Prysmian Group Company Presentation

November 2017

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

Prysmian Group

PRYSMIAN
Draka

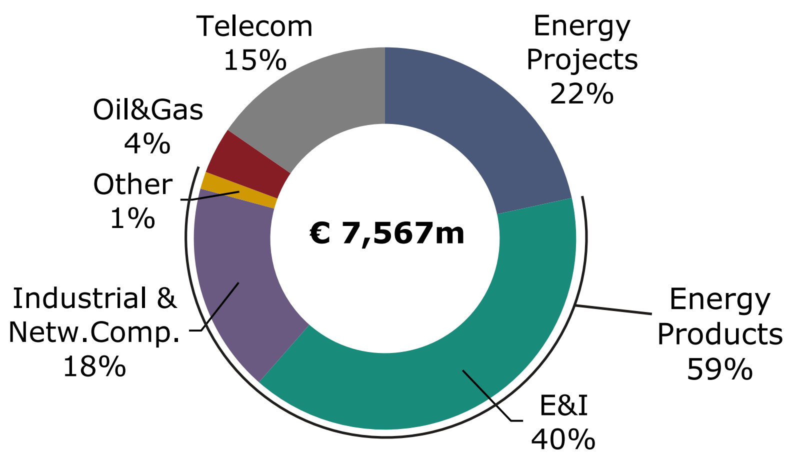
Agenda

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

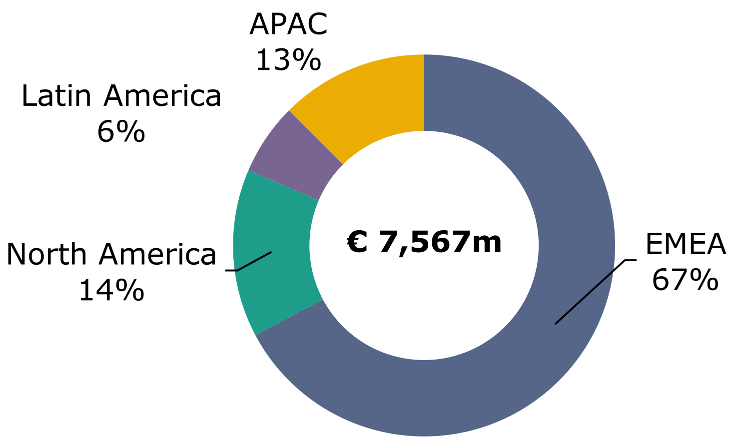
Prysmian group at a glance

FY 2016 Financial Results

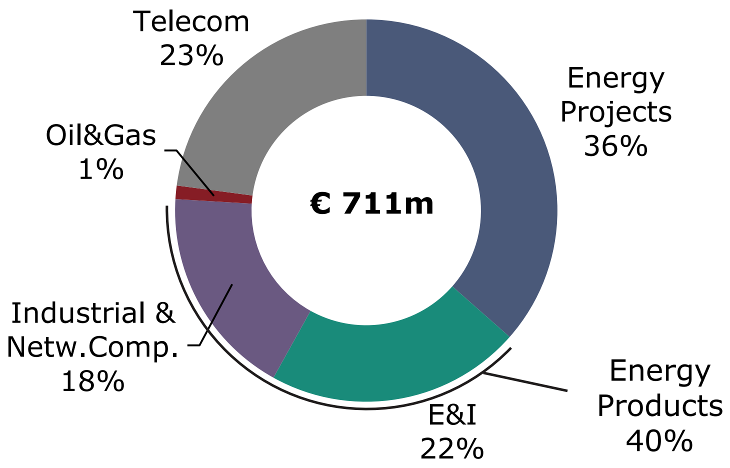
Sales breakdown by business



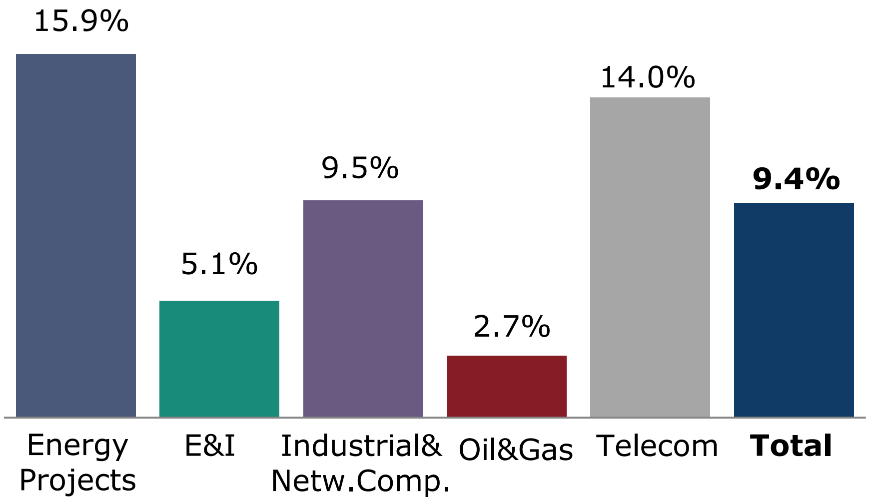
Sales breakdown by geography



Adj. EBITDA by business

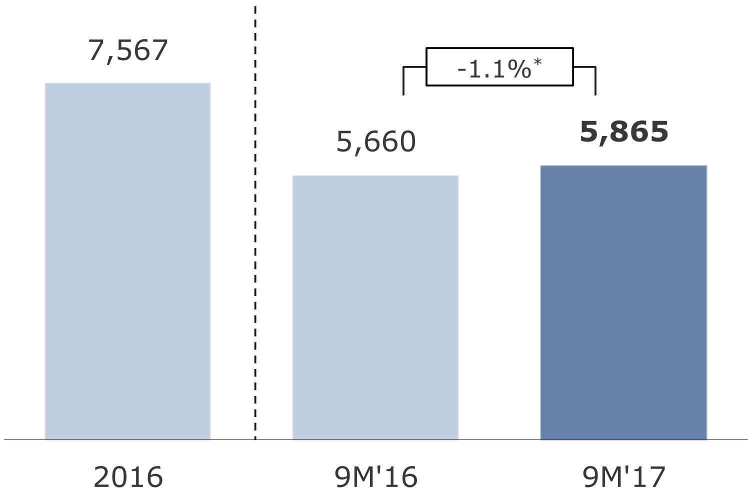


Adj. EBITDA margin



9M 2017 Key Financials
Euro Millions, % on Sales

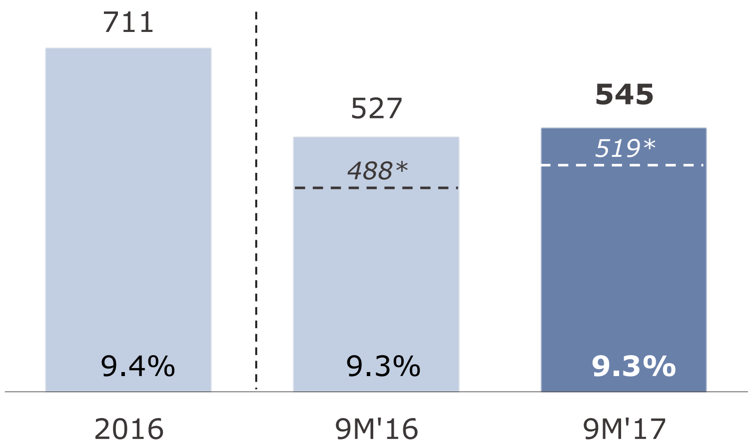
Sales



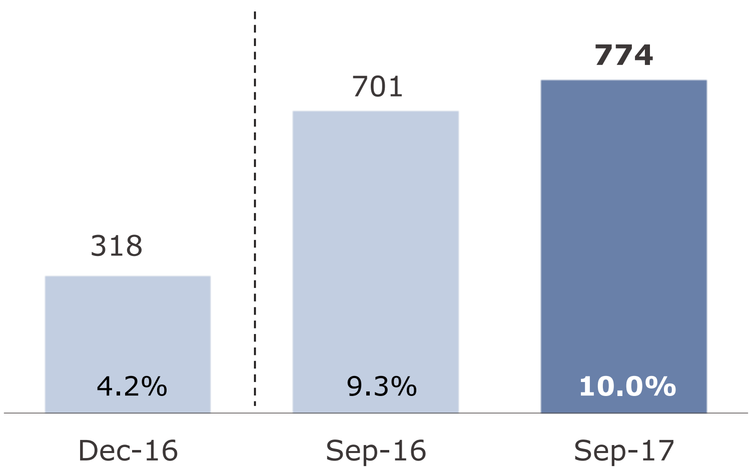
* Org. Growth

Adjusted EBITDA [1]

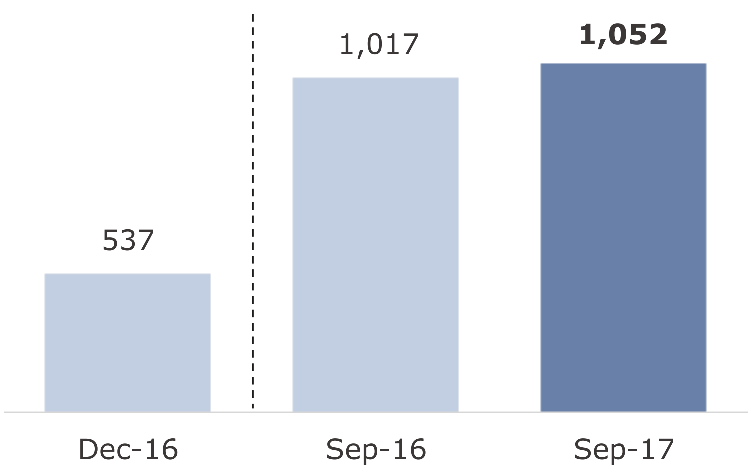
* 9M Adj.EBITDA excluding OCI
(OCI Contribution: €26m in 9M’17 vs. €39m in 9M’16)



Operative Net Working Capital [2]

