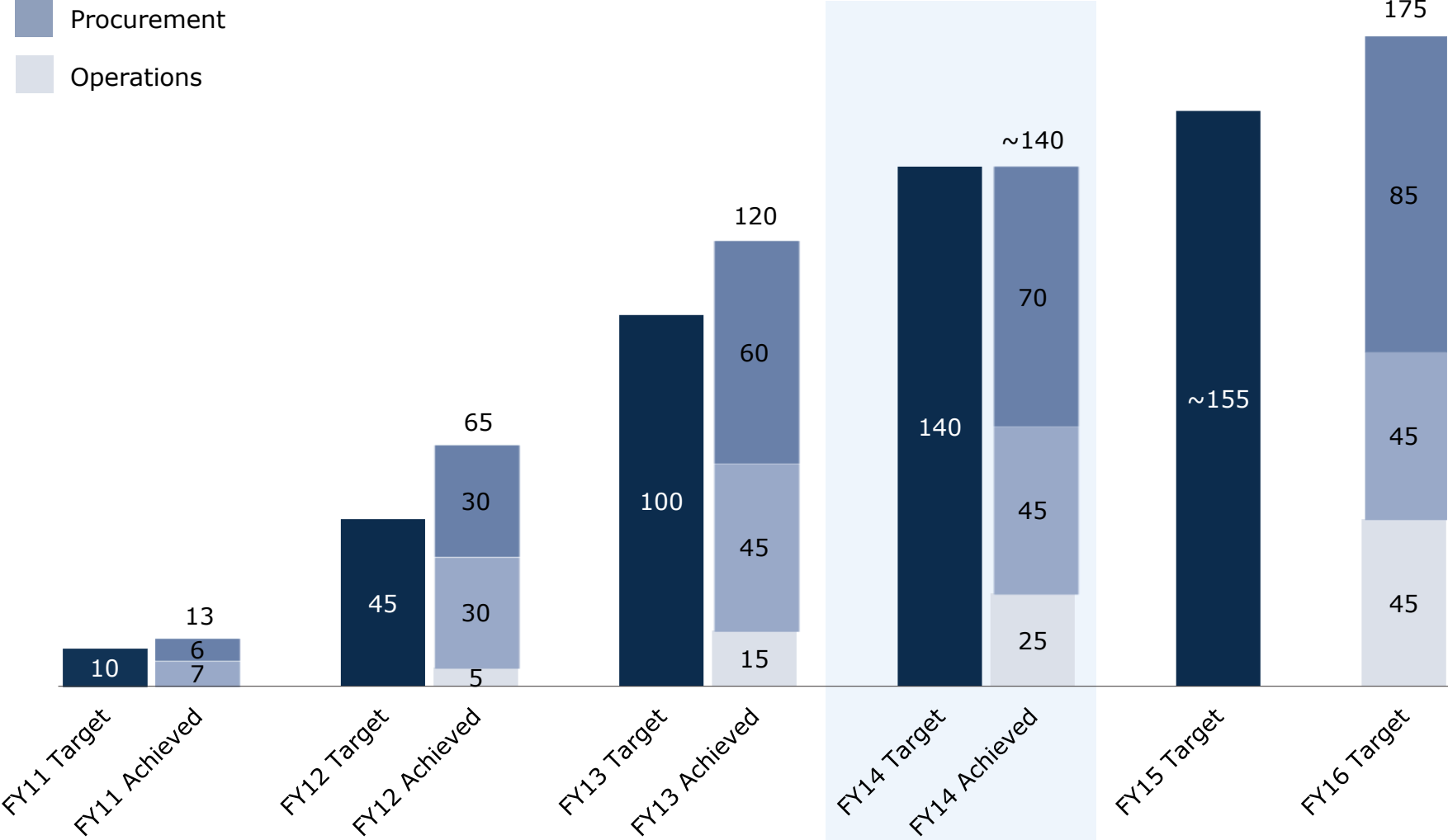
2 plants closed in 2014, 1 closure ongoing: improve saturation in Europe



● 89 Plants at end 2014 (54 EMEA, 16 Americas, 19 APAC)

# Synergies Plan update

- Overheads (fixed costs)
- Procurement
- Operations



Note: Cumulated synergies figures are not audited. Calculation is based on internal reporting

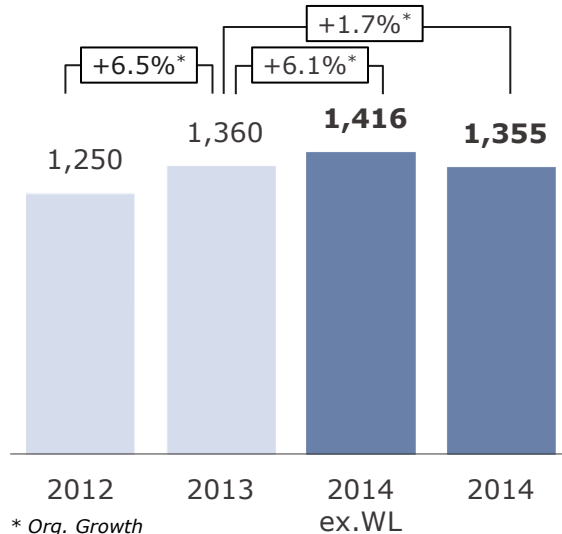


- Group overview
- **Results by business**
- Financial Results
- Appendix

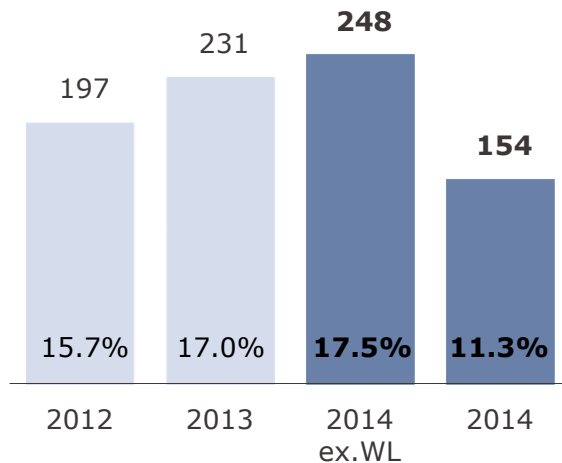
# Energy Projects

Euro Millions, % on Sales

## Sales



## Adj. EBITDA



## Highlights

### Submarine

- Double digit organic growth in FY'14 excl. Western Link
- Increase in profitability excl. Western Link; WL total financial impact confirmed, recovery program on track, restored full production
- Cable Enterprise upgrade completed: strengthening of installation assets

### Underground High Voltage

- FY'14 top line stable vs. FY'13. Profitability impacted by geography mix
- Weak demand in some important European markets (Italy, Nordics/Russia)
- HV plant in China fully saturated to serve increasing local market and APAC countries and Middle East

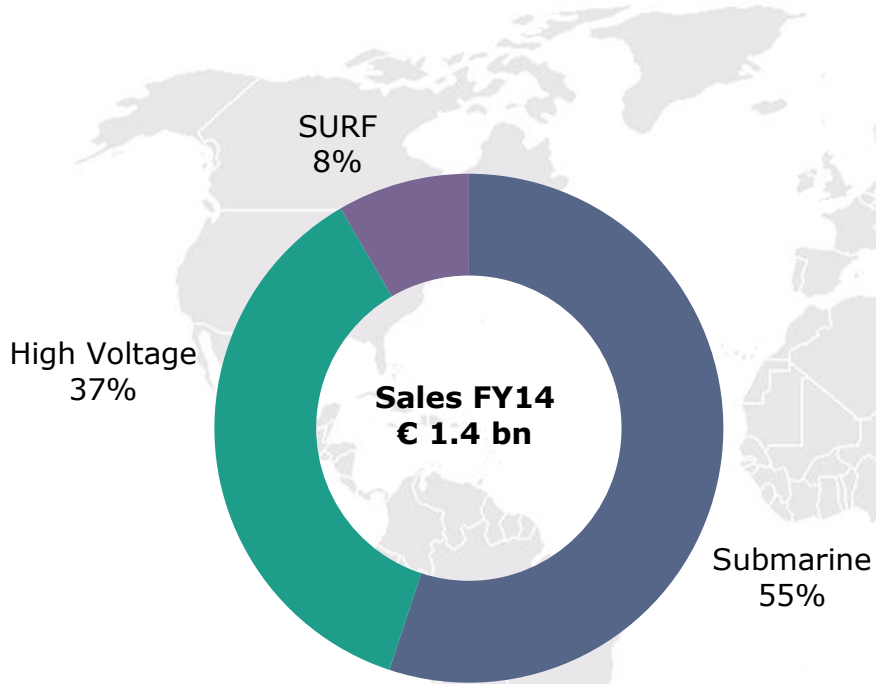
### SURF

- FY'14 sales and profitability in line with previous year
- Strong performance of DHT in North America, still weak sales of flexible pipes in Brazil. Umbilical cables stable, growing backlog
- Commitment to expand international presence through active tendering in the Group's Houston Head Quarter

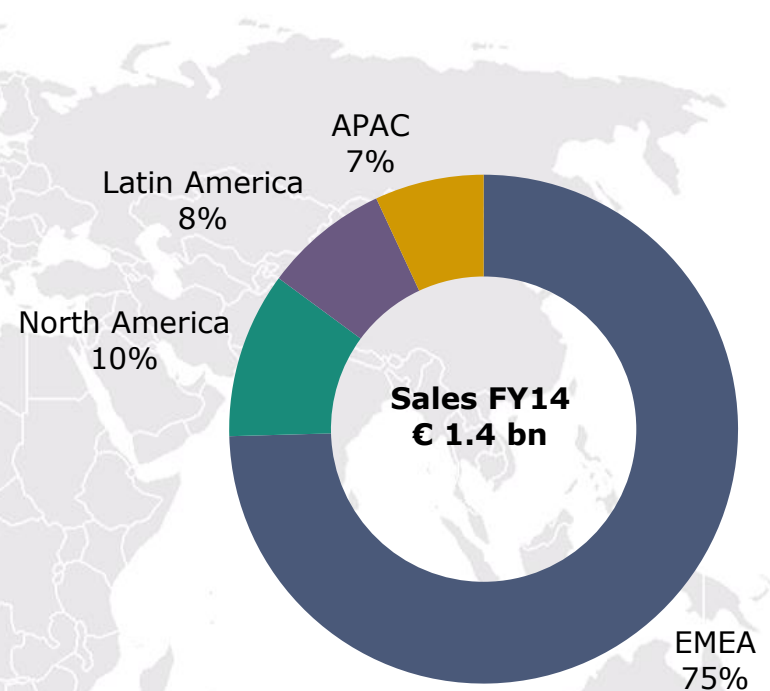
# Energy Projects

Sales breakdown

Sales by business



Sales by geographical area

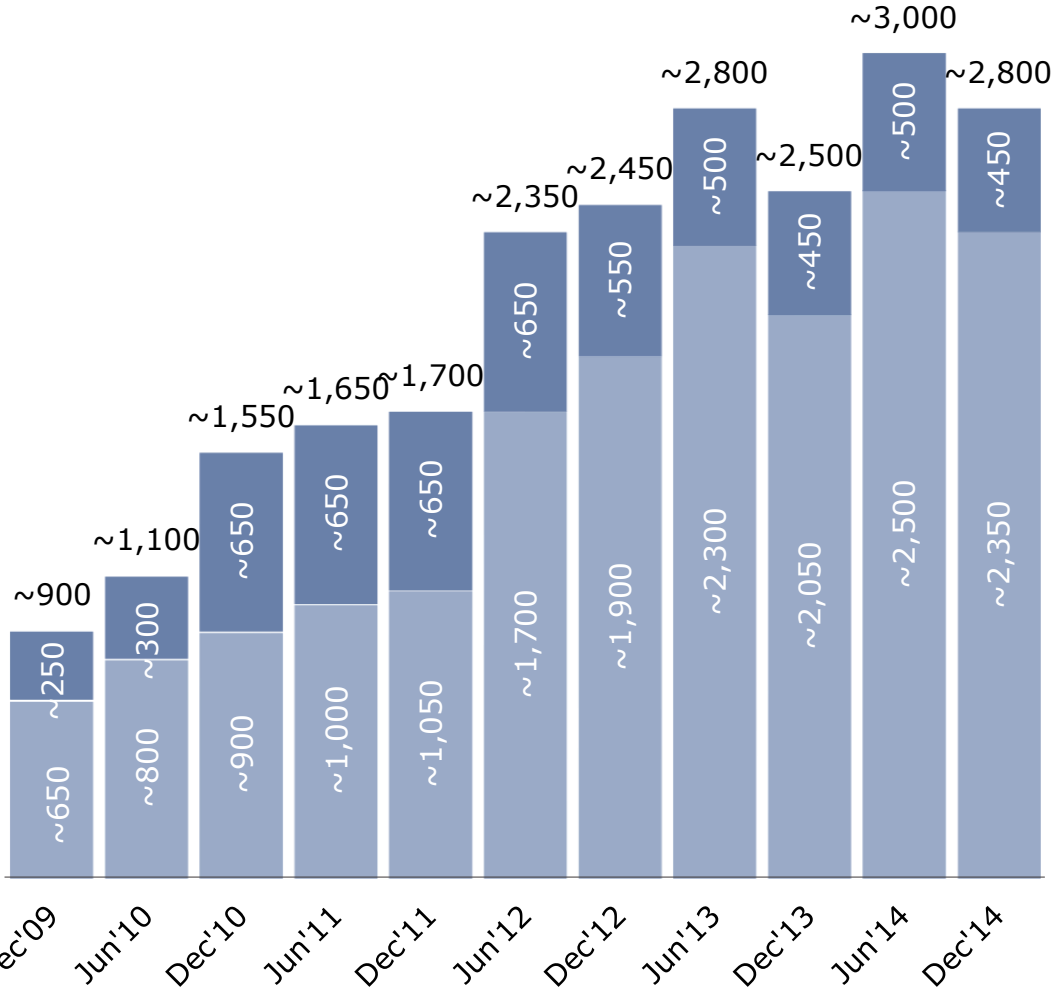


# Leadership in submarine reconfirmed by projects awarded in 2014

Record visibility in Submarine

## Transmission – Orders Backlog (€m)

■ Submarine ■ High Voltage



## > € 1bn submarine projects awarded in 2014



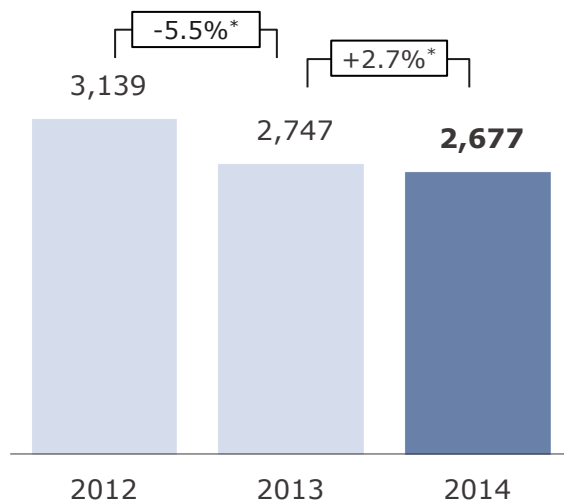
1. Borwin3, Germany € 250m
2. Zakum, Abu Dhabi € 30m
3. Shannon River Crossing, Ireland € 40m
4. West of Adlergrund (50 Hertz), Germany € 480m\*
5. Cyclades Islands, Greece € 95m
6. Dardanelles 2, Turkey € 64m
7. CNP-1, Philippines € 90m

\*Excluding options for grid connections in value of approx. € 250m

# Energy & Infrastructure

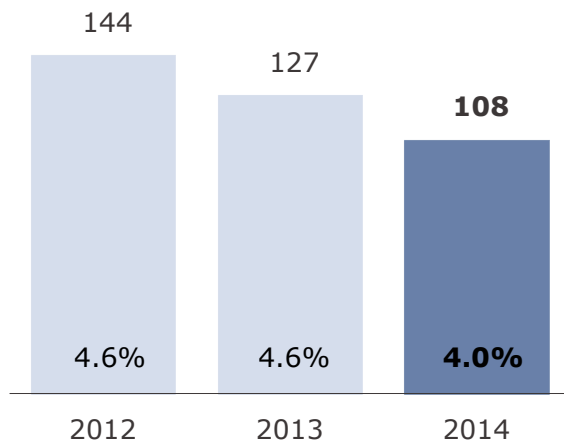
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA



## Highlights

### Trade & Installers

- Mid single digit organic growth in FY, softening from Q2, driven by volume recovery in Europe partly offset by lower pricing
- Profitability decrease attributable to price pressure, weak construction activity in Brazil and FX effect
- Stabilization of prices during second half of the year in most markets

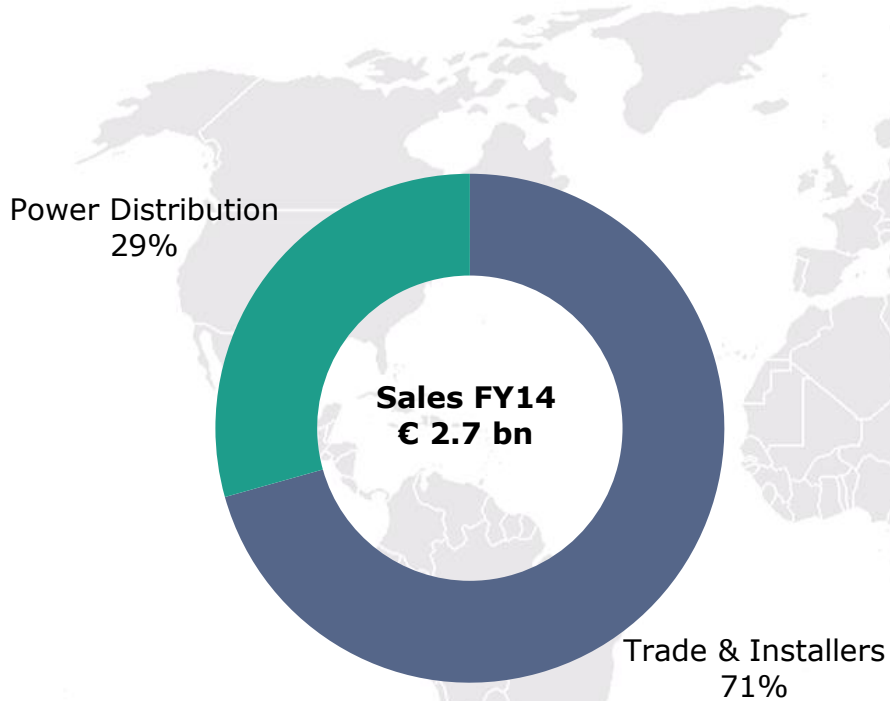
### Power Distribution

- Low single digit organic decline in FY due to lower utilities capex in Europe and South America
- Profitability impacted by lower prices and volumes, despite additional cost efficiencies
- Gradual stabilization of prices and demand in H2

