

Company Presentation

Unicredit Italian Investment Conference
Milan, 4th June 2013



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

Prysmian
Group



AGENDA

➤ Group Overview & 2013 Outlook

➤ Draka integration

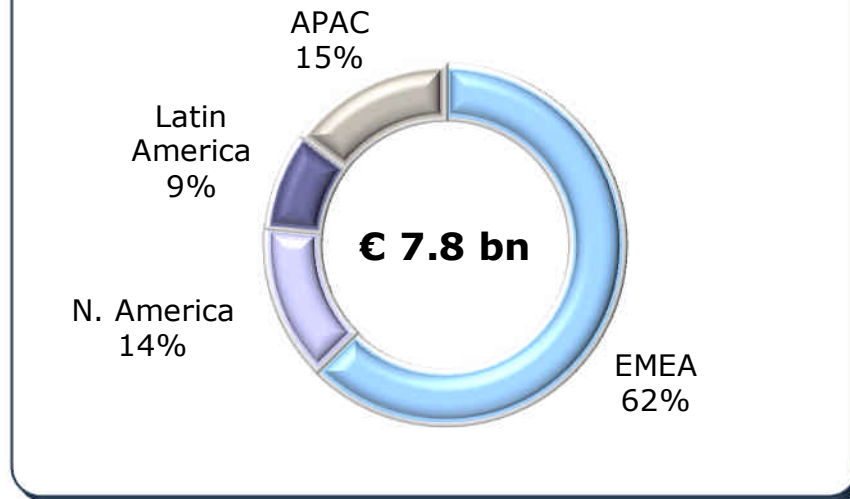
➤ Financial Results

➤ Appendix

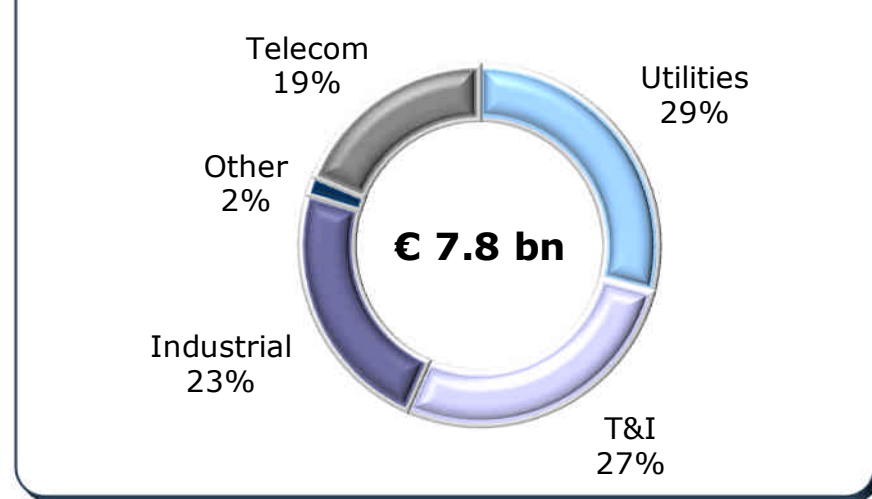
Prysmian Group at a glance

FY 2012 Results

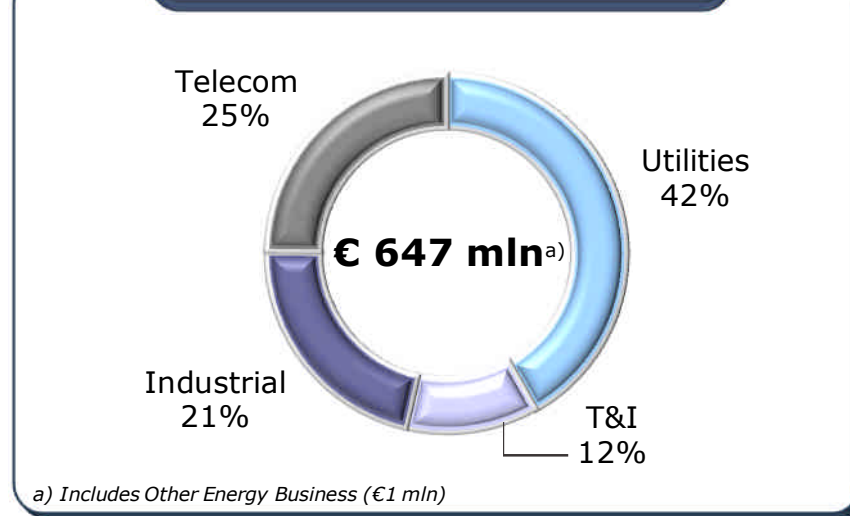
Sales breakdown by geography



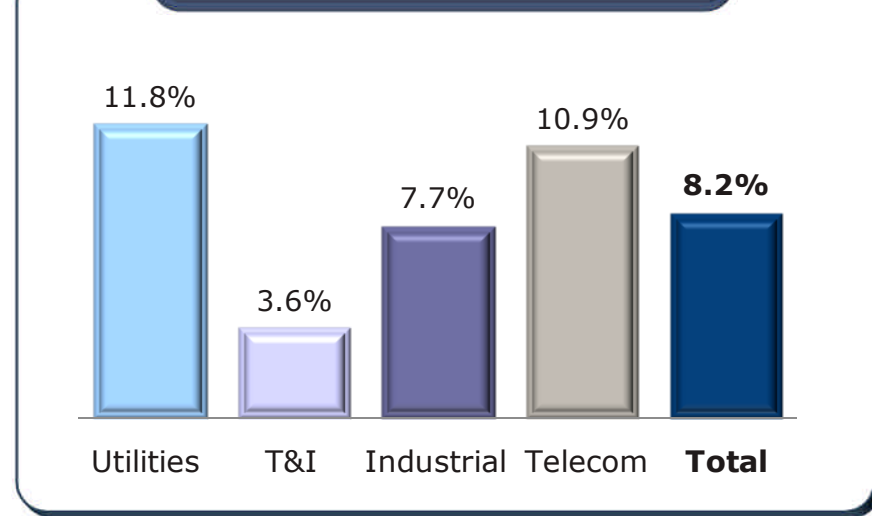
Sales breakdown by business



Adj. EBITDA by business



Adj. EBITDA margin by business

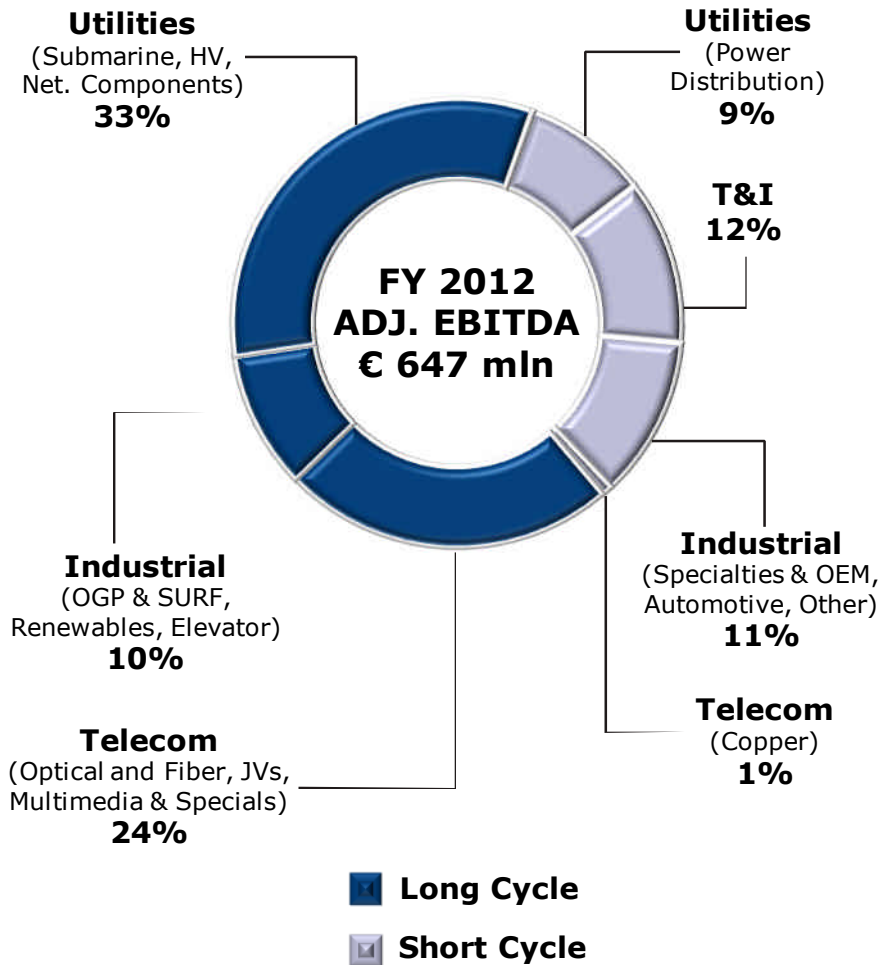


Long Cycle Businesses Vs. Short Cycle Businesses

Adj. EBITDA breakdown

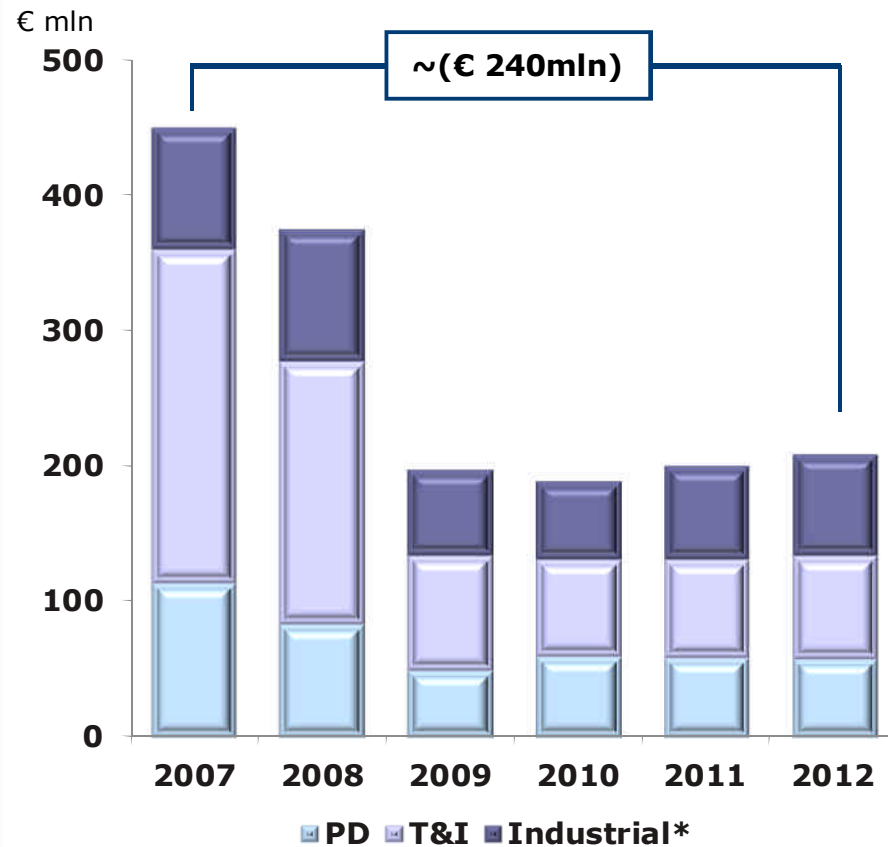
Long Cycle Businesses
67%

Short Cycle Businesses
33%



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

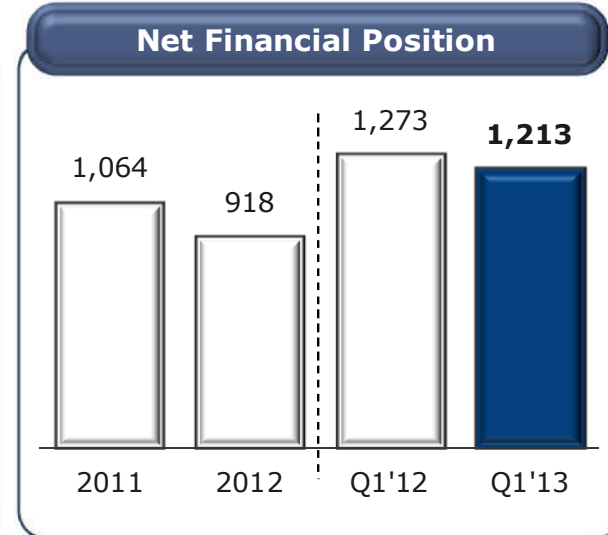
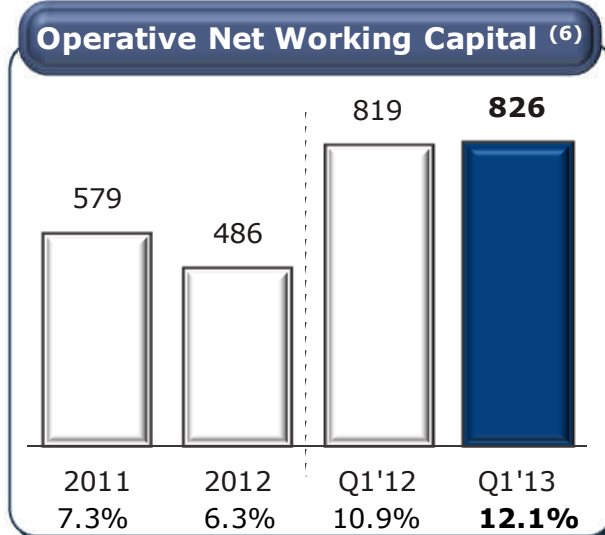
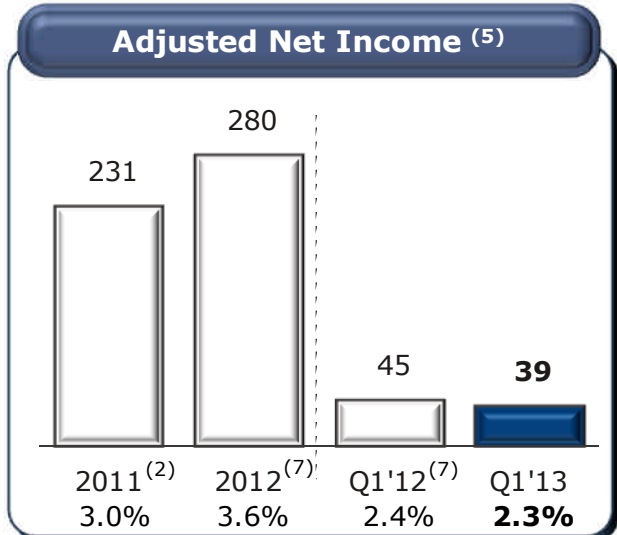
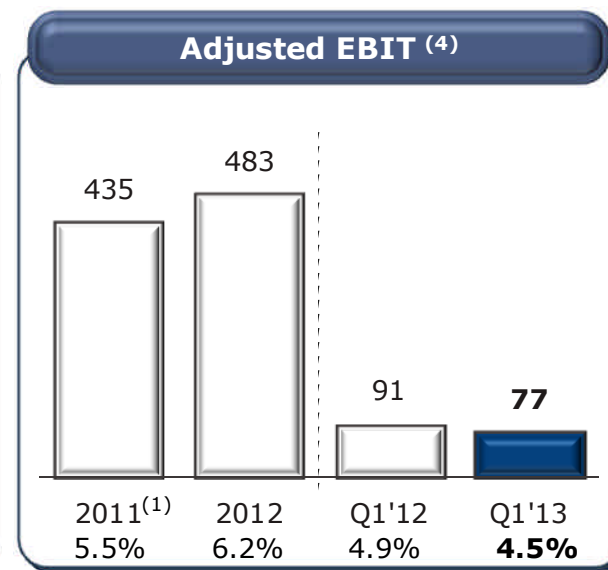
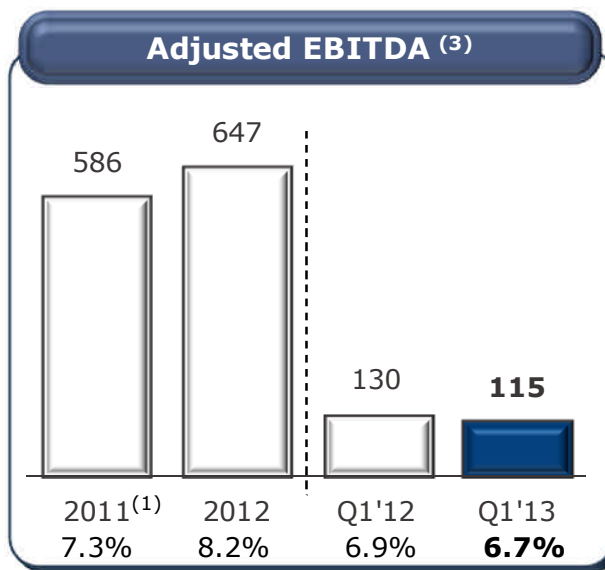
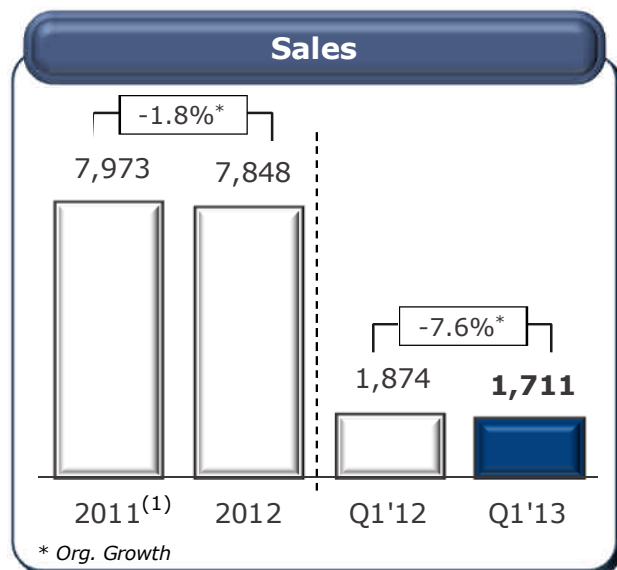
- Profitability: stable at bottom level (excl. synergies contribution)
- Over 50% profitability decrease from the peak



* Industrial includes Specialties & OEM, Automotive and Other segments

Q1 2013 Key Financials

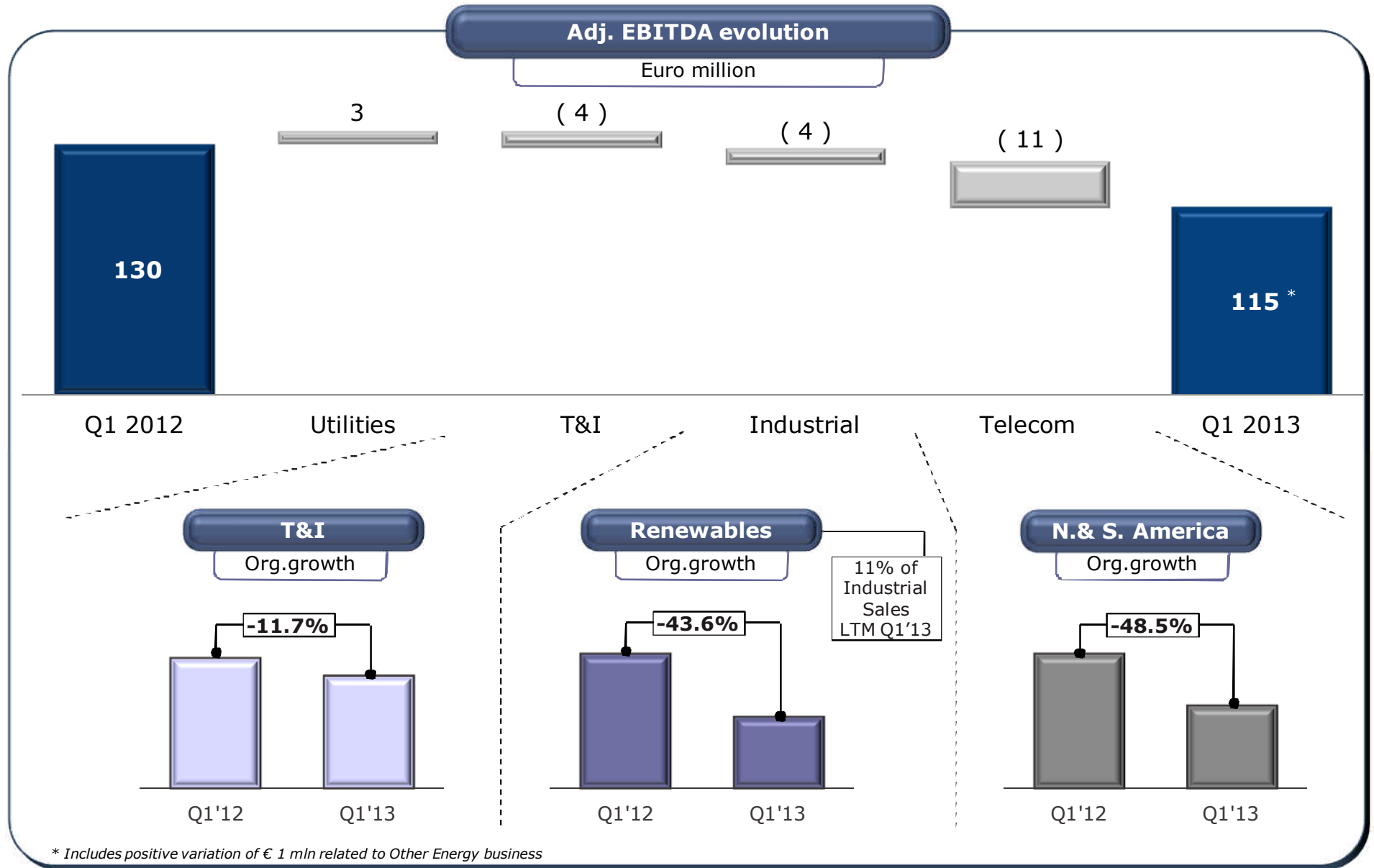
Euro Millions, % on Sales



(1) Includes Draka Group's results for the period 1 January - 31 December; (2) Includes Draka Group's results for the period 1 March - 31 December (3) Adjusted excluding non-recurring income/expenses; (4) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (5) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (6) Operative NWC defined as NWC excluding the effect of derivatives; % of sales is defined as Operative NWC on annualized last quarter sales; (7) Restated to include effects of IAS 19 rev. (negative effect of €2m in FY2012, 0 in Q1'12)

Adj. EBITDA bridge

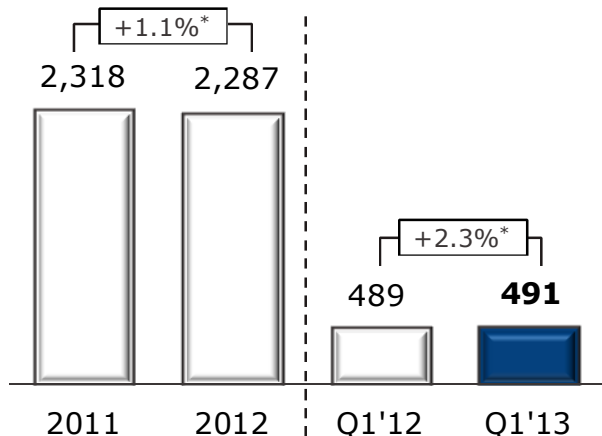
Lower profitability mainly due to Telecom and cyclical business in Europe