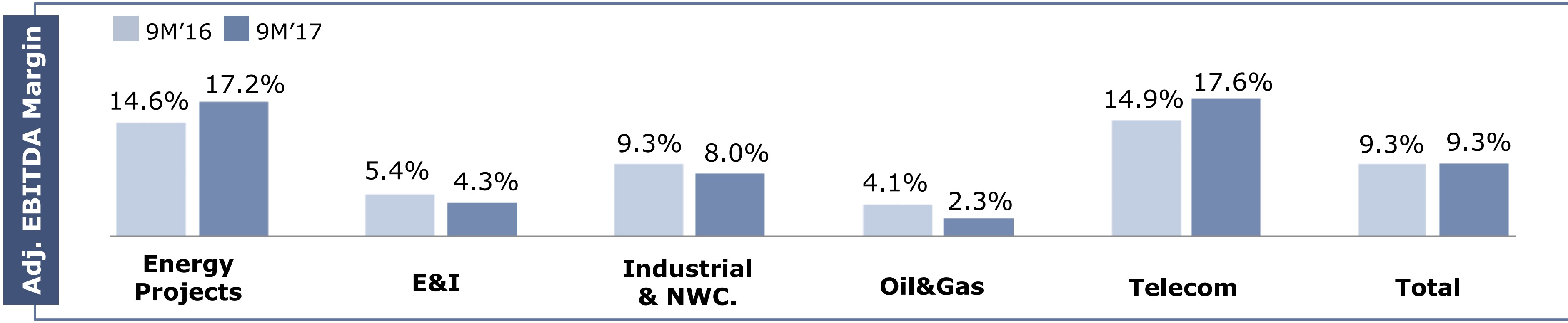


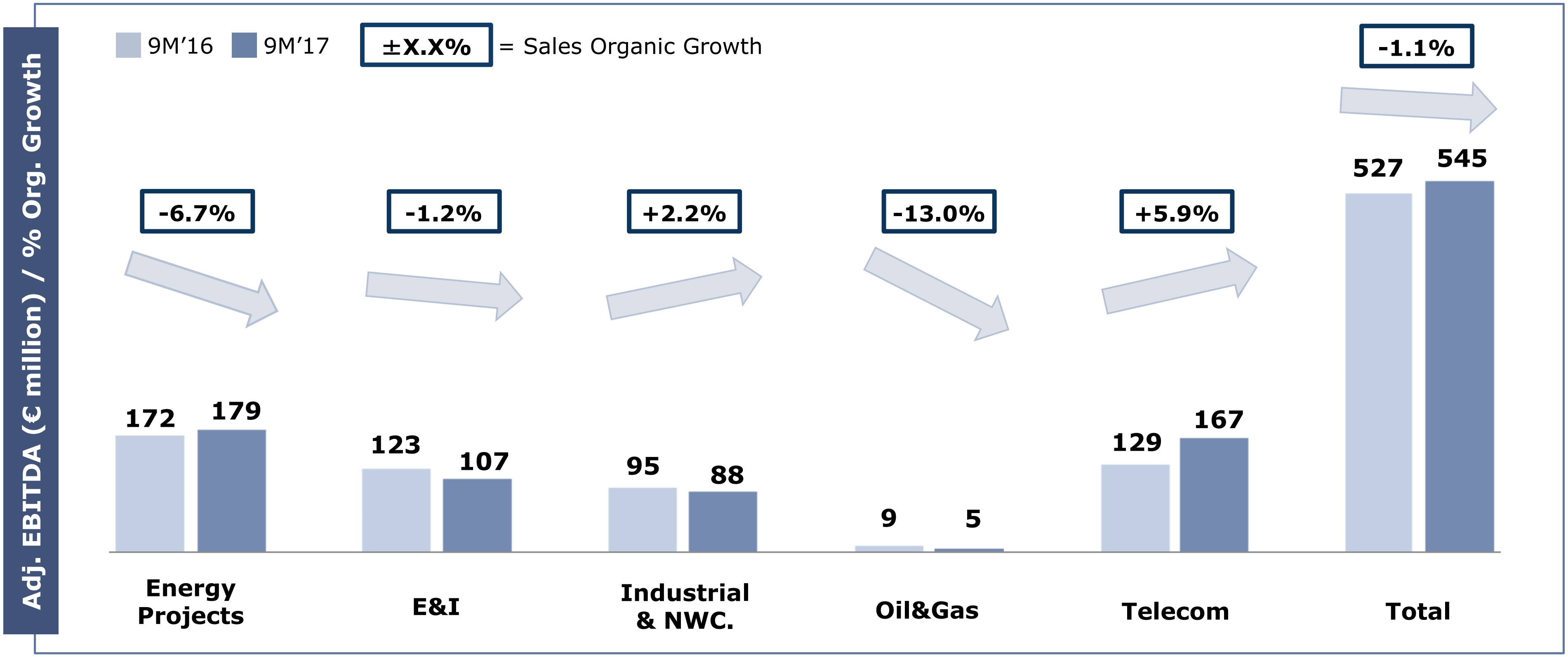
Net Financial Debt



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

Further margin expansion in value added businesses





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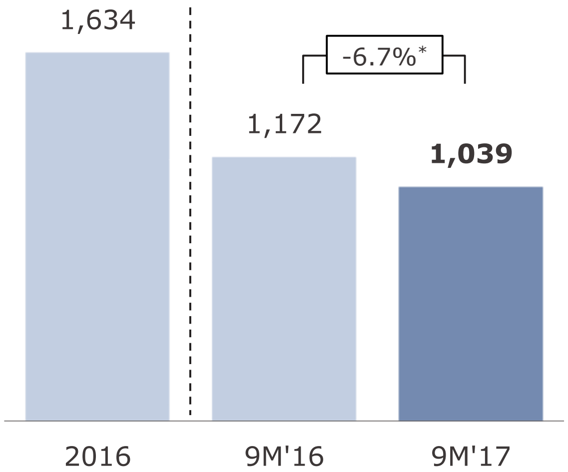
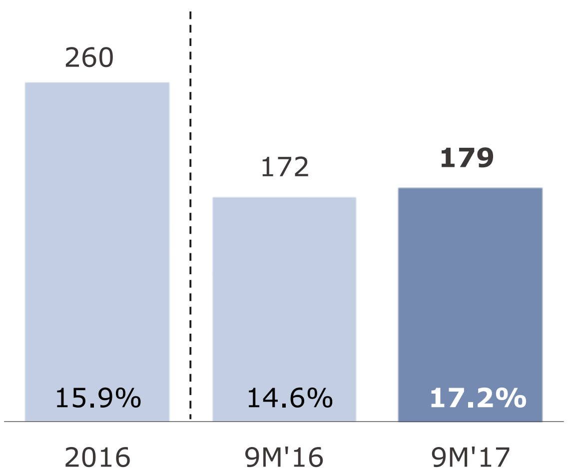
Energy Projects
Euro Millions, % on Sales

Sales



** Org. Growth*

Adj. EBITDA / % of Sales



Highlights

Submarine

- Adj.EBITDA margin improved over the year supported by insourced installation activities and favourable mix.
- Recent offshore wind auctions in UK at record-low LRoE demonstrates the increasing competitiveness of wind generation vs. traditional sources.

Underground High Voltage

- Slight organic decline, easing in Q3, driven by volume decrease in France, Nordics and US, partially compensated by the robust trend in APAC.
- Change of perimeter (China) negatively impacting profitability, partially offset by solid performance in APAC.

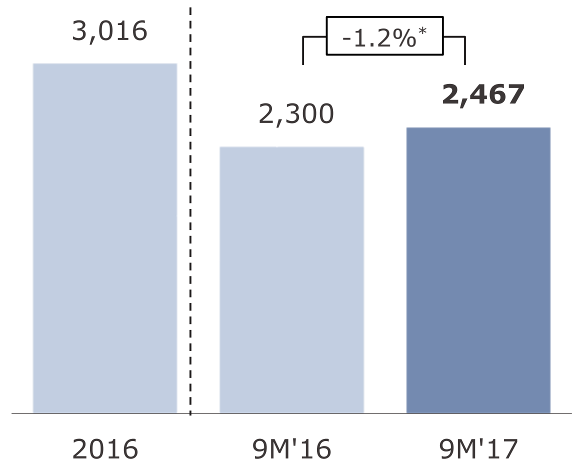
Orders Backlog Evolution (€ m)

	Dec '13	Dec '14	Dec '15	Sep '16	Dec '16	Sep'17
Underground HV	~450	~450	~600	~400	~350	~400
Submarine	~2,050	~2,350	~2,600	~2,200	~2,050	~2,100
Group	**~2,500**	**~2,800**	**~3,200**	**~2,600**	**~2,400**	**~2,500**

Energy & Infrastructure

Euro Millions, % on Sales

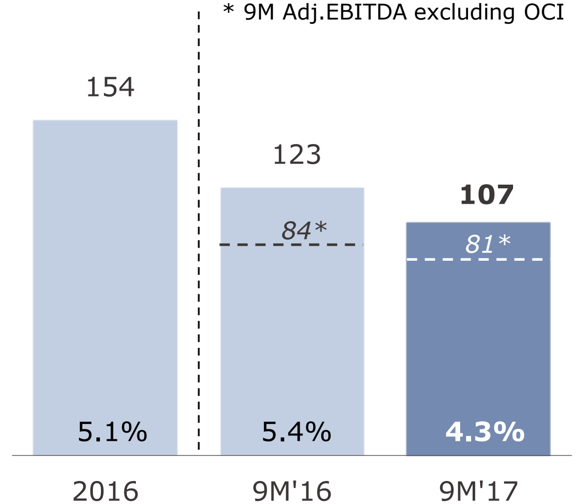
Sales



** Org. Growth*

Adj. EBITDA / % of Sales

* 9M Adj.EBITDA excluding OCI



Highlights

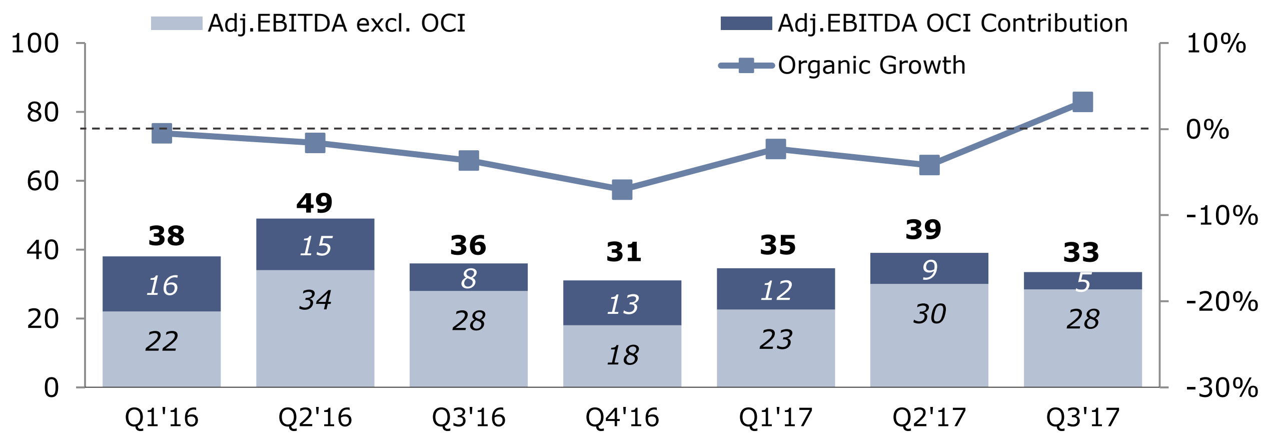
Trade & Installers

- Recovery in Europe after a soft start of the year, led by Netherlands, Italy, Spain and Nordics, also helped by CPR introduction.
- Weakness in Middle-East (OCI) due to tough macro environment. Positive performance in APAC (China and Oceania).

Power Distribution

- Moderate organic decline driven by market slowdown in Central-Eastern Europe (Germany), in line with expectations.
- Positive performance in Nordics and APAC.
- Slowdown in Middle-East (OCI) due to unfavourable market conditions.

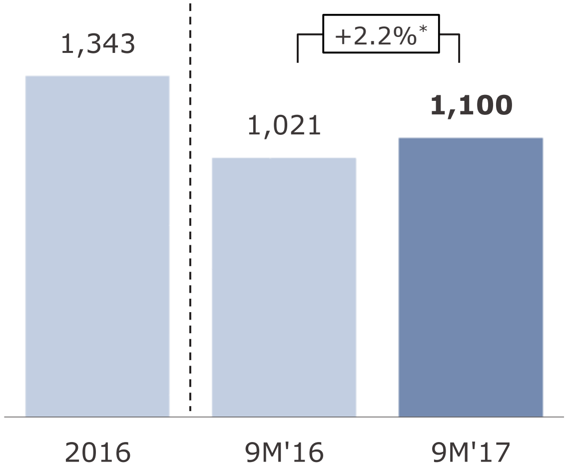
Quarterly Organic Growth Evolution



Industrial & Network Components

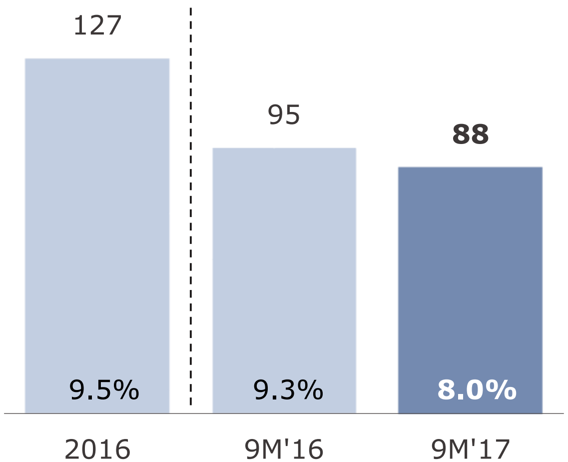
Euro Millions, % on Sales

Sales



** Org. Growth*

Adj. EBITDA / % of Sales



Highlights

Specialties, OEMs & Renewables

- Moderate organic increase driven by volume pick-up in Railways and recovery in Mining. Slowdown in Crane, Defense and Marine mainly linked to difficult market conditions.
- APAC, North America and Turkey were the best performing areas. Unfavorable business mix affecting margins.
- Order Book improved with demand acceleration for Infrastructure at global level.

Elevator

- Stable volume with a strong rise in Europe offset by the slowdown in China. Volume in North America was substantially in line with last year.
- Slight decline in margins mainly related to unfavourable product mix in US and China.

Automotive

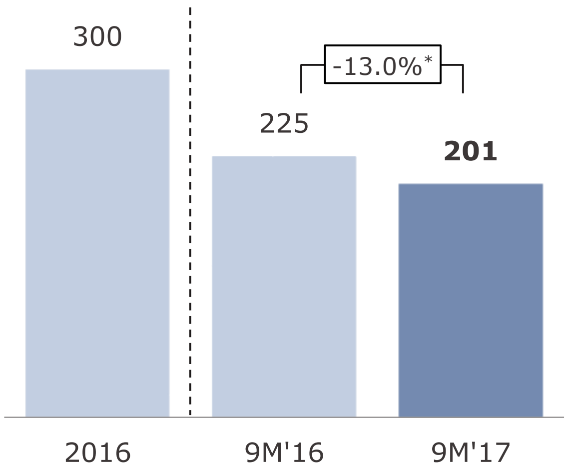
- Double-digit growth, confirmed in Q3, supported by favourable market conditions with market share increase in APAC, North and Latin America.
- Profitability improved on better operating leverage and a leaner production footprint in Europe, partially offset by unfavourable mix.

Network Components

- Soft organic trend, slightly recovering in Q3, impacted by the slowdown of HV segment mainly in China, France and Netherlands.
- Positive performance of MV & LV business in Europe and US.
- Adj.EBITDA margin hit by unfavourable product mix (lower HV sales).

Oil & Gas
Euro Millions, % on Sales

Sales



** Org. Growth*

Highlights

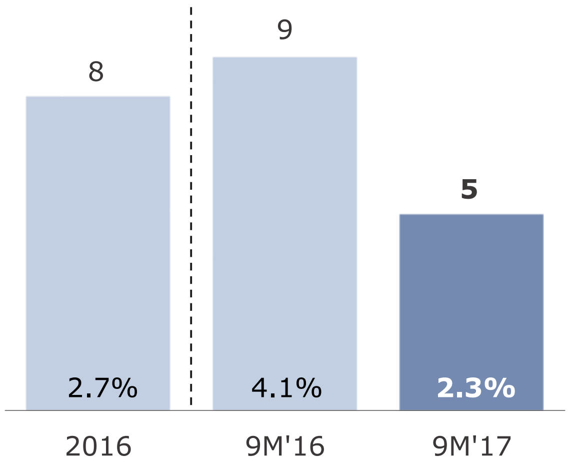
SURF

- Umbilical: volumes and margin slump as market conditions remain highly competitive in Brazil.
- DHT: recovery in US (driven by Shale Oil) partially offset by low activities in international & offshore projects.

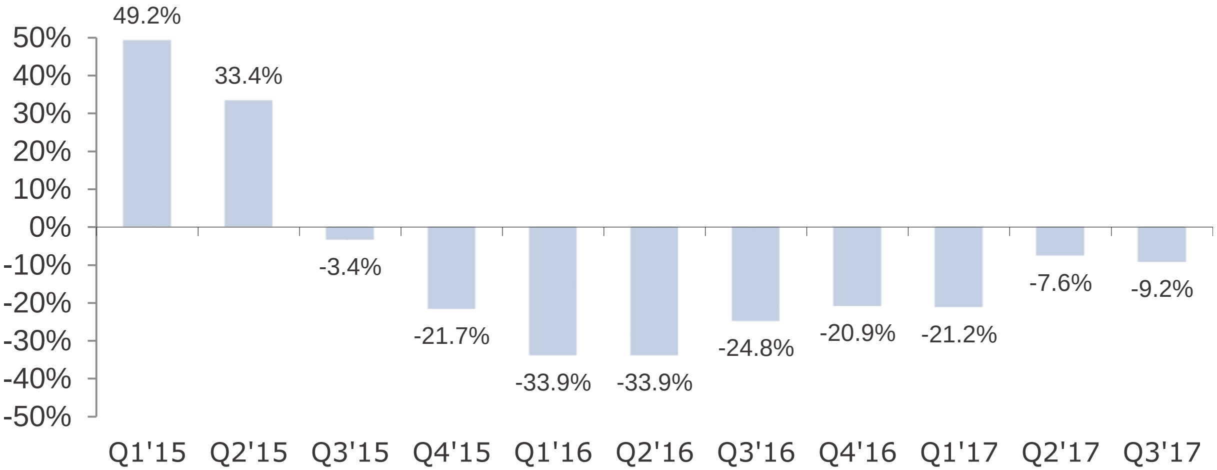
Core Cable Oil & Gas

- Solid growth in Q3, driven by volume pick-up in on-shore projects in US and Middle East. Offshore activity still at bottom level.
- Adj.EBITDA margin benefiting from volume effect and footprint rationalization.