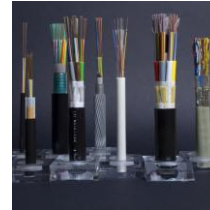
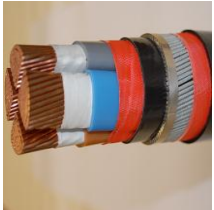
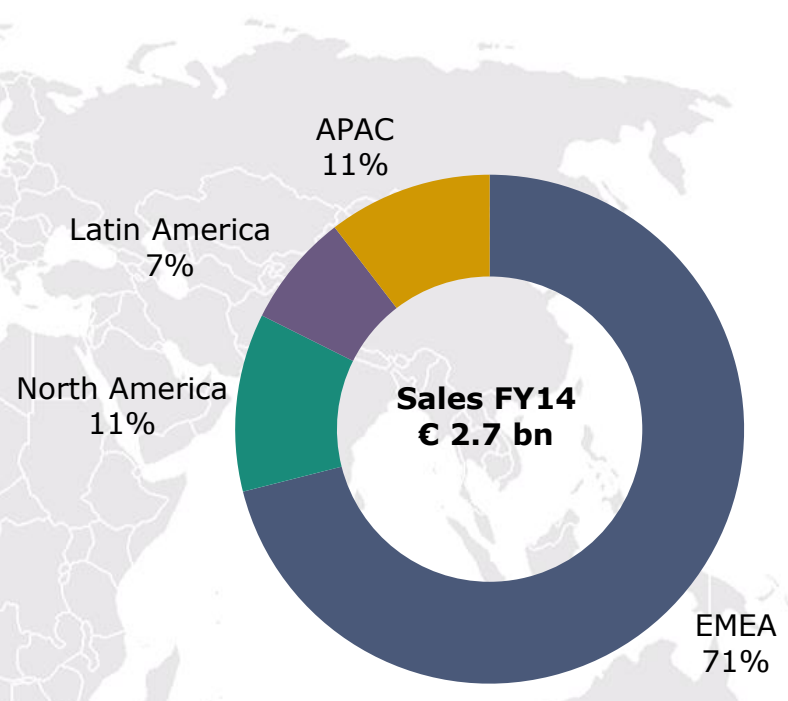
# Energy & Infrastructure

## Sales breakdown

### Sales by business



### Sales by geographical area

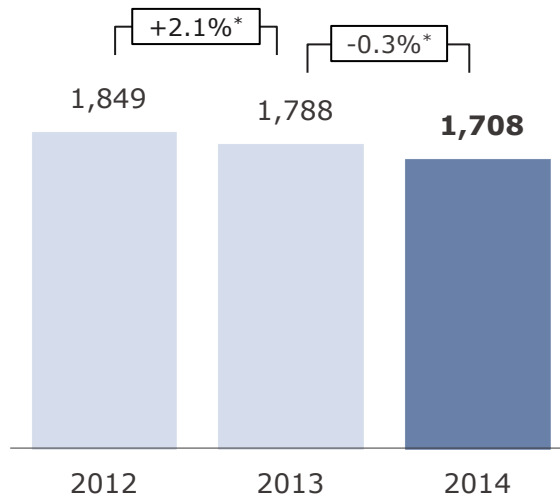




# Industrial & Network Components

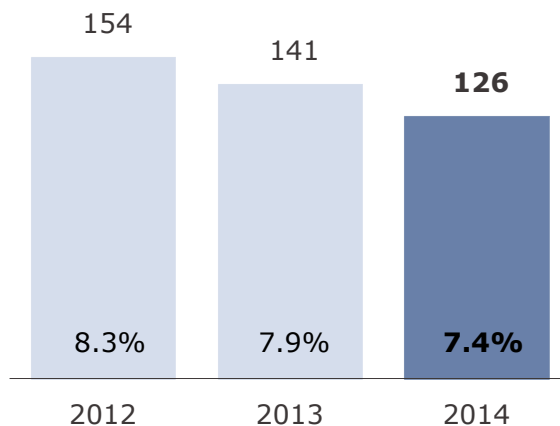
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA



## Highlights

### Specialties & OEMs

- Weak FY'14 performance due to Europe and Americas; good trend in APAC. Lower contribution from Mining, Nuclear, Infrastructure partially offset by Renewables, Rolling Stock and Marine

### Oil & Gas

- FY'14 flat vs. previous year mainly thanks to a recovery in H2 in offshore and despite a slowdown in MRO business after the fall in oil price

### Elevator

- FY'14 double digit growth driven by product development, increased high value-added services and penetration in new and consolidated markets. Solid performance in the US, growth in Europe and Asia

### Automotive

- Reduction in activity in FY'14 due to a tough market in Europe and Brazil and to increasing competition in North America

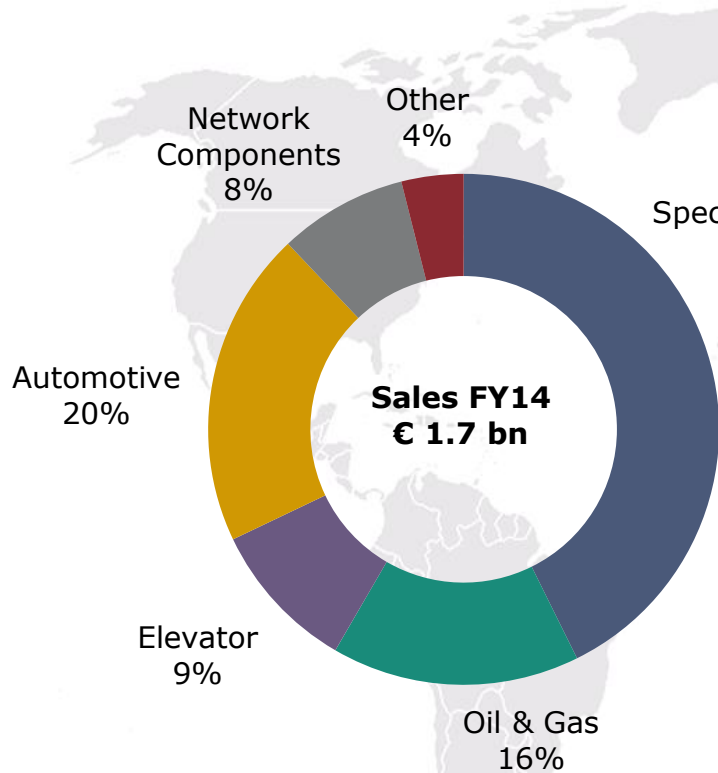
### Network Components

- Positive FY'14 performance thanks to enlargement of services/products portfolio and expansion in APAC. Weak demand for HV accessories in North America and Medium Voltage in Europe

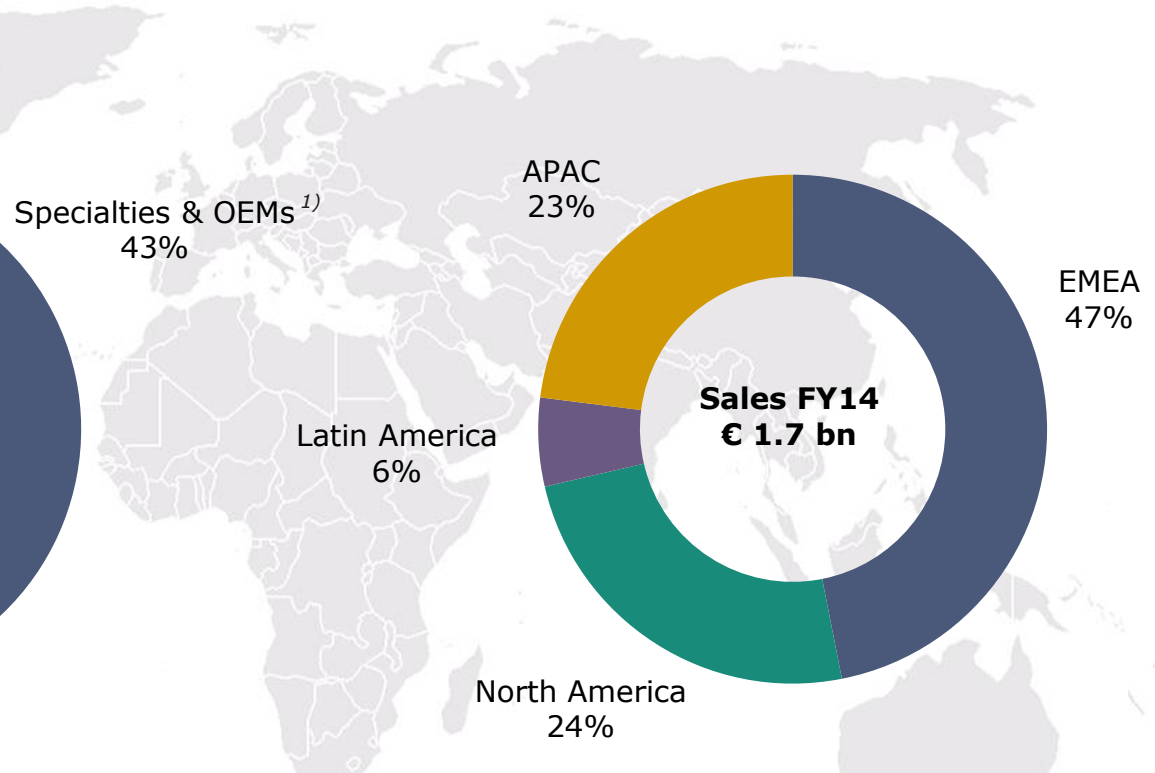
# Industrial & Network Components

Sales breakdown

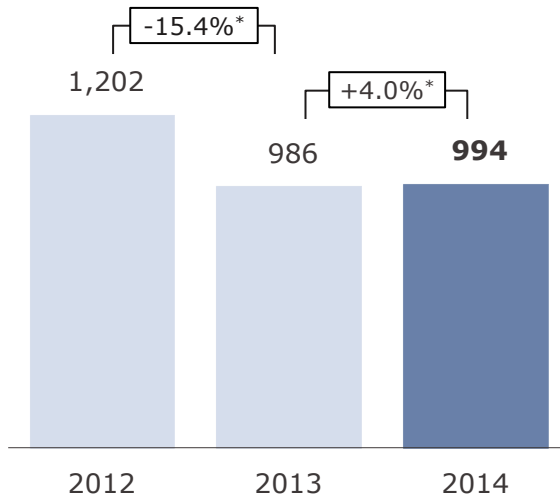
## Sales by business



## Sales by geographical area

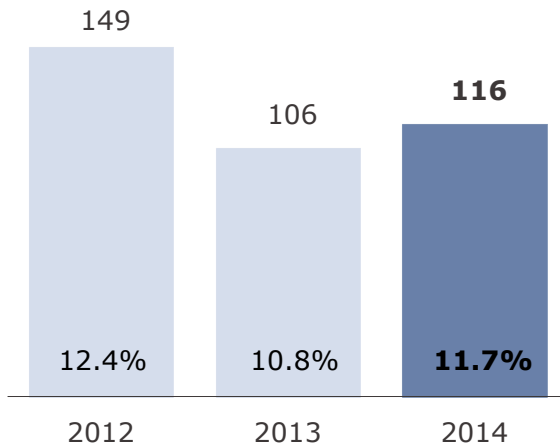


## Sales



\* Org. Growth

## Adj. EBITDA



## Highlights

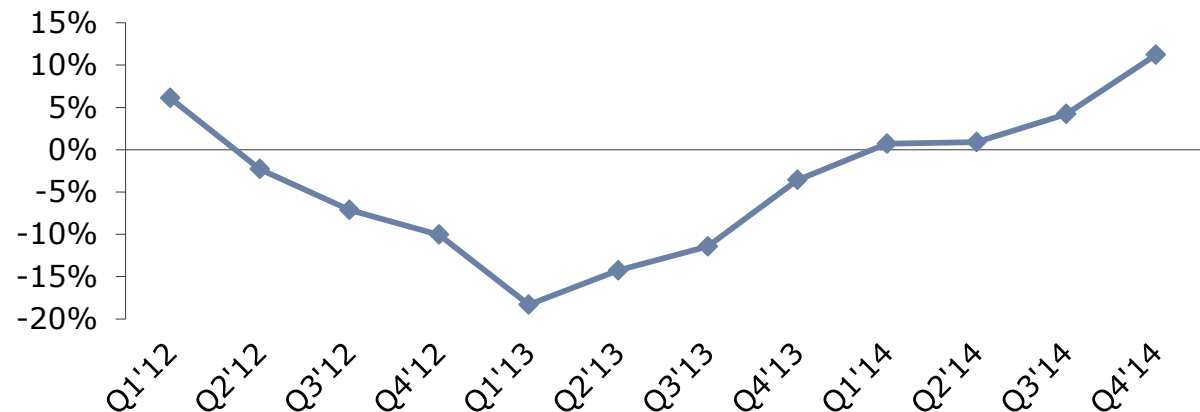
### Optical, Connectivity & Fiber

- Strong volume recovery in optical (FTTH/FTTA development and backbone investments) with stabilization of prices in H2. Profitability also supported by YOFC contribution
- Sound demand in the US and Europe (France, UK, Italy and Spain). Disappointing impact of stimulus packages in Brazil. Positive performance in Australia (NBN project) and Singapore

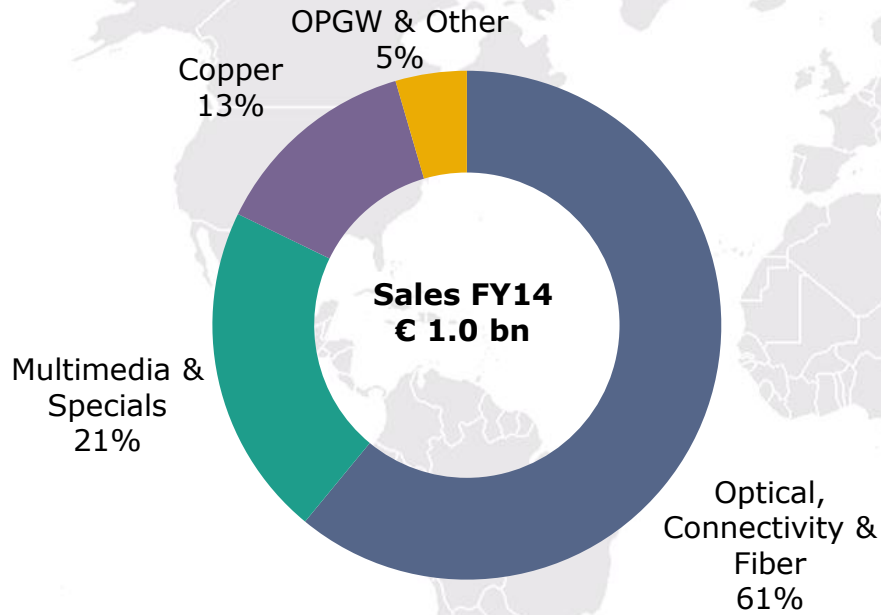
### Multimedia & Specials

- Profitability improvement thanks to product mix and cost efficiencies. Development of high margin products and improvement of customer service level (logistics, quality and plants' performance)

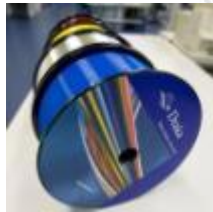
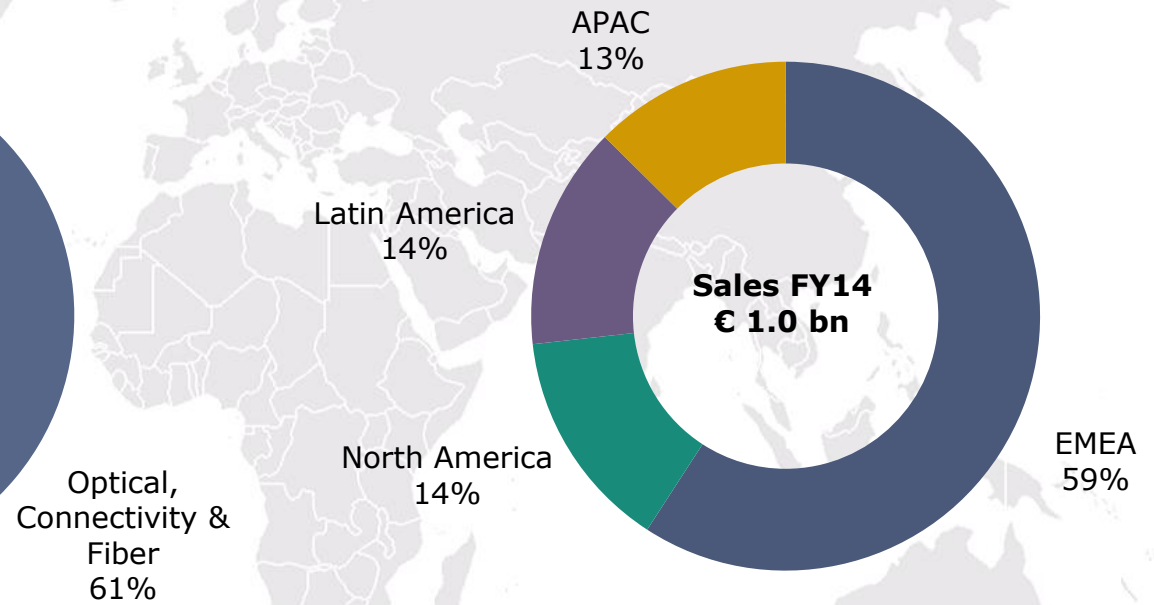
## Organic growth (% change vs. same quarter of previous year)



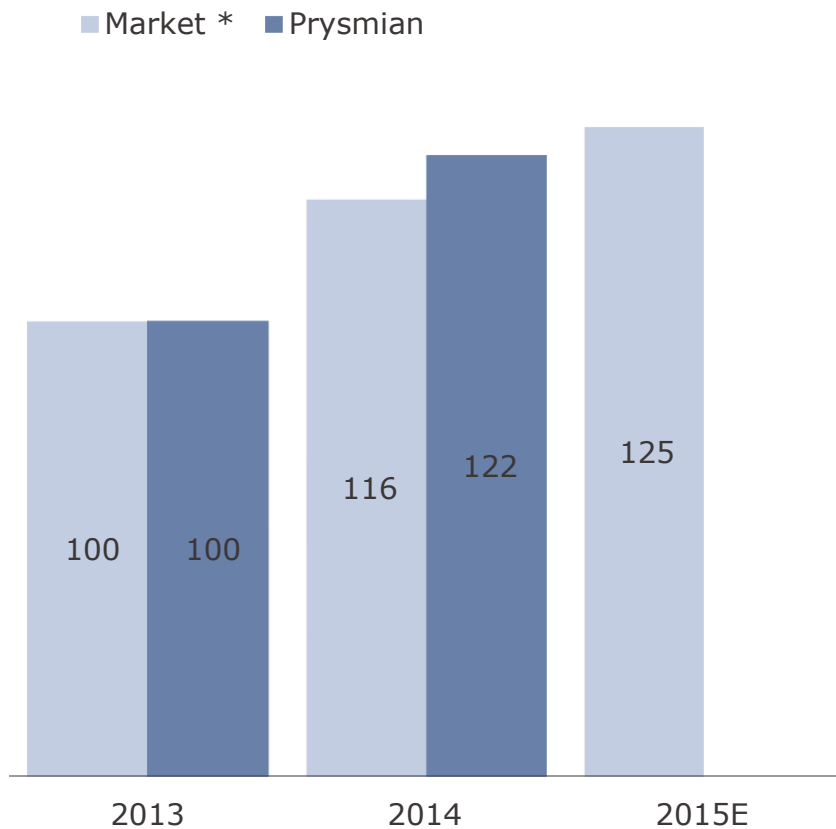
## Sales by business



## Sales by geographical area



### Telecom optical volumes (2013=100)

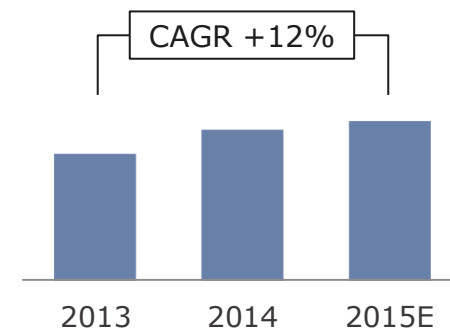


- Optical fiber consumption increased by 16% in 2014\*
- Prysmian outperformed the market, growing by 22%
- Global market expected to expand by 8% also in 2015\*