Utilities

Euro Millions, % on Sales

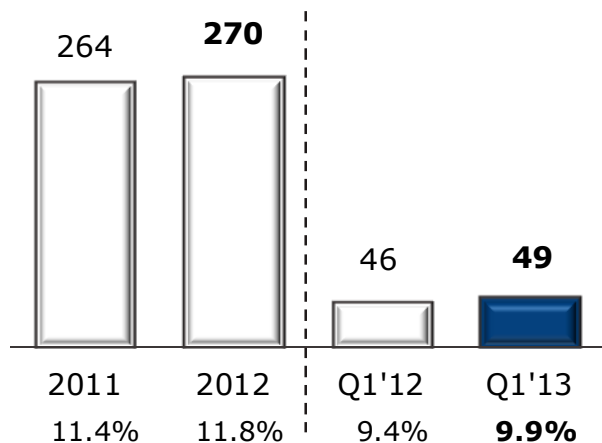
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

DISTRIBUTION

- Limited organic decrease in Q1 with respect to a low comparable basis in PY. No signs of demand recovery in Europe
- Lower profitability driven by volume reduction and tough price competition partially offset by industrial efficiencies
 - Europe: lower contribution in Italy and Germany. Continuous weak demand driving lower profitability
 - North America: growing volume and profitability thanks to positive demand and industrial efficiencies
 - South America: lower utilities investments expected to recover during the year
 - Asia: positive demand in all regions. Higher competition in Australia

TRANSMISSION – HV

- FY target covered by order book. Lower order intake in China and Russia offset by higher activity in US and key European markets (Italy, France and UK)
- Increasing market share in US outperforming market demand
- Leverage on China production capacity to grow in other APAC regions (e.g. Singapore and Australia)

TRANSMISSION – Submarine

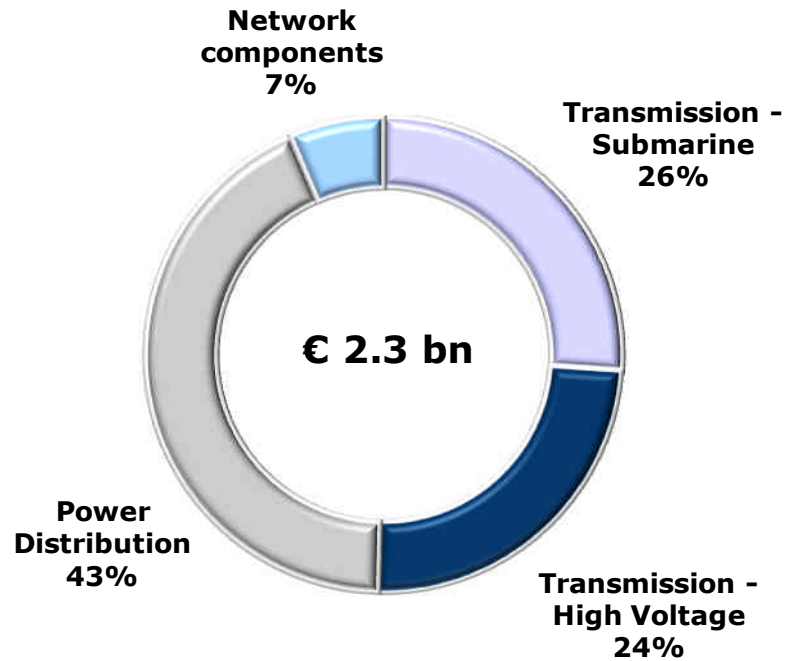
- Sound tendering activity both in off-shore wind and large connections expected to continue during the year
- Over €450m projects awarded in Q1 (Normandie3, DolWin3 and Deutsche Bucht) confirm Group leadership and increase in market share
- New vessel Cable Enterprise to start executing own projects from end of 2013. Limited profitability contribution in 2013

Utilities – Submarine as key driver of profitability increase

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

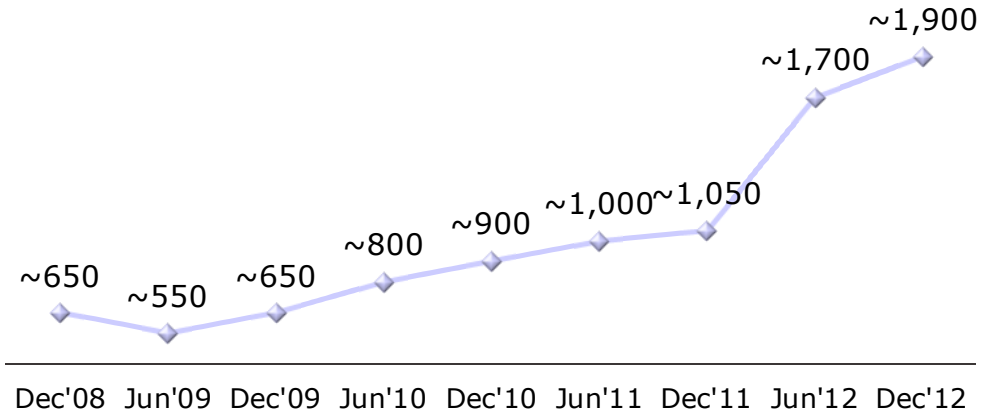
Sales breakdown

FY 2012



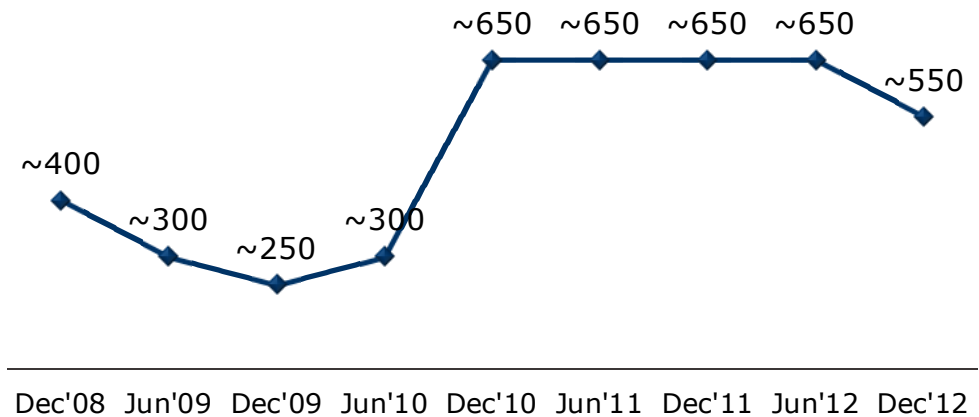
Orders Backlog Evolution

Submarine (€ million)



Orders Backlog Evolution

High Voltage (€ million)



Utilities – Investing in submarine to increase ROCE

Strengthening production and installation (GME acquisition) capabilities



Arco Felice (Italy)



Drammen (Norway)



Pikkala (Finland)



- Main projects in execution/order backlog:**
1. Western Link
 2. HelWin 1-2/ SylWin 1/ BorWin 2/ DolWin 3 / Deutsche Bucht
 3. Hudson
 4. Messina
 5. Dardanelles
 6. Phu Quoc
 7. Mon.Ita
 8. Normandie 3
 9. Balearic Islands
 10. US Offshore platforms



Giulio Verne

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



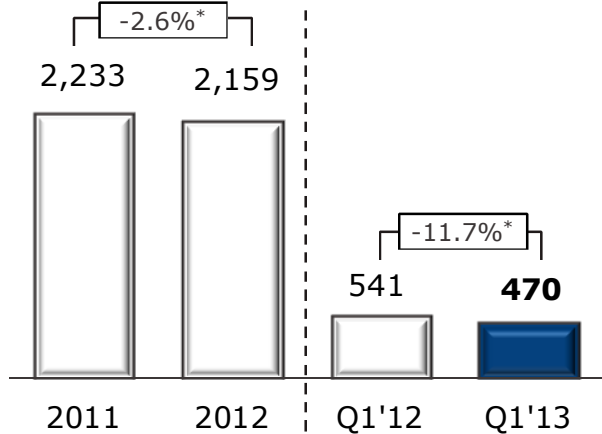
Cable Enterprise

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

Trade & Installers

Euro Millions, % on Sales

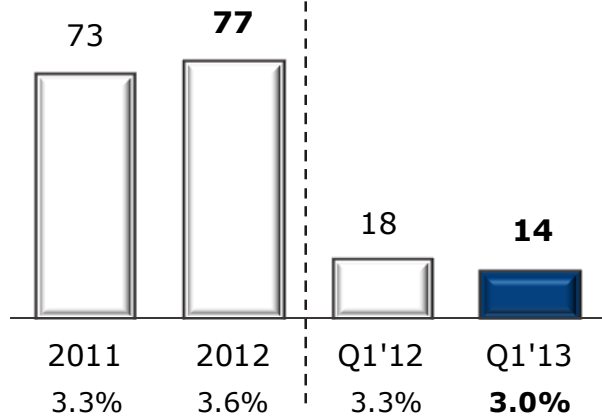
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



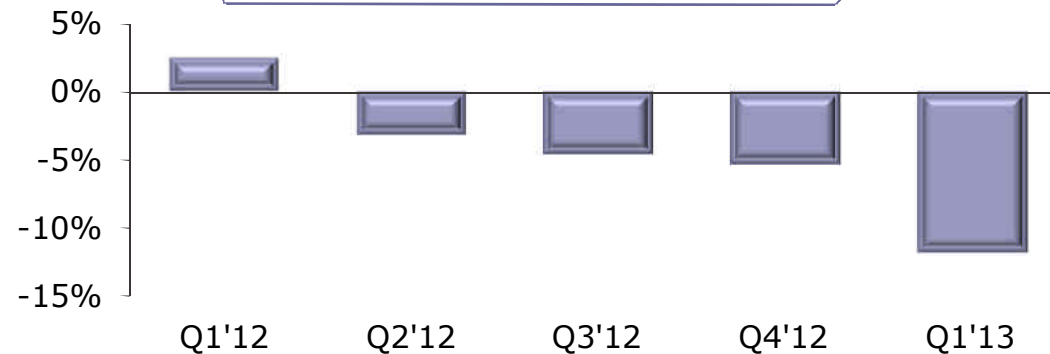
Note: FY2011 combined including Draka for 12 months

Highlights

- Significant downturn in European demand vs 2012. New bottom in several countries (partially due to unfavourable weather conditions) from already low volumes in 2012
 - Europe: double digit volume decline in key countries such as Spain, Italy, France, UK, Germany and Eastern Europe. Weak demand driving further price competition
 - Lower sales in North America due to high comparable basis (incentives suspended from H2'12). Reconfirmed incentives in US expected to drive volume recovery during the year. Slightly positive underlying construction demand.
 - Gradual improvement in South America
 - Sales performance in APAC strongly affected by lower demand in Australia
- Volume decrease and price competition driving lower margins despite costs synergies

Organic Growth

On the same quarter of previous year

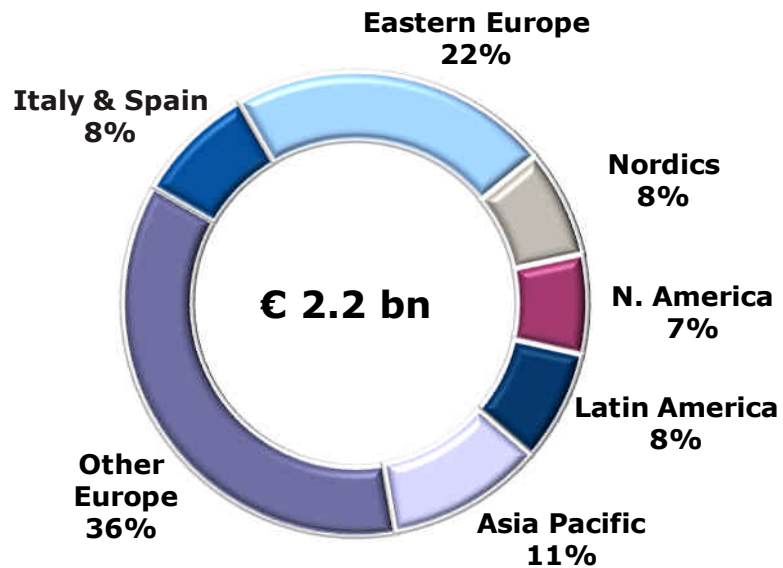


Trade & Installers

Sales breakdown

Sales breakdown by geographical area

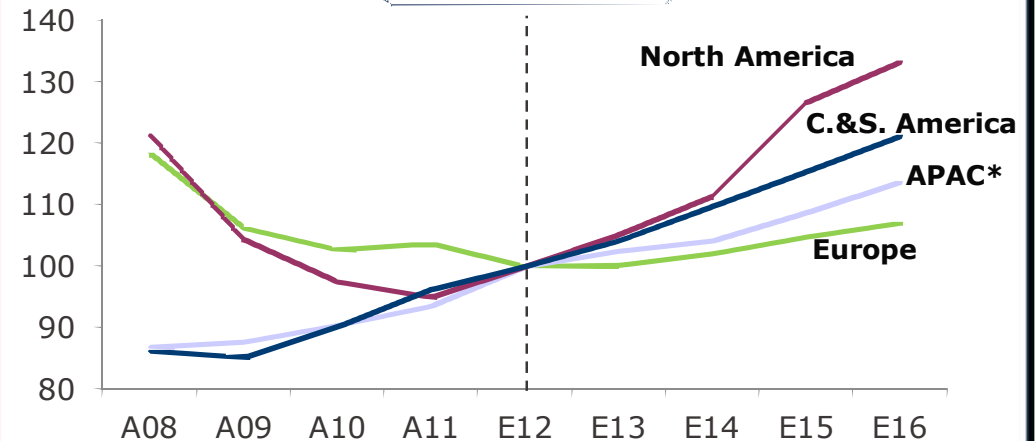
FY 2012



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

Total Construction Investments

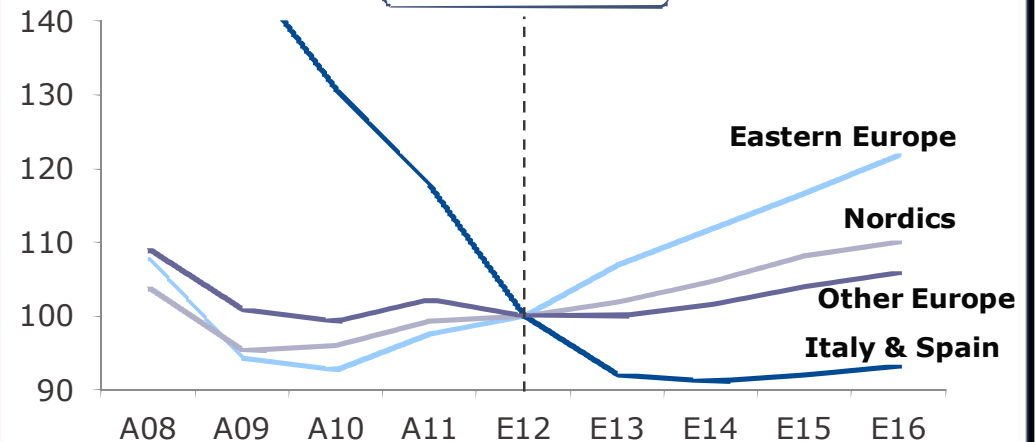
2012 = 100



* Excl. China

Focus on Europe

2012 = 100

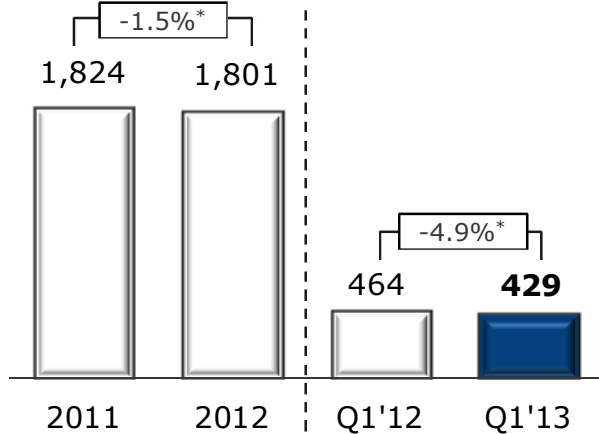


Source: Cresme Ricerche - Euroconstruct, December 2012

Industrial

Euro Millions, % on Sales

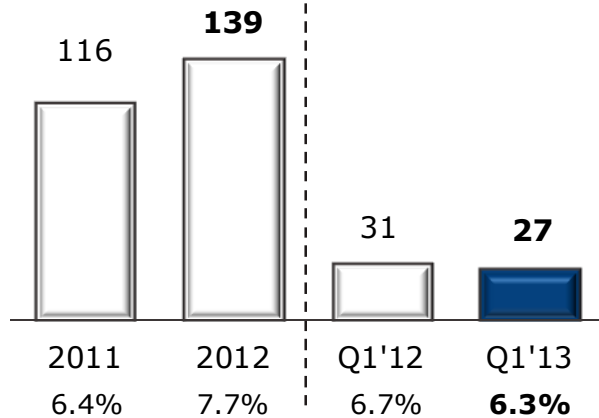
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

OGP

- Lower sales in Q1 due to investments decrease in on-shore application partially offset by off-shore. Better sales mix (higher margin in off-shore) supporting profitability

SURF

- Low start of the year for Umbilicals and Flexibles. Umbilicals expected to improve in H2 based on order-book and increasing tendering activity out of Brazil (e.g. West Africa, ME). Still limited visibility on Flexibles
- DHT: Higher contribution expected next quarters to grow vs FY'12. Positive demand confirmed in US, North Europe and Asia

Elevator

- Growing sales in Q1 despite stable demand thanks to outperformance in US and new commercial initiatives in Europe and APAC

Renewable

- Halved sales and profitability due to lower investments in Europe (Germany and Denmark partially attributable to weather conditions), US (renewed incentives to drive volume recovery) and China (consolidation expected in the wind turbines manufacturers)

Automotive

- Stable sales thanks to high exposure to premium brands and growth in APAC, North and South America. Profitability increase driven by better industrial footprint

Specialties & OEM

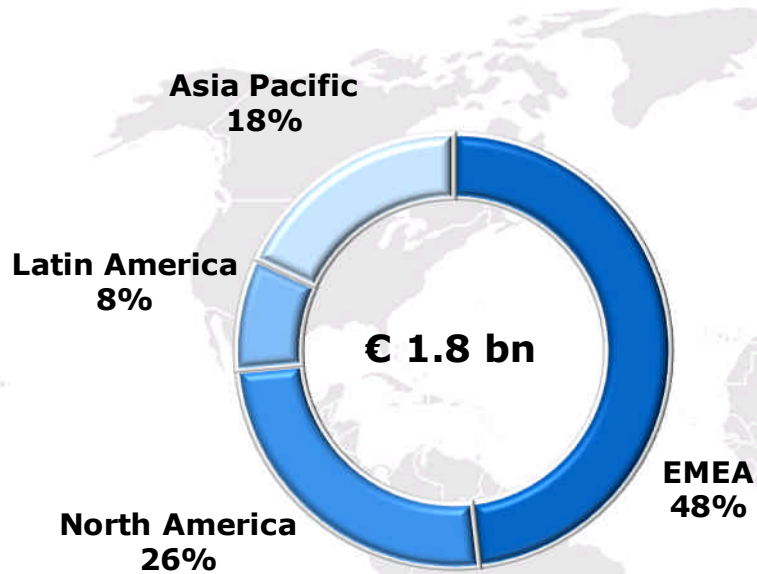
- Sales and profitability increase thanks to growing demand and new initiatives in Railway, Rolling Stock, Crane and Mining in APAC, ME and Eastern Europe

Industrial

Sales breakdown

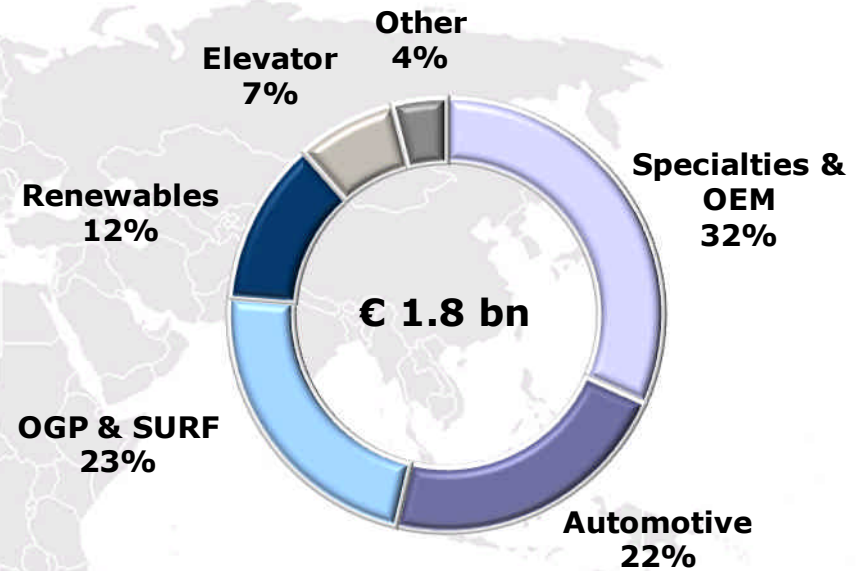
Sales breakdown by geographical area

FY 2012



Sales breakdown by business segment

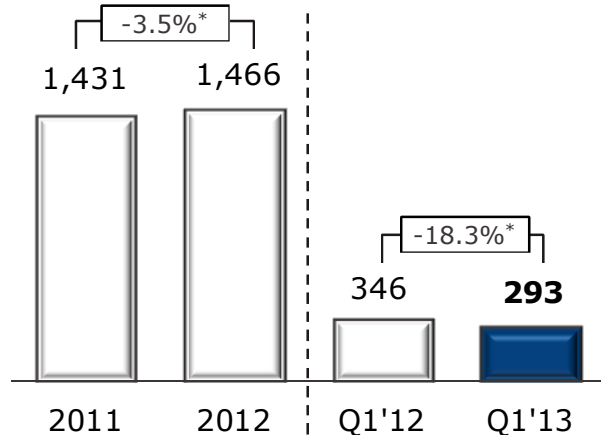
FY 2012



Telecom

Euro Millions, % on Sales

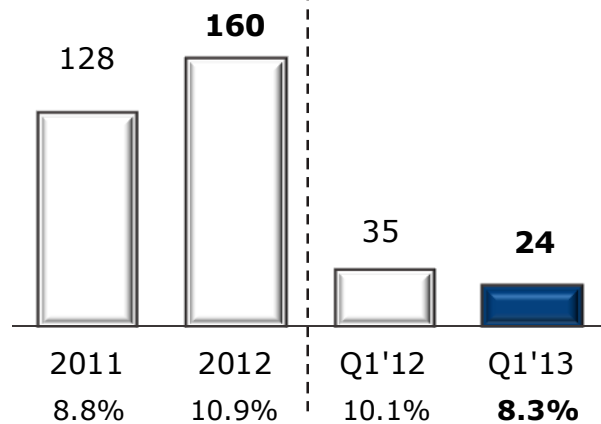
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

- Sales and profitability decrease in Q1 mainly due to sharp drop of optical cables in North and South America (compared to extremely high volumes of H1'12). Further strong decrease in Copper cables

Optical / Fiber

- **Europe:** investments by large incumbents still in a preliminary phase
- **North America:** high double digit volume decrease vs a strong Q1'12 (sustained by stimulus packages). Gradual improvement expected from H2
- **Australia:** strong sales performance in Q1. Growing investments by NBN to support positive trend next quarters
- **Brazil:** new government incentive in place to drive volume pick up in the coming quarters. \$ 9bn investments in telecom infrastructures expected by 2016 driven by tax exemptions
- **China:** growing demand with higher contribution expected from Q2

Multimedia & Specials

- Market stable in established market segments/regions, clear focus on extending regional activity outside of EMEA