Adj. EBITDA / % of Sales



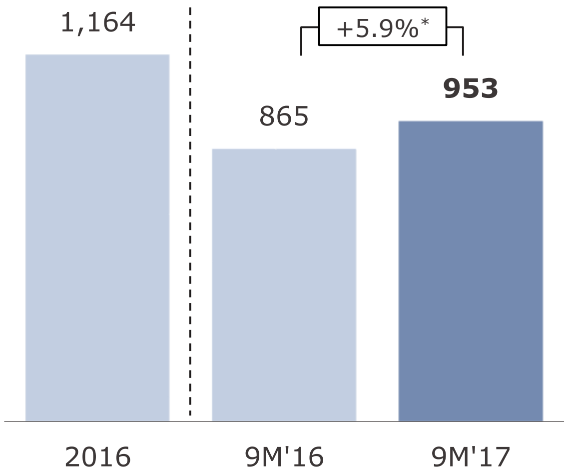
Quarterly organic growth* evolution



* % change vs. same quarter of previous year

Telecom
Euro Millions, % on Sales

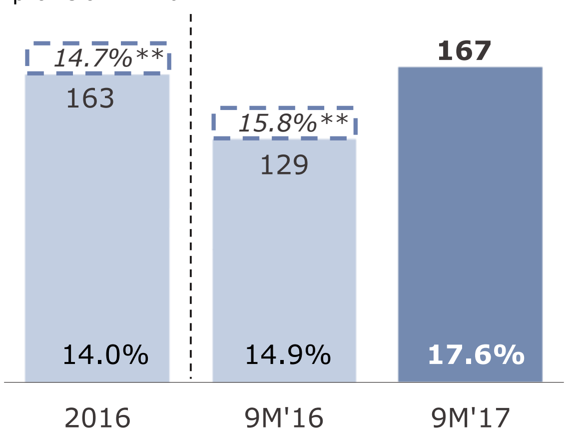
Sales



* Org. Growth

Adj. EBITDA / % of Sales

** Adj. EBITDA margin excl. €8mln bad debt provision in Brazil

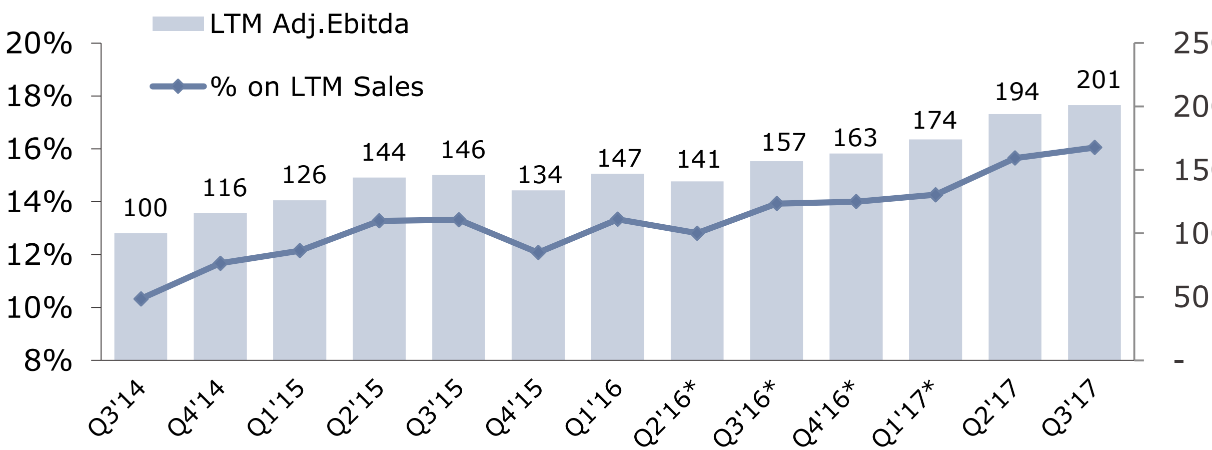


Highlights

Telecom Solutions & Fiber

- Double-digit growth in optical business, confirmed in Q3 despite challenging comparison base. Solid market growth particularly in Europe (mainly France and Italy fixed broadband) and in US.
- Slowdown in copper business, in line with expectations, mainly related to project phase-out in Oceania.
- On-going capacity expansion in Europe and US to support medium term growth opportunities in the optical business.
- Adj.EBITDA margin expansion fuelled by volumes, operational efficiency in fiber manufacturing, footprint optimization and strong YOFC results.

Quarterly LTM Adj. EBITDA and % on LTM Sales evolution



* Including € 8m bad debt provision in Brazil

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FY 2017 Outlook

2017 Adj.EBITDA Target (€ million)

710 — Mid-point € 730m — **750**

NEGATIVES

- OCI
- FOREX: ~€10m negative impact expected in FY2017

POSITIVES

- SUBMARINE
- OPTICAL CABLES (INCLUDING YOFC)

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Profit and Loss Statement
Euro Millions

	9M 2017	9M 2016
Sales	**5,865**	**5,660**
YoY total growth	*3.6%*	
YoY organic growth	*(1.1%)*	
Adj.EBITDA	**545**	**527**
% on sales	*9.3%*	*9.3%*
Adjustments	(33)	(39)
EBITDA	**512**	**488**
% on sales	*8.7%*	*8.6%*
Adj.EBIT	**413**	**398**
% on sales	*7.0%*	*7.0%*
Adjustments	(33)	(39)
Special items	(39)	(26)
EBIT	**341**	**333**
% on sales	*5.8%*	*5.9%*
Financial charges	(72)	(58)
EBT	**269**	**275**
% on sales	*4.6%*	*4.9%*
Taxes	(75)	(77)
% on EBT	*(28.0%)*	*(28.0%)*
Net Income	**194**	**198**
% on sales	*3.3%*	*3.5%*
Minorities	(2)	10
Group Net Income	**196**	**188**
% on sales	*3.3%*	*3.3%*

Adjustments and Special Items on EBIT

Euro Millions

	9M 2017	9M 2016
Non-recurring Items (Antitrust Investigation)	(17)	-
Restructuring	(12)	(27)
Other Non-operating Income / (Expenses)	(4)	(12)
EBITDA adjustments	**(33)**	**(39)**
Special items	(39)	(26)
Gain/(loss) on metal derivatives	*(2)*	*24*
Assets impairment	*-*	*(15)*
Other	*(37)*	*(35)*
EBIT adjustments	**(72)**	**(65)**

Financial Charges
Euro Millions

	9M 2017	9M 2016
Net interest expenses	**(50)**	**(44)**
of which non-cash conv.bond interest exp.	*(13)*	*(6)*
Bank fees amortization	(4)	(2)
Gain/(loss) on exchange rates	(4)	-
Gain/(loss) on derivatives [1)]	(10)	(11)
Non recurring effects	(2)	(2)
Other non-operating financial expenses	(2)	-
Other	-	1
Net financial charges	**(72)**	**(58)**

1) Includes currency and interest rate derivatives

Statement of financial position (Balance Sheet)

Euro Millions

	30 Sep 2017	30 Sep 2016	31 Dec 2016
Net fixed assets	2,598	2,578	2,630
of which: goodwill	*439*	*442*	*448*
of which: intangible assets	*304*	*339*	*344*
of which: property, plants & equipment	*1,632*	*1,580*	*1,631*
Net working capital	794	693	325
of which: derivatives assets/(liabilities)	*20*	*(8)*	*7*
of which: Operative Net working capital	*774*	*701*	*318*
Provisions & deferred taxes	(348)	(303)	(360)
Net Capital Employed	**3,044**	**2,968**	**2,595**
Employee provisions	369	393	383
Shareholders' equity	1,623	1,558	1,675
of which: attributable to minority interest	*190*	*223*	*227*
Net financial debt	1,052	1,017	537
Total Financing and Equity	**3,044**	**2,968**	**2,595**

Cash Flow
Euro Millions

	9M 2017	9M 2016	12 Months (from 1/10/2016 to 30/9/2017)
Adj.EBITDA	**545**	**527**	**729**
Adjustments	(33)	(39)	(60)
EBITDA	**512**	**488**	**669**
Net Change in provisions & others	(21)	(12)	(9)
Share of income from investments in op.activities	(36)	(24)	(43)
Cash Flow from operations (bef. WC changes)	**455**	**452**	**617**
Working Capital changes	(508)	(342)	(99)
Dividends received	9	7	12
Paid Income Taxes	(78)	(53)	(101)
Cash flow from operations	**(122)**	**64**	**429**
Acquisitions & Disposals	(3)	-	28
Net Operative CAPEX	(164)	(152)	(239)
of which acquisitions of assets of ShenHuan	*(35)*	-	*(46)*
Free Cash Flow (unlevered)	**(289)**	**(88)**	**218**
Financial charges	(50)	(57)	(61)
Free Cash Flow (levered)	**(339)**	**(145)**	**157**
Free Cash Flow (levered) excl. Acquisitions & Disposals*	***(301)***	***(145)***	***175***
Dividends	(102)	(101)	(103)
Treasury shares buy-back & other equity movements	(100)	-	(100)
Net Cash Flow	**(541)**	**(246)**	**(46)**
Net financial debt beginning of the period	**(537)**	**(750)**	**(1,017)**
Net cash flow	(541)	(246)	(46)
Equity component of convertible bond	48	-	48
Other variations	(22)	(21)	(37)
Net financial debt end of the period	**(1,052)**	**(1,017)**	**(1,052)**

** Calculated as FCF (levered) excluding "acquisitions of assets of ShenHuan" and "Acquisitions & Disposals".*

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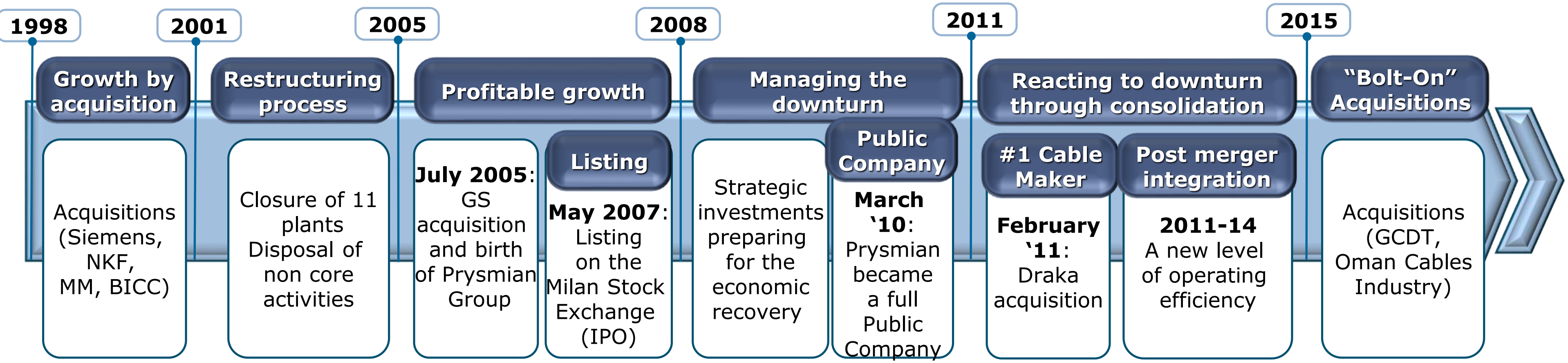
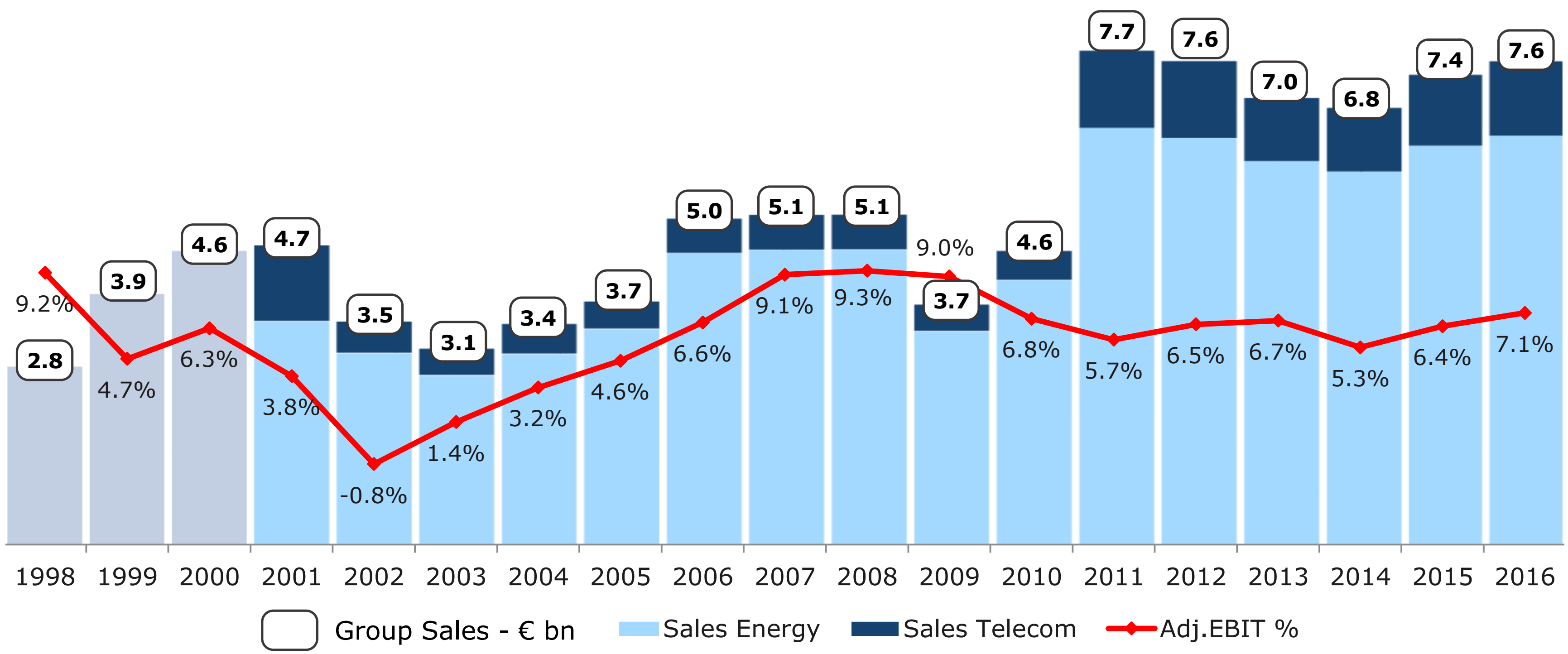
Key milestones