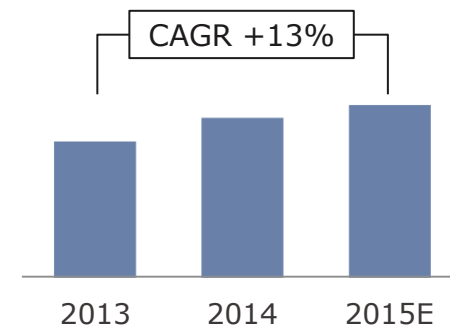
### Consumption of fiber optic cable (fkm, CRU)



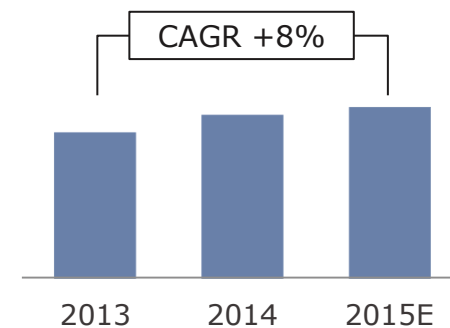
Europe



US



World



\* Excluding China. Source: CRU, January 2015

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# Profit and Loss Statement

Euro Millions

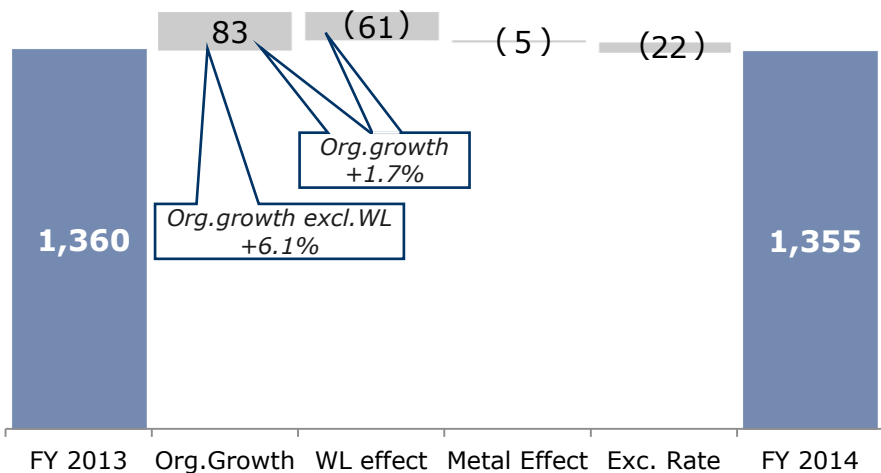
	FY 2014 excl. WL submarine project effect	WL Submarine project effect	FY 2014	FY 2013 <sup>1)</sup>
<b>Sales</b>	<b>6,901</b>	<b>(61)</b>	<b>6,840</b>	<b>6,995</b>
<i>YoY total growth</i>	(1.3%)		(2.2%)	
<i>YoY organic growth</i>	2.7%		1.8%	
<b>Adj.EBITDA</b>	<b>603</b>	<b>(94)</b>	<b>509</b>	<b>613</b>
<i>% on sales</i>	8.7%		7.4%	8.8%
Non recurring items	(13)	-	(13)	(50)
<b>EBITDA</b>	<b>590</b>	<b>(94)</b>	<b>496</b>	<b>563</b>
<i>% on sales</i>	8.5%		7.2%	8.1%
<b>Adj.EBIT</b>	<b>459</b>	<b>(94)</b>	<b>365</b>	<b>465</b>
<i>% on sales</i>	6.7%		5.3%	6.7%
Non recurring items	(13)	-	(13)	(50)
Special items	(40)	-	(40)	(47)
<b>EBIT</b>	<b>406</b>	<b>(94)</b>	<b>312</b>	<b>368</b>
<i>% on sales</i>	5.9%		4.5%	5.3%
Financial charges	(140)	-	(140)	(150)
<b>EBT</b>	<b>266</b>	<b>(94)</b>	<b>172</b>	<b>218</b>
<i>% on sales</i>	3.9%		2.5%	3.1%
Taxes	(85)	28	(57)	(65)
<i>% on EBT</i>	32.0%		33.0%	29.9%
<b>Net income</b>	<b>181</b>	<b>(66)</b>	<b>115</b>	<b>153</b>
Extraordinary items (after tax)	(71)	-	(71)	(116)
<b>Adj.Net income</b>	<b>252</b>	<b>(66)</b>	<b>186</b>	<b>269</b>

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

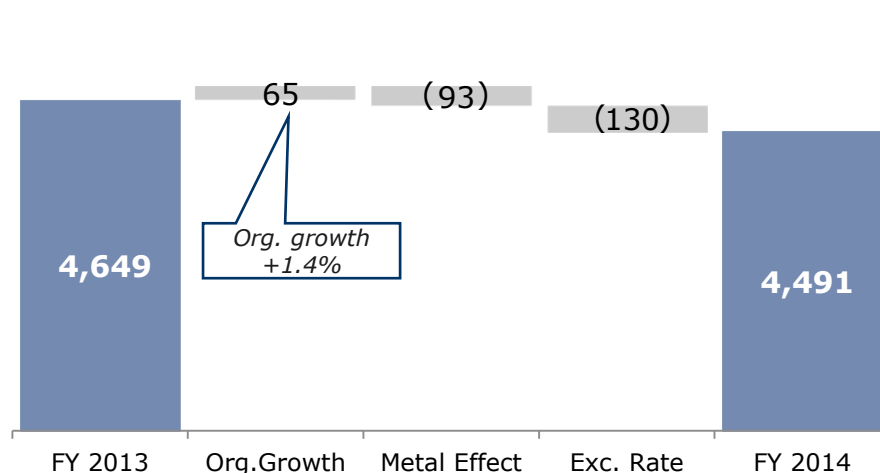
# Bridge Consolidated Sales

Euro Millions

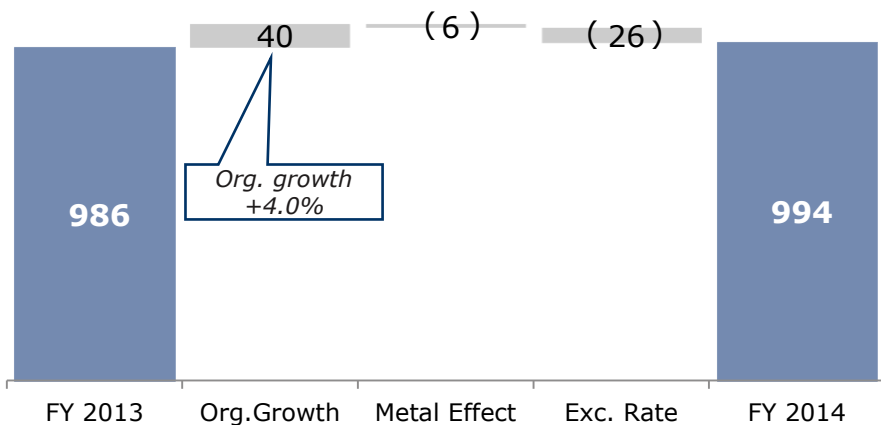
## Energy Projects



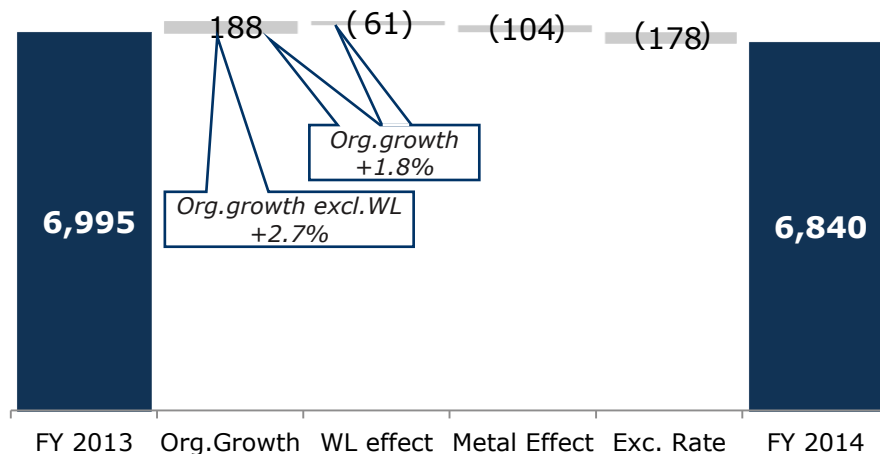
## Energy Products



## Telecom



## Total Consolidated



# Impact of currencies and WL project on Sales and Adj.EBITDA

Profitability decrease fully attributable to WL project and negative currency translation effect

## Sales

## Adj. EBITDA

Of which:

• Energy Projects	22
• E&I	89
• Ind. & Netw. Comp.	38
• Other	3
• Telecom	26

Of which:

• Energy Projects	2
• E&I	6
• Ind. & Netw. Comp.	3
• Other	-
• Telecom	3

**7,079**

**617**

178

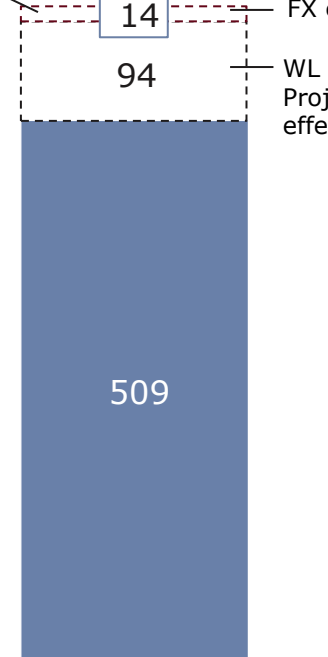
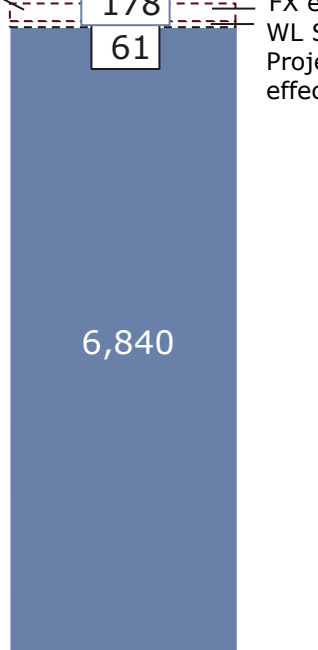
14

61

94

FX effect  
WL Subm.  
Project  
effect

FX effect  
WL Subm.  
Project  
effect



FY'13

FY'14

FY'13

FY'14

# Extraordinary Effects

Euro Millions

	FY 2014	FY 2013 <sup>2)</sup>
Antitrust investigation	31	6
Restructuring	(48)	(50)
Price adjustments	22	-
Other	(18)	(6)
<b>EBITDA adjustments</b>	<b>(13)</b>	<b>(50)</b>
Special items	(40)	(47)
<i>Gain/(loss) on metal derivatives</i>	7	(8)
<i>Assets impairment</i>	(44)	(25)
<i>Other</i>	(3)	(14)
<b>EBIT adjustments</b>	<b>(53)</b>	<b>(97)</b>
Gain/(Loss) on ex.rates/derivat. <sup>1)</sup>	(36)	(35)
Other extr. financial Income/exp.	(18)	(13)
<b>EBT adjustments</b>	<b>(107)</b>	<b>(145)</b>
Tax	36	29
<b>Net Income adjustments</b>	<b>(71)</b>	<b>(116)</b>

1) Includes currency and interest rate derivatives

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

# Financial Charges

Euro Millions

	FY 2014	FY 2013 <sup>2)</sup>
<b>Net interest expenses</b>	<b>(87)</b>	<b>(100)</b>
<i>of which non cash Conv.Bond interest exp.</i>	(8)	(6)
Bank fees amortization	(7)	(8)
Gain/(loss) on exchange rates	(20)	(27)
Gain/(loss) on derivatives <sup>1)</sup>	(16)	(8)
Non recurring effects	(10)	(7)
<b>Net financial charges</b>	<b>(140)</b>	<b>(150)</b>

1) Includes currency and interest rate derivatives

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

# Statement of financial position (Balance Sheet)

Euro Millions

	31 December 2014	31 December 2013 <sup>1)</sup>
Net fixed assets	2,219	2,207
<i>of which: intangible assets</i>	561	588
<i>of which: property, plants &amp; equipment</i>	1,414	1,390
Net working capital	407	386
<i>of which: derivatives assets/(liabilities)</i>	(16)	(6)
<i>of which: Operative Net working capital</i>	423	392
Provisions & deferred taxes	(281)	(297)
<b>Net Capital Employed</b>	<b>2,345</b>	<b>2,296</b>
Employee provisions	360	308
Shareholders' equity	1,183	1,183
<i>of which: attributable to minority interest</i>	33	36
Net financial position	802	805
<b>Total Financing and Equity</b>	<b>2,345</b>	<b>2,296</b>

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



# Cash Flow

Euro Millions

	FY 2014	FY 2013 <sup>1)</sup>
<b>Adj.EBITDA</b>	<b>509</b>	<b>613</b>
Non recurring items	(13)	(50)
<b>EBITDA</b>	<b>496</b>	<b>563</b>
Net Change in provisions & others	(53)	(76)
Share of income from investments in op.activities	(43)	(35)
<b>Cash flow from operations (before WC changes)</b>	<b>400</b>	<b>452</b>
Working Capital changes	(1)	(6)
Dividends received	36	16
Paid Income Taxes	(72)	(60)
<b>Cash flow from operations</b>	<b>363</b>	<b>402</b>
Acquisitions	9	-
Net Operative CAPEX	(155)	(107)
<b>Free Cash Flow (unlevered)</b>	<b>217</b>	<b>295</b>
Financial charges	(110)	(124)
<b>Free Cash Flow (levered)</b>	<b>107</b>	<b>171</b>
<b>Free Cash Flow (levered) excl. acquisitions</b>	<b>98</b>	<b>171</b>
Dividends	(90)	(92)
Treasury shares buy-back	(20)	-
<b>Net Cash Flow</b>	<b>(3)</b>	<b>79</b>
<b>NFP beginning of the period</b>	<b>(805)</b>	<b>(888)</b>
Net cash flow	(3)	79
Other variations	6	4
<b>NFP end of the period</b>	<b>(802)</b>	<b>(805)</b>

<b>Δ NFP 2010PF -2014</b>	
NFP Pro-forma 2010*	(1,214)
NFP 2014	(802)
<b>Δ NFP</b>	<b>412</b>
<i>Of which:</i>	<i>Cumulated 2011-14</i>
<b>FCF lev. excl. acquisitions</b>	<b>774</b>
<i>Dividends &amp; Buyback</i>	<i>(283)</i>
<i>Acquisitions</i>	<i>(77)</i>
<i>Other**</i>	<i>(2)</i>
<b>Δ NFP</b>	<b>412</b>

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

\* Includes debt originated by Transaction costs (€ 19m) and Refinancing costs (€ 7m) related to Draka acquisition in 2011

\*\* Includes Other Equity movements and Other variations

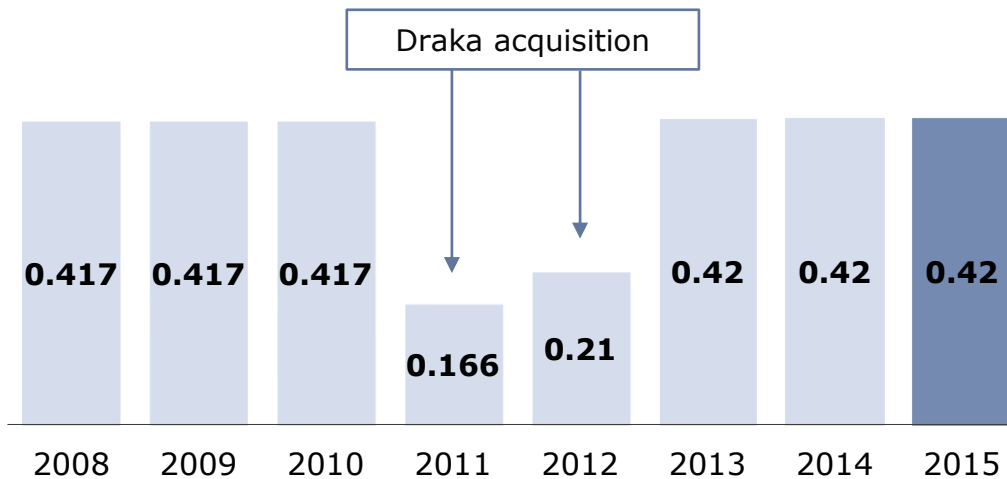
# Dividend proposal

Dividend proposed to the forthcoming Shareholders' Meeting

- **Dividend Per Share € 0.42**

- Total payout: € 90 millions
- Ex-dividend date: 20 April 2015
- Payment date: 22 April 2015

DPS evolution (Euro per share)



**Total Shares <sup>(1)</sup>**

**216,720,922**

**Shares with dividend right <sup>(2)</sup>**

**213,906,938**

**Dividend Yield <sup>(3)</sup>**

**2.6%**

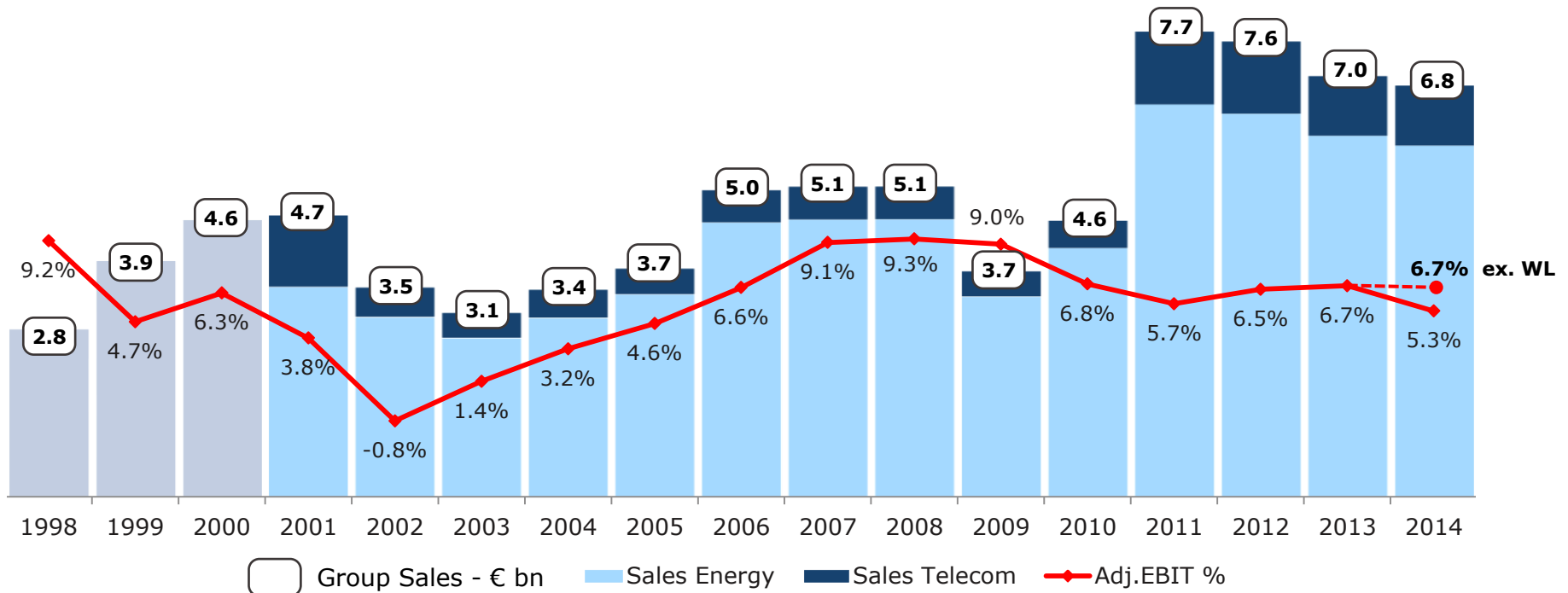
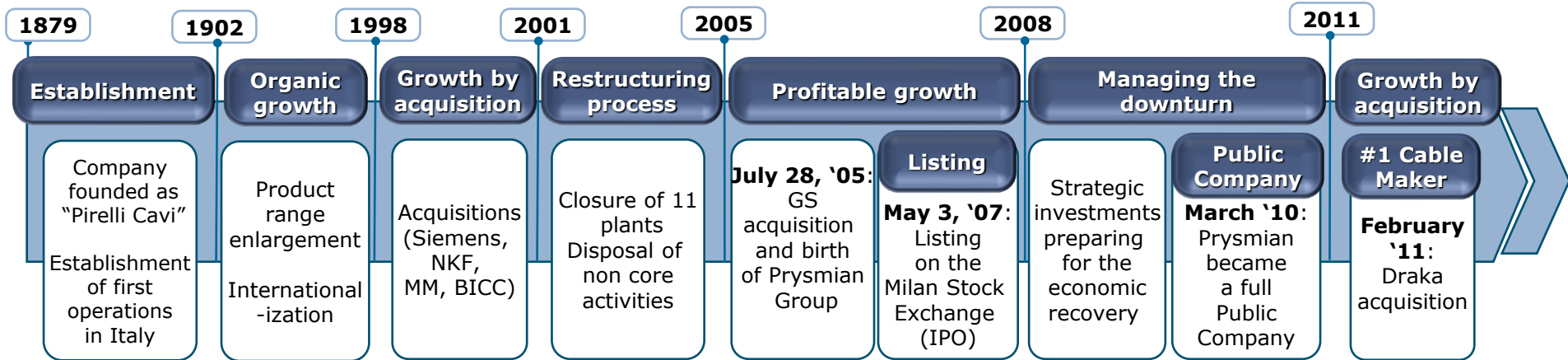
<sup>(1)</sup> Outstanding as of February 25, 2015