OPGW

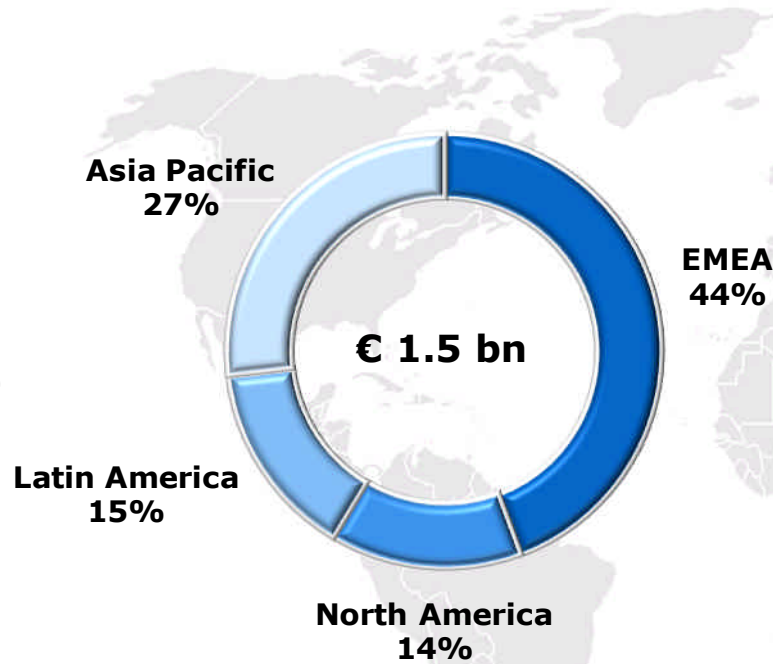
- Continuous positive performance in traditional markets (Spain, Middle East & Africa). Growing exposure to North America and Russia

Telecom

Sales breakdown

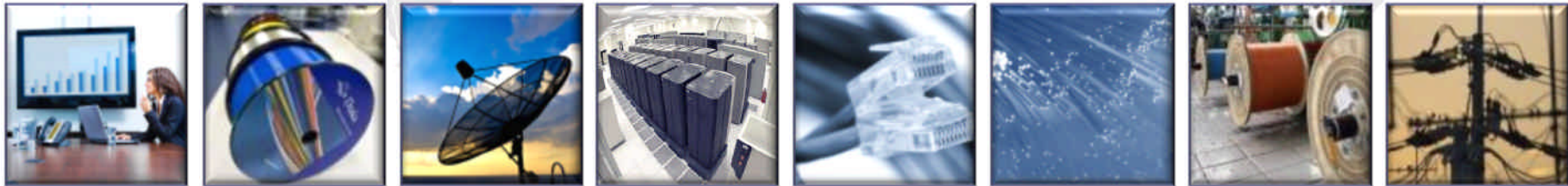
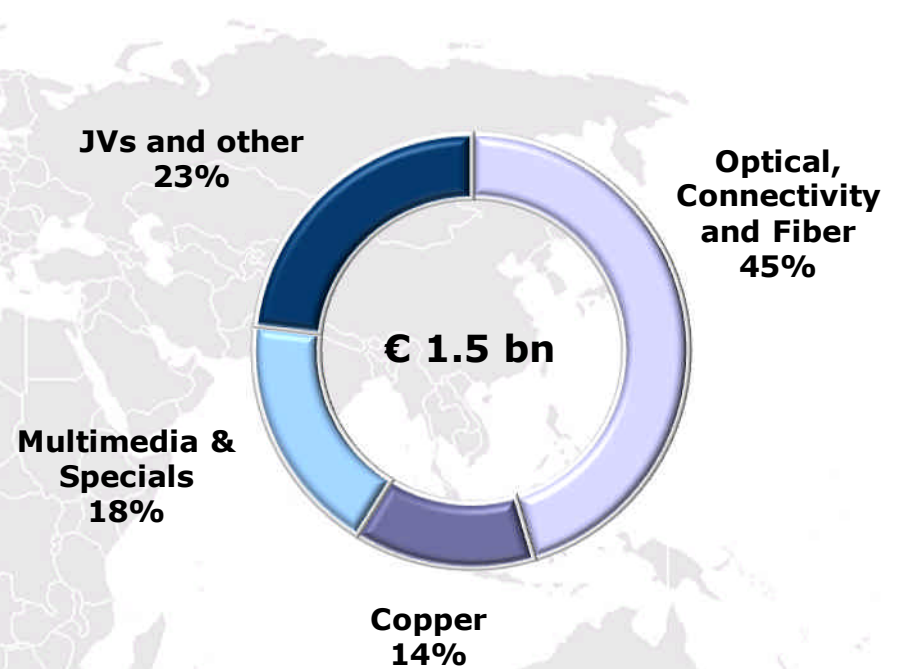
Sales breakdown by geographical area

FY 2012



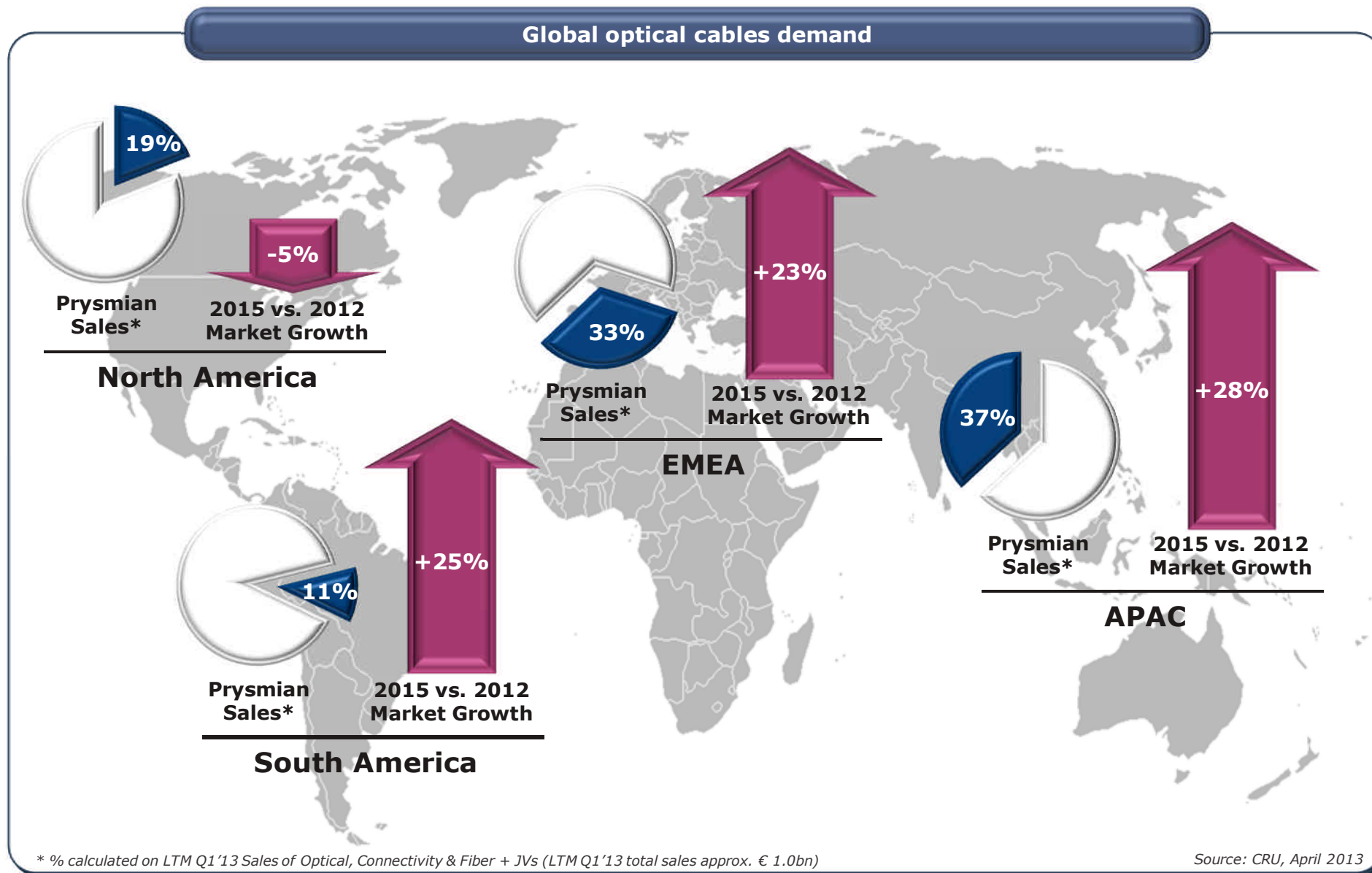
Sales breakdown by business segment

FY 2012



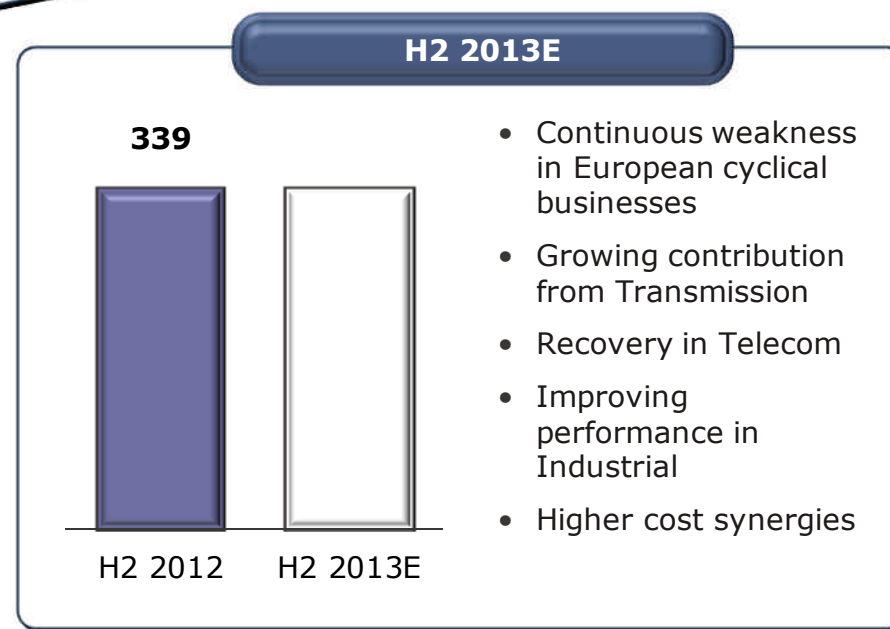
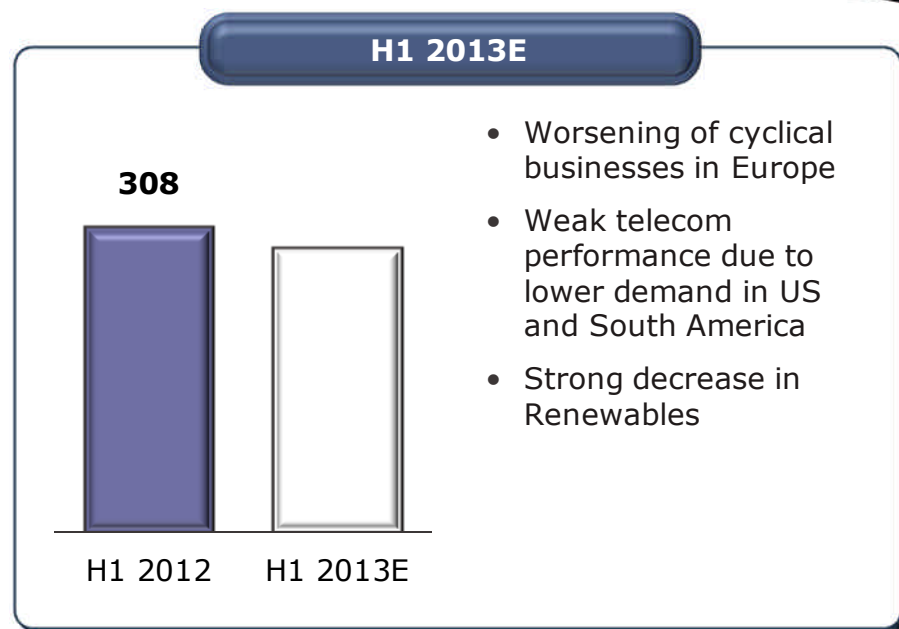
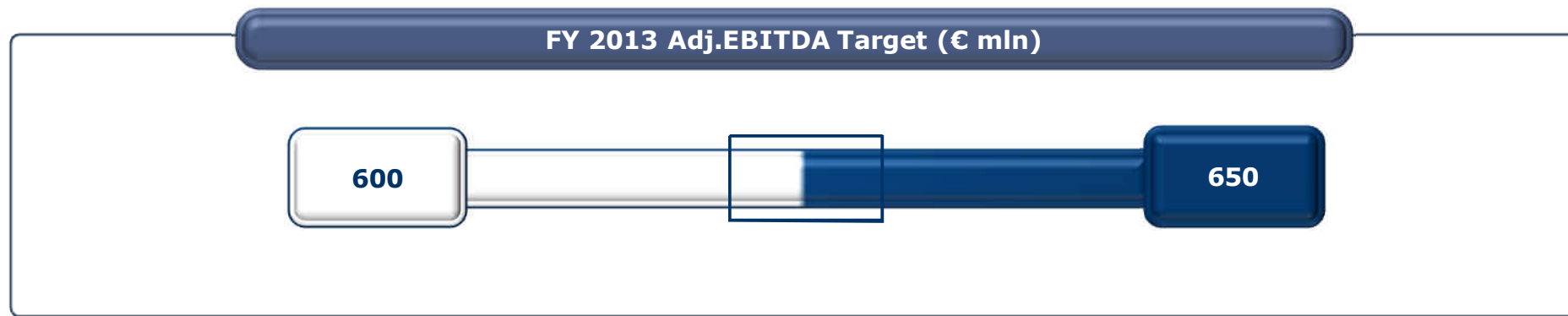
Telecom – Solid drivers in optical confirmed despite low start of the year

Growing investments expected in South America, EMEA and APAC



2013 Outlook – Profitability recovery expected next quarters

Leverage on additional synergies and transmission to face new bottom in cyclical businesses

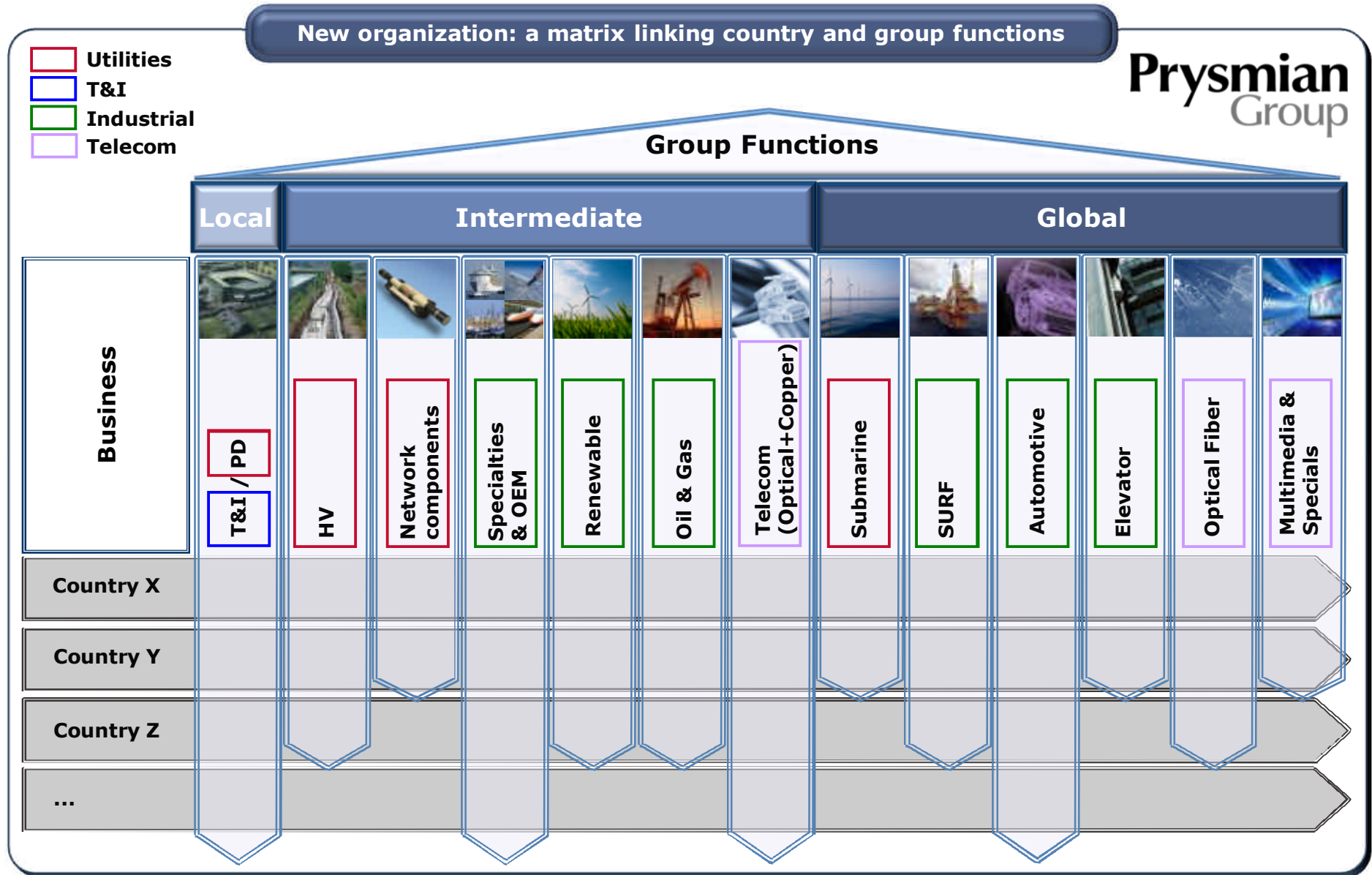


AGENDA

- Group Overview & 2013 Outlook
- **Draka integration**
- Financial Results
- Appendix

The new organization model

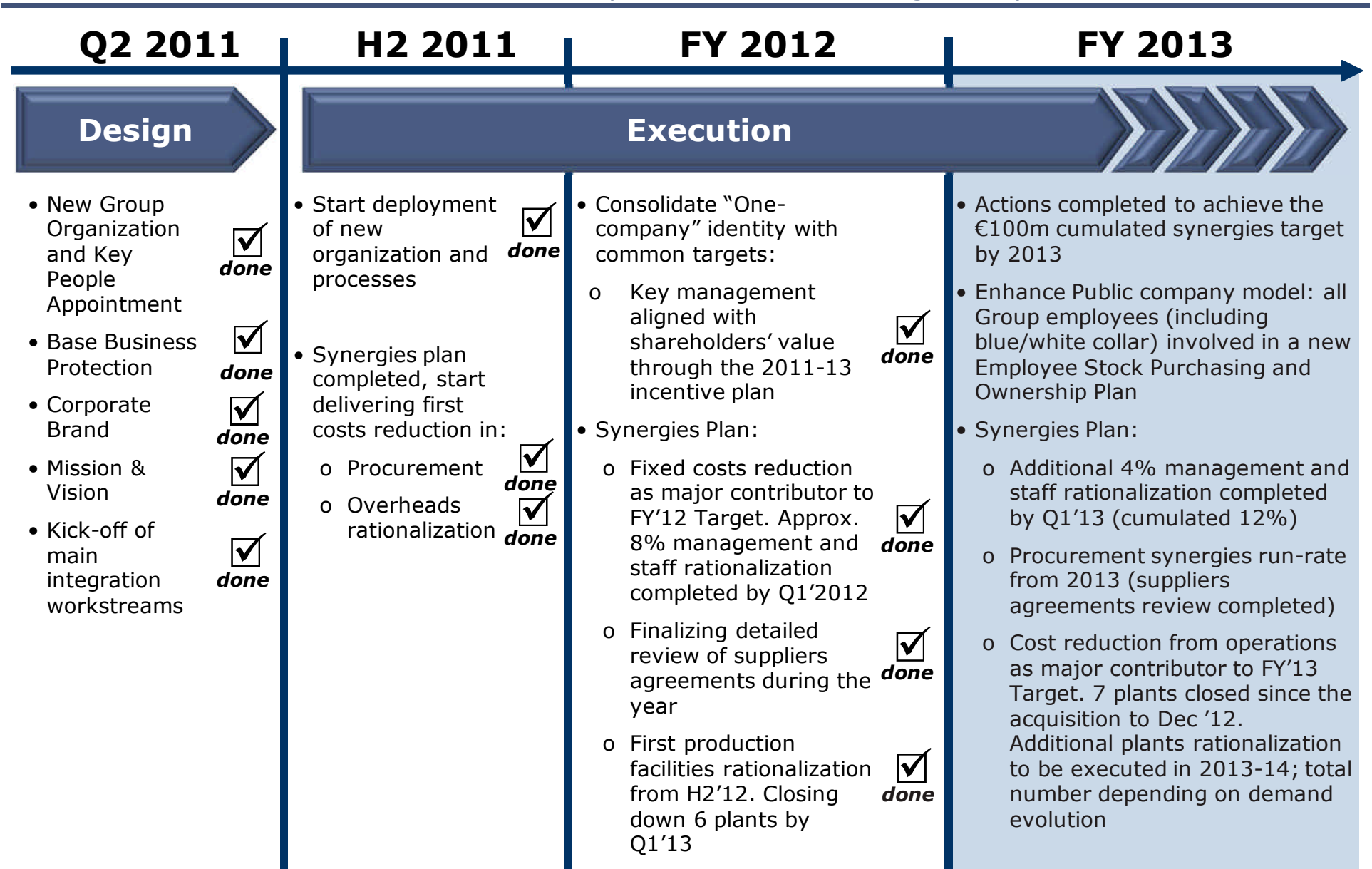
To strengthen leadership in all business segments leveraging on a global platform