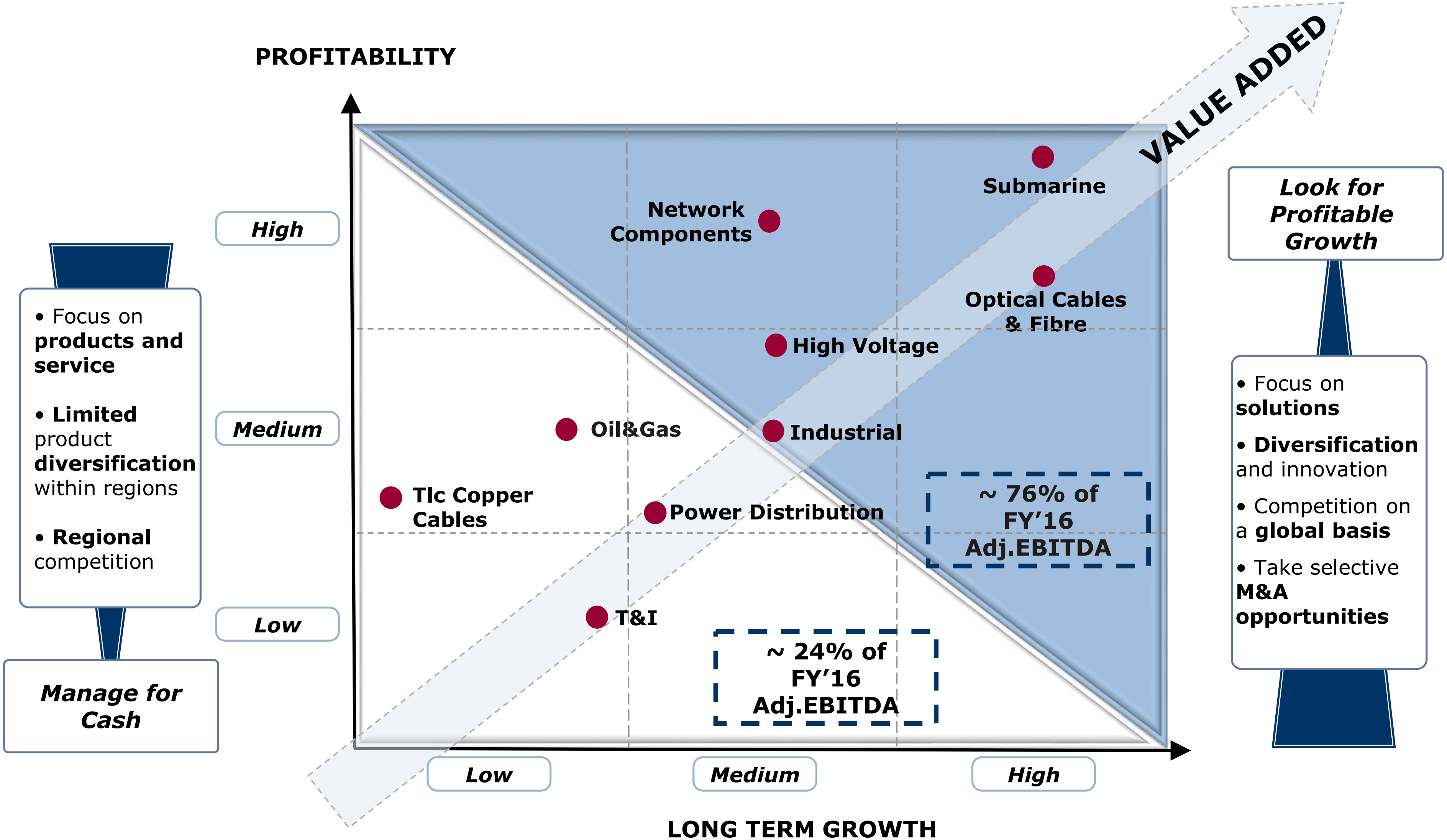




Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2010 Prysmian accounts, data reported under IFRS; 2011 Draka full combined; 2011-2013 restated in application of IFRS 10-11 and reclassification of share of net income

Prysmian Group business portfolio

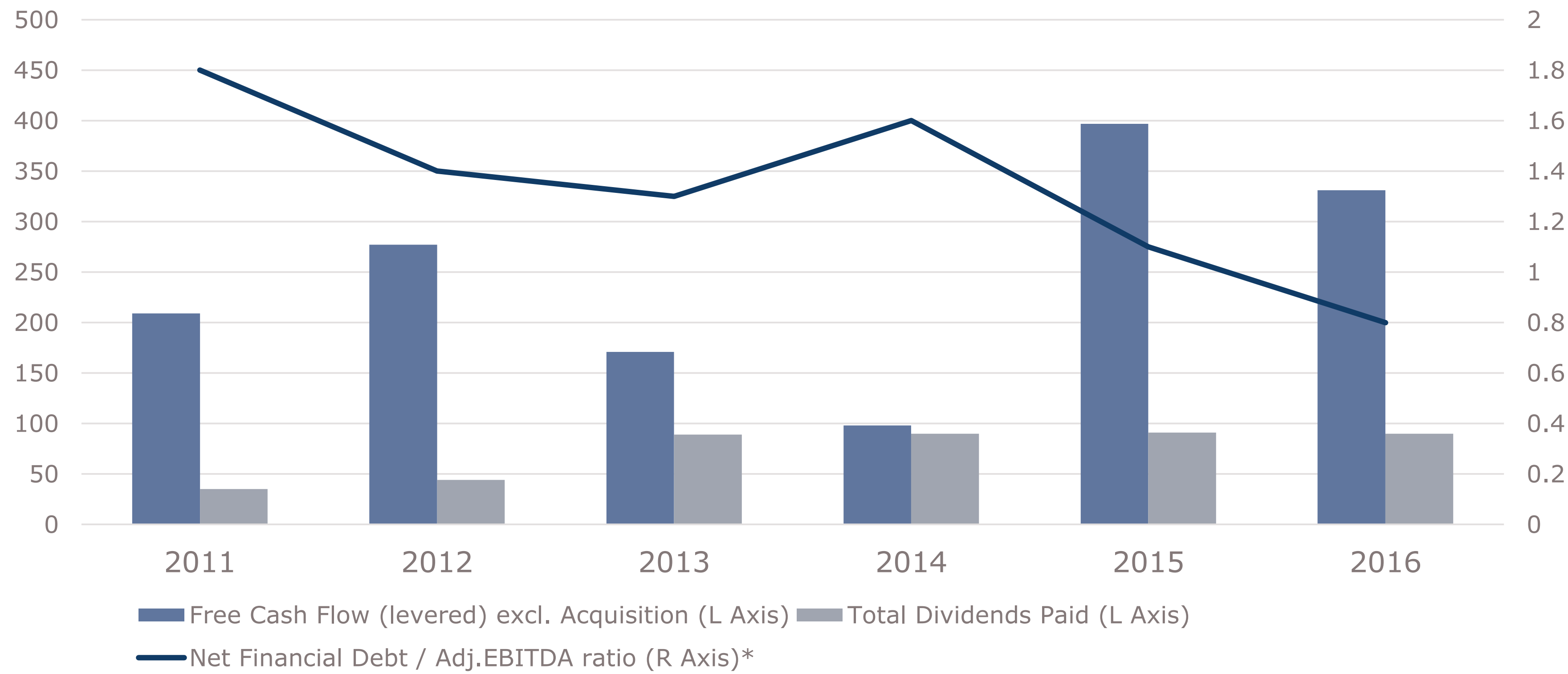
Focus on high value added segments



Cash Flow generation as key priority to create value for shareholders

Low leverage enabling multiple capital deployment opportunities.

Historical free cash flow generation and Net Financial Debt/Adj.EBITDA ratio (year-end)



**2015 Net Financial Debt/adj.EBITDA ratio calculated as Net Financial Debt reported at 31 Dec. 2015 divided by Pro-Forma FY2015 EBITDA including full OCI and GCDT contributions.*

Approx. € 250m average Free Cash Flow per year in 2011-16

Cumulative capex of approx. € 1bn in 2011-2016

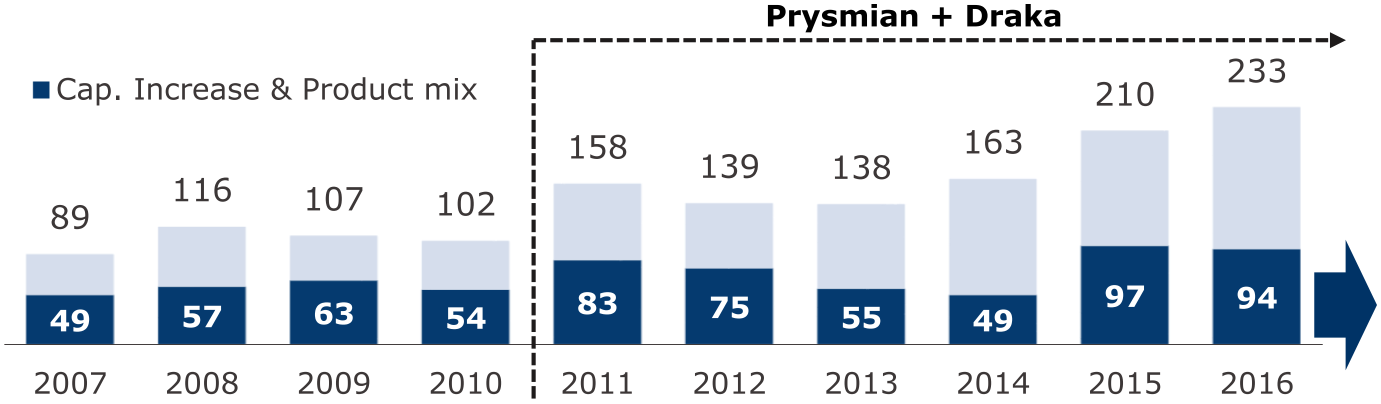
Approximately € 440m cumulated dividend distributed in the 2011-2016 period.

Deleveraging from 2,46x Net Debt/adj.EBITDA ratio (FY2010 pro-forma fully combined with Draka) to 0,8x at FY 2016

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

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

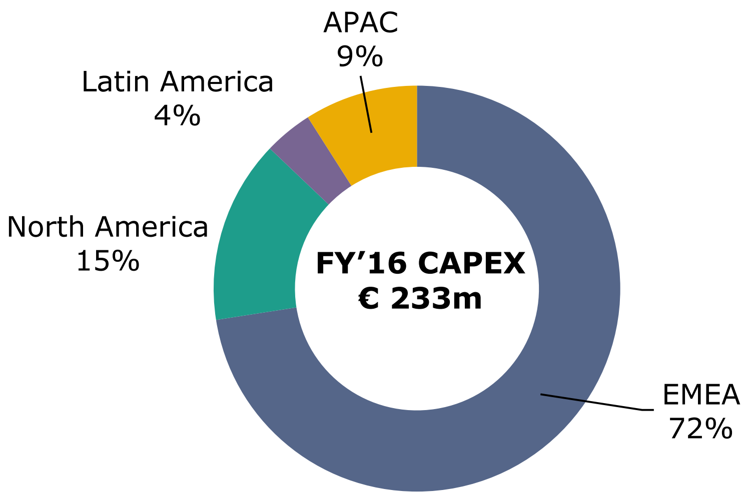
CAPEX 2007-2016 (€ mln)

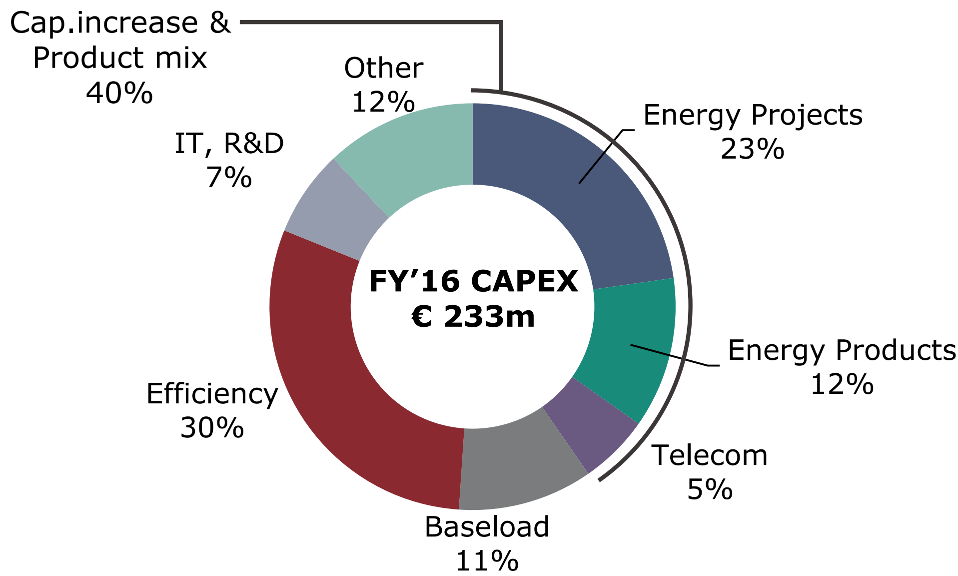


Approx. € 680 million cumulated CAPEX 2007-16 to sustain growth in strategic high value-added segments