<sup>(2)</sup> Shares with dividend right: Total shares outstanding (216,720,922) – Treasury shares owned by the Company (2,813,984)

<sup>(3)</sup> Based on 2014 average price (€ 16.38)

- Group overview
- Results by business
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- **Appendix**
  - **Prysmian at a glance**

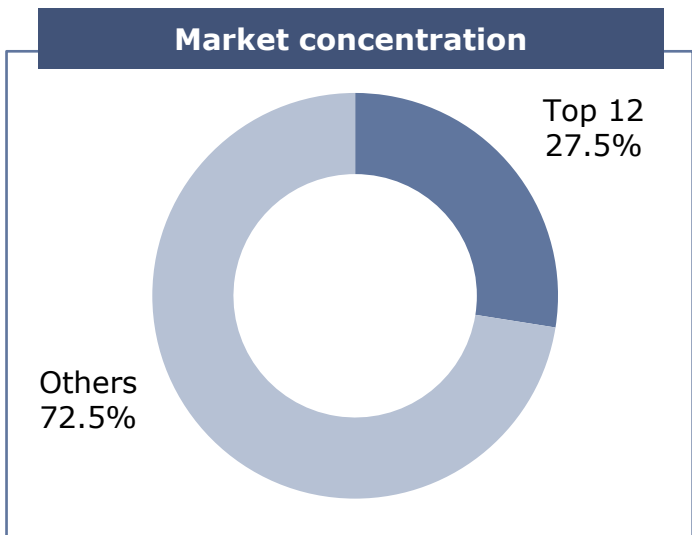
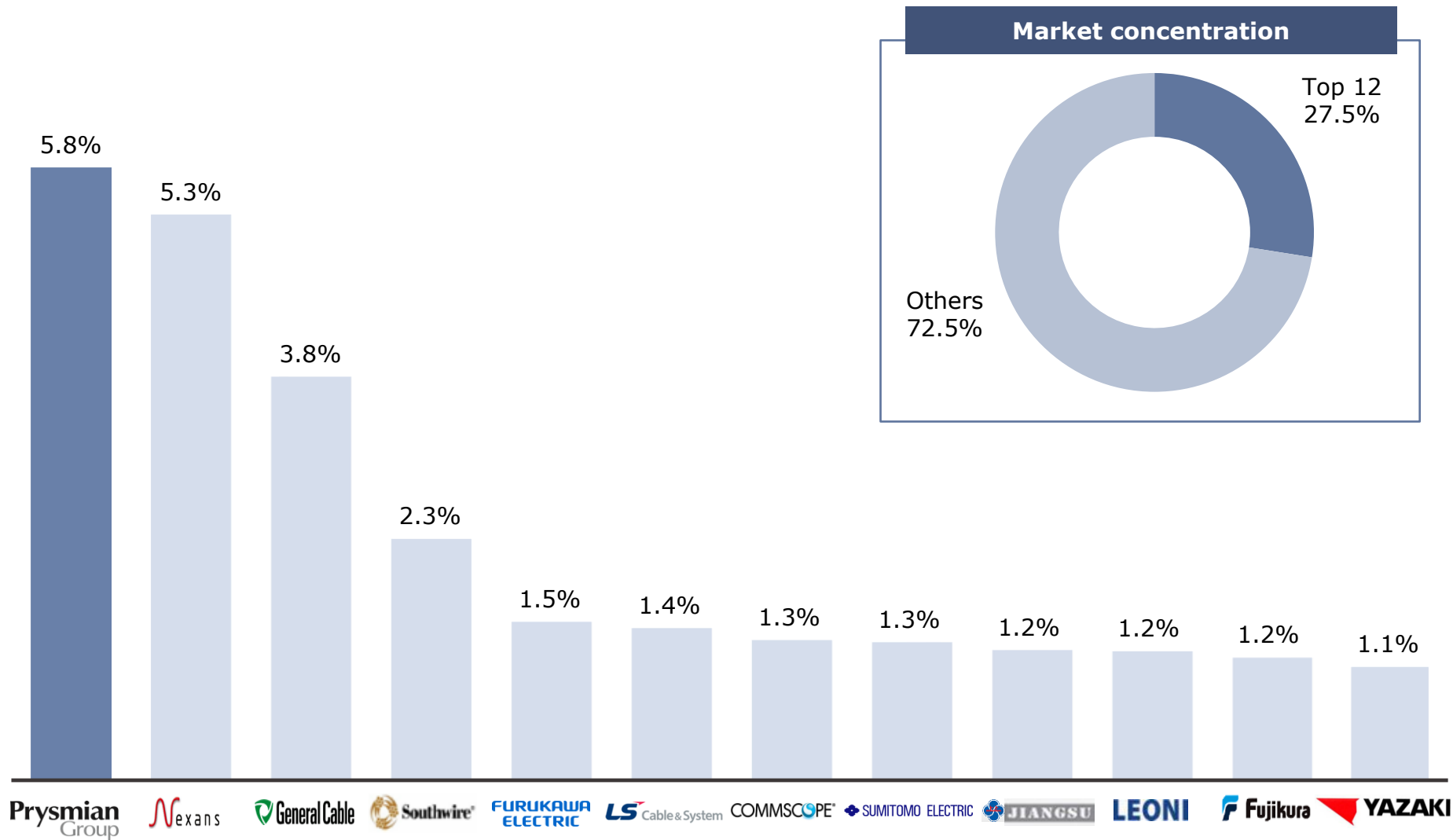
# Key Milestones



# Global Top Cable Manufacturers

Prysmian Group #1 in cable solutions for the energy and telecommunication business

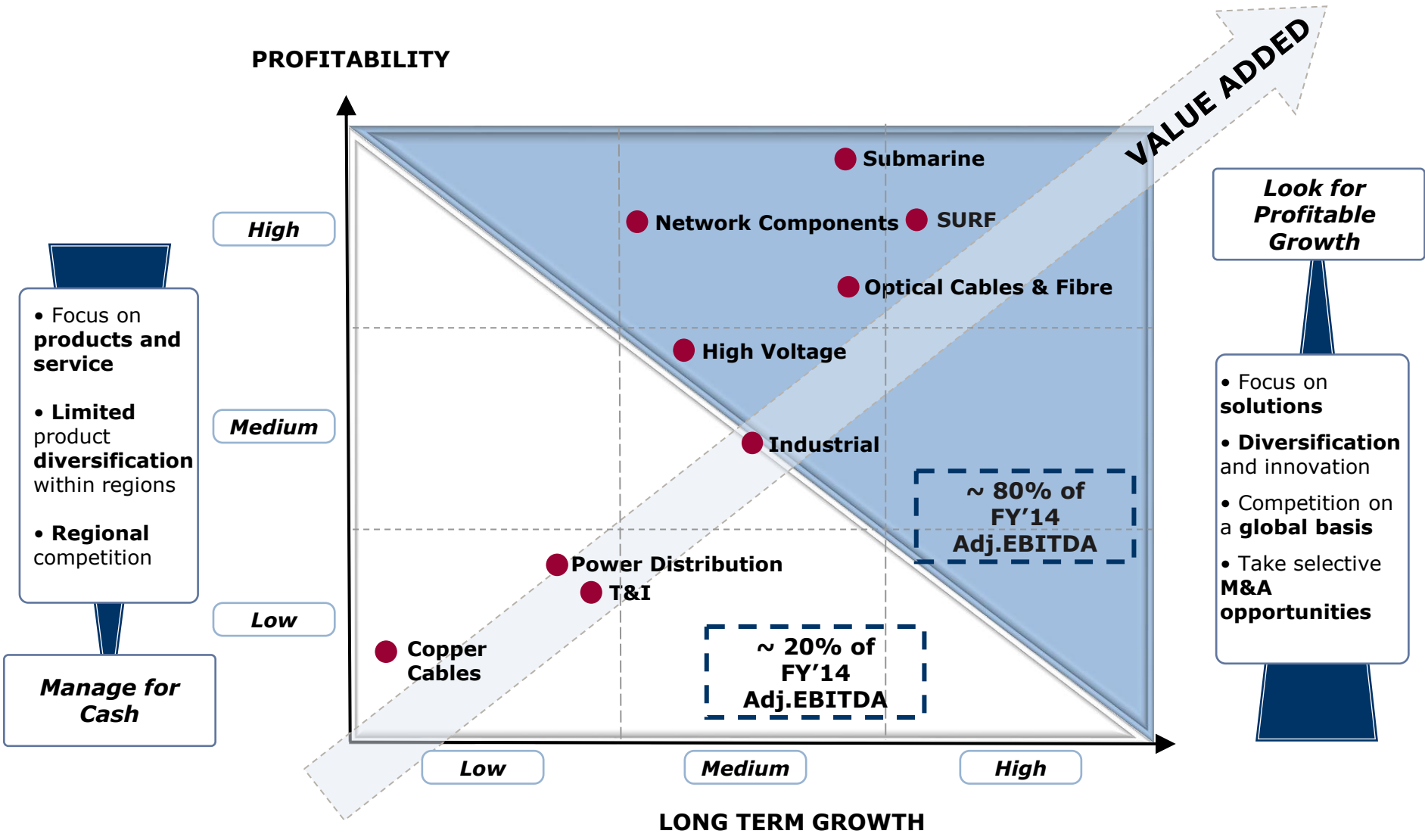
2013 Share of total revenues



Source: CRU, July 2014 (excluding Winding Wire)

# Prysmian Group business portfolio

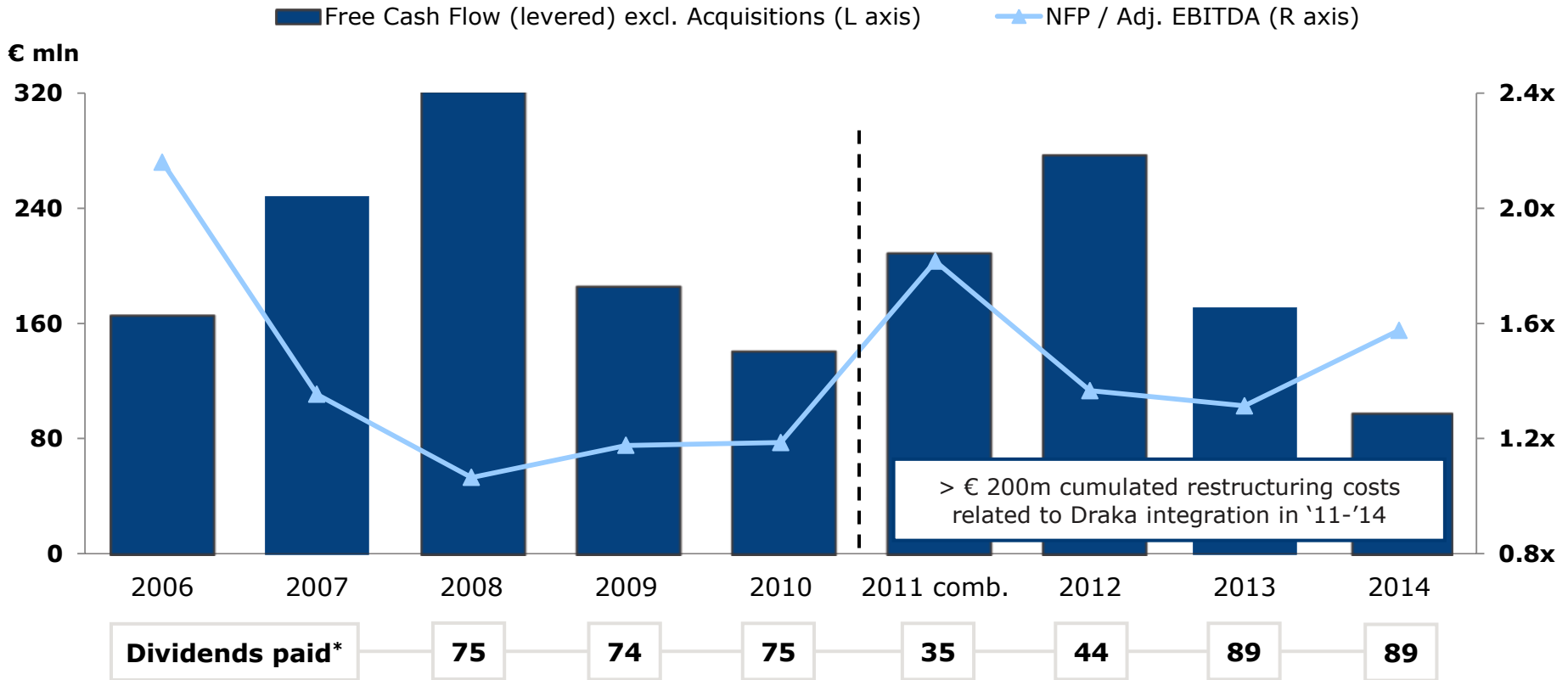
Focus on high value added segments



# 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

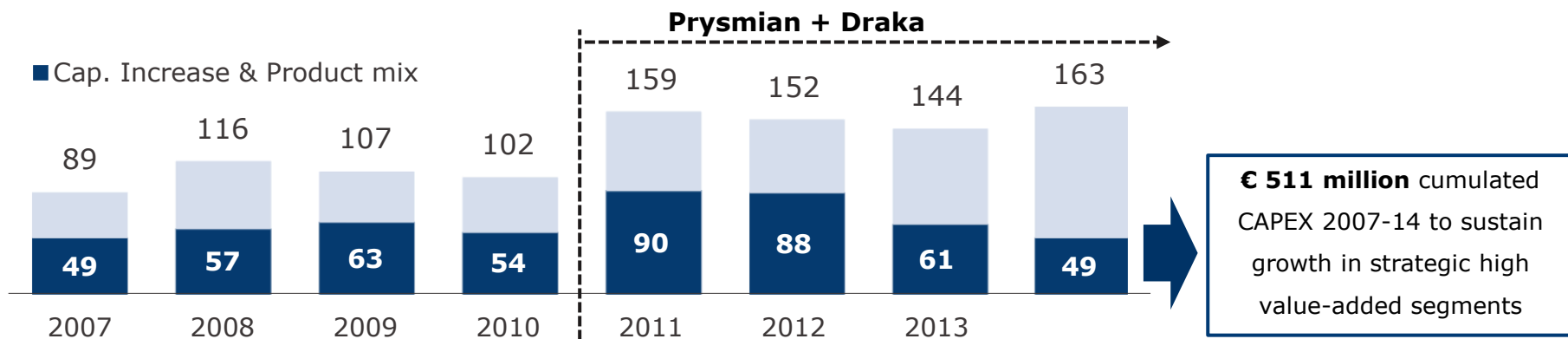
Note: 2012-13 restated in application of IFRS 10-11 and reclassification of share of net income

\* By Prysmian SpA

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

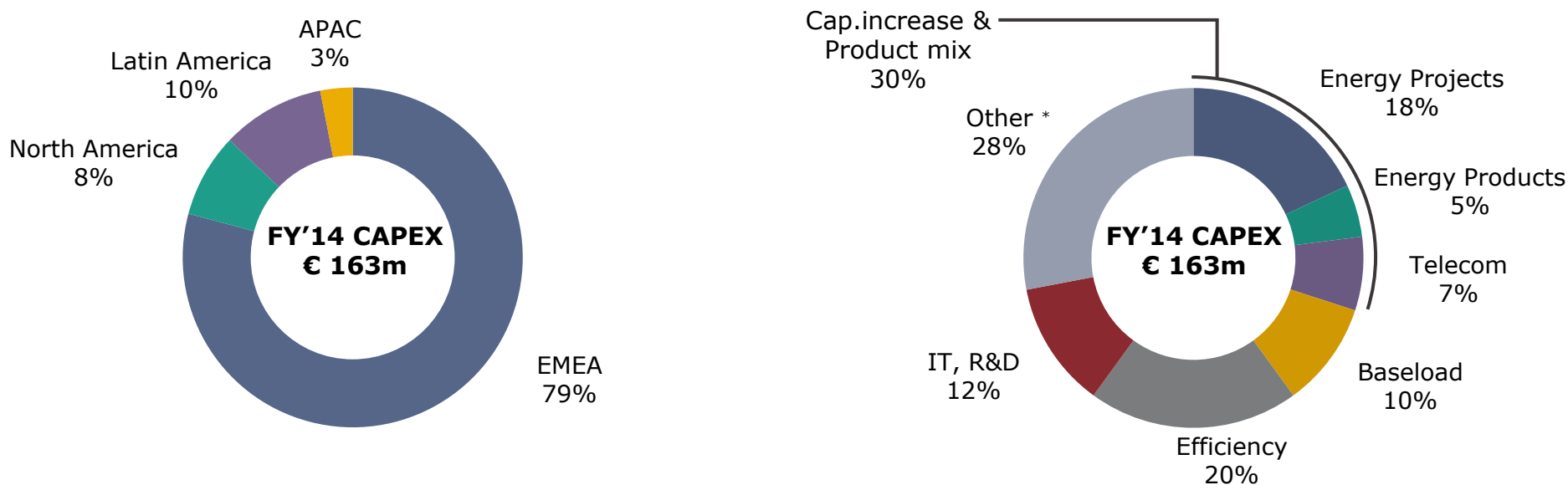
Investments focused on business with long term drivers and high entry barriers