Prysmian
Group

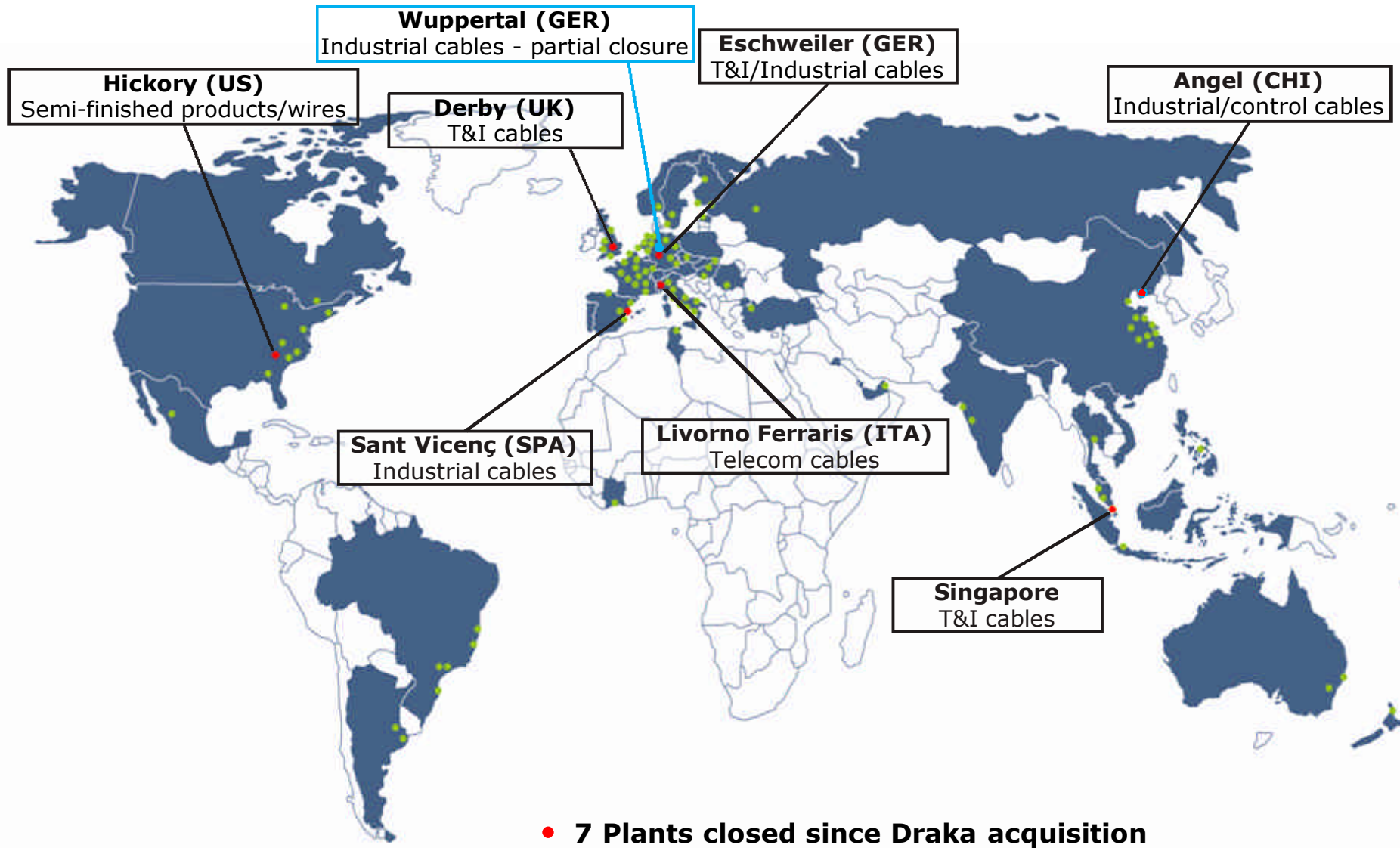
Integration process update

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



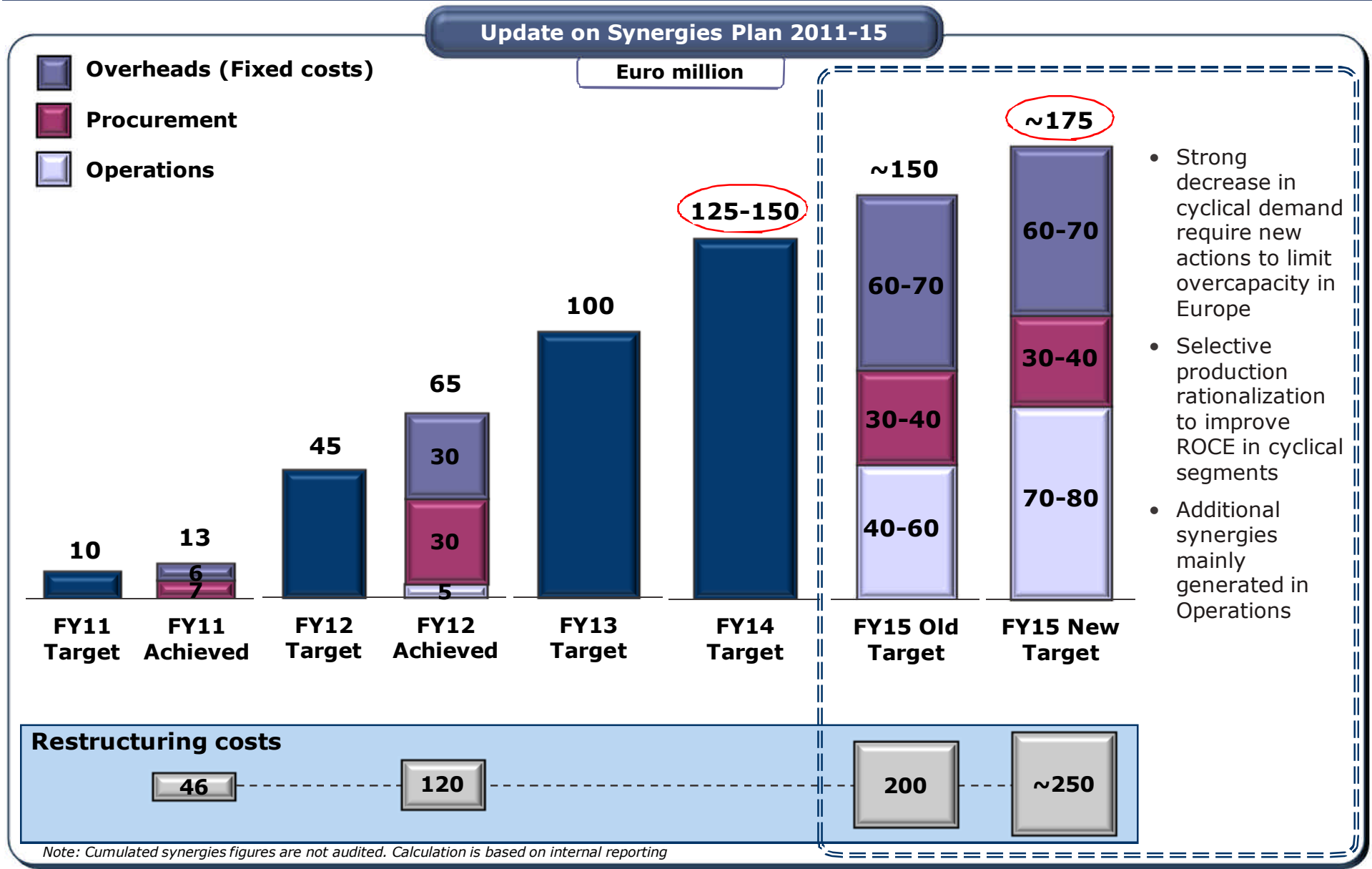
First step of production footprint optimization completed

7 plants closed and 1 plant restructured since Draka acquisition



Synergies target increased – Increasing efforts on production rationalization

New upgrade in synergies plan with additional actions to face the continuous downturn



Key commercial initiatives in Industrial and Telecom

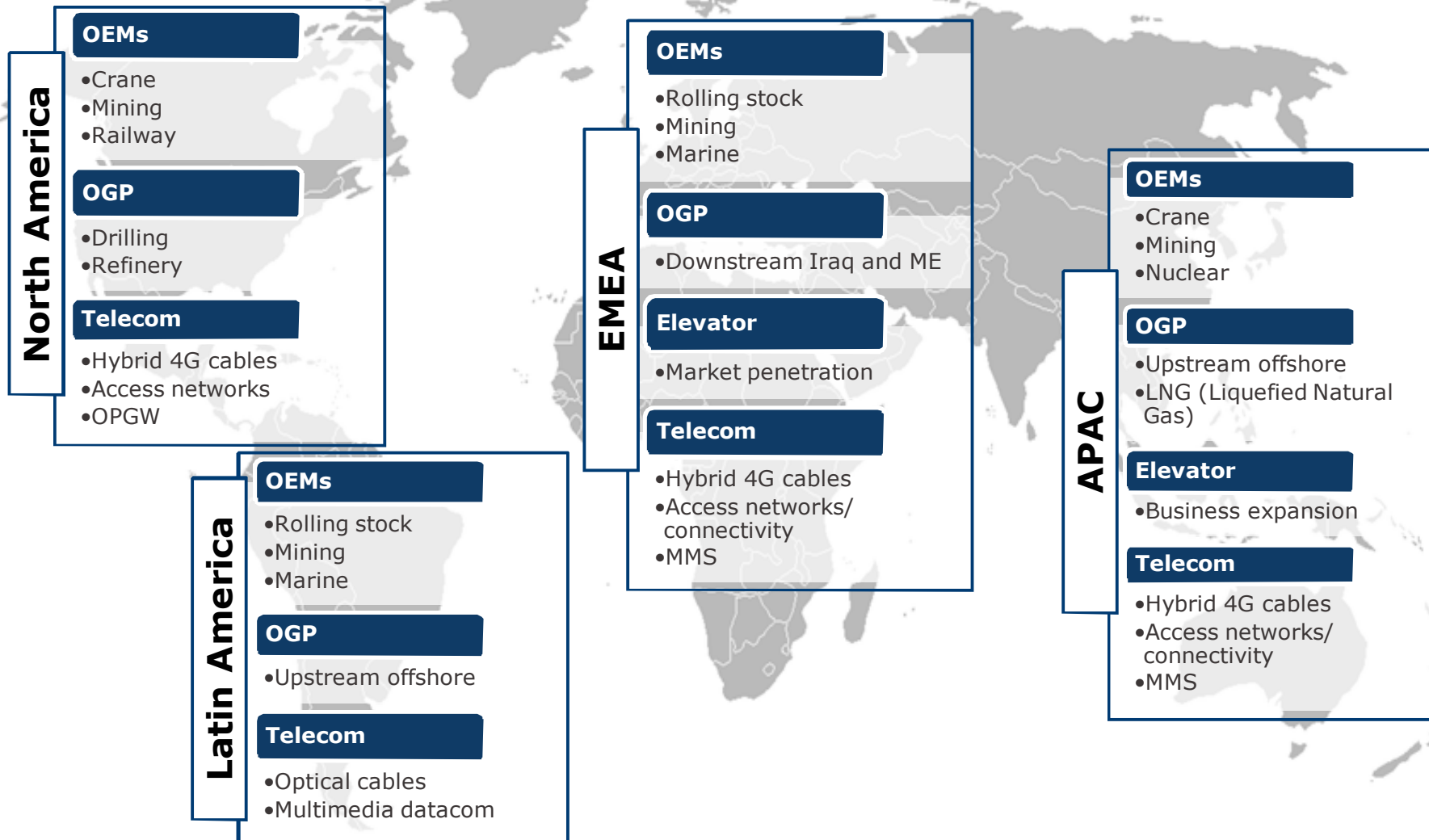
Leverage on global product portfolio to increase sales and profitability

Industrial: ~ +€240m sales by 2015

CAGR '12-'15 driven by new initiatives: ~ +4%*

Telecom: ~ +€190m sales by 2015

CAGR '12-'15 driven by new initiatives: ~ +4%*



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Profit and Loss Statement

Euro Millions

	Q1 2013	Q1 2012	FY 2012
Sales	1,711	1,874	7,848
<i>YoY total growth</i>	<i>(8.7%)</i>		
<i>YoY organic growth</i>	<i>(7.6%)</i>		
Adj. EBITDA	115	130	647
<i>% on sales</i>	<i>6.7%</i>	<i>6.9%</i>	<i>8.2%</i>
<i>Non recurring items</i>	<i>(16)</i>	<i>(15)</i>	<i>(101)</i>
EBITDA	99	115	546
<i>% on sales</i>	<i>5.8%</i>	<i>6.1%</i>	<i>7.0%</i>
Adj. EBIT	77	91	483
<i>% on sales</i>	<i>4.5%</i>	<i>4.8%</i>	<i>6.2%</i>
<i>Non recurring items</i>	<i>(16)</i>	<i>(15)</i>	<i>(101)</i>
<i>Special items</i>	<i>(17)</i>	<i>13</i>	<i>(20)</i>
EBIT	44	89	362
<i>% on sales</i>	<i>2.6%</i>	<i>4.8%</i>	<i>4.6%</i>
<i>Financial charges</i>	<i>(47)</i>	<i>(28)^{a)}</i>	<i>(120)^{a)}</i>
EBT	(3)	61	242
<i>% on sales</i>	<i>(0.2%)</i>	<i>3.3%</i>	<i>3.1%</i>
Taxes	1	(19)	(73)
<i>% on EBT</i>	<i>n.m.</i>	<i>31.1%</i>	<i>30.2%</i>
Net income	(2)	42	169
<i>Extraordinary items (after tax)</i>	<i>(41)</i>	<i>(3)</i>	<i>(111)</i>
Adj. Net income	39	45	280

a) Restated to include effects of IAS 19 revised; negative effect of €2m in FY2012, 0 in Q1 2012

Extraordinary Effects

Euro Millions

	Q1 2013	Q1 2012	FY 2012
Antitrust investigation	(2)	1	(1)
Restructuring	(10)	(14)	(74)
Draka integration costs	-	(1)	(9)
Other	(4)	(1)	(17)
EBITDA adjustments	(16)	(15)	(101)
Special items	(17)	13	(20)
Gain/(loss) on metal derivatives	(12)	18	14
Assets impairment	-	-	(24)
Other	(5)	(5)	(10)
EBIT adjustments	(33)	(2)	(121)
Gain/(Loss) on ex.rates/derivat. ⁽¹⁾	(13)	(2)	(11)
Other one-off financial Income/exp.	(5)	-	(5)
EBT adjustments	(51)	(4)	(137)
Tax	10	1	26
Net Income adjustments	(41)	(3)	(111)

Notes

(1) Includes currency and interest derivatives

Financial Charges

Euro Millions

	Q1 2013	Q1 2012	FY 2012
Net interest expenses	(28)	(26)^{a)}	(111)^{a)}
Bank fees amortization	(3)	(2)	(10)
Gain/(loss) on exchange rates	-	(1)	(29)
Gain/(loss) on derivatives ⁽¹⁾	(13)	(1)	18
Non recurring effects	(5)	-	(5)
Net financial charges	(49)	(30)	(137)
Share in net income of associates	2	2	17
Total financial charges	(47)	(28)	(120)

Notes

(1) Includes currency and interest derivatives

a) Restated to include effects of IAS 19 revised; negative effect of €2mIn in FY2012, 0 in Q1 2012

Statement of financial position (Balance Sheet)

Euro Millions

	31 March 2013	31 March 2012	31 December 2012
Net fixed assets	2,305	2,234	2,311
<i>of which: intangible assets</i>	652	615	655
<i>of which: property, plants & equipment</i>	1,544	1,528	1,543
Net working capital	807	814	479
<i>of which: derivatives assets/(liabilities)</i>	(19)	(5)	(7)
<i>of which: Operative Net working capital</i>	826	819	486
Provisions & deferred taxes	(318)	(366)	(369)
Net Capital Employed	2,794	2,682	2,421
Employee provisions	346	271	344
Shareholders' equity	1,235	1,138	1,159
<i>of which: attributable to minority interest</i>	46	55	47
Net financial position	1,213	1,273	918
Total Financing and Equity	2,794	2,682	2,421

Cash Flow

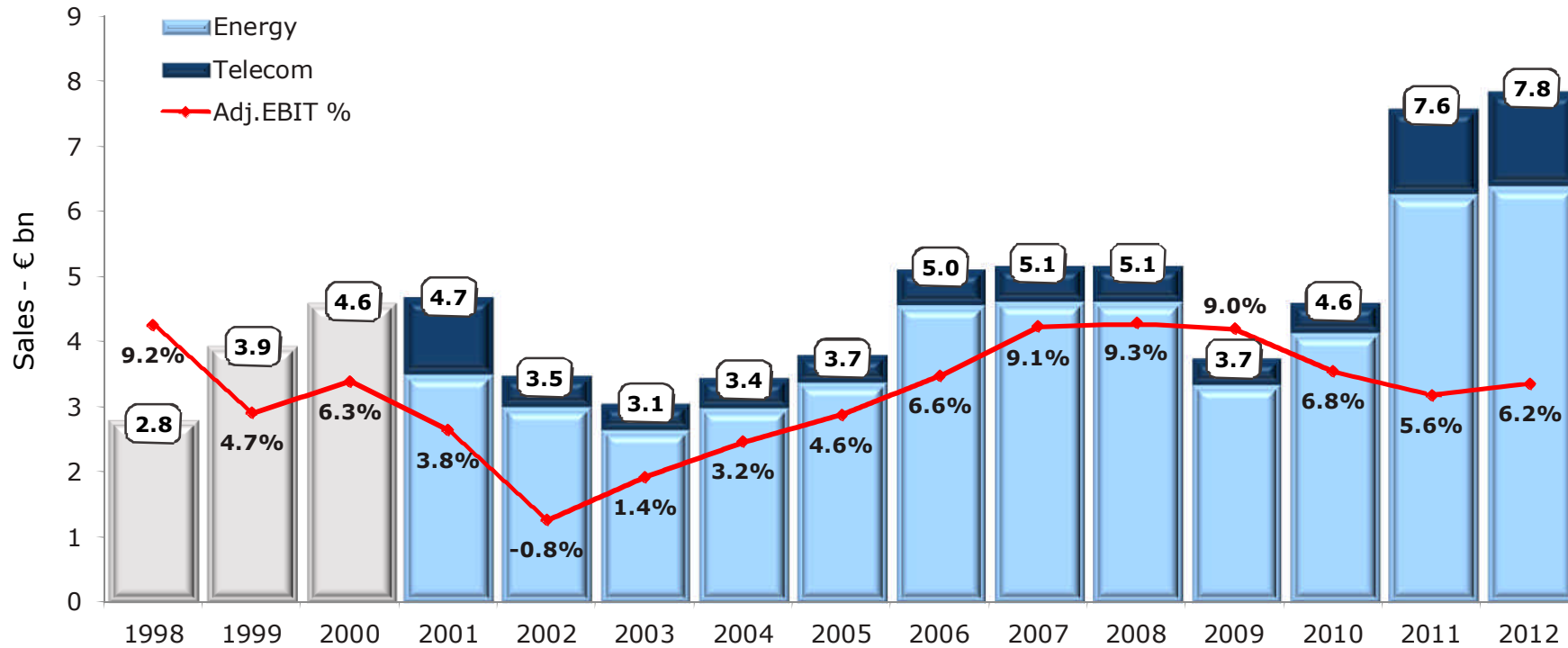
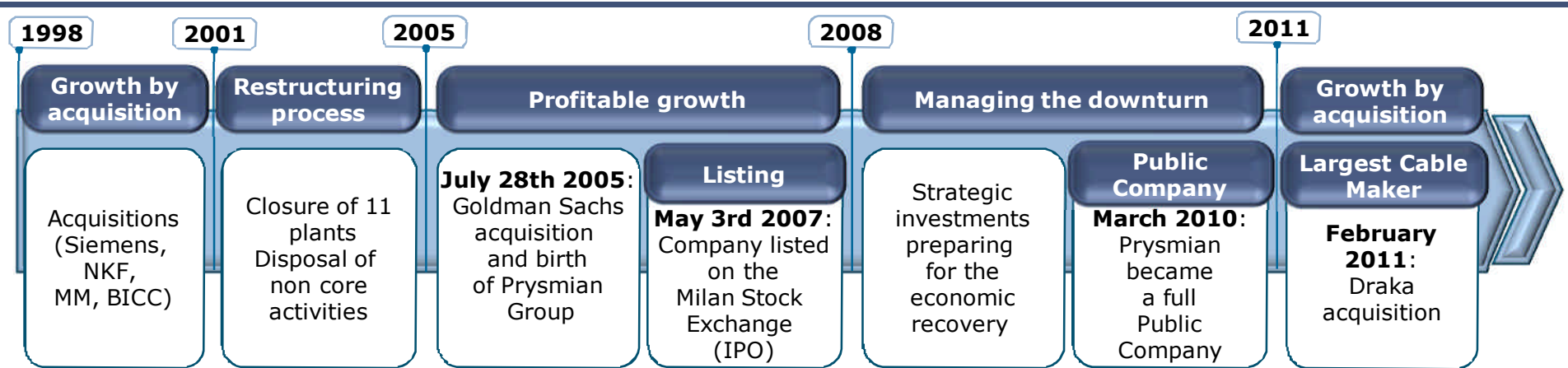
Euro Millions

	Q1 2013	Q1 2012	FY 2012
Adj.EBITDA	115	130	647
Non recurring items	(16)	(15)	(101)
EBITDA	99	115	546
Net Change in provisions & others	(27)	(12)	(1)
Cash flow from operations (before WC changes)	72	103	545
Working Capital changes	(351)	(243)	75
Paid Income Taxes	(13)	(15)	(74)
Cash flow from operations	(292)	(155)	546
Acquisitions	-	(9)	(86)
Net Operative CAPEX	(24)	(25)	(141)
Net Financial CAPEX	7	2	8
Free Cash Flow (unlevered)	(309)	(187)	327
Financial charges	(16)	(17)	(129)
Free Cash Flow (levered)	(325)	(204)	198
Free Cash Flow (levered) excl. acquisitions	(325)	(195)	284
Dividends	(1)	-	(45)
Other Equity movements	-	-	1
Net Cash Flow	(326)	(204)	154
NFP beginning of the period	(918)	(1,064)	(1,064)
Net cash flow	(326)	(204)	154
Other variations	31	(5)	(8)
NFP end of the period	(1,213)	(1,273)	(918)

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- Financial Results
- Appendix – Prysmian at a Glance