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

CAPEX 2016 breakdown





Metal Price Impact on Profitability

Supply Contract	Main Application	Metal Influence on Cable Price	Impact	Metal Fluctuation Management	Impact
Predetermined delivery **date**	• Projects (Energy transmission) • Cables for industrial applications (eg. OGP)	• **Technology and design** content are the **main elements** of the "solution" offered • Pricing little affected by metals		• **Pricing locked-in** at order intake • Profitability protection through **systematic hedging** (long order-to-delivery cycle)	
Frame contracts	• Cables for energy utilities (e.g. power distribution cables)	• Pricing defined as **hollow**, thus mechanical **price adjustment through formulas** linked to metal publicly available quotation		• **Price adjusted through formulas** linked to metal publicly available quotation (average last month, …) • Profitability protection through **systematic hedging** (short order-to-delivery cycle)	
Spot orders	• Cables for construction and civil engineering	• Standard products, high copper content, limited value added		• Pricing managed through **price lists**, thus leading to **some delay** • **Competitive pressure** may **impact** on **delay** of price adjustment • **Hedging** based **on forecasted volumes** rather than orders	

High
Low

- ***Metal price fluctuations*** *are normally* ***passed through*** *to* ***customers*** *under supply contracts*
- ***Hedging strategy*** *is performed in order* ***to systematically minimize*** *profitability* ***risks***

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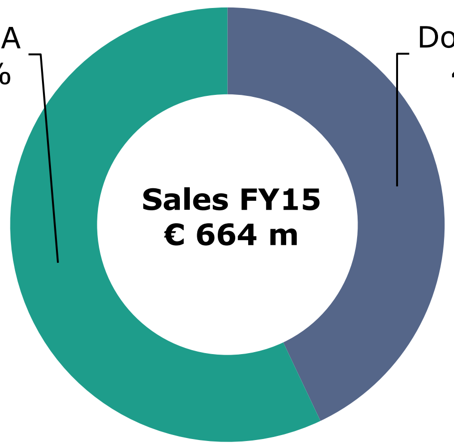
Focus on Oman Cables Industry Acquisition

A perfect example of "Bolt-on" acquisition.

2015 Sales Breakdown (€ million [1])



(1) 2015 average EUROMR spot FX rate 0.4268

Strategic Position

Structure of the Deal

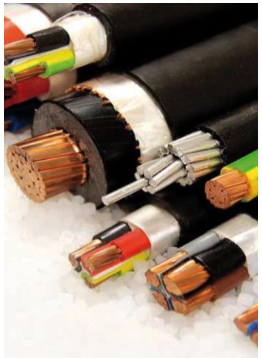
STRUCTURE OF THE DEAL

- Acquisition of approx. 16% stake in listed company OCI
- Total cash consideration € 105 million
- OCI Balance Sheet consolidated at 31 Dec 2015; P&L consolidated as of 1st Jan 2016.

STRATEGIC RATIONALE

- Geographic diversification toward middle-east region.
- No import duties in GCC market.
- Low integration risk. Solid track record.

Product Range



- Building Wire and Cable
- LV and MV power cables (up to 33kV)
- Control cables for industrial applications

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Group Net Income	**196**	**188**
% on sales	*3.3%*	*3.3%*

Energy Projects Segment – Profit and Loss Statement
Euro Millions

	9M 2017	9M 2016
Sales to Third Parties	**1,039**	**1,172**
YoY total growth	*(11.4%)*	
YoY organic growth	*(6.7%)*	
Adj. EBITDA	**179**	**172**
% on sales	*17.2%*	*14.6%*
Adj. EBIT	**149**	**146**
% on sales	*14.3%*	*12.4%*

Energy Products Segment – Profit and Loss Statement

Euro Millions

		9M 2017	9M 2016
Sales to Third Parties	**E&I**	**2,467**	**2,300**
	YoY total growth	*7.3%*	
	YoY organic growth	*(1.2%)*	
	Industrial & Netw. Comp.	**1,100**	**1,021**
	YoY total growth	*7.7%*	
	YoY organic growth	*2.2%*	
	Other	**105**	**77**
	YoY total growth	*37.4%*	
	YoY organic growth	*0.0%*	
	ENERGY PRODUCTS	**3,672**	**3,398**
	YoY total growth	*8.1%*	
	YoY organic growth	*(0.2%)*	
Adj. EBITDA	**E&I**	**107**	**123**
	% on sales	*4.3%*	*5.4%*
	Industrial & Netw. Comp.	**88**	**95**
	% on sales	*8.0%*	*9.3%*
	Other	**(1)**	**(1)**
	% on sales	*(1.1%)*	*(0.8%)*
	ENERGY PRODUCTS	**194**	**217**
	% on sales	*5.3%*	*6.4%*
Adj. EBIT	**E&I**	**64**	**76**
	% on sales	*2.6%*	*3.3%*
	Industrial & Netw. Comp.	**72**	**81**
	% on sales	*6.6%*	*7.9%*
	Other	**(2)**	**(2)**
	% on sales	*(2.2%)*	*(2.2%)*
	ENERGY PRODUCTS	**134**	**155**
	% on sales	*3.7%*	*4.6%*

Oil&Gas Segment – Profit and Loss Statement

Euro Millions

	9M 2017	9M 2016
Sales to Third Parties	**201**	**225**
YoY total growth	*(10.9%)*	
YoY organic growth	*(13.0%)*	
Adj. EBITDA	**5**	**9**
% on sales	*2.3%*	*4.1%*
Adj. EBIT	**(8)**	**(2)**
% on sales	*(3.8%)*	*(1.0%)*

Telecom Segment – Profit and Loss Statement
Euro Millions

	9M 2017	9M 2016
Sales to Third Parties	**953**	**865**
YoY total growth	*10.2%*	
YoY organic growth	*5.9%*	
Adj. EBITDA	**167**	**129**
% on sales	*17.6%*	*14.9%*
Adj. EBIT	**138**	**99**
% on sales	*14.5%*	*11.4%*

Agenda

- Group overview
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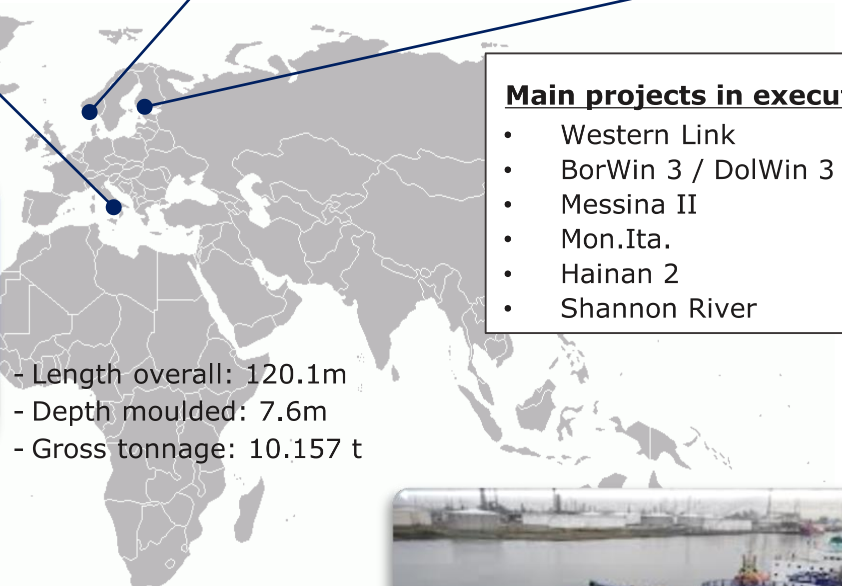
- Financial Results
- **Appendix**
  - Prysmian at a glance
  - OCI Acquisition
  - Financials
  - **Energy Projects and Energy Products**
  - Telecom

Investing in submarine to increase ROCE

Strengthening production and installation capabilities



Main projects in execution/orders backlog:

- Western Link
- BorWin 3 / DolWin 3
- Messina II
- Mon.Ita.
- Hainan 2
- Shannon River
- West of Adlergrund
- Cyclades
- Philippines
- Wikinger
- COBRA cable
- France offshore wind

- Length overall: 120.1m
- Depth moulded: 7.6m
- Gross tonnage: 10.157 t

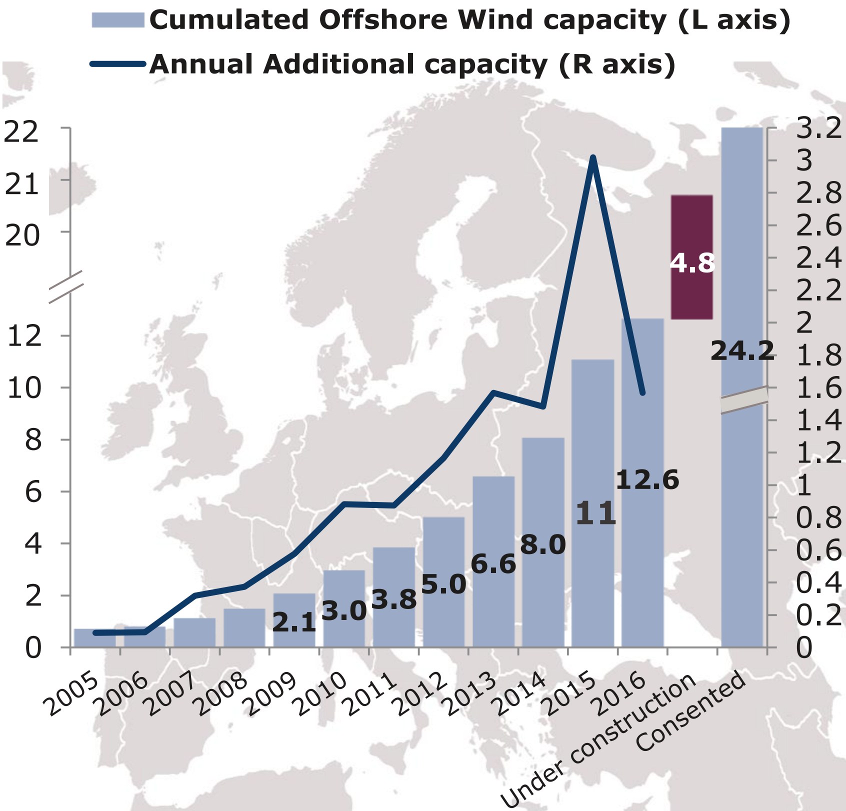
- Length overall: 133.2m
- Depth moulded: 7.6m
- Gross tonnage: 10,617 t

- Length overall: 124m
- Depth moulded: 6.8m
- Gross tonnage: 8,328 t

Off-shore wind development in Europe

High visibility on new projects to be awarded next quarters

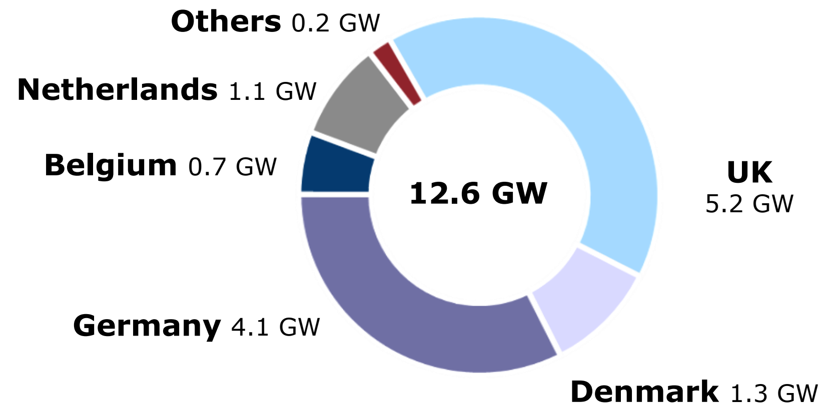
Europe Offshore Wind capacity (GW)



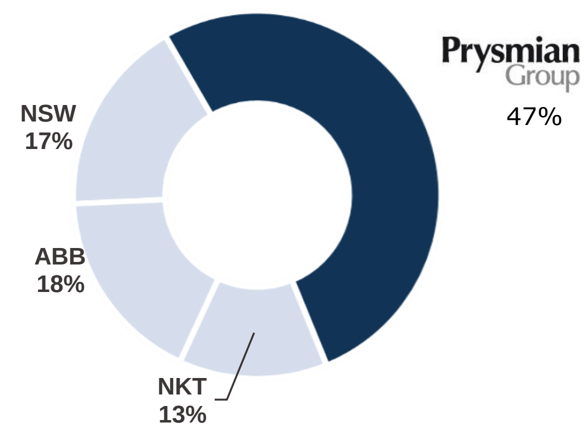
- **Capacity Increase: 1.6 GW** in 2016 (-18% vs. 2015)
- **Total capacity: 12.6 GW** at end 2016 (+14% vs. 2015)
- **Under construction: 4.8 GW** at end 2016
- **Consented: 24.6 GW**

Source: EWEA (January 2017)

Europe 2016 Cumulated Capacity by Country



Mkt share of export cable suppliers in 2016 *

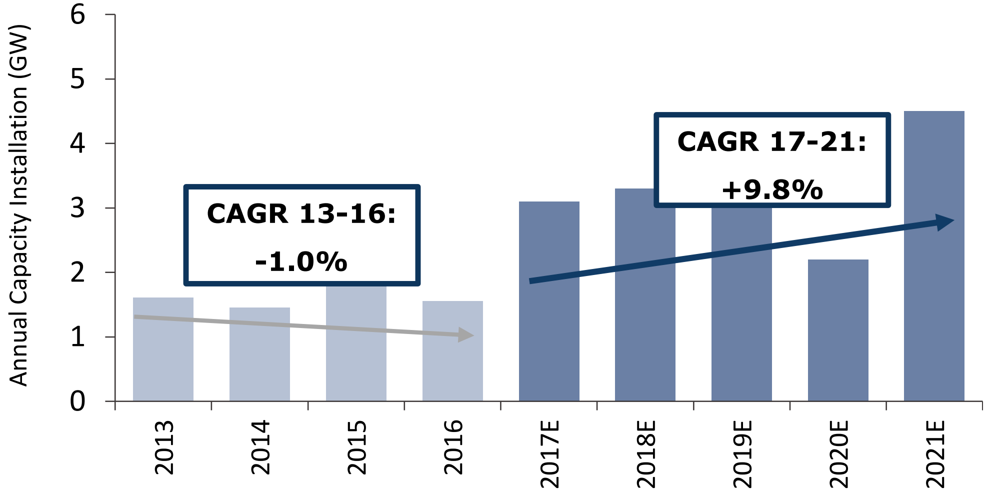


* Calculated on no. of cables fully or partially completed, percentage. EWEA (January 2017)