## CAPEX 2007-2014 (€ mln)



Note: Draka consolidated since 1 March 2011

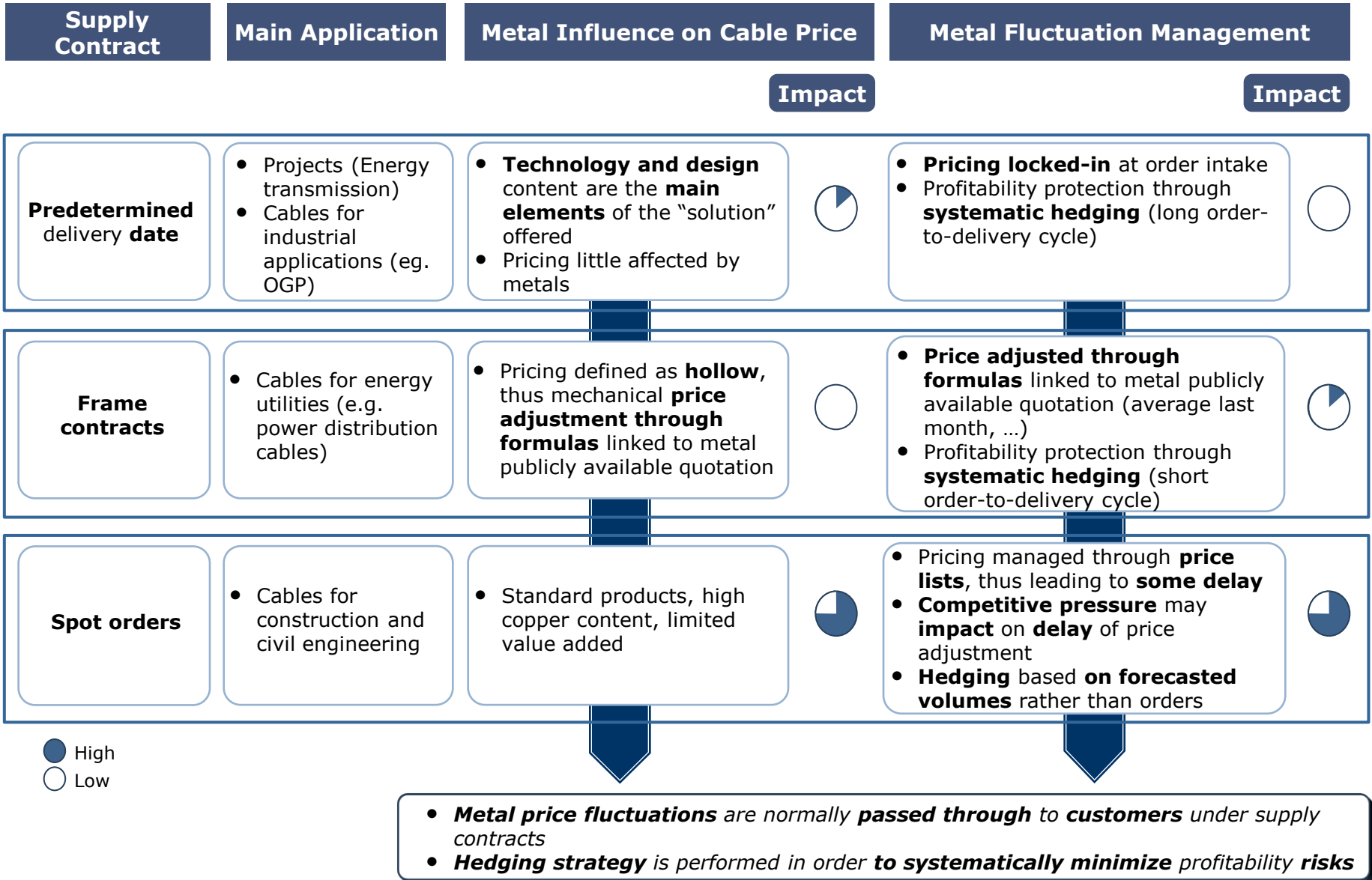
## CAPEX 2014 breakdown



\* Mainly represented by the work to upgrade the "Cable Enterprise", the acquisition of the industrial building in Pikkala (Finland) and continued work on building the Group's new headquarters in Milan



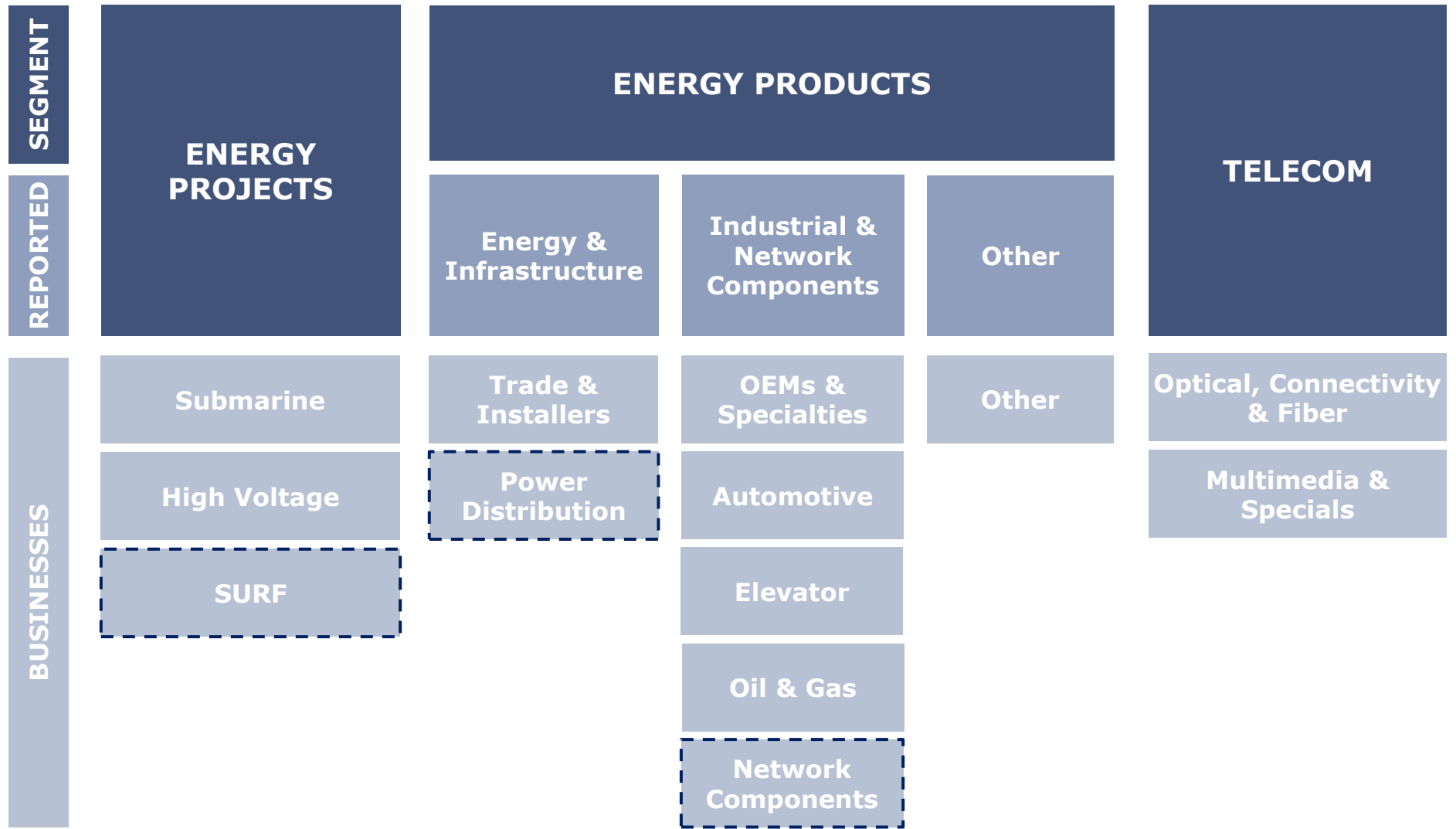
# Metal Price Impact on Profitability



- Group overview
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  - **Financials**

# New segment reporting

Effective from FY 2014



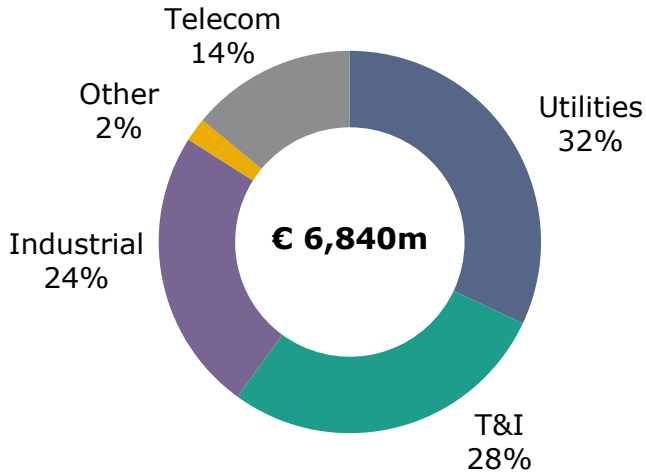
 **Change in reporting**

# New segment reporting

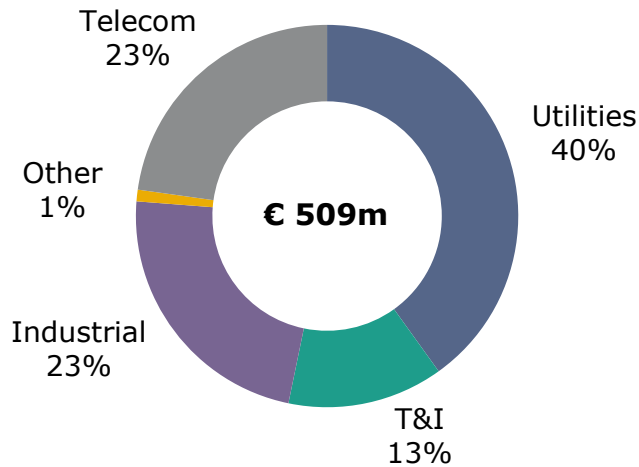
Sales and Adj.EBITDA breakdowns

## Previous Segment Reporting

### Sales

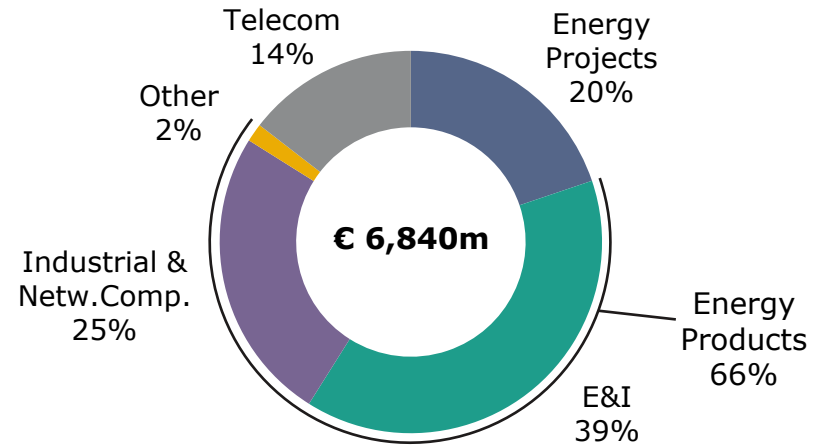


### Adj.EBITDA

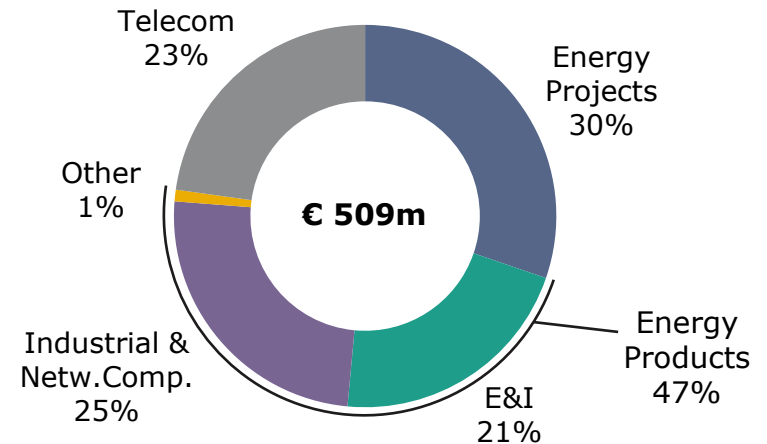


## New Segment Reporting

### 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 <sup>1)</sup>
<b>Sales to Third Parties</b>	<b>1,416</b>	<b>(61)</b>	<b>1,355</b>	<b>1,360</b>
<i>YoY total growth</i>	4.2%		(0.3%)	
<i>YoY organic growth</i>	6.1%		1.7%	
<b>Adj. EBITDA</b>	<b>248</b>	<b>(94)</b>	<b>154</b>	<b>231</b>
<i>% on sales</i>	17.5%		11.3%	17.0%
<b>Adj. EBIT</b>	<b>208</b>	<b>(94)</b>	<b>114</b>	<b>192</b>
<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 <sup>1)</sup>	
Sales to Third Parties	<b>E&amp;I</b>	<b>2,677</b>	<b>2,747</b>
	<i>YoY total growth</i>	(2.6%)	
	<i>YoY organic growth</i>	2.7%	
	<b>Industrial &amp; Netw. Comp.</b>	<b>1,708</b>	<b>1,788</b>
	<i>YoY total growth</i>	(4.4%)	
	<i>YoY organic growth</i>	(0.3%)	
	<b>Other</b>	<b>106</b>	<b>114</b>
<i>YoY total growth</i>	(7.6%)		
<i>YoY organic growth</i>	(4.8%)		
<b>ENERGY PRODUCTS</b>	<b>4,491</b>	<b>4,649</b>	
<i>YoY total growth</i>	(3.4%)		
<i>YoY organic growth</i>	1.4%		
Adj. EBITDA	<b>E&amp;I</b>	<b>108</b>	<b>127</b>
	<i>% on sales</i>	4.0%	4.6%
	<b>Industrial &amp; Netw. Comp.</b>	<b>126</b>	<b>141</b>
	<i>% on sales</i>	7.4%	7.9%
	<b>Other</b>	<b>5</b>	<b>8</b>
<i>% on sales</i>	4.6%	7.0%	
<b>ENERGY PRODUCTS</b>	<b>239</b>	<b>276</b>	
<i>% on sales</i>	5.3%	5.9%	
Adj. EBIT	<b>E&amp;I</b>	<b>74</b>	<b>90</b>
	<i>% on sales</i>	2.8%	3.3%
	<b>Industrial &amp; Netw. Comp.</b>	<b>100</b>	<b>116</b>
	<i>% on sales</i>	5.9%	6.5%
	<b>Other</b>	<b>3</b>	<b>4</b>
<i>% on sales</i>	3.2%	3.8%	
<b>ENERGY PRODUCTS</b>	<b>177</b>	<b>210</b>	
<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 <sup>1)</sup>
<b>Sales to Third Parties</b>	<b>994</b>	<b>986</b>
<i>YoY total growth</i>	<i>0.8%</i>	
<i>YoY organic growth</i>	<i>4.0%</i>	
<b>Adj. EBITDA</b>	<b>116</b>	<b>106</b>
<i>% on sales</i>	<i>11.7%</i>	<i>10.8%</i>
<b>Adj. EBIT</b>	<b>74</b>	<b>63</b>
<i>% on sales</i>	<i>7.4%</i>	<i>6.4%</i>

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

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



# Financial Structure

Euro Millions

## Debt structure (€m)

	31.12.14	30.09.14	31.12.13 <sup>(1)</sup>
Term Loan 2010 <sup>(2)</sup>	-	-	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
<b>Total Gross Debt</b>	<b>1,398</b>	<b>1,702</b>	<b>1,438</b>
Cash & Cash equivalents	(494)	(311)	(510)
Other Financial Assets	(92)	(88)	(114)
<b>NFP Vs third parties</b>	<b>812</b>	<b>1,303</b>	<b>814</b>
Bank Fees	(10)	(11)	(9)
<b>NFP</b>	<b>802</b>	<b>1,292</b>	<b>805</b>

## 31.12.2014 (€m)

Used	Available Funds <sup>(3)</sup>	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	-	-
<b>1,398</b>	<b>1,470</b>	<b>2.8 y<sup>(4)</sup></b>
(494)	494	
(92)	76	
<b>812</b>	<b>2,040</b>	

(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

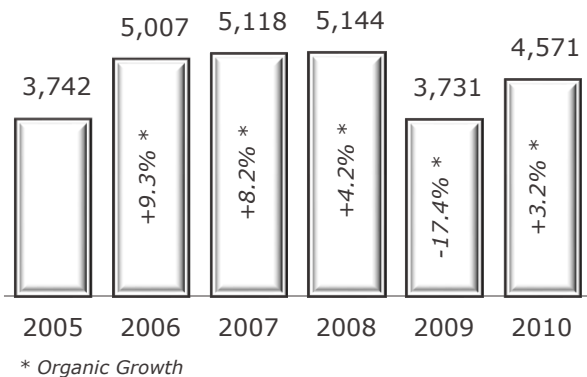
(4) Average maturity as of 31 December 2014 excluding other debt

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

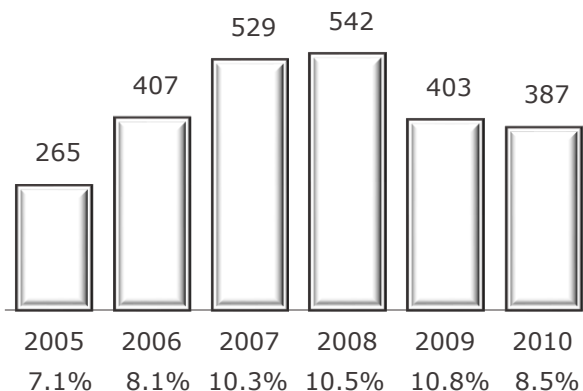
# Prysmian Historical Key Financials

Euro Millions, % of Sales – Pre Draka acquisition

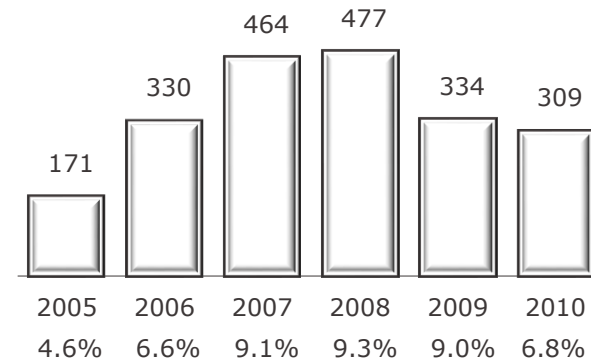
## Sales



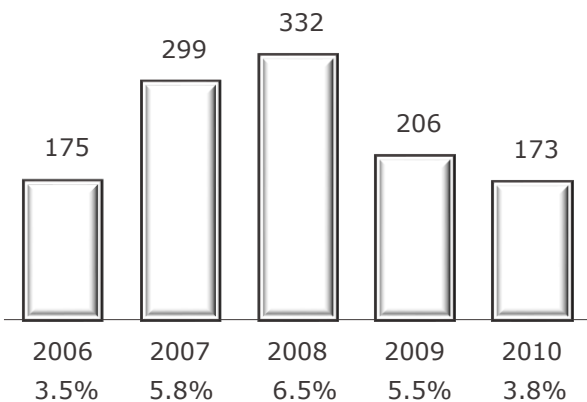
## Adjusted EBITDA (1)



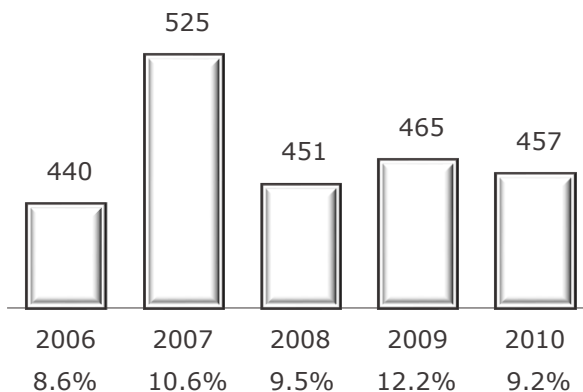
## Adjusted EBIT (2)