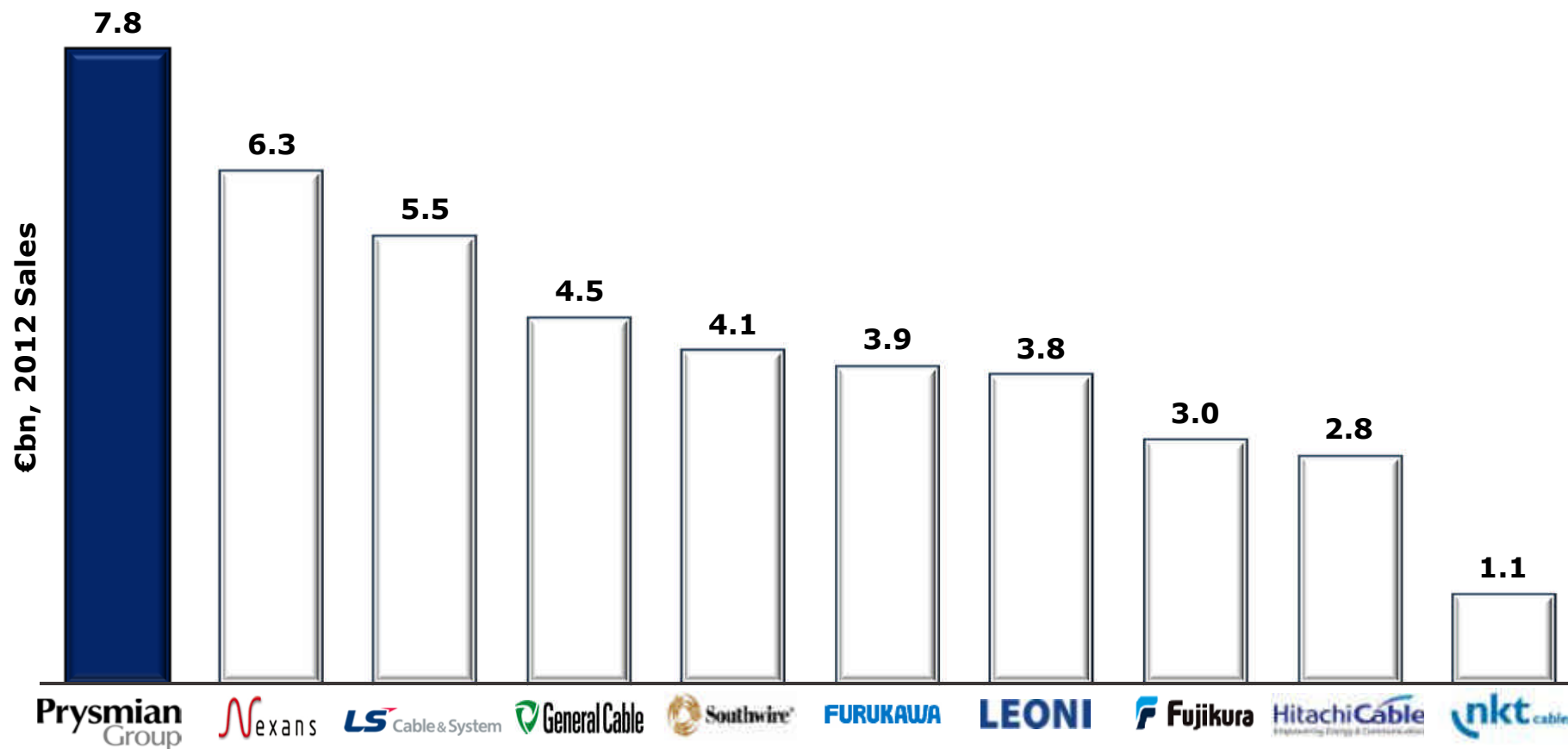
Key Milestones



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

The World's Leading Cables & Systems Company

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

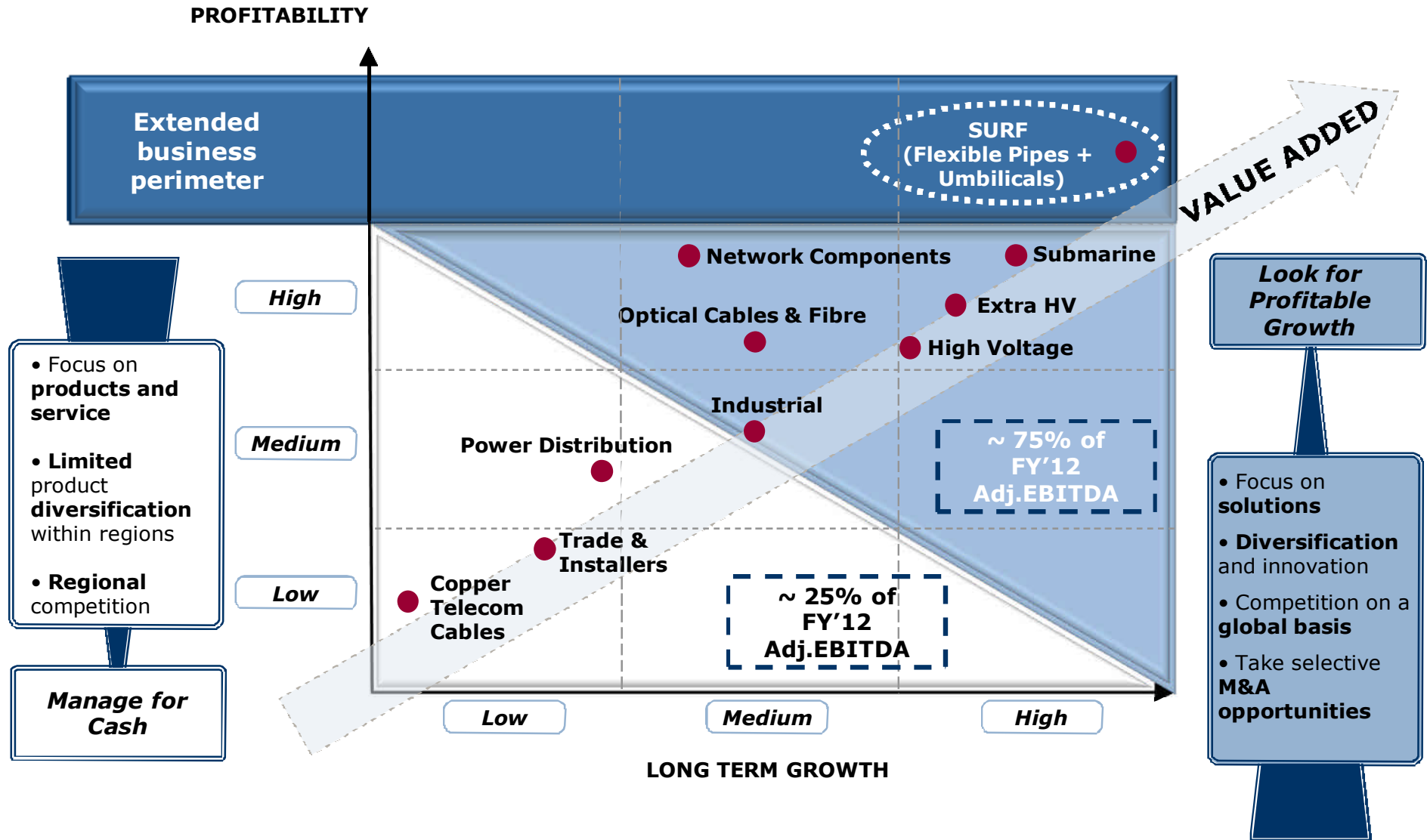


Source: Companies' public documents.

Note: Nexans excluding Other segment (mainly Electrical Wire); General Cable excluding Rod Mill Products; Furukawa considering only Telecommunications and Energy & Industrial Products segments, LTM figures as of 31-Dec-2012; Southwire FY2011; Fujikura considering only Telecom and Metal Cable & Systems segments, LTM figures as of 31-Dec-2012; Hitachi Cable considering Sales to Customers only for Industrial Infrastructure Products, Electronic & Automotive Products and Information Systems Devices & Materials segments, LTM figures as of 31-Dec-2012. All figures are expressed in € based on the average exchange rate of the reference period

Prysmian Group business portfolio

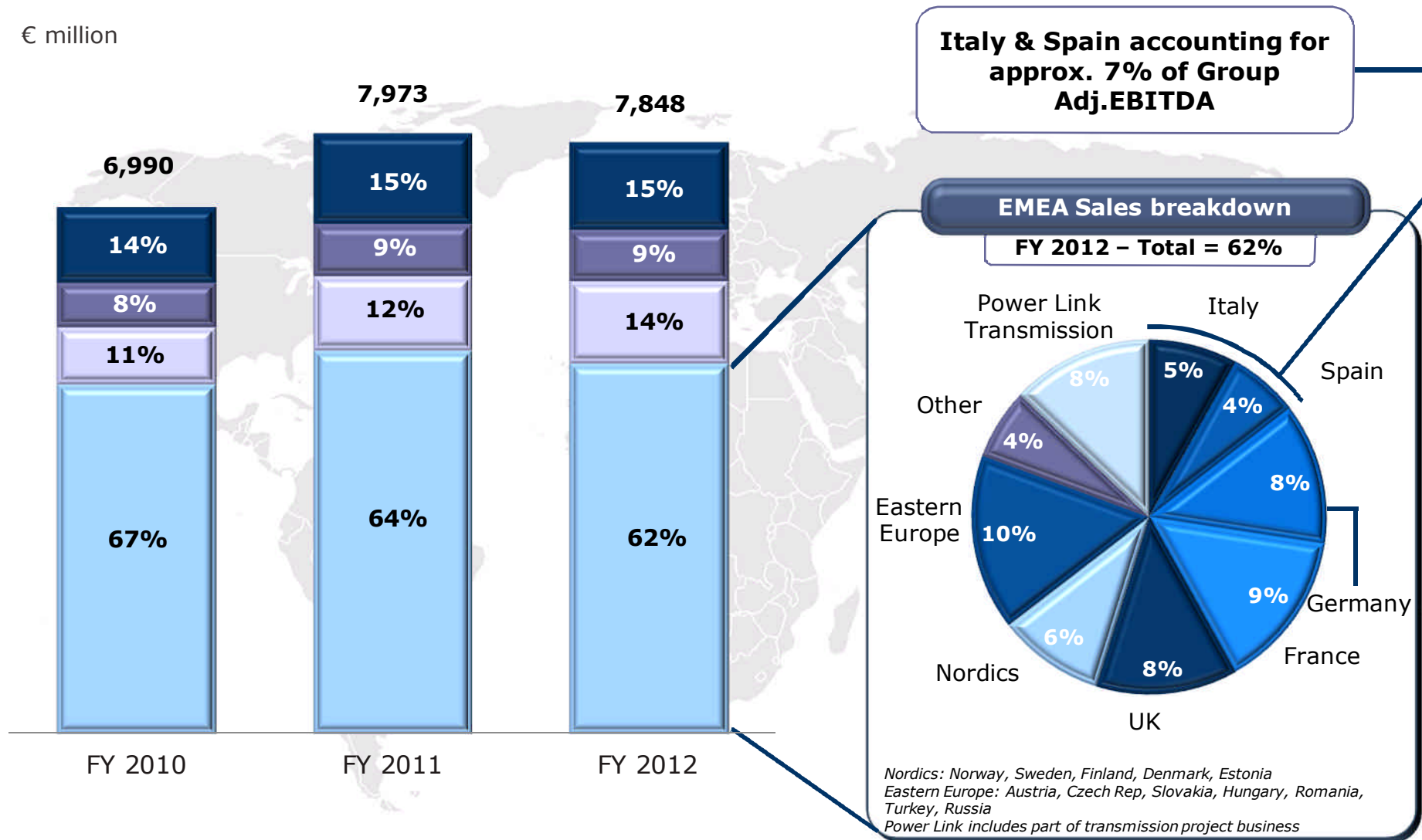
Focus on high value added segments



Sales evolution by geographical area

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

€ million

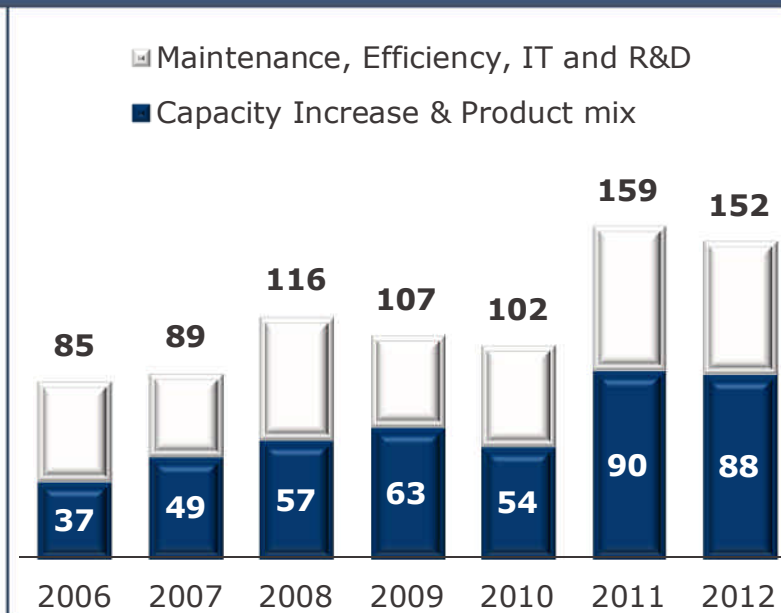


Note: FY2010 and FY2011 Sales Combined Prysmian + Draka

CAPEX evolution

Investments focused on high value added businesses

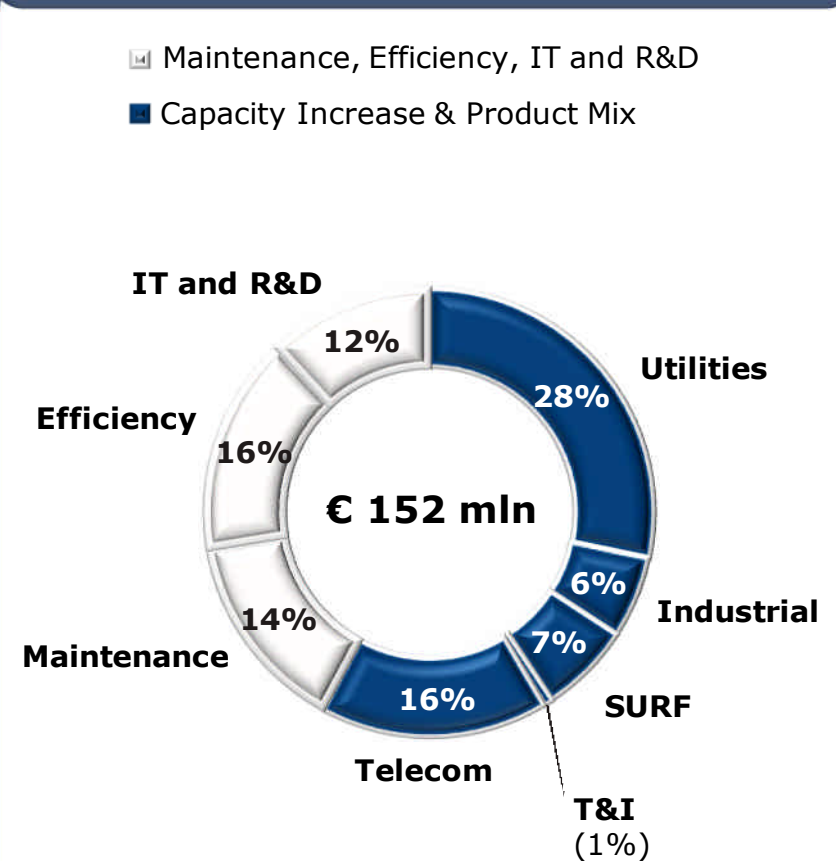
Capacity Increase & Product mix (€m)



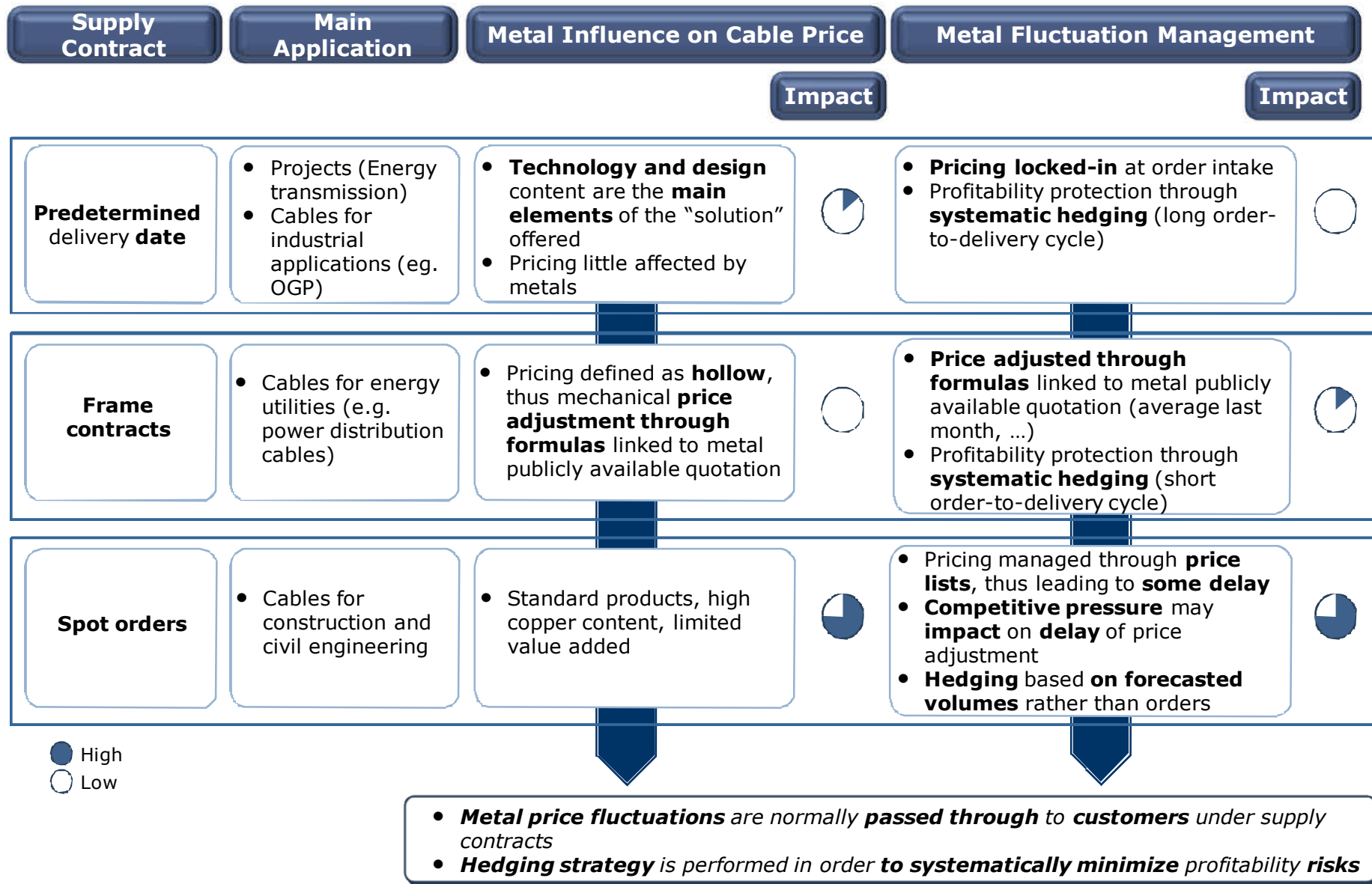
Utilities	35%	73%	72%	43%	22%	60%	49%
Industrial	3%	14%	9%	6%	2%	7%	10%
Surf	57%	-	4%	43%	65%	21%	12%
T&I	-	10%	2%	-	-	1%	1%
Telecom	5%	3%	13%	8%	11%	11%	28%
Total ⁽¹⁾	100%	100%	100%	100%	100%	100%	100%

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

2012 Capex by destination



Metal Price Impact on Profitability

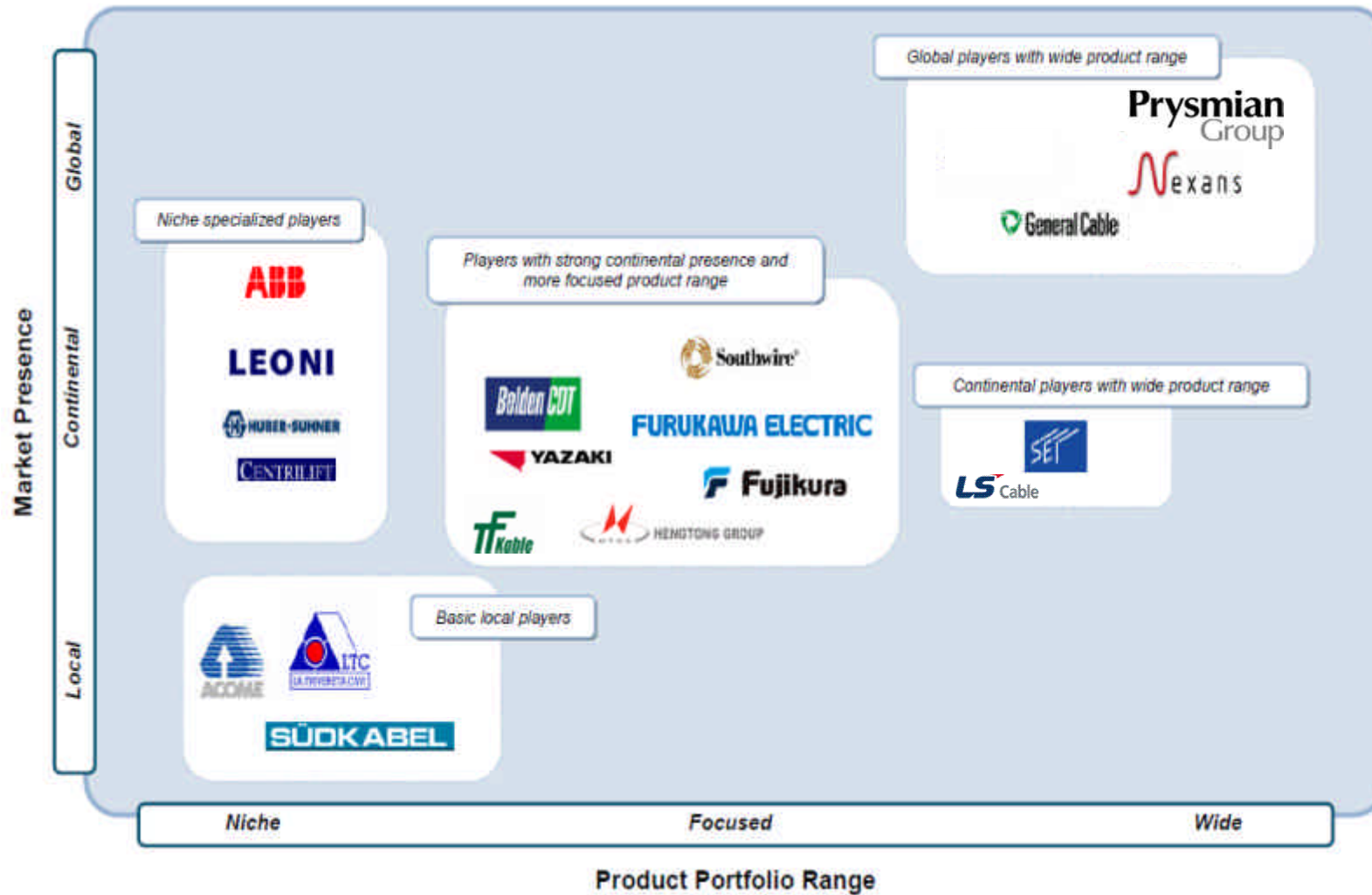


AGENDA

- Group Overview & Outlook 2013
- Draka integration
- Financial Results
- Appendix – Energy

Clusters of Cable Manufacturers in the Industry

Competitive scenario – Energy Cables



Full package of solutions for Energy Business

Utilities

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



Trade & Installers

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



Industrial

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



Utilities – Power Transmission

Business description

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

- **Underground High Voltage**

Cabling solutions for power plant sites and primary distribution networks



- **Submarine High Voltage**

Turnkey cabling solutions for submarine power transmission systems at depths of up to 2,000 meters



- **Network components**

Joints, connectors and terminations for low to extreme high voltage cables suitable for industrial, building or infrastructure applications and for power transmission and distribution