Offshore Wind Market Outlook

Cost reduction driven by technological innovation and projects scale

European Offshore Wind Project Pipeline



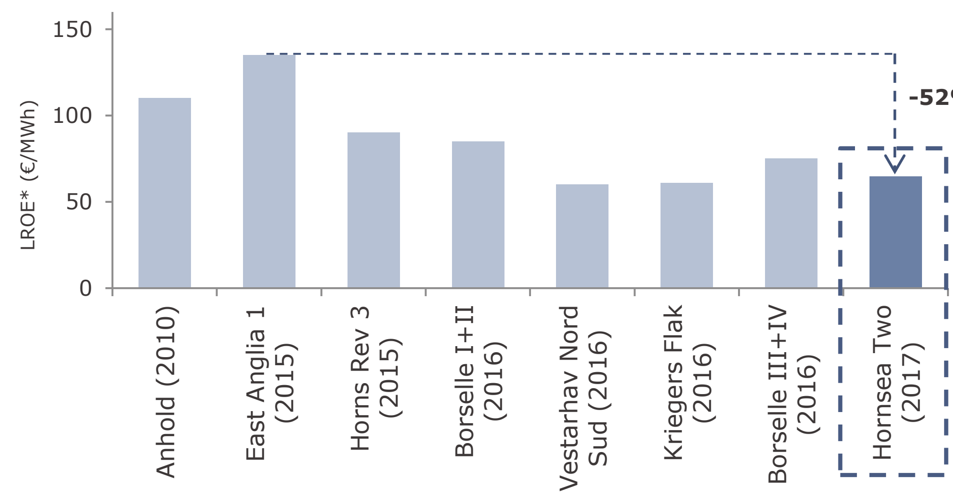
Source: WindEurope "Central Scenario 2020", September 2017.

- Robust project pipeline.
- Market will be driven by wind farm technology upgrades and cost effectiveness.
- 24GW of projects: permit to construct already obtained.
- North Sea and Baltic Sea will remain the key area for Offshore Wind development.
- Industry expected to reach at least 4.0GW of new installed capacity per year by 2021.

LROE* Analysis of awarded offshore wind projects

- LROE* reduced by half in the last 2 years.
- Increasing project scale and turbine size bolstered sharp reduction of LROE over time.
- Technological innovation like 66kV Inter-array system should contribute to further cost reduction.
- Grid parity achieved in Europe: latest German tenders awarded at zero incentives.

** LROE: Levelised Revenue Of Electricity*

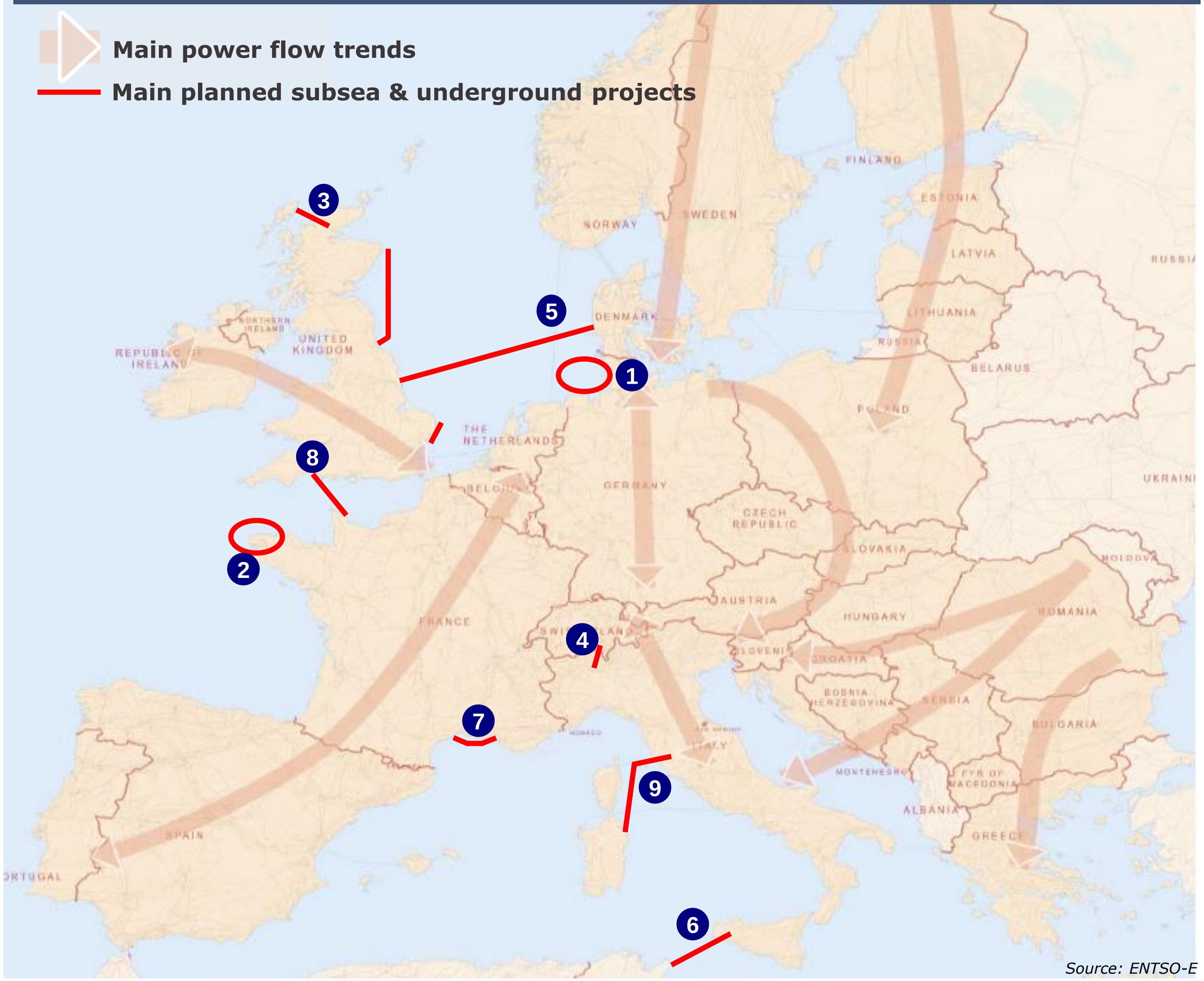


Source: WindEurope, Company Elaboration.

Major transmission projects to be awarded

Large pipeline of pan-European projects under development

Main subsea and underground projects of pan-European significance



Source: ENTSO-E

List of main projects

1. Germany (HVDC Grid Offshore)
2. France Off-Shore (Inter-Array)
3. Western Isles Link
4. Green Connector
5. Denmark – UK (Viking Link)
6. Tunisia – Italy
7. Marseille – Languedoc
8. France – UK (FAB)
9. Sardinia-Corsica-Ita (SACOI3)

Other Projects: Spain-France (sub), Ireland-France (sub), Israel-Cyprus-Crete-Greece (sub), Ireland-UK (sub), Egypt-Saudi Arabia (sub), North-South Germany (underground).

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

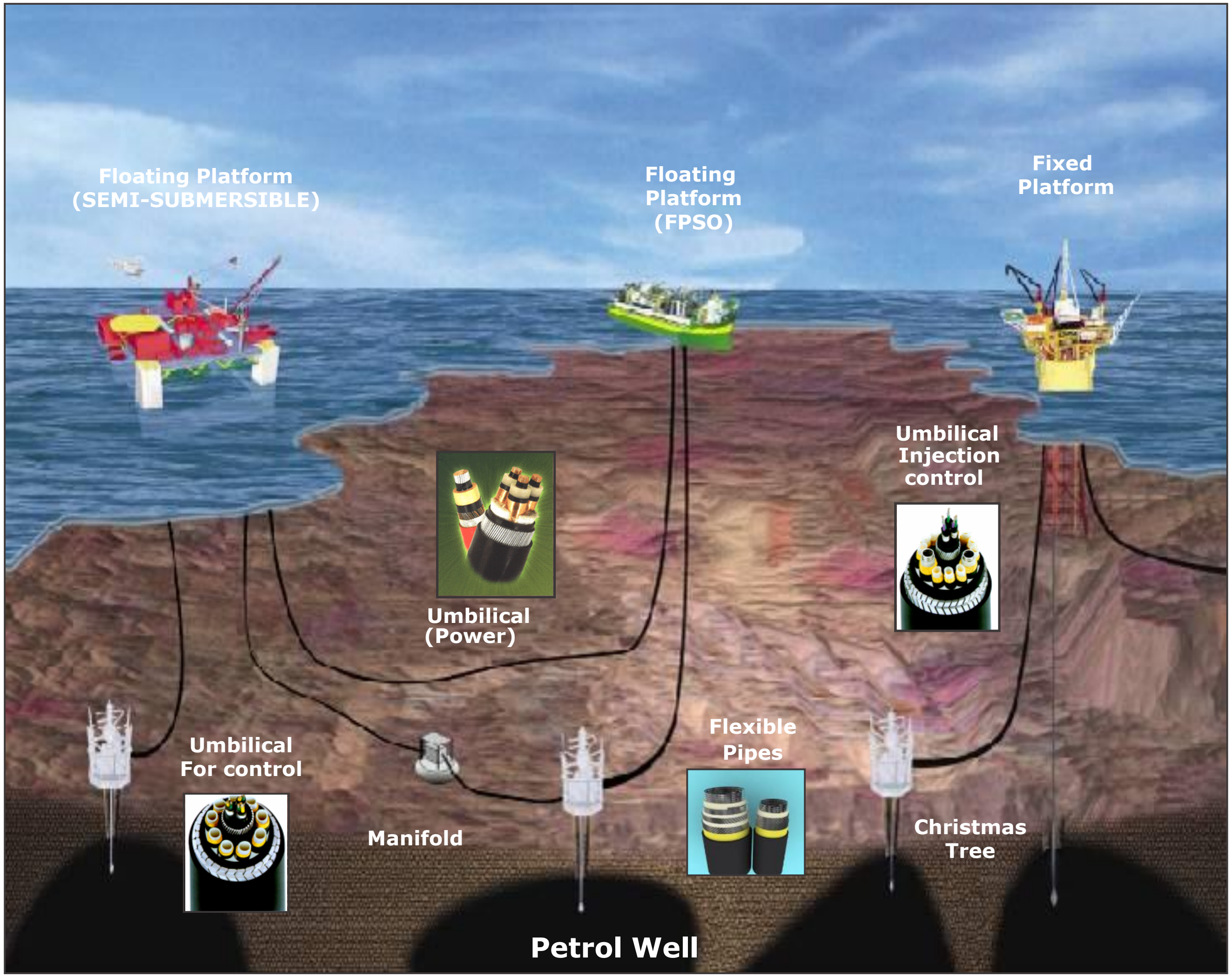
Latest Key projects	Customers	Period	€m*
IFA2	RTE / National Grid	2018-20	**350**
ElecLink	Groupe Eurotunnel	2017-19	**79**
COBRA cable	TenneT – Energinet.dk	2016-18	**250**
Hainan II	China South Grid	2016-19	**$140m**
NSN Link	Statnett SF – National Grid	2015-21	**550**
West of Adlergrund Option	50Hertz Offshore GmbH	2015-18	**230**
Wikinger	Iberdrola Renovables Offshore	2015-17	**60**
Philippines	NGCP	2015-16	**90**
Dardanelles 2	TEIAS	2015-16	**64**
Cyclades	IPTO	2015-16	**95**
West of Adlergrund	50Hertz Offshore GmbH	2015-18	**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**
DolWin3	TenneT	2014-16	**350**
Normandie 3	Jersey Electricity plc	2013-14	**45**
Mon.Ita	Terna	2013-17	**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	2012-15	**280**