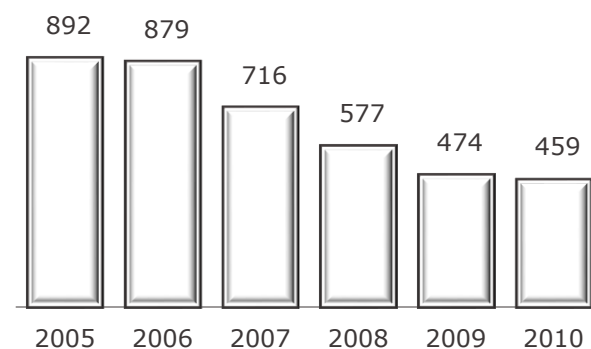
## Adjusted Net Income (3)



## Operative NWC (4)



## Net Financial Position



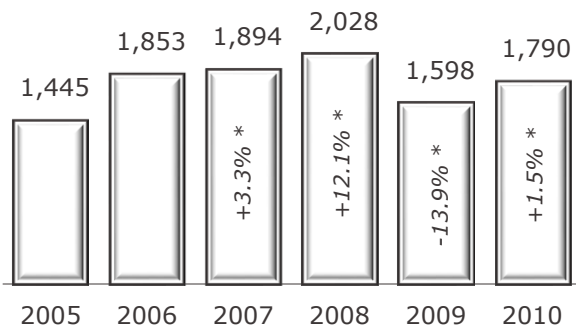
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair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

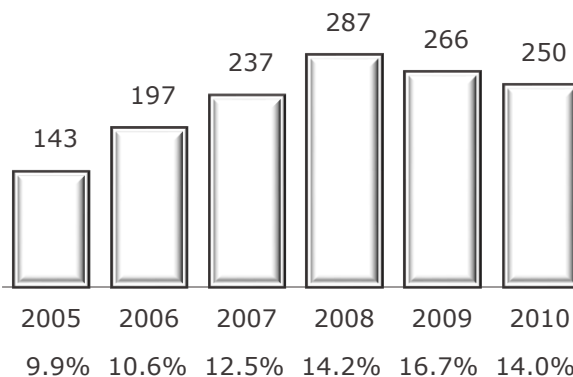
Utilities

## Sales Vs Third Parties

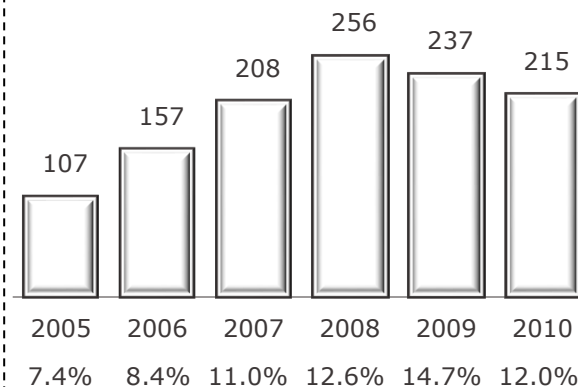


\* Organic Growth

## Adjusted EBITDA (1)

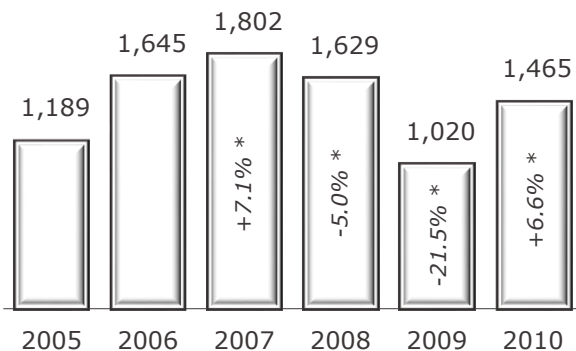


## Adjusted EBIT (2)



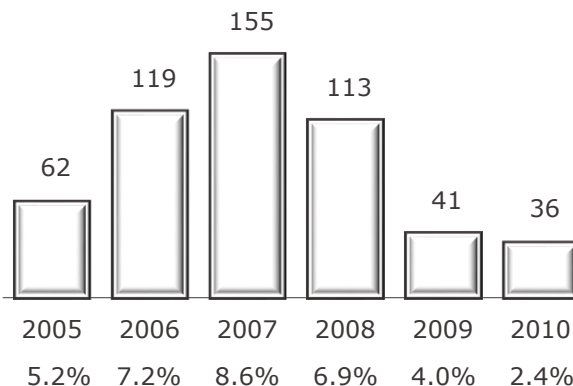
T&I

## Sales Vs Third Parties

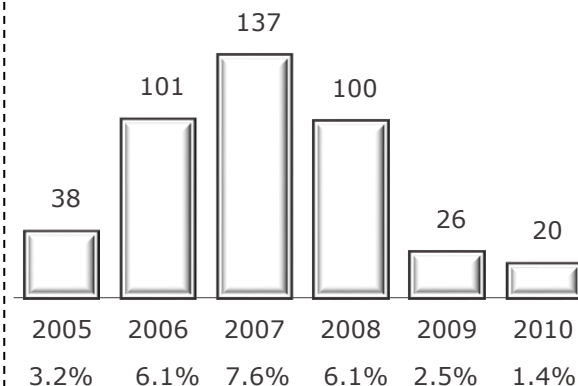


\* Organic Growth

## Adjusted EBITDA (1)



## Adjusted EBIT (2)



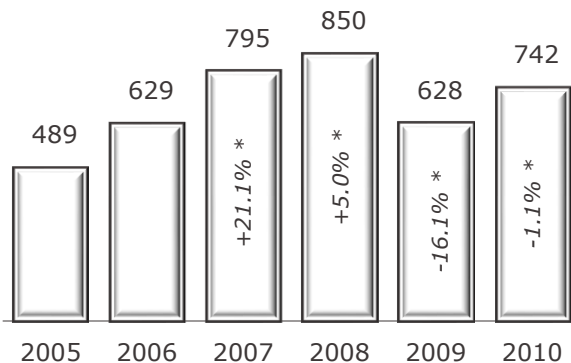
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

# Historical Key Financials by Business Area – 2/2

Euro Millions, % of Sales – Pre Draka acquisition

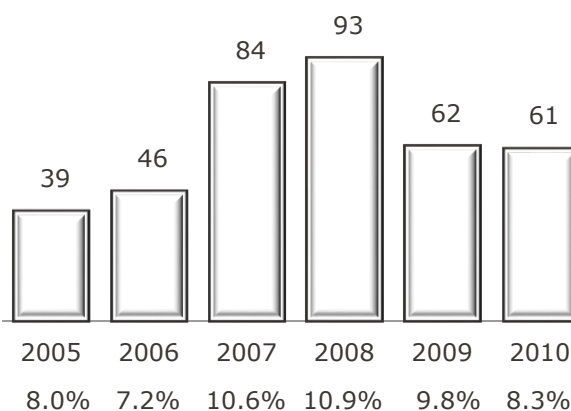
Industrial

## Sales Vs Third Parties

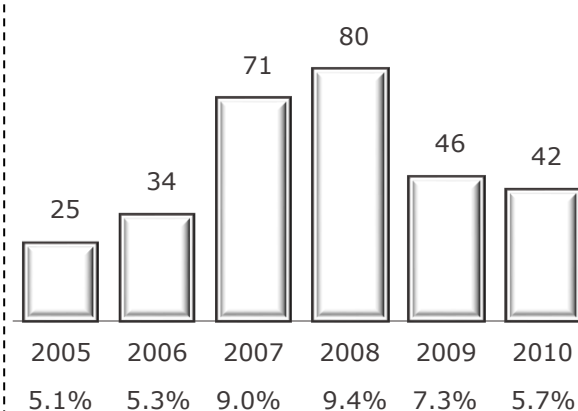


\* Organic Growth

## Adjusted EBITDA (1)

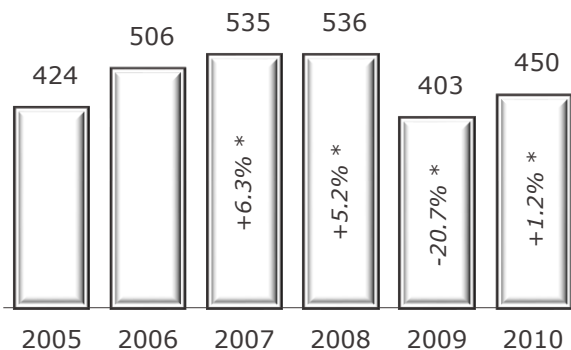


## Adjusted EBIT (2)



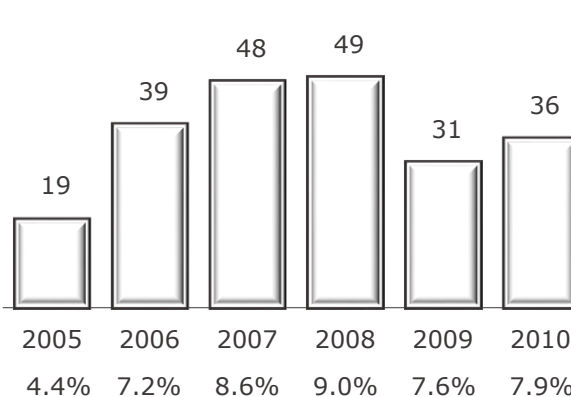
Telecom

## Sales Vs Third Parties

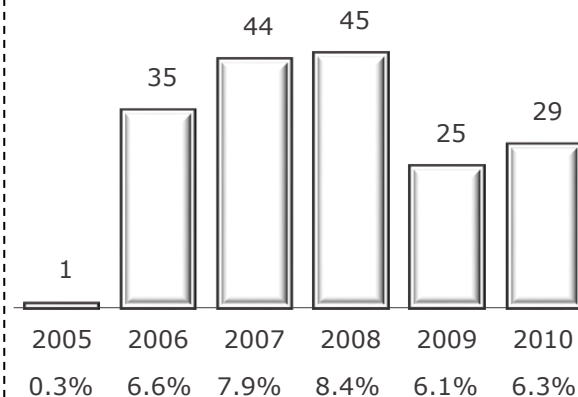


\* Organic Growth

## 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
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- **Appendix**
  - **Energy Projects and Energy Products**

# Investing in submarine to increase ROCE

Strengthening production and installation (Cable Enterprise) capabilities



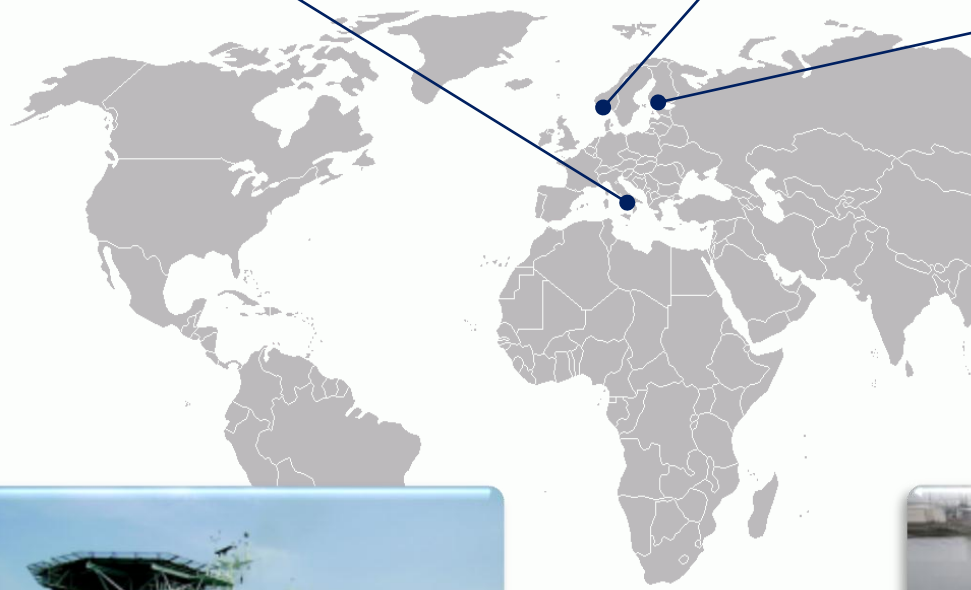
Arco Felice (Italy)



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



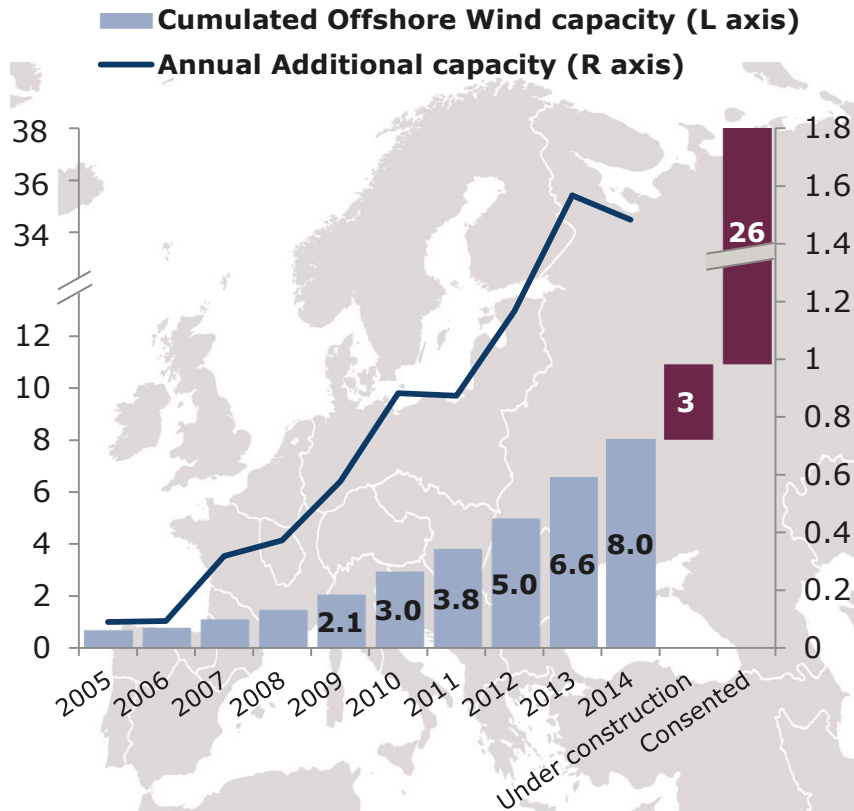
Cable Enterprise

- 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

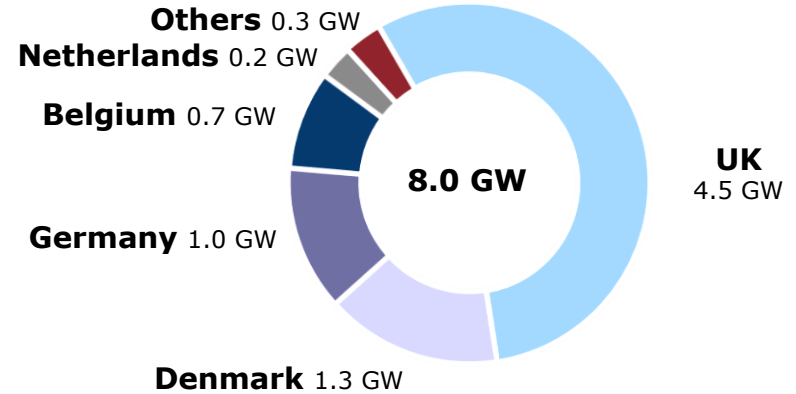
## Europe Offshore Wind capacity (GW)



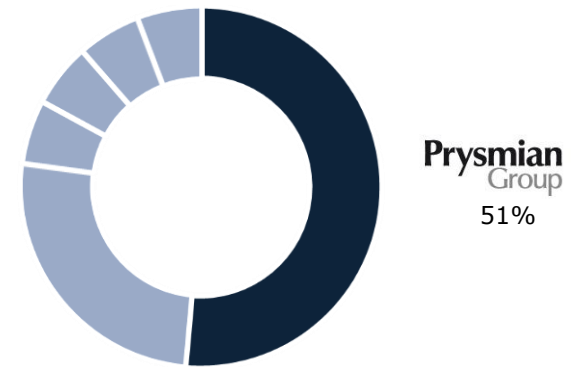
- **Capacity Increase: 1.5 GW** in 2014
- **Total capacity: 8.0 GW** at end 2014 (+23% vs. 2013)
- **Under construction: 3 GW** at end 2014
- **Consented: 26 GW**

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

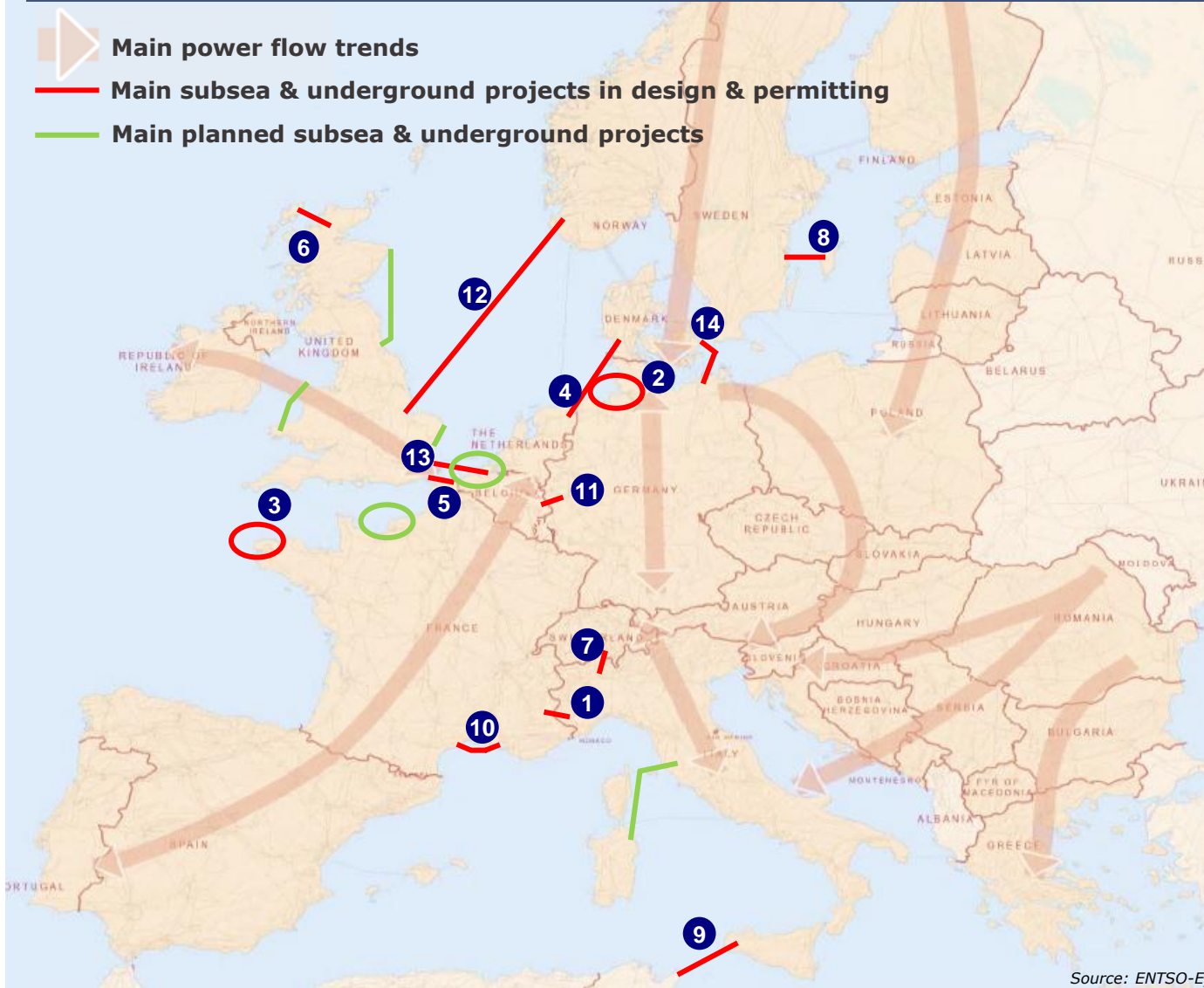
## Main subsea and underground projects of pan-European significance