Key customers

Customer base drawn from all major national transmission networks operators

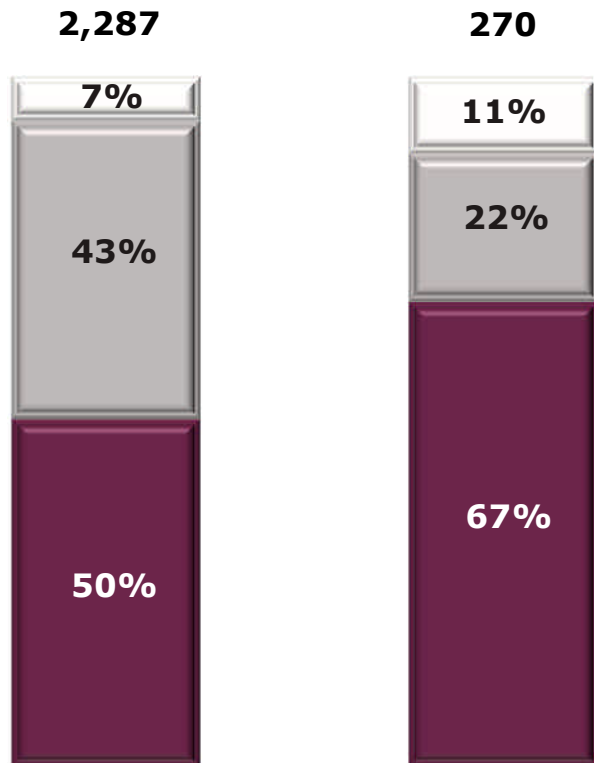


Utilities – Positive transmission outlook in 2013

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

Utilities – FY2012 Results

€ million



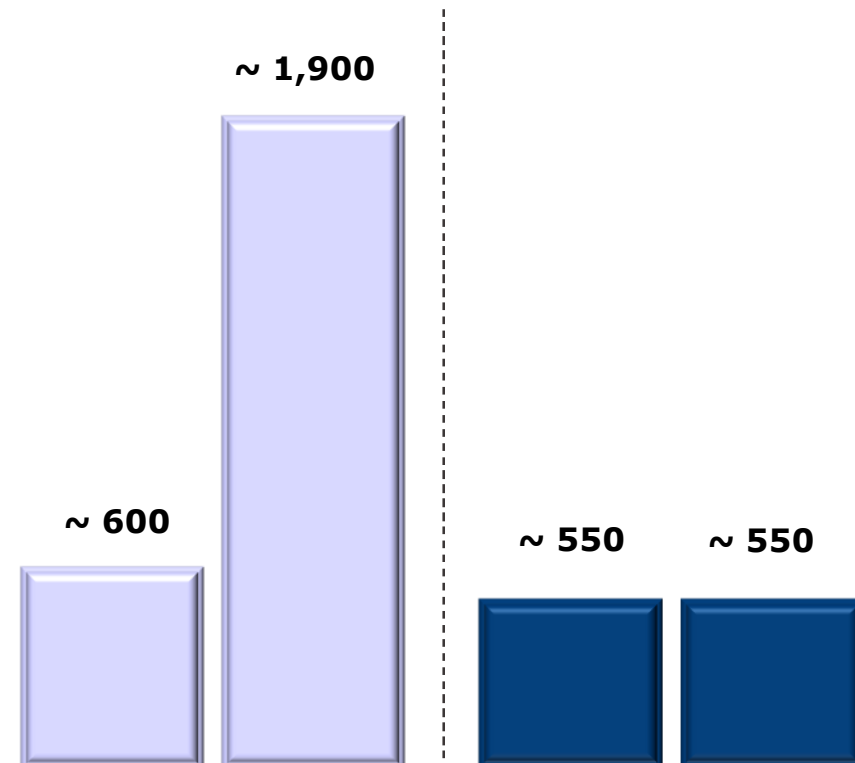
Sales

Adj. EBITDA

- Network Components
- Distribution
- Transmission

Transmission – Sales & Orders Backlog

€ million



Sales FY 2012

Orders Backlog Dec'12

Sales FY 2012

Orders Backlog Dec'12

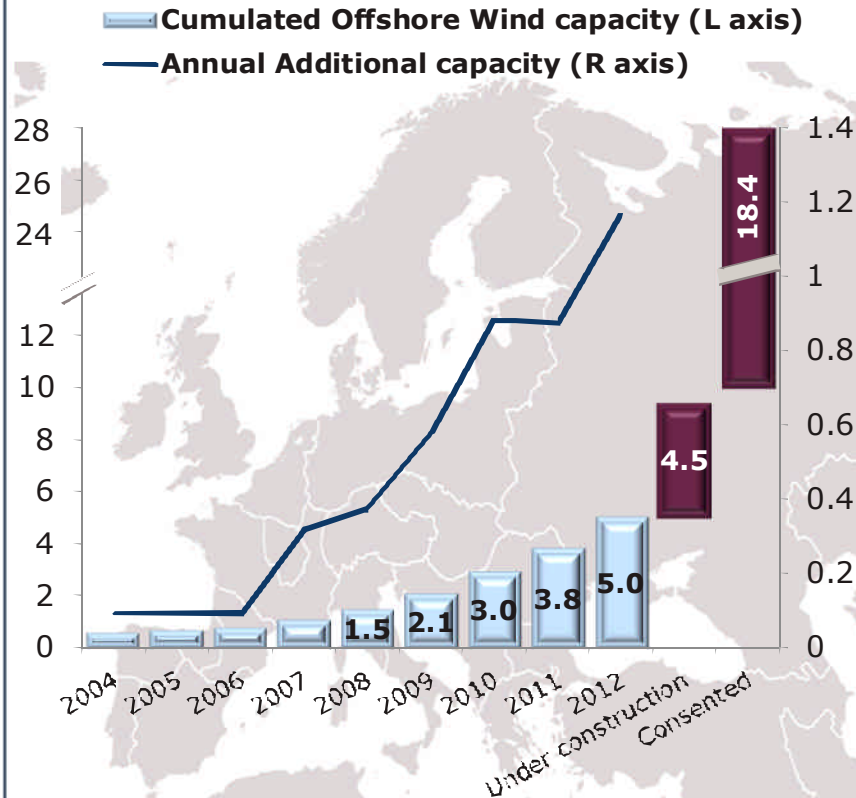
Submarine

High Voltage

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

High visibility on new projects to be awarded next quarters

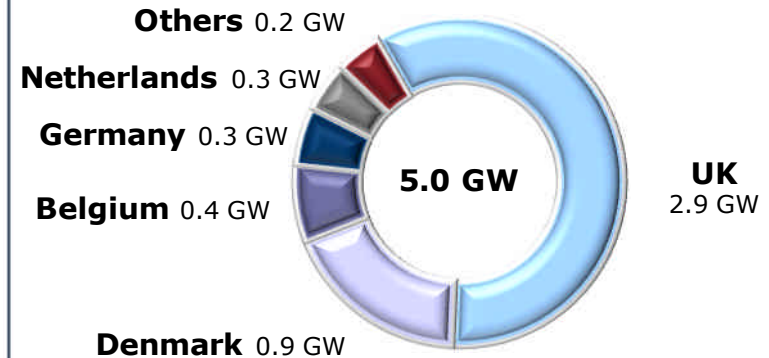
Europe Offshore Wind capacity (GW)



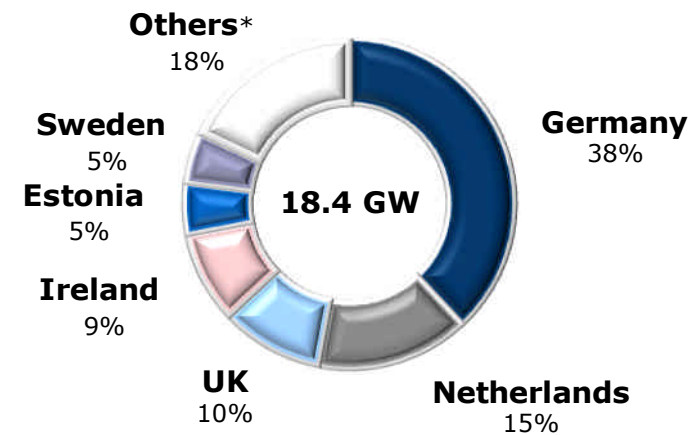
- **Capacity Increase: 1.2 GW** in 2012
- **Total capacity: 5.0 GW** at end 2012 (+30% vs. 2011)
- **Under construction: 4.5 GW** at end 2012
- **Consented: 18.4 GW**

Source: EWEA (January 2013)

Europe 2012 Cumulated Capacity by Country



Consented Offshore Capacity by Country

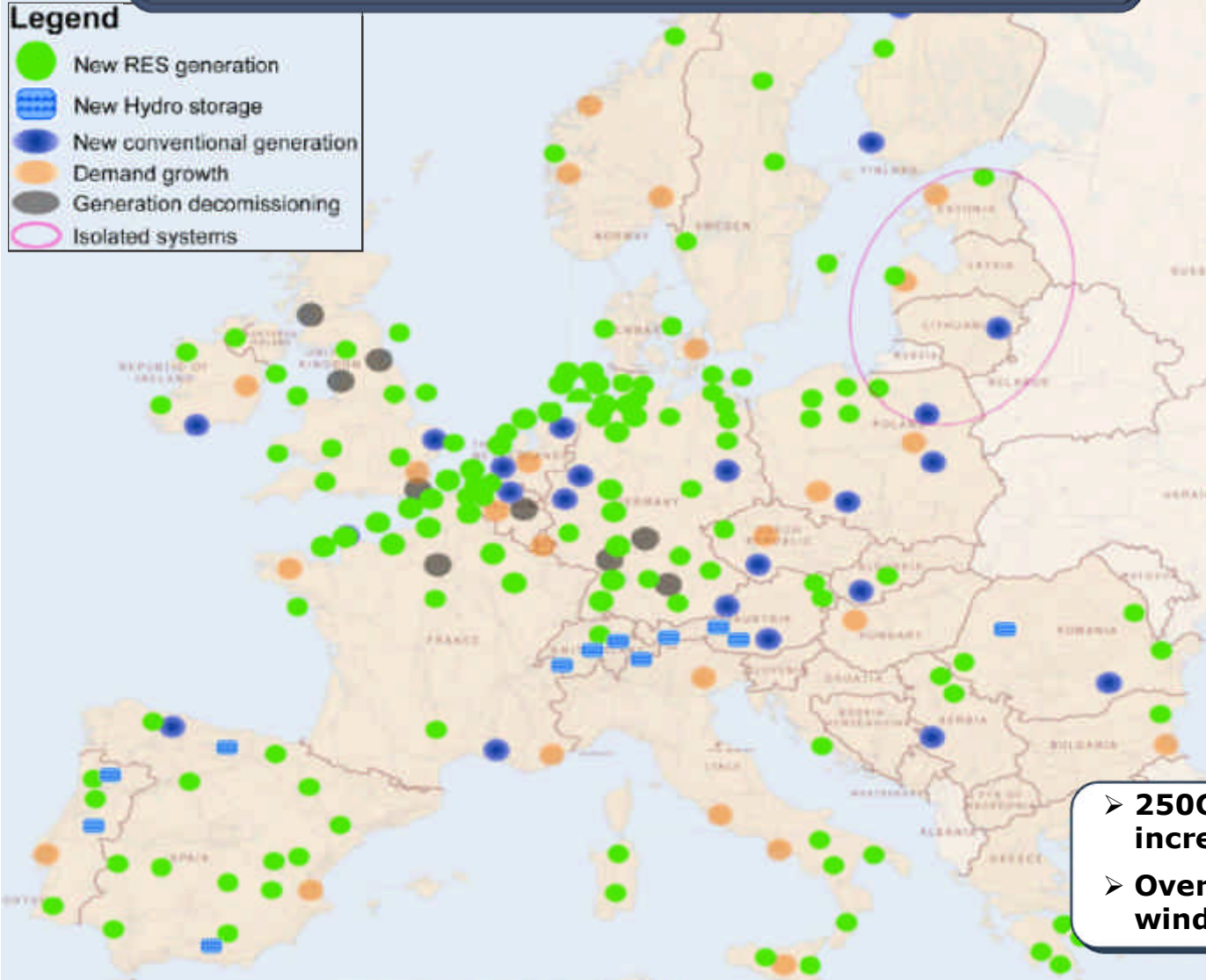


* Include Finland, Belgium, Greece, Italy, Latvia, France

Utilities – Transmission

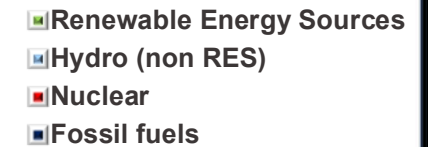
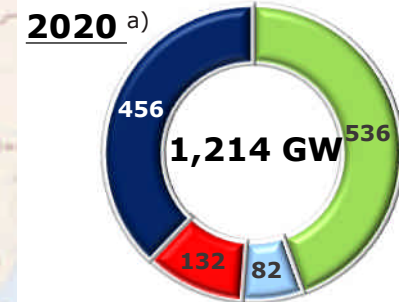
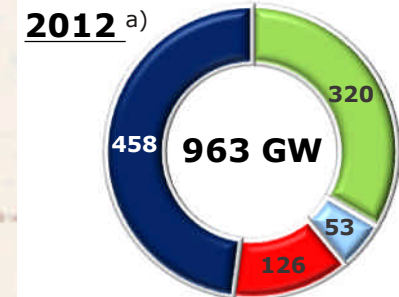
Changing Energy generation mix implies a re-engineering of transmission grids

Main primary drivers for grid development in Europe toward 2020



Evolution of the generation mix

Scenario EU2020



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

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

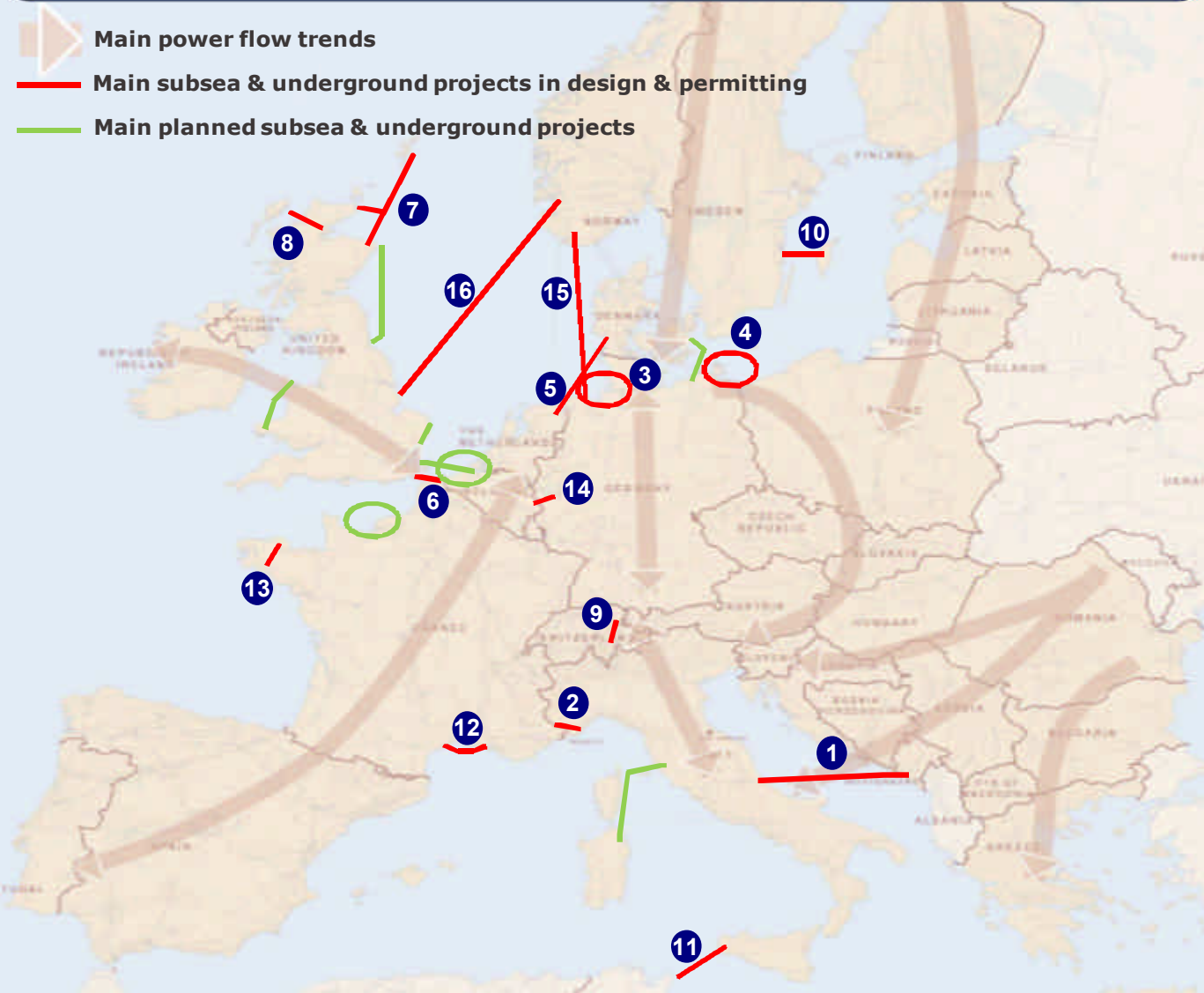
Source: ENTSO-ETYNP 2012 (July 2012). RES stands for Renewable Energy Sources

Utilities – Transmission

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

Main subsea and underground projects of pan-European significance

List of main projects



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

Source: ENTSO-ETYPNDP 2012 (July 2012)

Utilities – Submarine Systems

Key success factors

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

Action plan

Increased installation capacity thanks to GME acquisition.

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

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

Latest Key projects

Customers

Period

€m ⁽¹⁾

Latest Key projects	Customers	Period	€m ⁽¹⁾
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	NGET/SPT Upgrades	2012-15	800
HelWin2	TenneT	2012-15	200
Hudson Project	Hudson Transm. Partners LLC	2012-13	\$175m
SylWin1	TenneT	2012-14	280
HelWin1	TenneT	2011-13	150
BorWin2	TenneT	2010-13	250
Messina	Terna	2010-13	300
Kahramaa	Qatar General Elect.	2009-10	140
Greater Gabbard	Fluor Ltd	2009-10	93
Cometa	Red Eléctrica de España	2008-11	119
Trans Bay	Trans Bay Cable LLC	2008-10	\$125m
Sa.Pe.I	Terna	2006-10	418
Neptune	Neptune RTS	2005-07	159
GCC Saudi - Bahrain	Gulf Coop. Council Inter. Aut.	2006-10	132
Angel development	Woodside		
Rathlin Island	N.Ireland Electricity		
Ras Gas WH10-11	J. Ray Mc Dermott		

(1) Prysmian portion of the project

Utilities – Western Link a milestone in the submarine sector

Confirmed leadership in terms of know-how and innovation capabilities

Western Link route



Western Link milestones

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

Large Off-shore Wind investments planned in Scotland



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

Utilities – Power Distribution

Market drivers

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

Key success factors

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

Key customers

Key customers are all major national distribution network operators



Action plan

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

Trade & Installers

Business description

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

Key customers

- Key customers include major:
 - Specialized distributors



- General distributors



- Wholesalers



- Installers



Trade & Installers

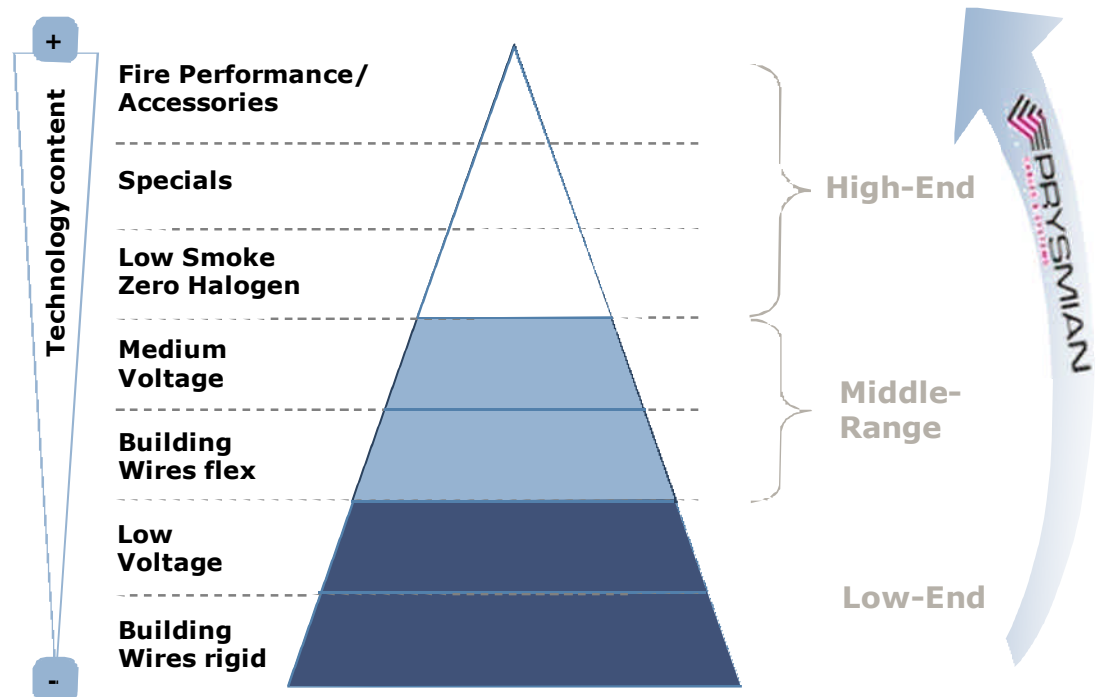
Key success factors

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

Action plan

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

Product overview



Industrial

Business description

Integrated cable solutions highly customized to our industrial customers worldwide

Oil & Gas

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



Renewable

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



Surf (Subsea umbilical, riser and flowline)

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



Elevator

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



Auto & Transport

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



Specialties & OEM

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

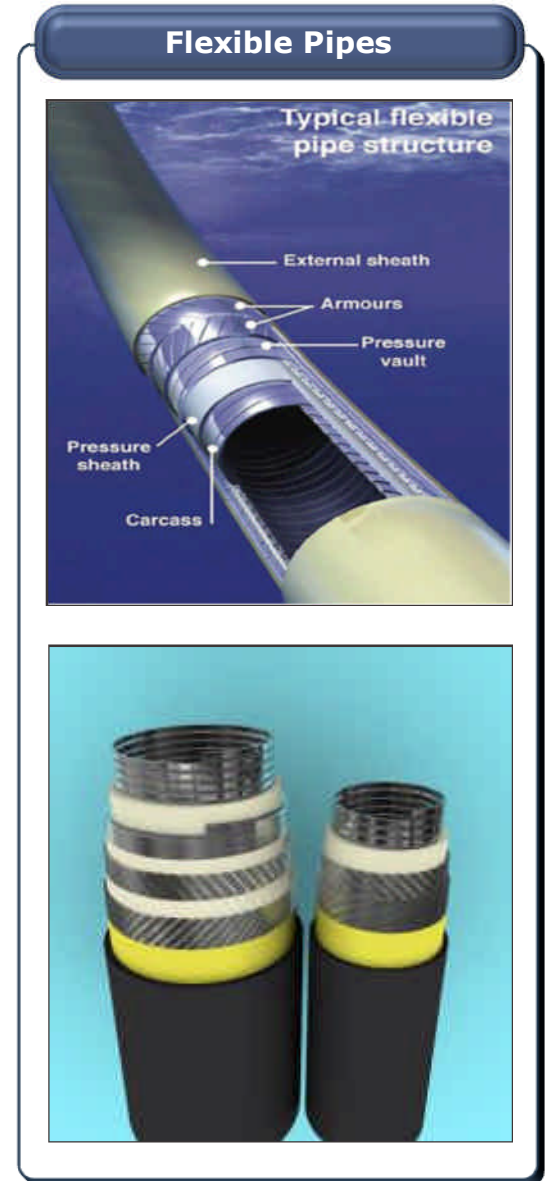
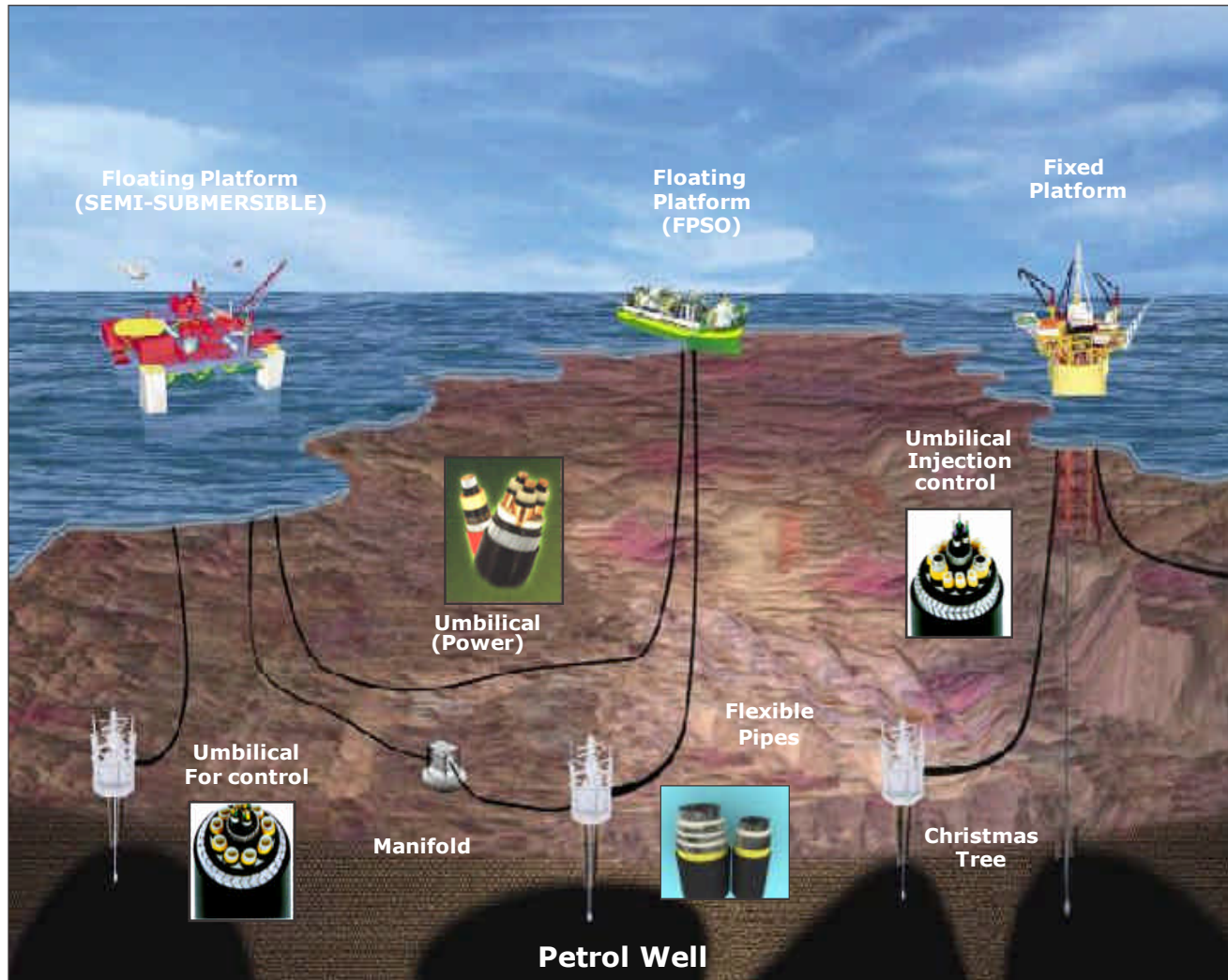
Key customers