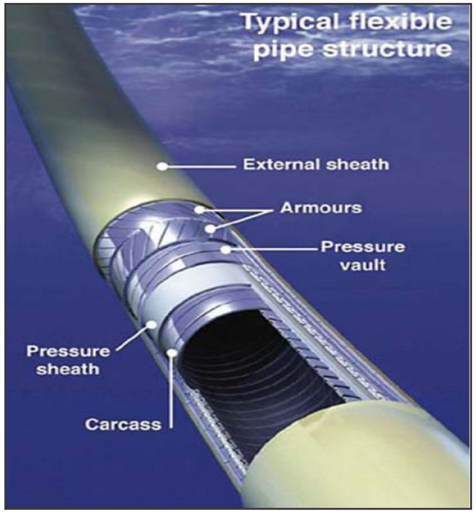
* *Prysmian portion of the project*

SURF – Off-shore oil exploration

Oilfield structure

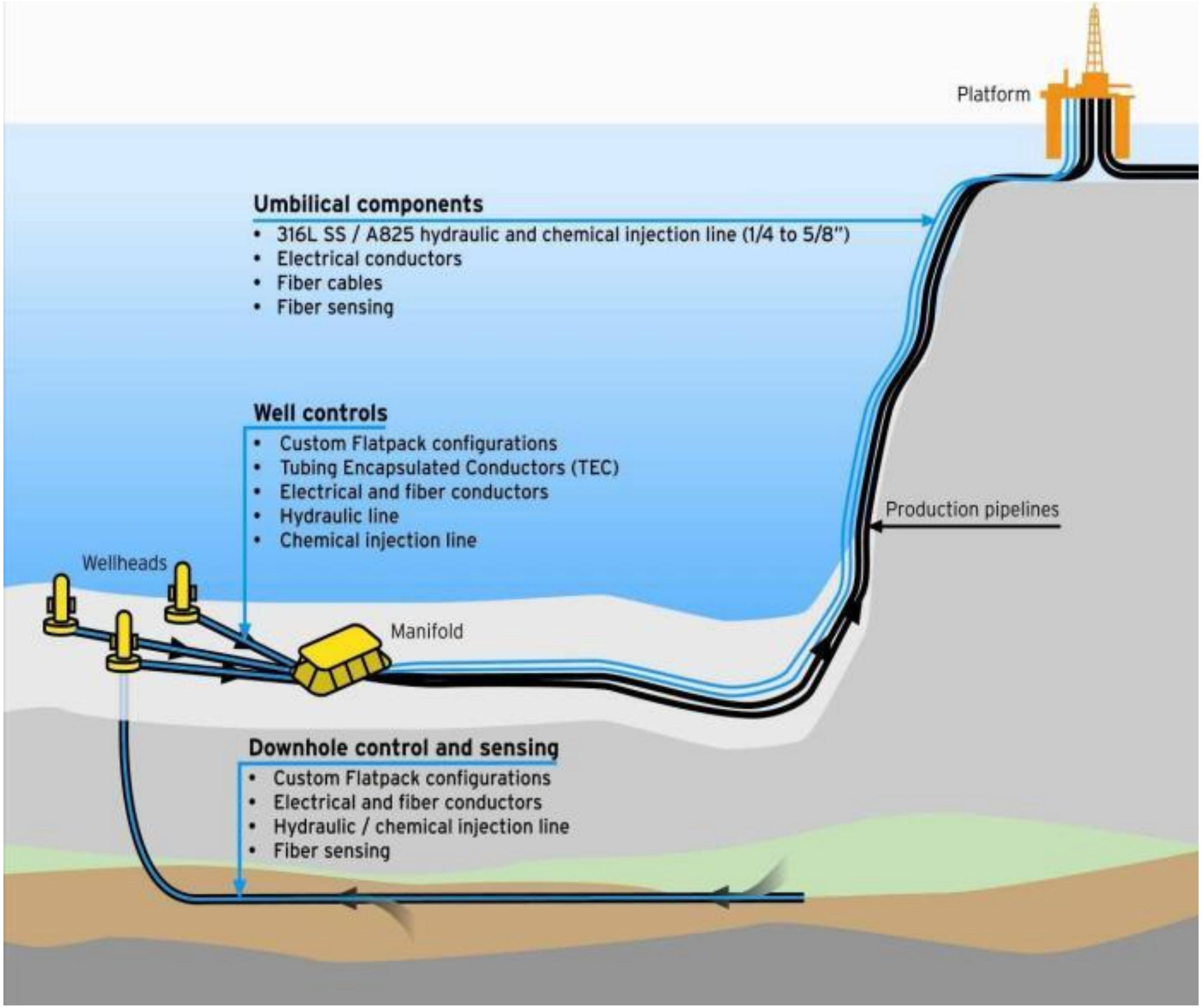
Flexible Pipes



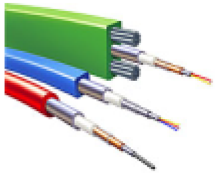


SURF – Off-shore oil exploration

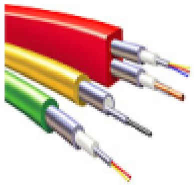
Cross selling opportunities driven by the Downhole technology business contributed by Draka



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 expertize

KEY CUSTOMERS

Contractors & Installers

Wholesalers

Specialized distributors

Trade & Installers

Offer overview

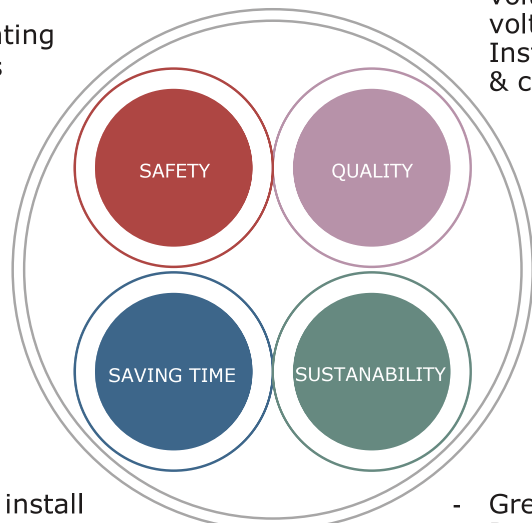
RESIDENTIAL – COMMERCIAL – INDUSTRIAL - INFRASTRUCTURE

- 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

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

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

Network Components
Network accessories and components to connect cables and other network elements

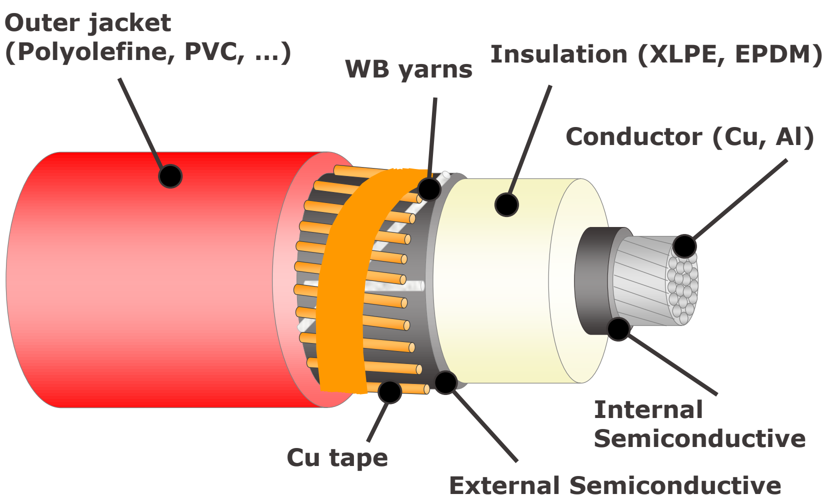
Key customers

Large and differentiated customer base generally served through direct sales

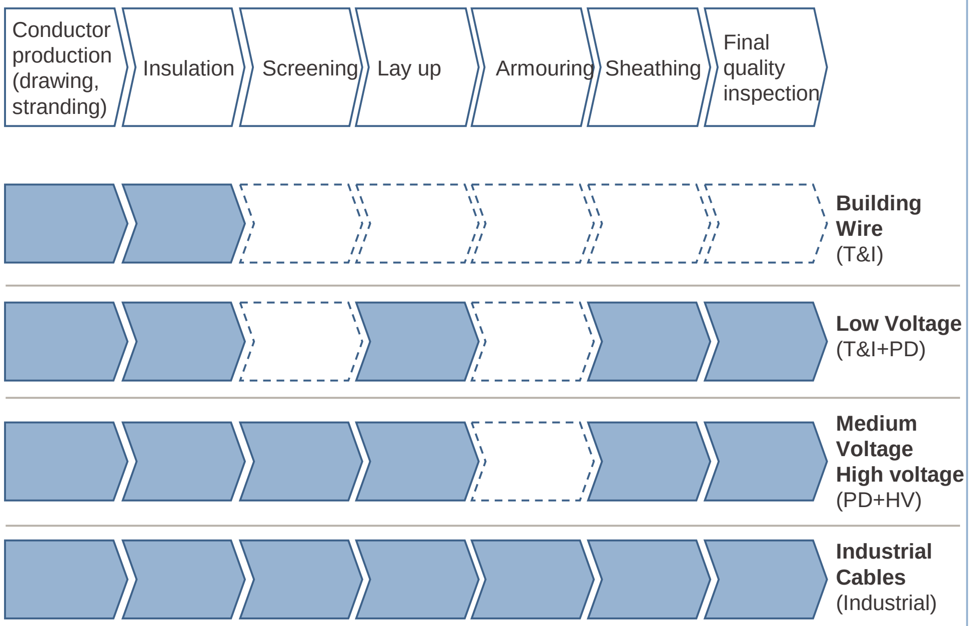
Vestas
RFI
SNCF
wampfler
ZPMC Shanghai Zhenhua Port Machinery
OTIS
SIEMENS
DELPHI
Schindler
GE Wind Energy
Dräxlmaier
YAZAKI
KONE
Valeo
ALSTOM
AKER KVÆRNER
ERG
stx Europe
IBC SOLAR
ThyssenKrupp

Macro-structure of Energy Cables

Product macro structure



Production process



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  - **Telecom**

Telecom – Overview

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

verizon
orange
BT
kpn
Telstra
Telefonica
Nokia Siemens Networks
ZTE中兴
Alcatel·Lucent
bharti
Airtel
FASTWEB
NETCOLOGNE

Optical cables
Global overview

Market trends

- Demand function of level of capital expenditures budgeted by large telecom companies (PTT/incumbents as well as alternative operators) for network infrastructures, mainly as a consequence of:
  - Growing number of internet users 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

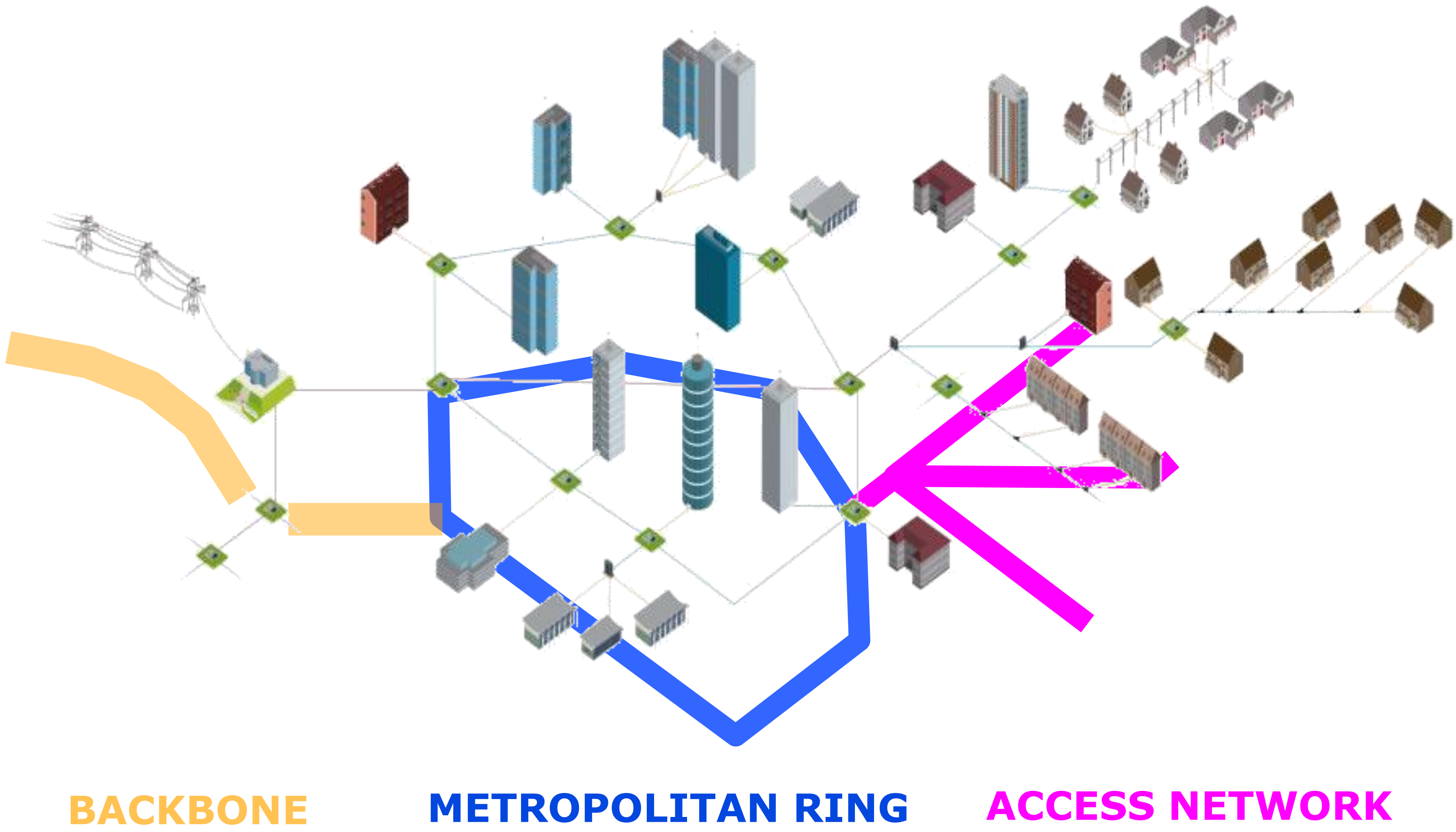
Strategic value of fibre

- Fiber optic represents the major single component cost of optical cables
- Fiber optic production has high entry barriers:
  - Proprietary technology or licenses difficult to obtain
  - Long time to develop know-how
  - Capital intensity
- When fiber 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



Digital Agenda for Europe

Setting up guidelines for all Member States to facilitate broadband development.