Main power flow trends

Main subsea & underground projects in design & permitting

Main planned subsea & underground projects



## List of main projects

1. Italy – France
2. Germany (Borwin IV, Dolwin VI)
3. France Off-Shore
4. Cobra (NL-DK)
5. France – UK (Eurotunnel)
6. Western Isles Link
7. Green Connector
8. Västervik – Gotland
9. Tunisia – Italy
10. Marseille – Languedoc
11. ALEGrO (Belgium – Germany)
12. NSN (Norway – UK)
13. Nemo (UK-Belgium)
14. 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

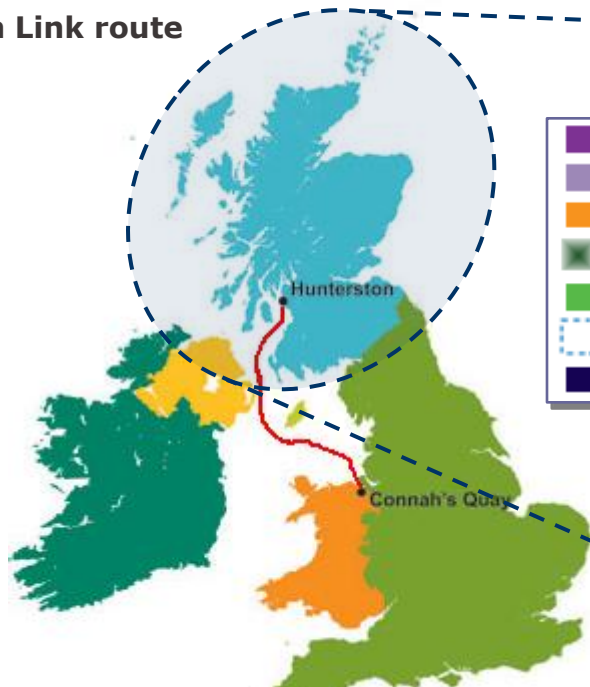
- Cable Enterprise vessel conversion to improve installation capacity
- New investment worth approx. €40m in Pikkala and Arco Felice to enhance the production capability to meet the order backlog requirements
- Leverage on strong off-shore wind-farms trend
- Secure orders to protect long-term growth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

Latest Key projects	Customers	Period	€m*
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
Kahramaa	Qatar General Elect.	2009-10	140
Greater Gabbard	Fluor Ltd	2009-10	93

\* Prysman portion of the project

# Western Link a milestone in the submarine sector

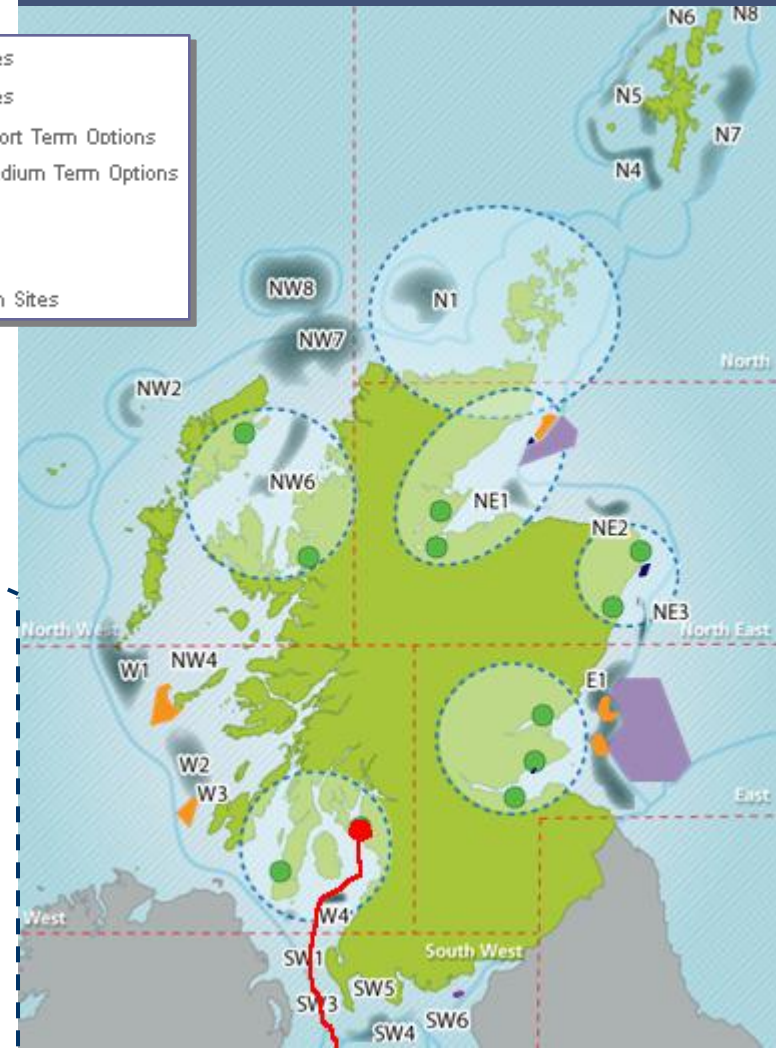
## Western Link route



## 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



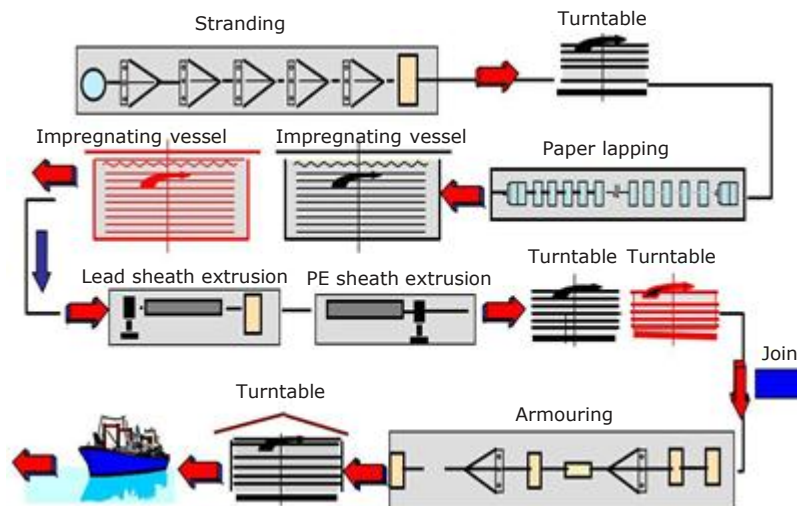
Source: [www.offshorewindscotland.org](http://www.offshorewindscotland.org), [www.westernhvdlink.co.uk](http://www.westernhvdlink.co.uk)

# Western Link: a strong recovery to properly address the production issue and minimize the economic impact

## Project Highlights

- Awarded in February 2012 to Prysmian-Siemens consortium
- Customers: National Grid-Scottish Power JV
- Project value approx. **€800m** (cables)
- **Over 400km** link (388km submarine, 36km land) of HVDC cable, bi-pole with PPL (Paper Polypropylene Laminate) insulation
- First worldwide project with PPL technology
- Unmatched voltage (**600kV**) and transmission capacity (**2,200MW**)

## WL production process

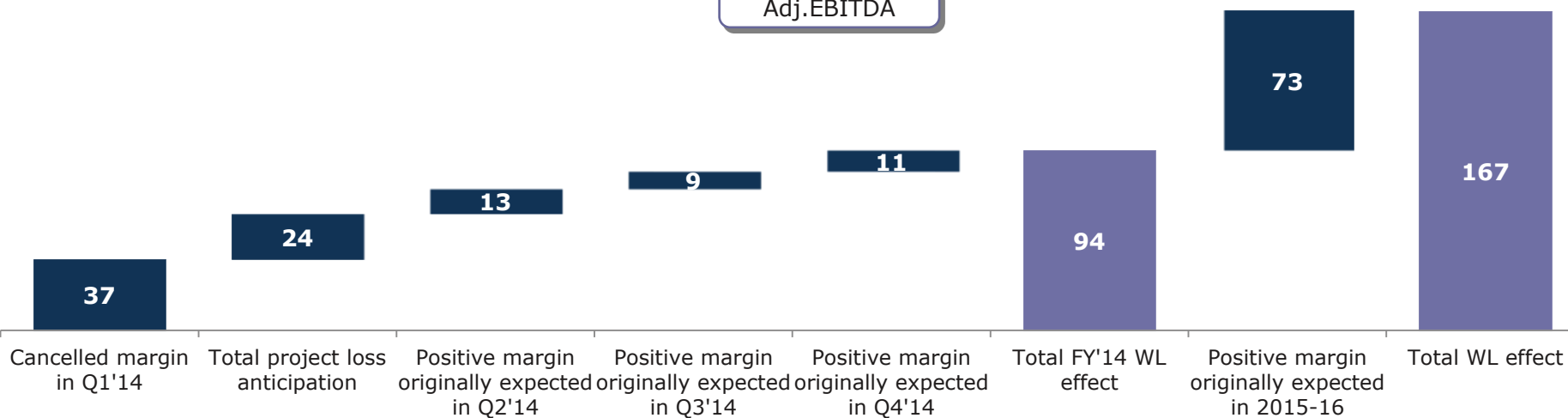


## Progress Status

- Cable called back from UK successfully passed the test and installed
- Recovery program on track
- Restored full production
- New delivery date agreed with customer: August 2017
- Total financial impact confirmed

## Financial Impact (€m)

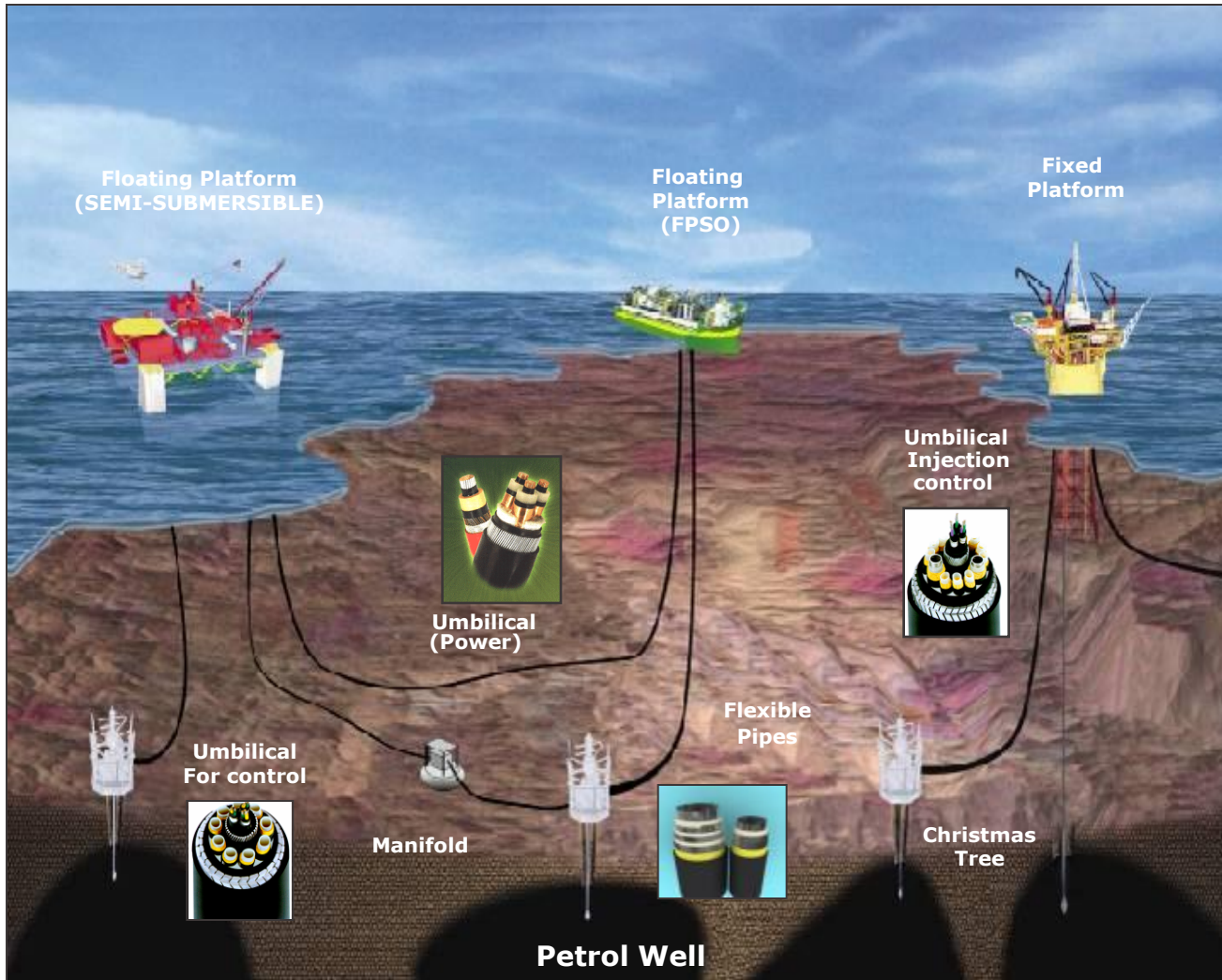
Adj.EBITDA



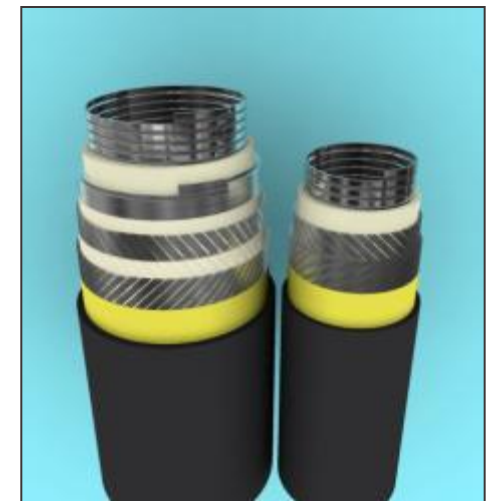
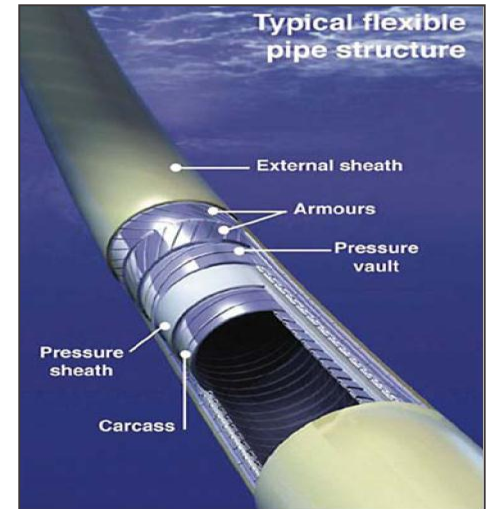


# SURF – Off-shore oil exploration

## Oilfield structure

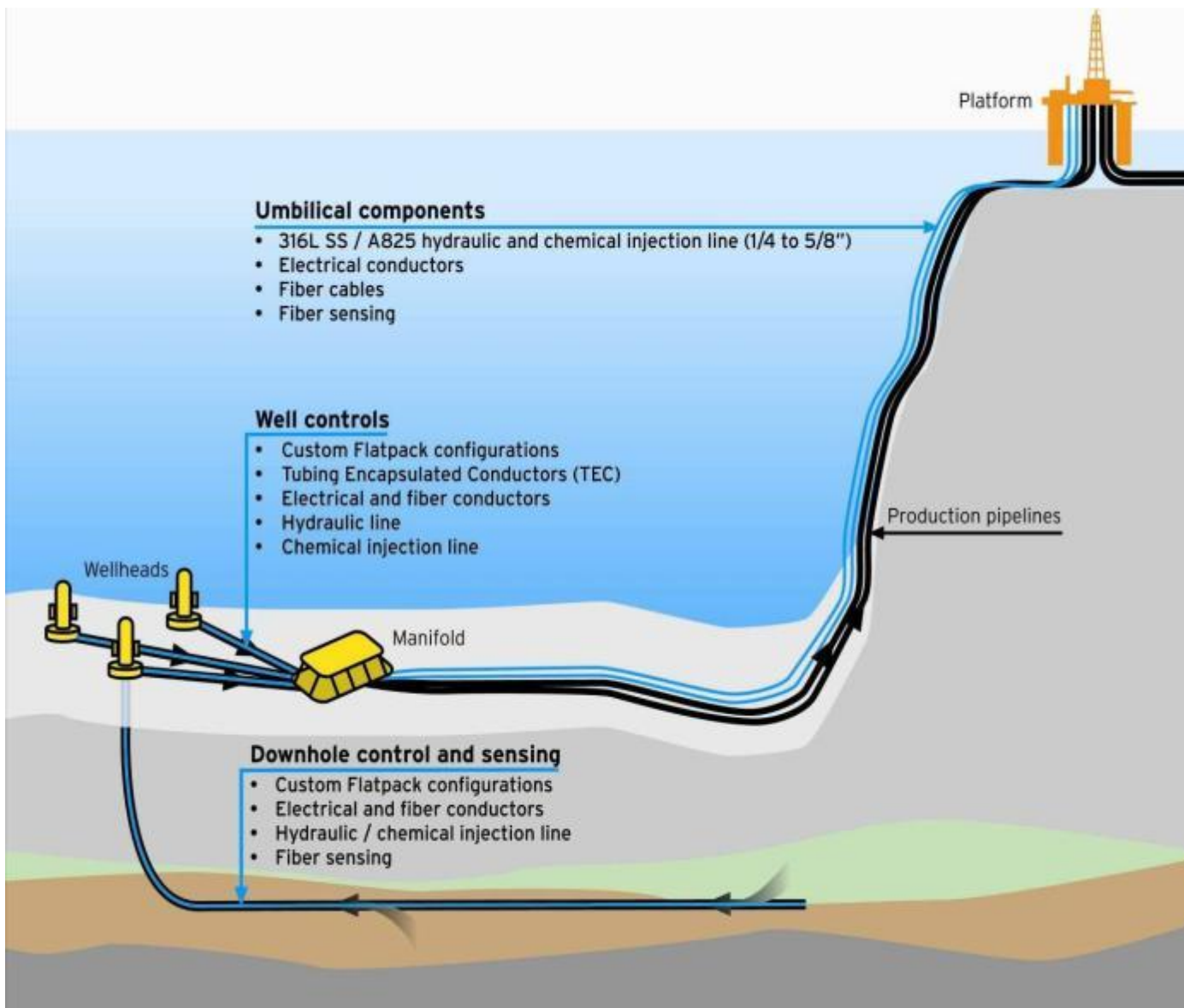


## Flexible Pipes

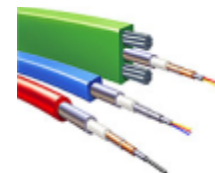


# SURF – Off-shore oil exploration

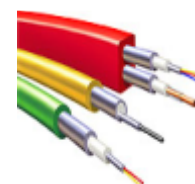
Cross selling opportunities driven by the Downhole technology business contributed by Draka



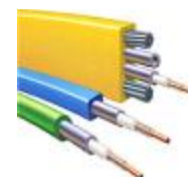
## Downhole Technology (DHT)