Large and differentiated customer base generally served through direct sales



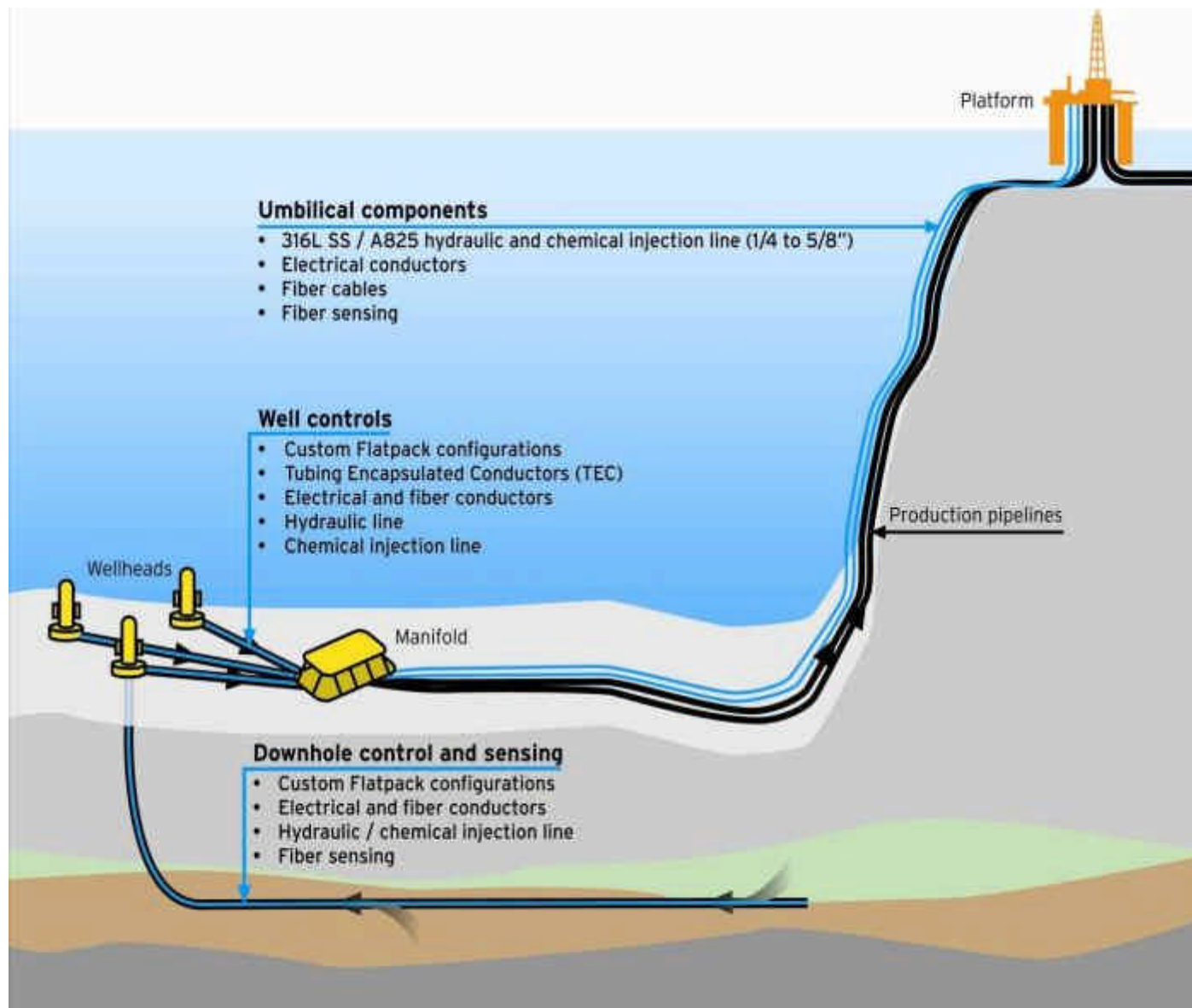
Industrial – Off-shore oil exploration

Oilfield structure



Industrial – Off-shore oil exploration

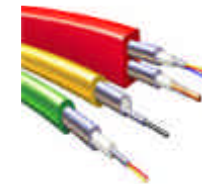
Cross selling opportunities driven by the new Downhole technology business contributed by Draka



Downhole Technology (DHT)



HYBRID ELECTRO-OPTIC



FIBER OPTIC



ELECTRICAL

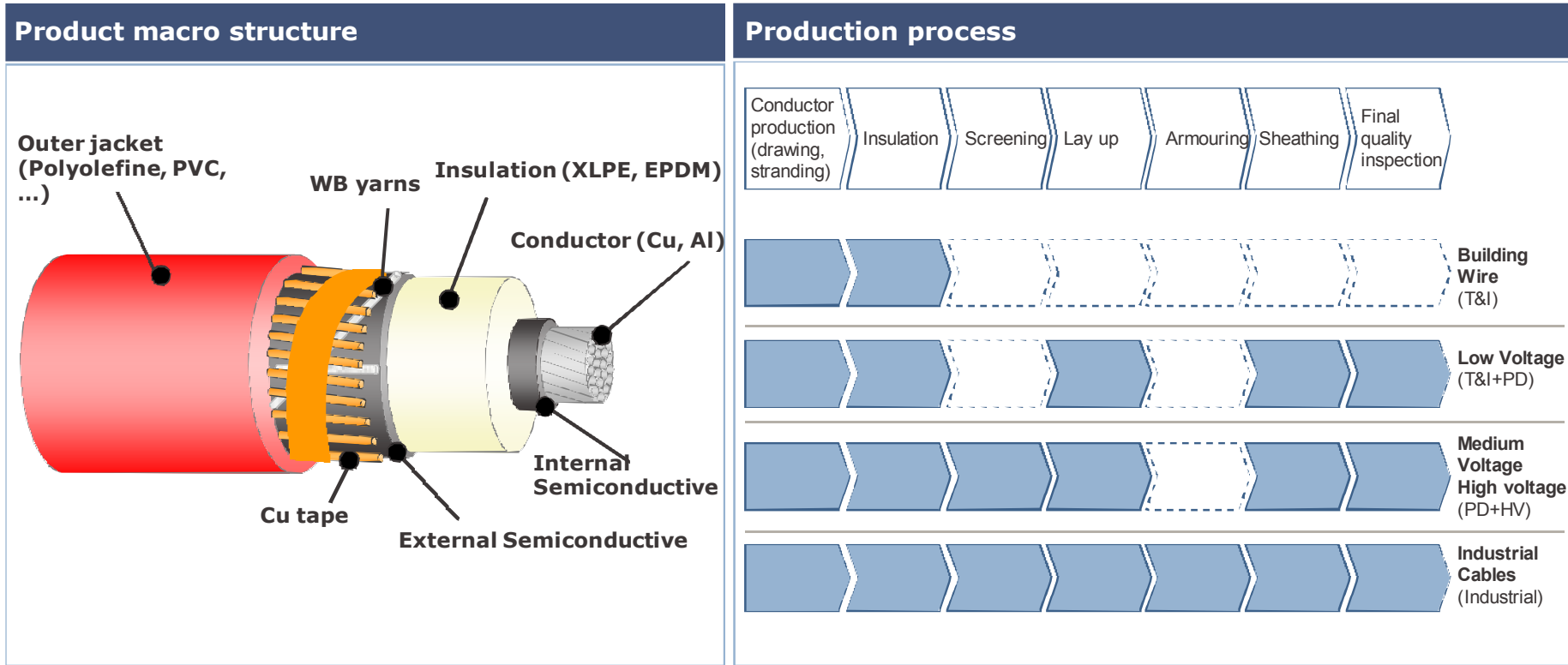


GAS & FLUID TUBING



PACKAGED GAS & FLUID TUBING

Macro-structure of Energy Cables

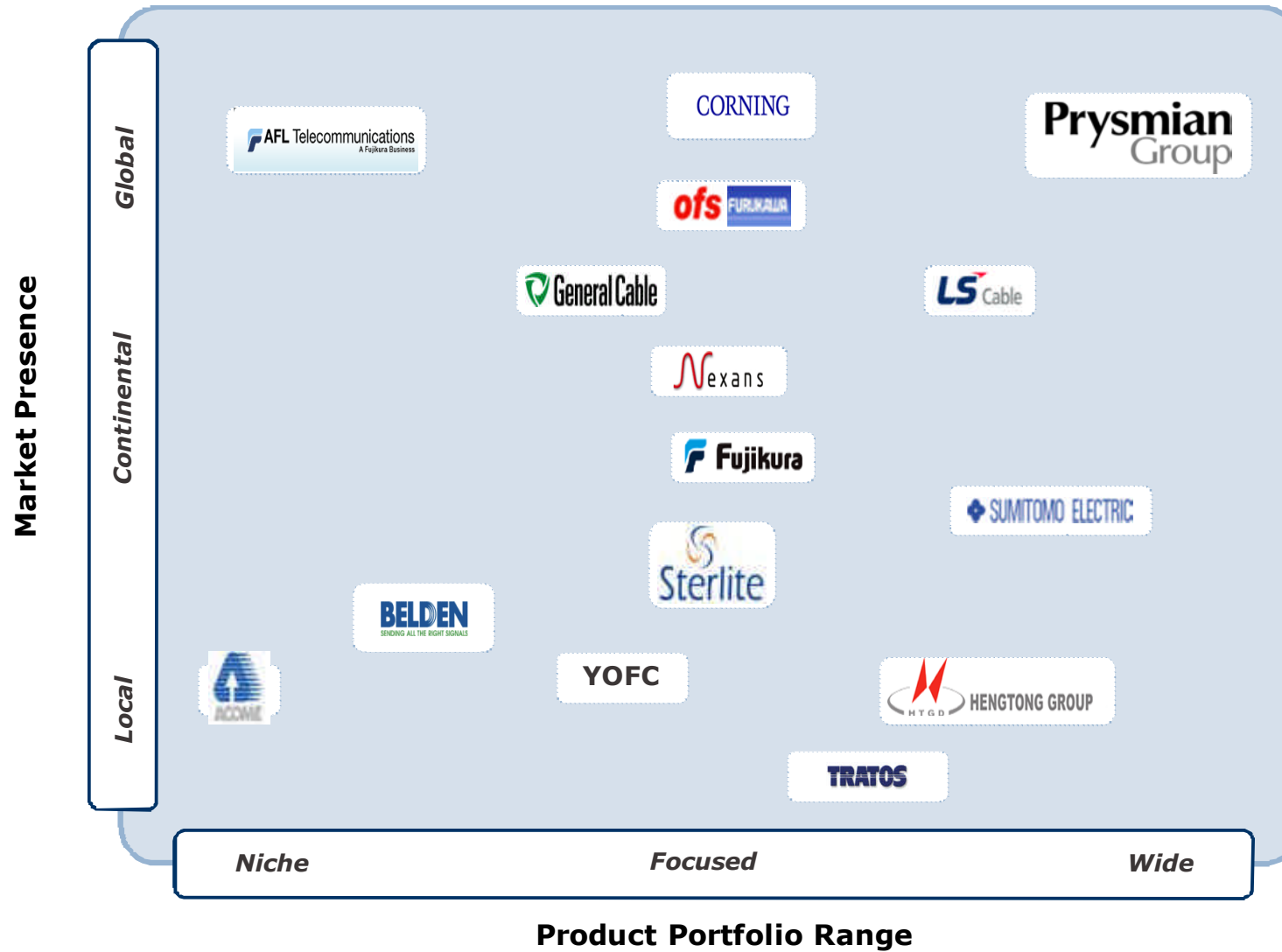


AGENDA

- Group Overview & 2013 Outlook
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- Financial Results
- Appendix – Telecom

Major Players within the Telecom Industry

Competitive scenario



Our Telecom Business

Business description

Integrated cable solutions focused on high -end Telecom

Telecom solutions

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

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

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



MMS

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

Mobile networks: Antenna line products for mobile operators

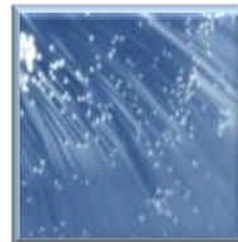
Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



Optical Fiber

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

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



Key customers

Key customers include key operators in the telecom sector



Optical cables

Global overview

Market trends

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

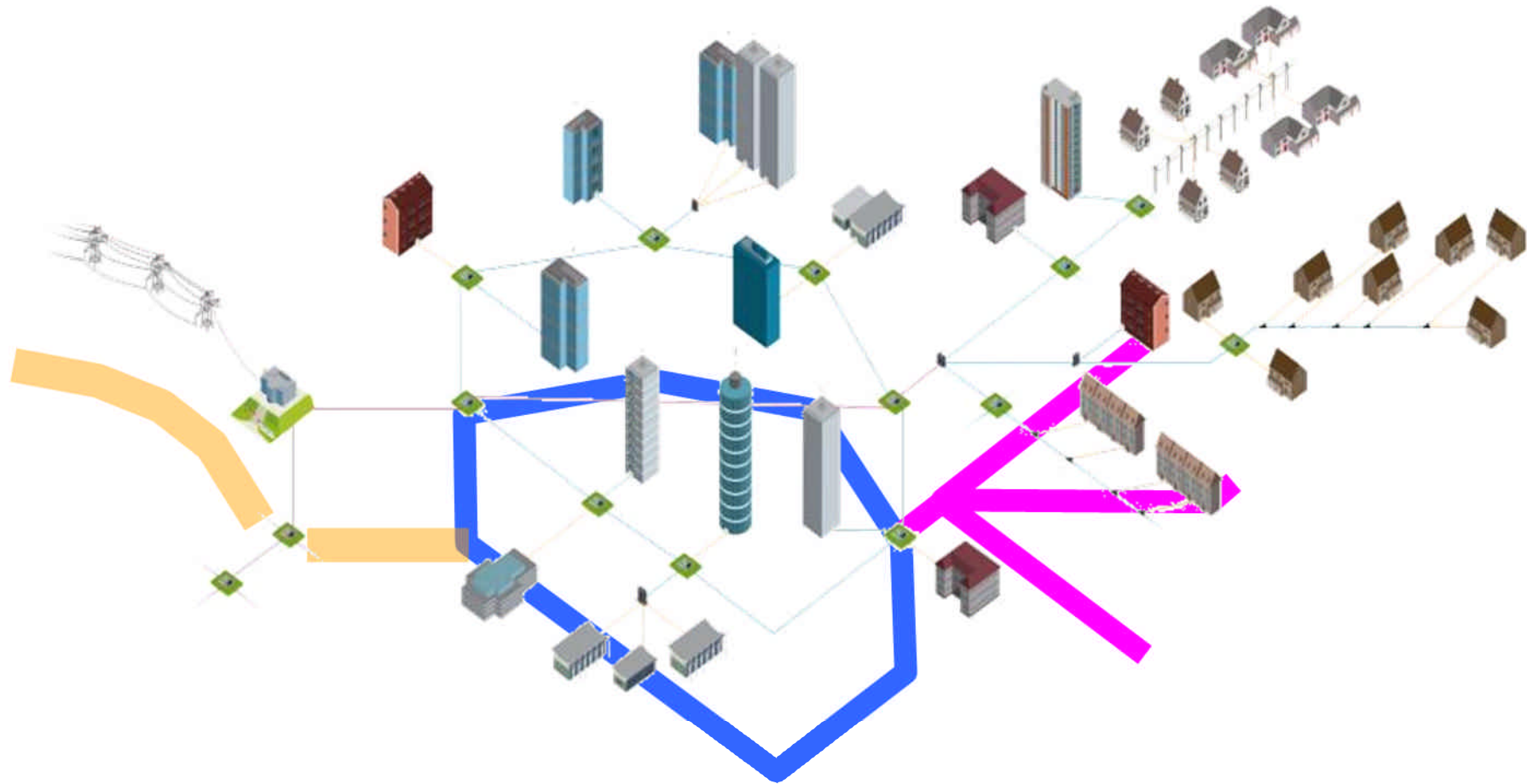
Strategic value of fibre

- 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

Consolidated leadership in Australia to benefit from new NBN project

Start-up of National broadband network in 2011



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

Rollout plan for National Broadband Network

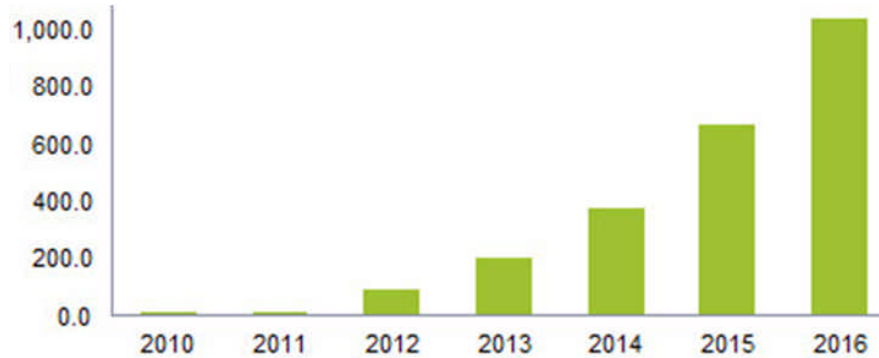
- Government initiative to provide direct fibre connection to 93% of Australian subscribers (residential and business)
- AUD 43 bn capex planned during the period (2011-2019); construction started in 2011
- Telstra and NBN agreed to jointly develop the new network
- Prysmian signed a 5-year agreement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

Telecom – FTTA as key driver of optical demand

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

Number of Global LTE Subscribers Forecast

Millions of users



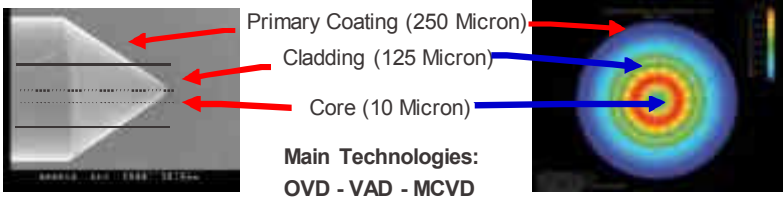
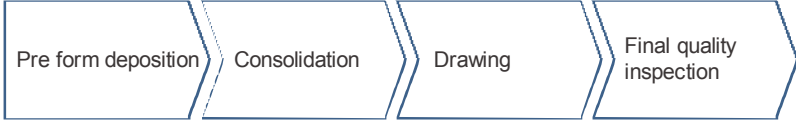
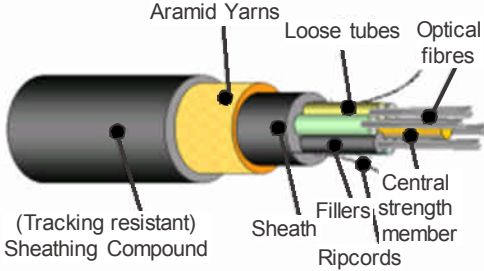
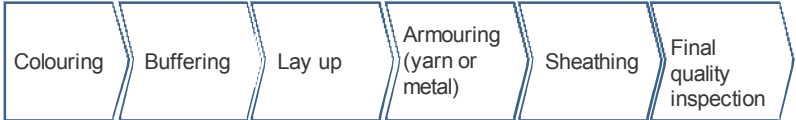
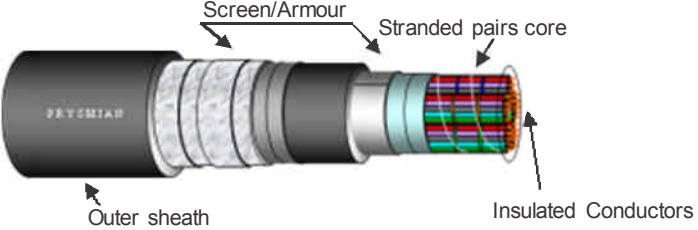
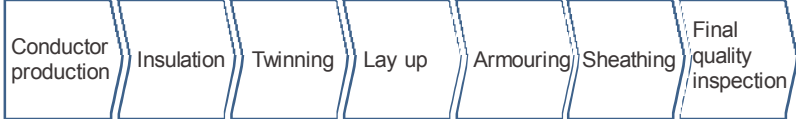
Source: IHS iSuppli Research, January 2013