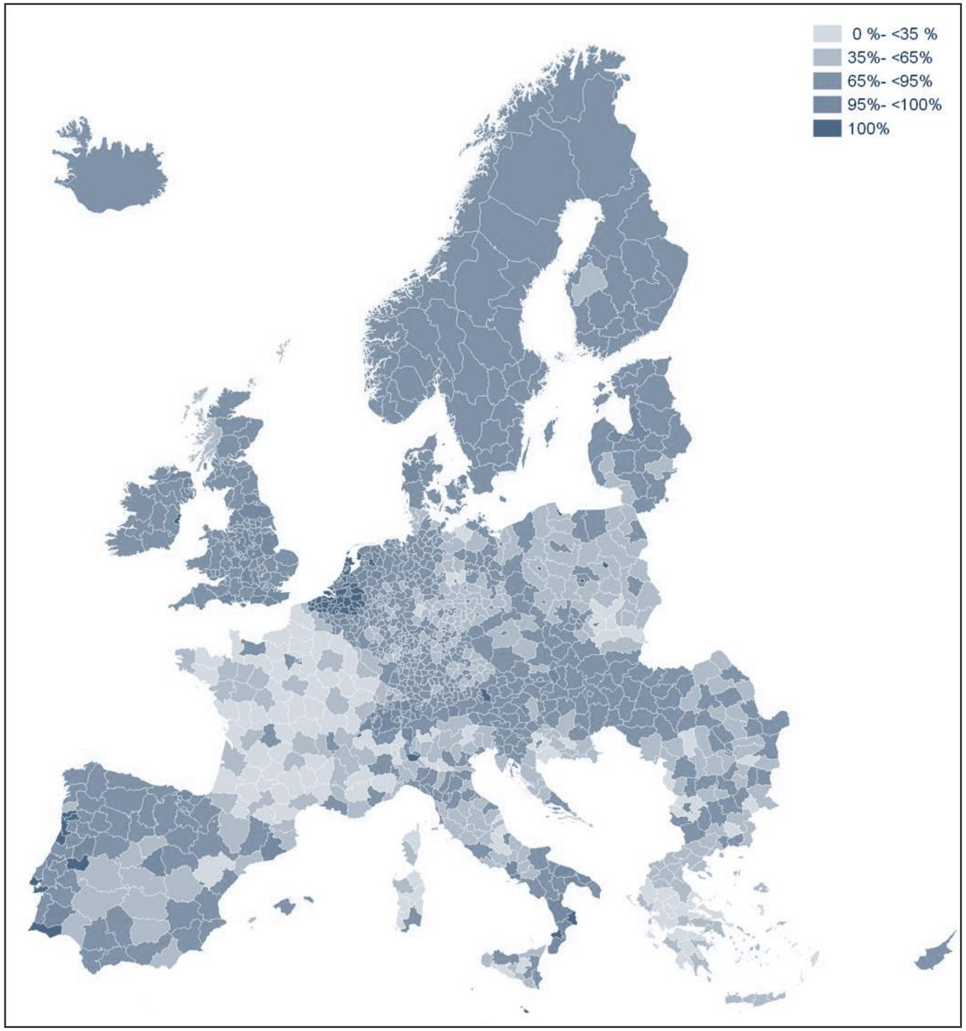
2020 TARGETS

- 100% coverage with 30Mbps download speed
- 50% take-up of 100Mbps subscription.

NEW 2025 TARGETS PROPOSAL

- New targets have to be confirmed by EU Commission and Parliament.
- 1 Gigabit download speed for schools, transport hubs, public services and digital intensive enterprises.
- 100Mbps download speed for 100% households.
- 1 Gigabit download speed in all urban areas.
- Uninterrupted 5G coverage in urban areas and major transport paths by 2025.

NGA Coverage by Region

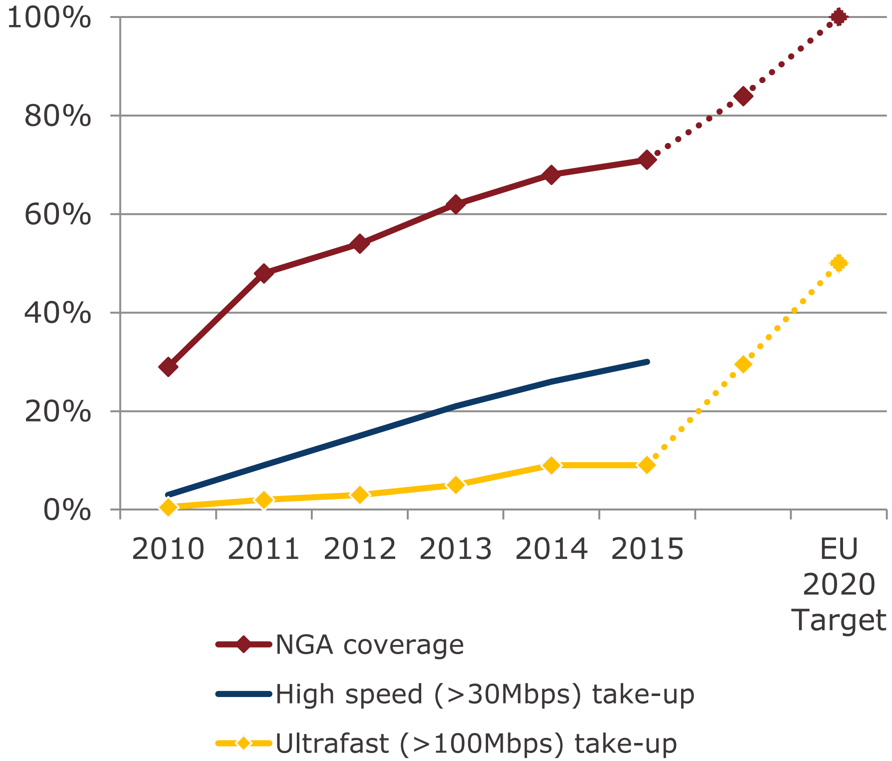


Source: Europe's Digital Progress Report 2017

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



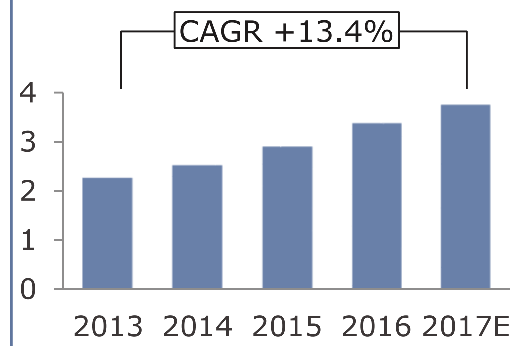
- Coverage of NGA technologies doubled since 2010, but further efforts are requested to meet 2020 target of 100% coverage
- Take-up of ultrafast (>100Mbps) broadband remains marginal (3% of homes) still faraway from 2020 target (50%)

Source: European Commission Digital Agenda Scoreboard 2016

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

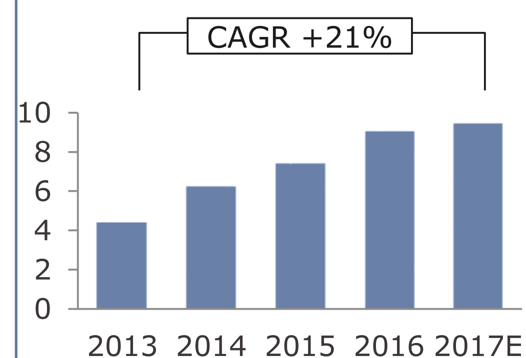
Consumption of fiber optic cable (‘000,000 fiber km)

Italy



- NGA coverage at 36% in 2014 Vs EU average of 68%
- More than €10bn investment announced by telecom operators for the development of NGA in the coming years.

France



- Coverage of NGA in France (43%) well below EU average (68%) at end 2014
- THD plan to attract €20bn public/private investments in 2012-22 to develop high speed and ultrafast infrastructures

Source: CRU, January 2017; European Commission Digital Agenda Scoreboard 2016

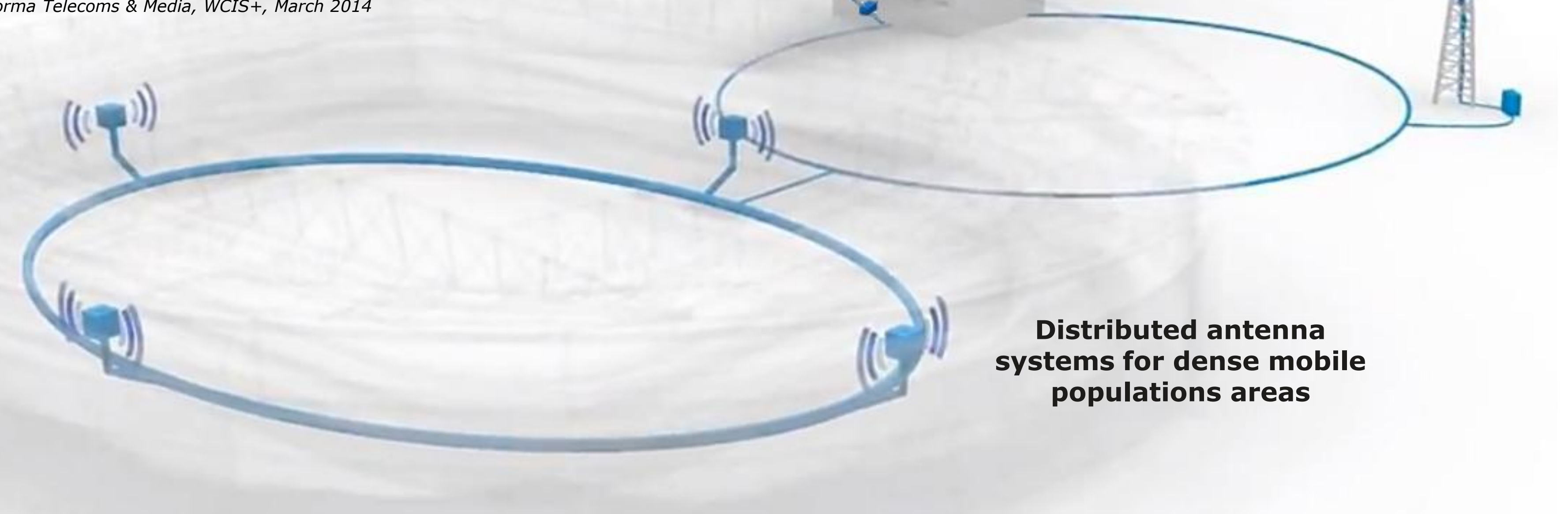
Telecom – FTTA as key driver of optical demand

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

Global LTE Growth Forecast

# of users

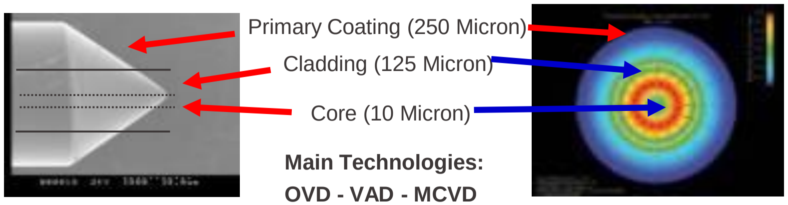
Source: Informa Telecoms & Media, WCIS+, March 2014



Macro-structure of Telecom Cables

Product macro structure | **Production process**

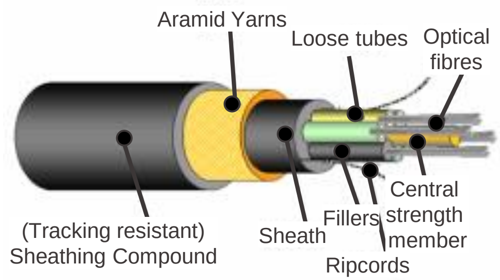
Fibre optic



Main Technologies:
OVD - VAD - MCVD

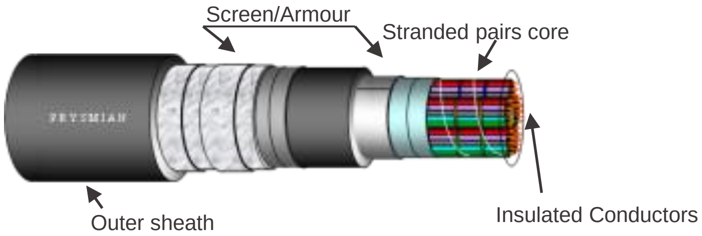
Production process: Pre form deposition → Consolidation → Drawing → Final quality inspection

Optical cables



Production process: Colouring → Buffering → Lay up → Armouring (yarn or metal) → Sheathing → Final quality inspection

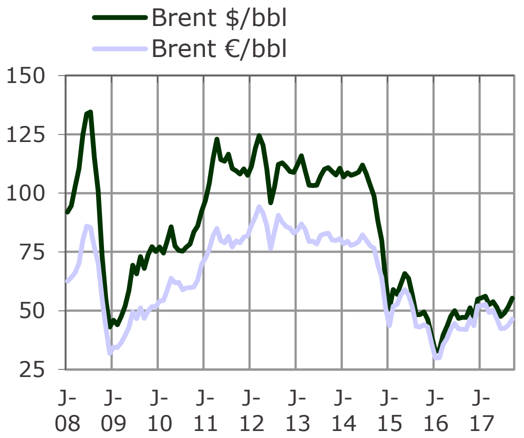
Copper cables



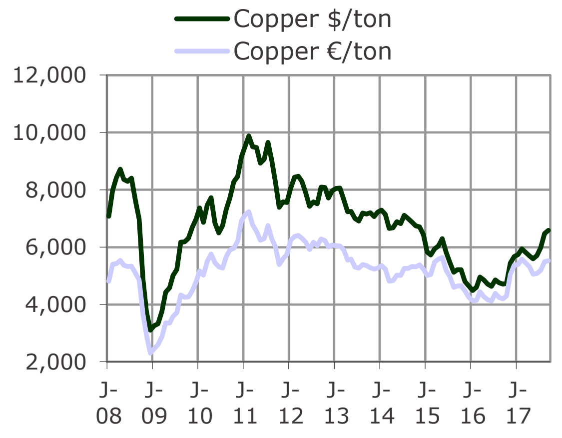
Production process: Conductor production → Insulation → Twinning → Lay up → Armouring → Sheathing → Final quality inspection

Reference Scenario
Commodities & Forex

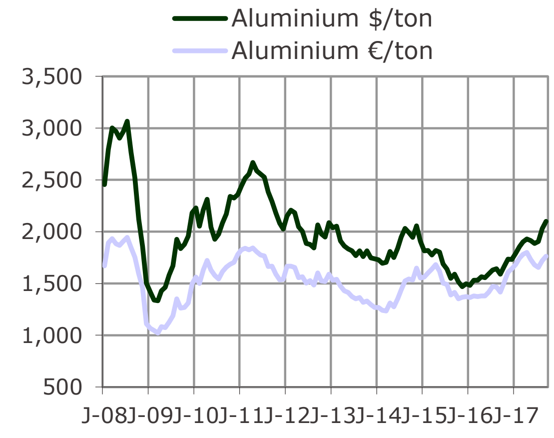
Brent



Copper



Aluminium



EUR / USD

EUR / GBP

EUR / BRL

Based on monthly average data
Source: Nasdaq OMX

Disclaimer

- 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.

- Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The Company's businesses include its Energy Projects, Energy Products and Telecom Operating Segments, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses.

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- In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.