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

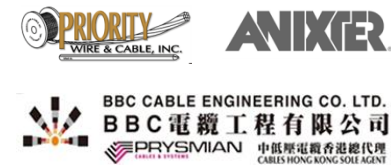
### Contractors & Installers



### Wholesalers



### Specialized distributors



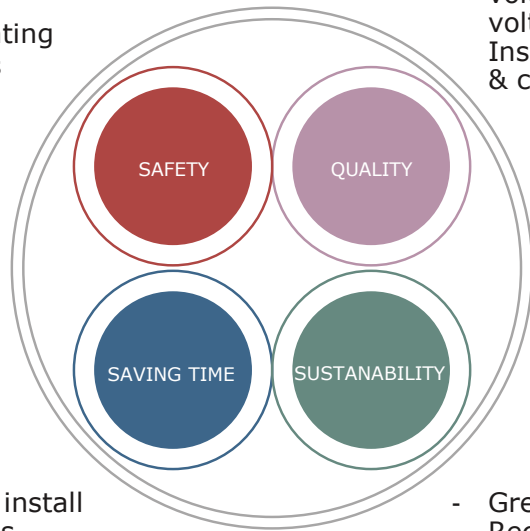
## Offer overview

**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

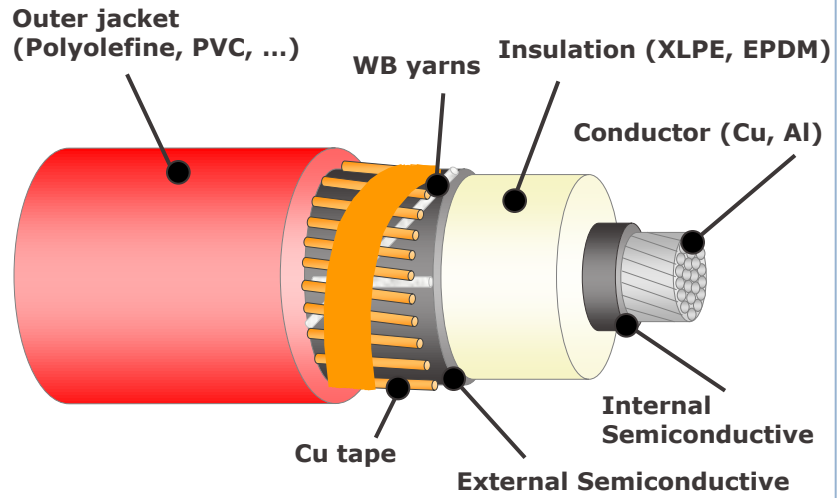
Large and differentiated customer base generally served through direct sales



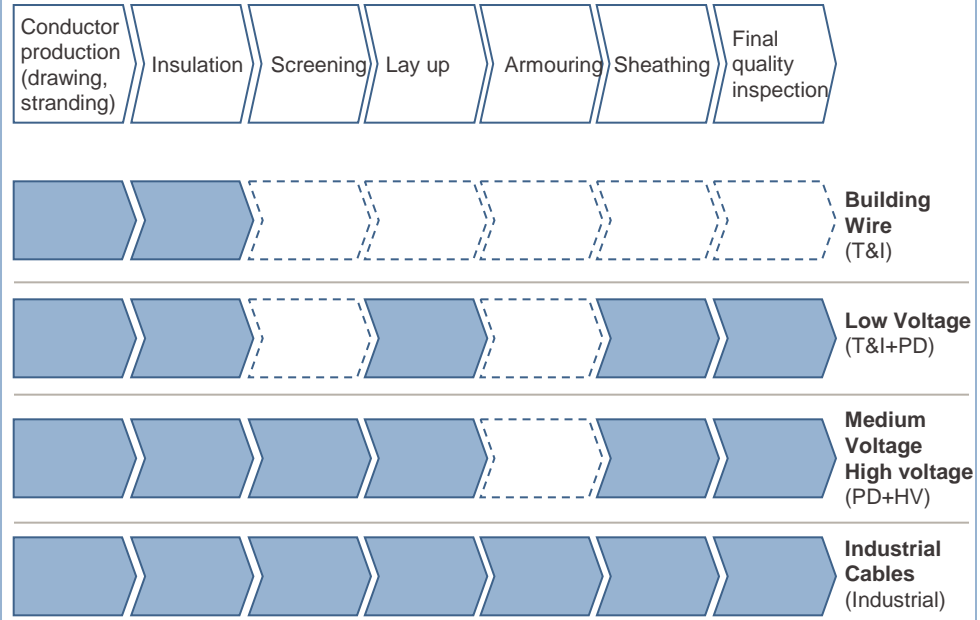


# Macro-structure of Energy Cables

## Product macro structure



## Production process



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

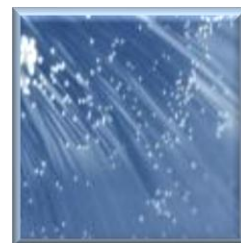
Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



### 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

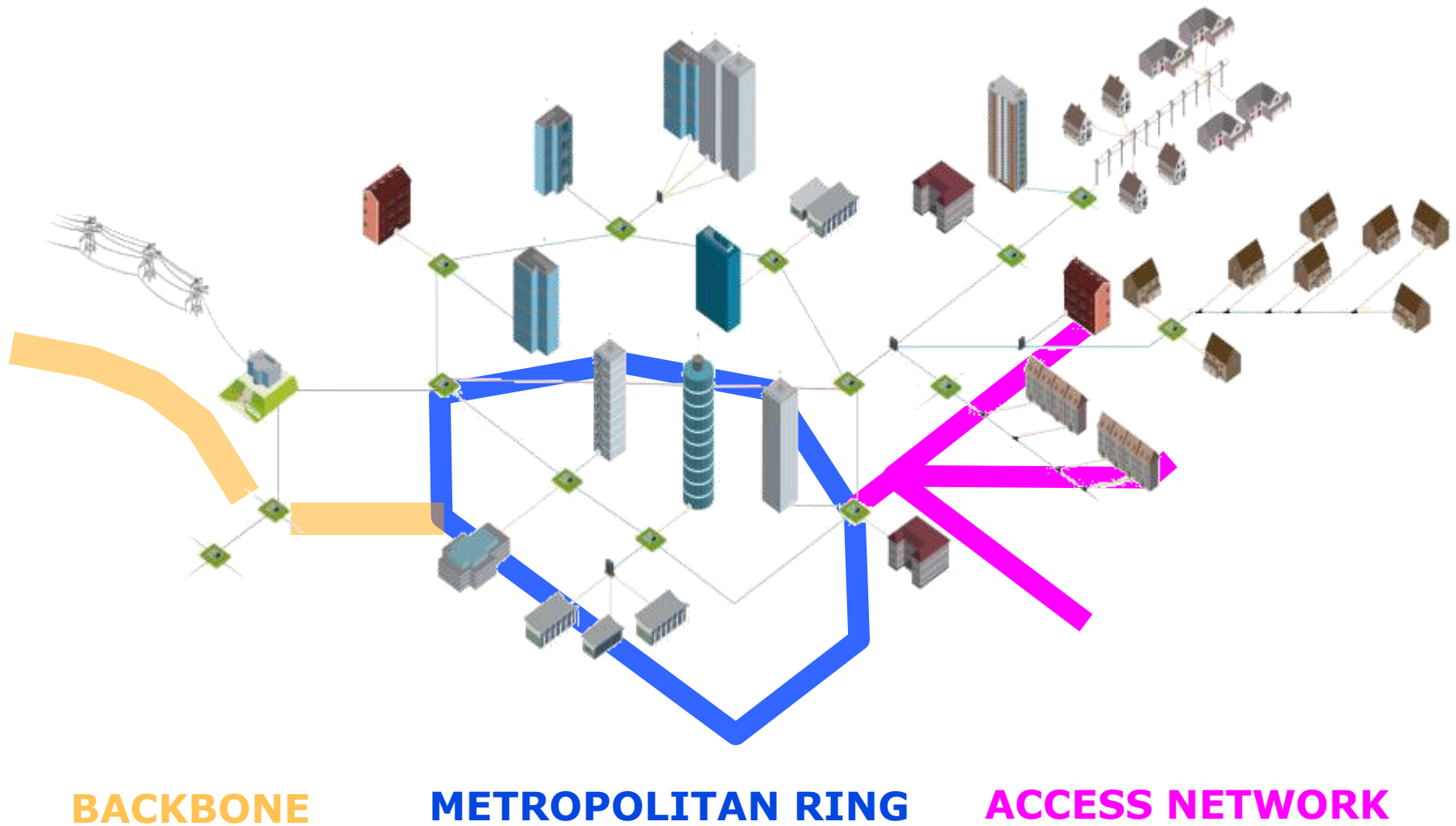
### Strategic value of fibre

- 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**

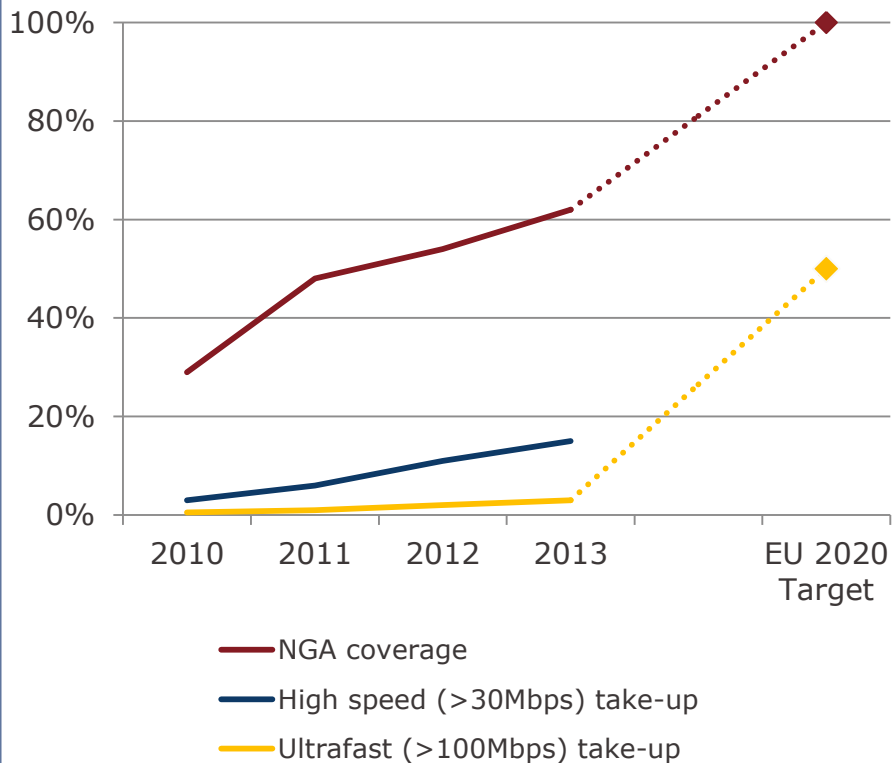
**METROPOLITAN RING**

**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



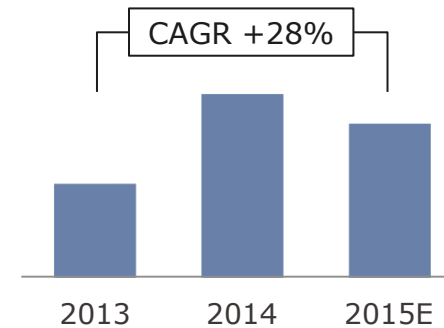
- Coverage of NGA technologies doubled since 2010, but further efforts are requested to meet 2020 target of 100% coverage
- Take-up of ultrafast (>100Mbps) broadband remains marginal (3% of homes) still faraway from 2020 target (50%)

Source: European Commission Digital Agenda Scoreboard 2014

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

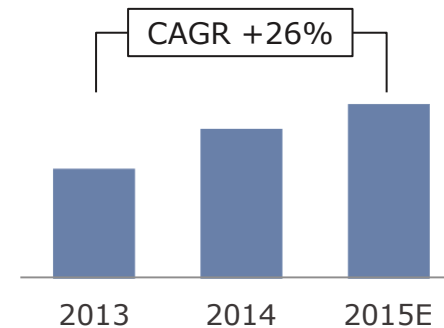
Consumption of fiber optic cable ('000,000 fiber km)

### 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

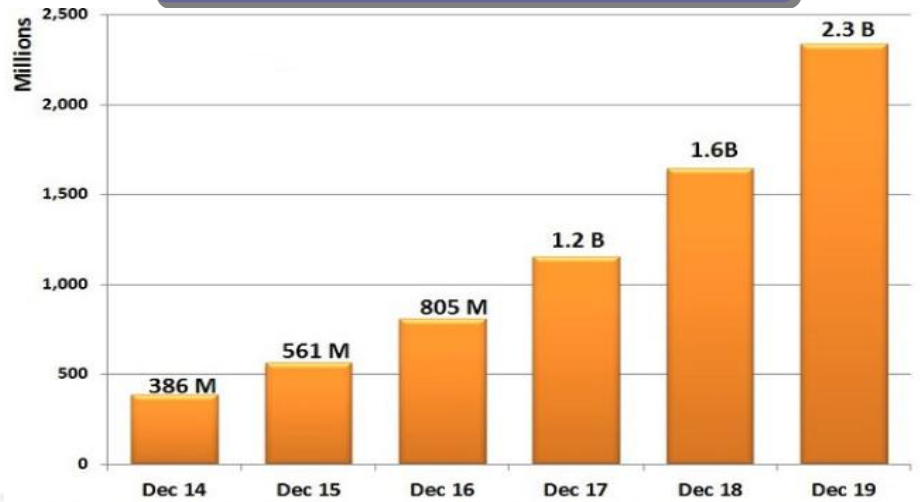
Source: CRU, January 2015; European Commission Digital Agenda Scoreboard 2014

# 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**

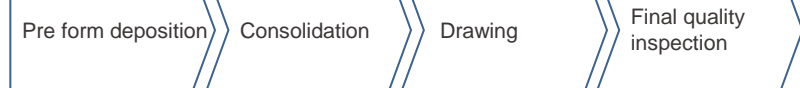
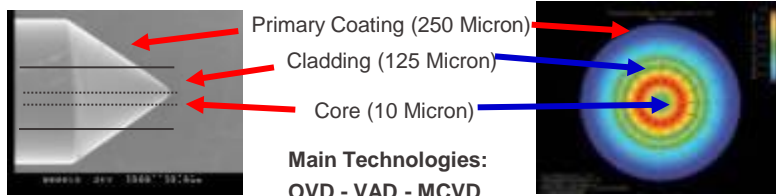
**Distributed antenna systems for dense mobile populations areas**

# Macro-structure of Telecom Cables

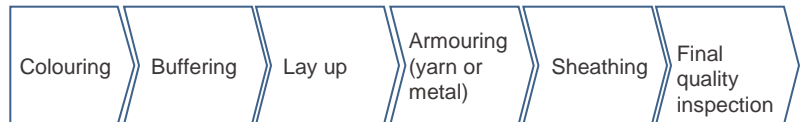
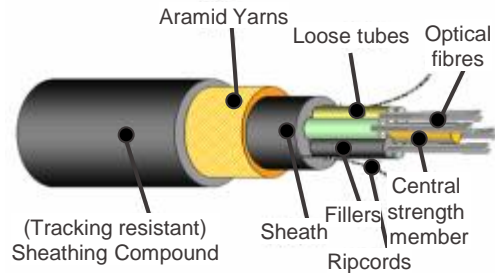
## Product macro structure

## Production process

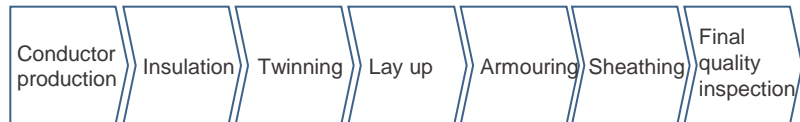
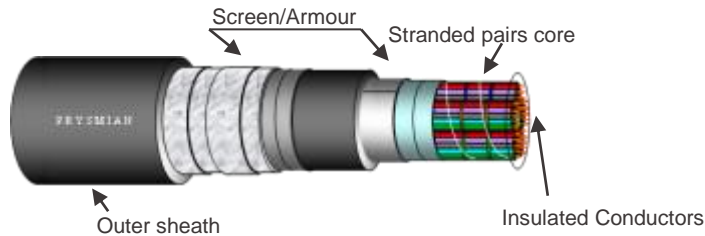
### Fibre optic



### Optical cables



### Copper cables

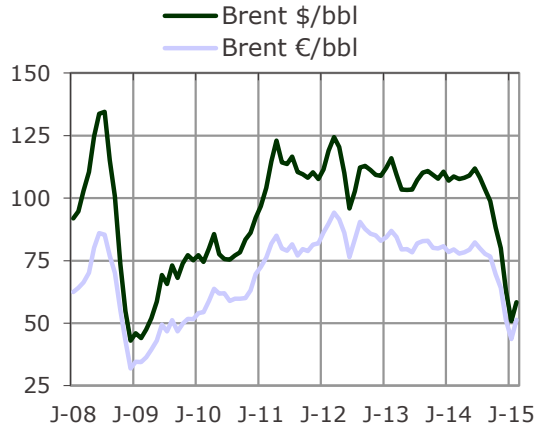




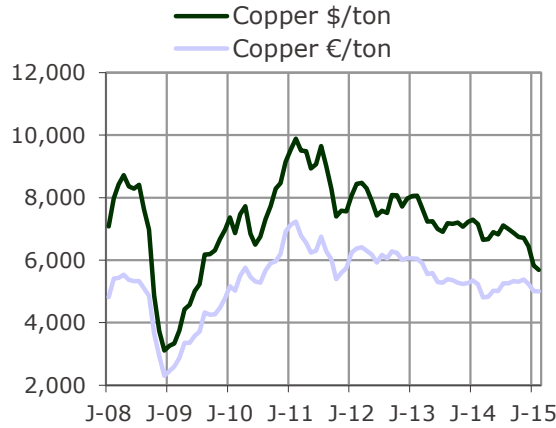
# Reference Scenario

## Commodities & Forex

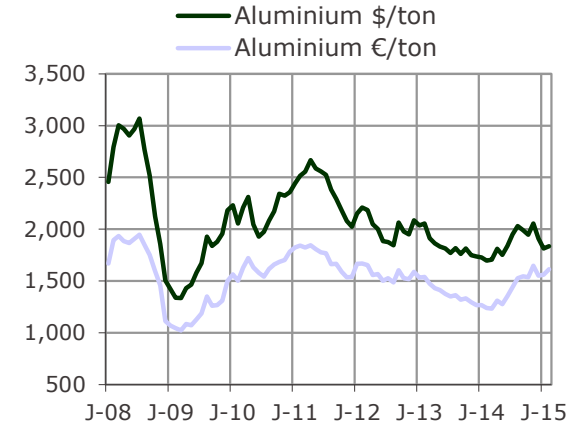
### Brent



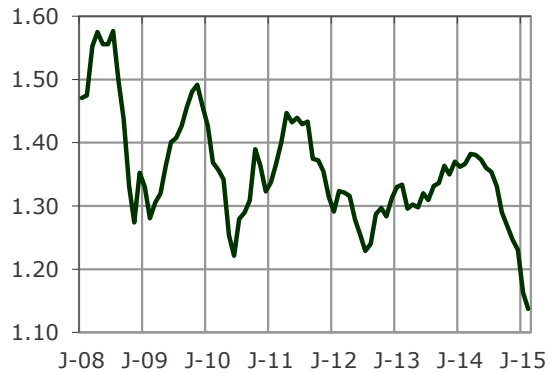
### Copper



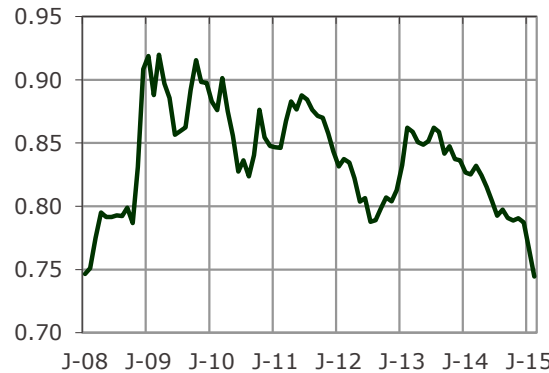
### Aluminium



### EUR / USD



### EUR / GBP



### EUR / BRL



Based on monthly average data  
Source: Nasdaq OMX

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