Roof top antenna towers for urban applications

Antenna towers used by 4G and LTE networks

Distributed antenna systems for dense mobile populations areas

Macro-structure of Telecom Cables

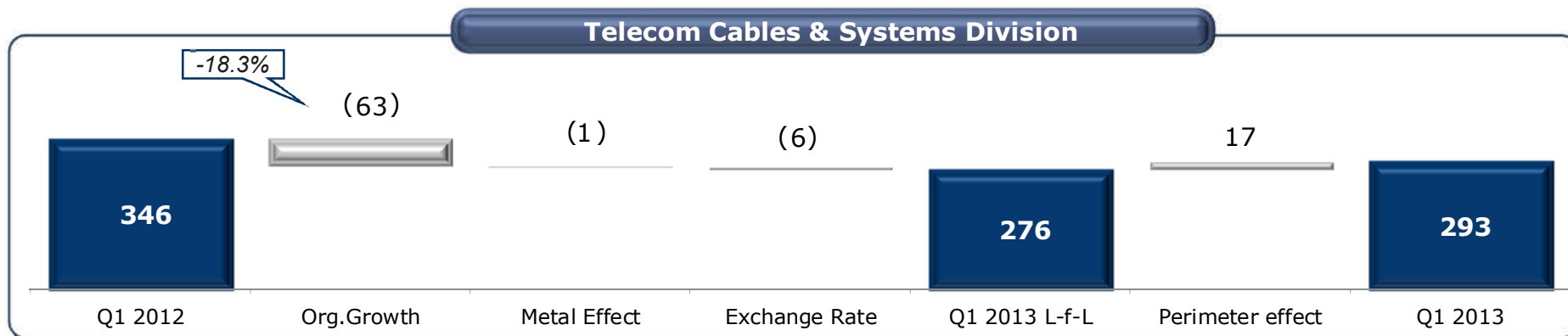
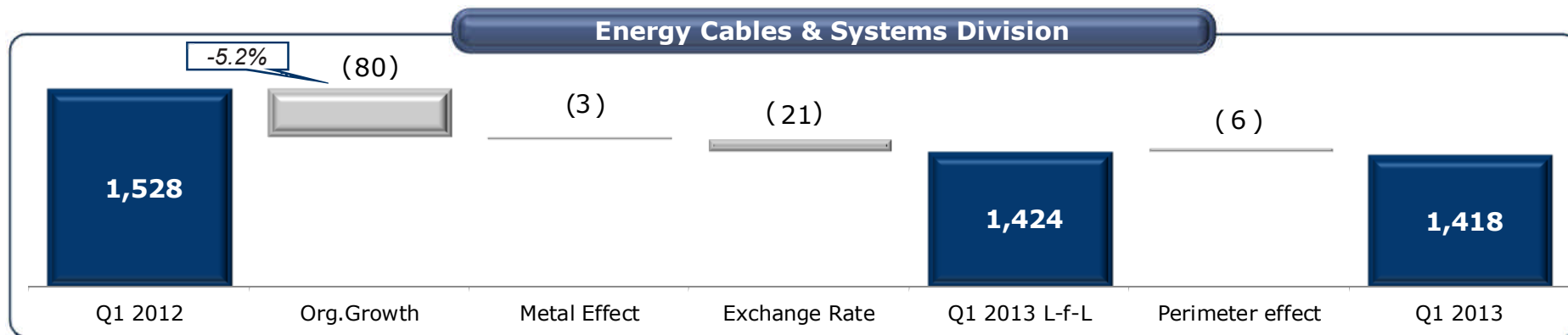
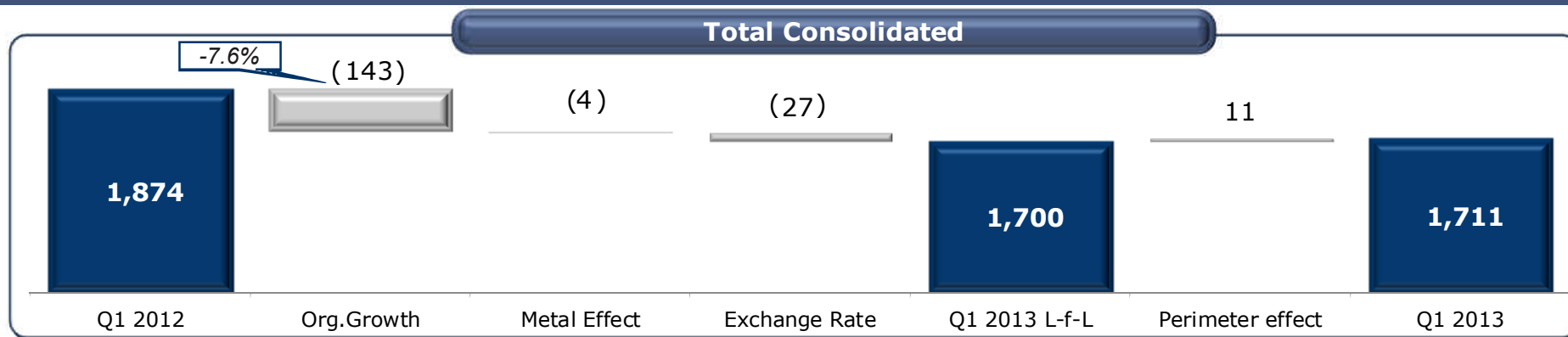
	Product macro structure	Production process
Fibre optic	 <p>Primary Coating (250 Micron) Cladding (125 Micron) Core (10 Micron)</p> <p>Main Technologies: OVD - VAD - MCVD</p>	 <p>Pre form deposition - Consolidation - Drawing - Final quality inspection</p>
Optical cables	 <p>(Tracking resistant) Sheathing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

AGENDA

- Group Overview & 2013 Outlook
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- Appendix – Financials

Bridge Consolidated Sales

Euro Millions



Energy Segment – Profit and Loss Statement

Euro Millions

	Q1 2013	Q1 2012	FY 2012
Sales to Third Parties	1,418	1,528	6,382
<i>YoY total growth</i>	<i>(7.2%)</i>		
<i>YoY organic growth</i>	<i>(5.2%)</i>		
Adj. EBITDA	91	95	487
<i>% on sales</i>	<i>6.4%</i>	<i>6.2%</i>	<i>7.6%</i>
Adj. EBIT	66	68	379
<i>% on sales</i>	<i>4.6%</i>	<i>4.5%</i>	<i>5.9%</i>

Energy Segment – Sales and Profitability by business area

Euro Millions, % on Sales

	Q1 2013	Q1 2012	Total growth	Organic growth	
Sales to Third Parties	Utilities	491	489	0.5%	2.3%
	Trade & Installers	470	541	(13.2%)	(11.7%)
	Industrial	429	464	(7.6%)	(4.9%)
	Others	28	34	n.m.	n.m.
	Total Energy	1,418	1,528	(7.2%)	(5.2%)
Adj. EBITDA	Utilities	49	46	9.9%	9.4%
	Trade & Installers	14	18	3.0%	3.3%
	Industrial	27	31	6.3%	6.7%
	Others	1	-	n.m.	n.m.
	Total Energy	91	95	6.4%	6.2%
Adj. EBIT	Utilities	38	38	7.8%	7.7%
	Trade & Installers	8	10	1.7%	1.9%
	Industrial	19	21	4.3%	4.6%
	Others	1	(1)	n.m.	n.m.
	Total Energy	66	68	4.6%	4.5%
			Q1'13 % on Sales	Q1'12 % on Sales	

Telecom Segment – Profit and Loss Statement

Euro Millions

	Q1 2013	Q1 2012	FY 2012
Sales to Third Parties	293	346	1,466
<i>YoY total growth</i>	<i>(15.4%)</i>		
<i>YoY organic growth</i>	<i>(18.3%)</i>		
Adj. EBITDA	24	35	160
<i>% on sales</i>	<i>8.3%</i>	<i>10.0%</i>	<i>10.9%</i>
Adj. EBIT	11	23	104
<i>% on sales</i>	<i>3.8%</i>	<i>6.5%</i>	<i>7.1%</i>

Financial Structure

Euro Millions

	Debt structure (€m)			31.03.2013 (€m)		
	31.03.13	31.03.12	31.12.12	Used	Available Funds ⁽²⁾	Maturity
Term Loan	185	672	670	185	-	12/2014
Revolving Credit Facility	-	-	-	-	396	12/2014
Eurobond 5.25%	418	417	413	418	-	04/2015
Convertible bond 1.25%	258	-	-	258	-	03/2018
Securitization ⁽⁵⁾	105	105	75	105	45	07/2013
Term Loan 2011	400	400	400	400	-	03/2016
Revolving 2011	-	-	-	-	400	03/2016
Other Debt	347	327	290	347	-	-
Total Gross Debt	1,713	1,921	1,848	1,713	841	2.6 y ⁽¹⁾
Cash & Cash equivalents	(409)	(537)	(812)	(409)	409	
Other Financial Assets	(77)	(84)	(97)	(77)	54	
NFP Vs third parties	1,227	1,300	939	1,227	1,304	
Bank Fees	(14)	(27)	(21)			
NFP	1,213	1,273	918			

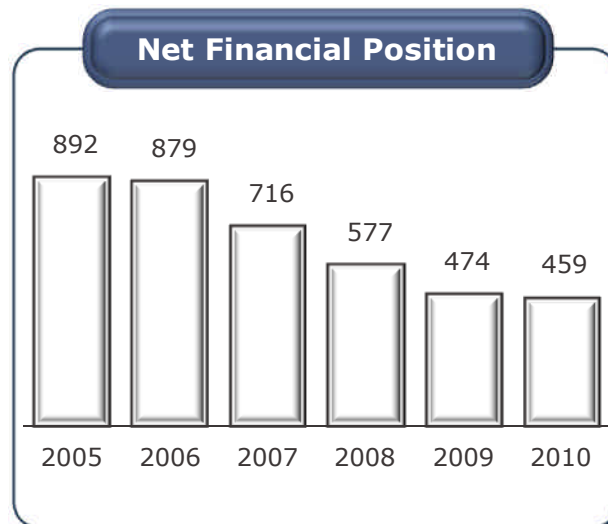
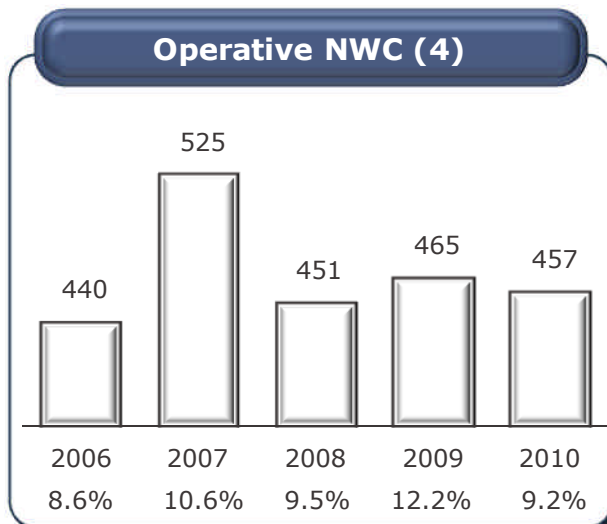
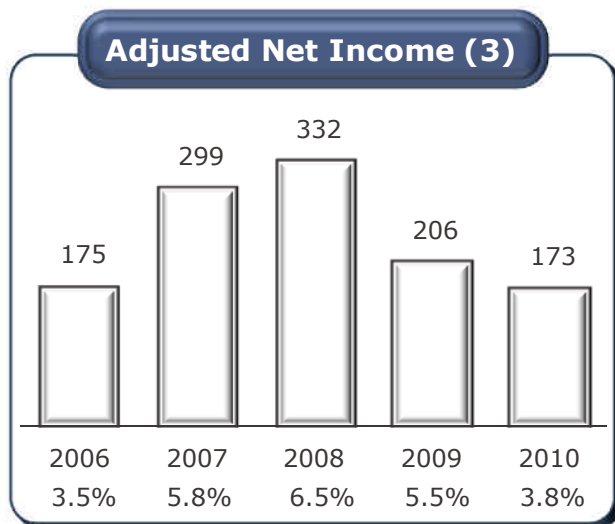
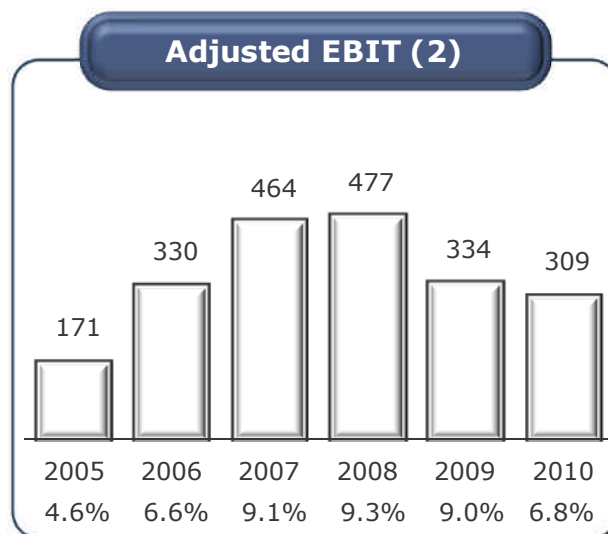
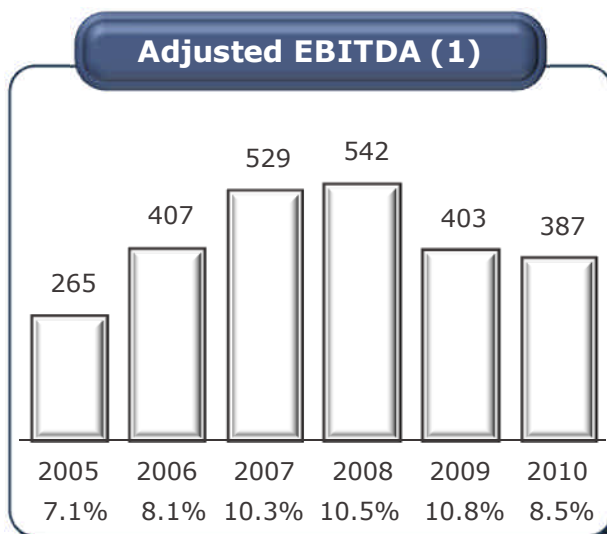
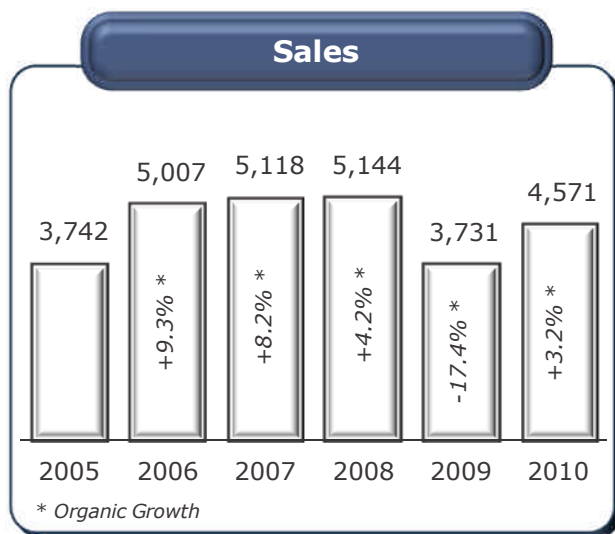
(1) Average maturity as of 31 March 2013

(2) Defined as Cash and Unused committed credit lines

Note: Compound average spread on used committed credit lines equal to 2.0%

Prysmian Historical Key Financials

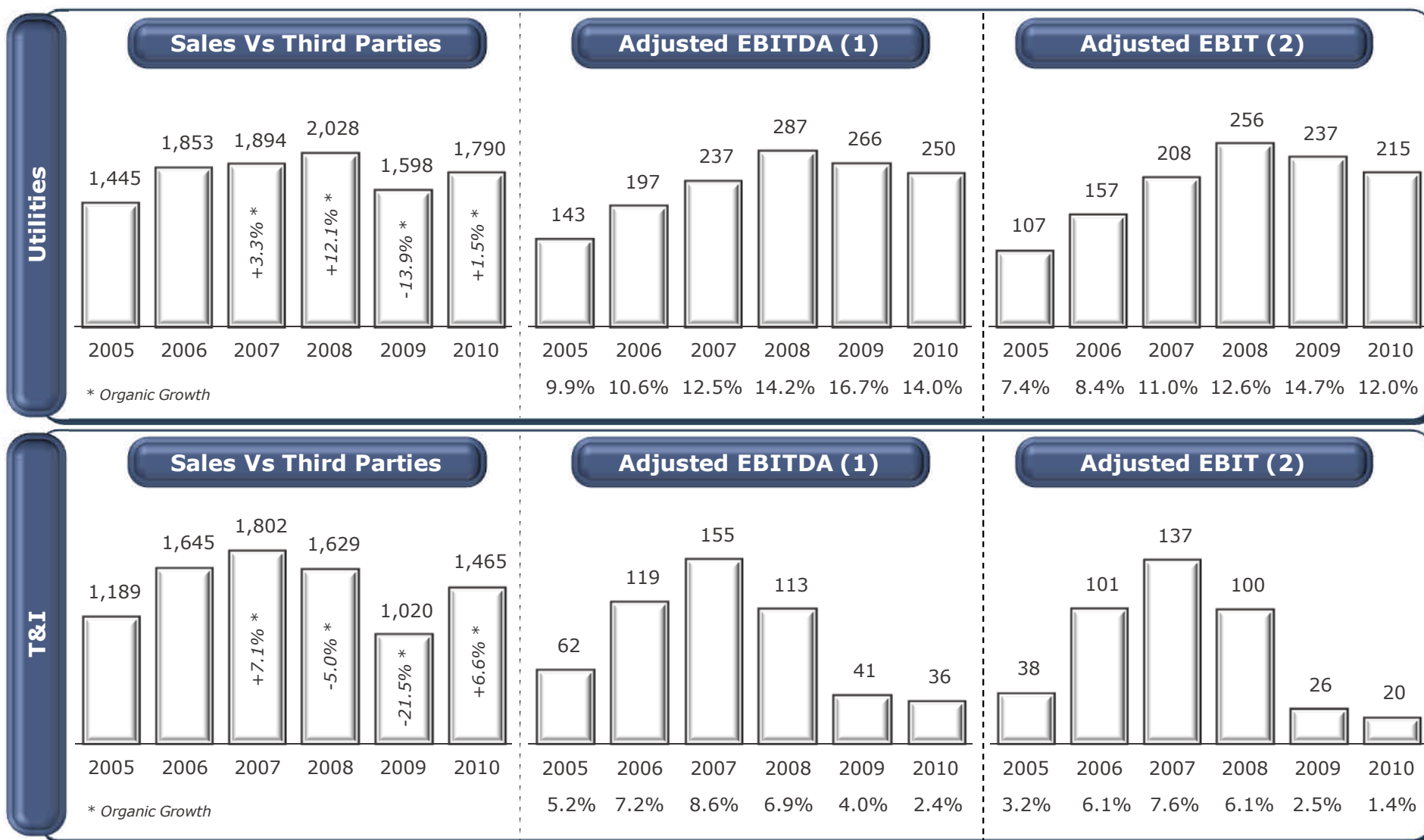
Euro Millions, % of Sales – Pre Draka acquisition



(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (4) Operative Net Working capital defined as Net Working Capital excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales.
 Note: 2005 Adj. Net Income and 2005 Operative NWC figures are not available

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

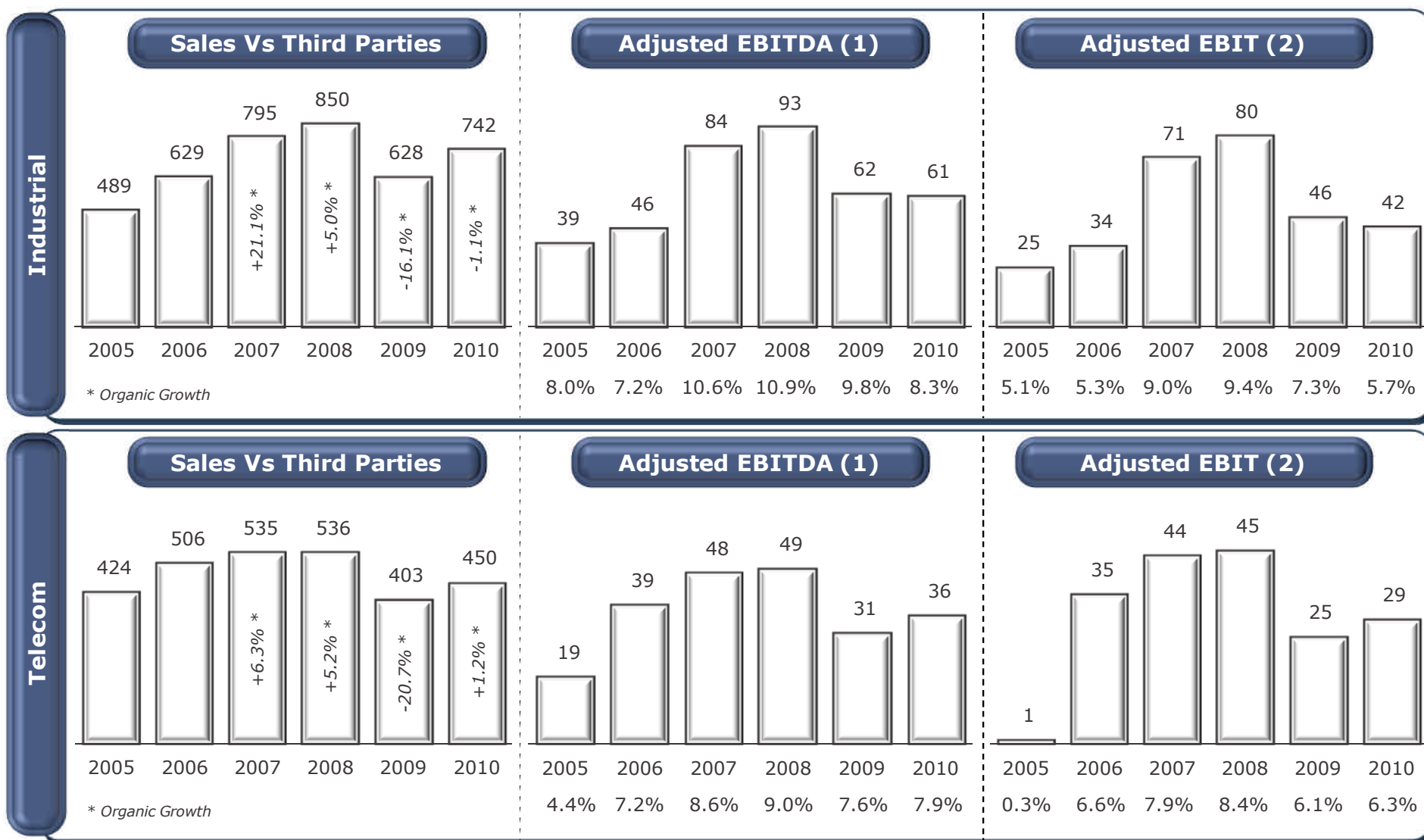
Euro Millions, % of Sales – Pre Draka acquisition



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

Historical Key Financials by Business Area – Industrial and Telecom

Euro Millions, % of Sales – Pre Draka acquisition



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

AGENDA

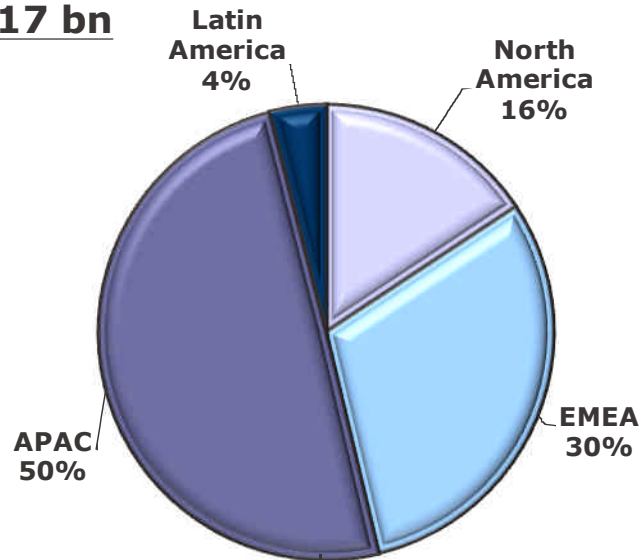
- Group Overview & 2013 Outlook
- Draka integration
- Financial Results
- Appendix – Cable Industry Reference Market

The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2012

2012 Global Cables Reference Market

€ 117 bn



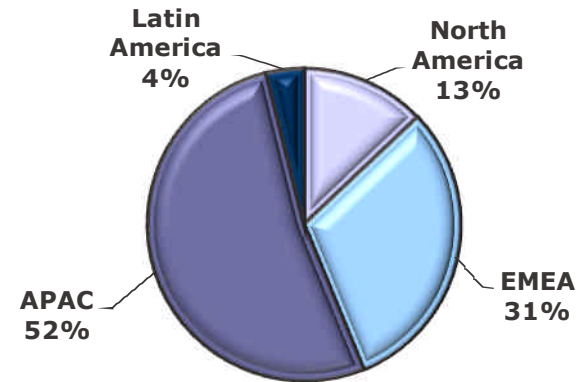
Energy Cables Reference Market
~€93bn

- Trade and Installers
- Utilities
- Industrial

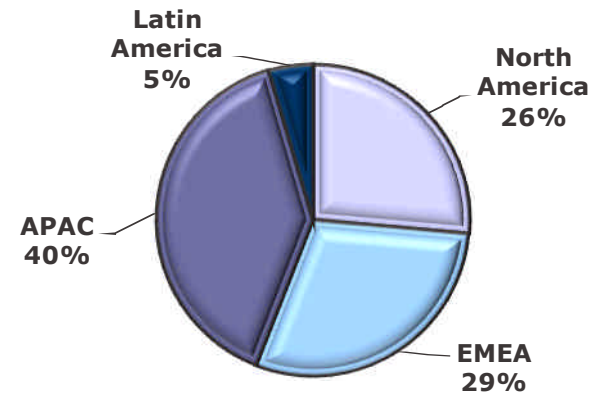
Telecom Cables Reference Market
~€24bn

- Optical cables and fiber
- Copper Cables
- MMS

Energy Cables Reference Market (~€93bn)



Telecom Cables Reference Market (~€24bn)

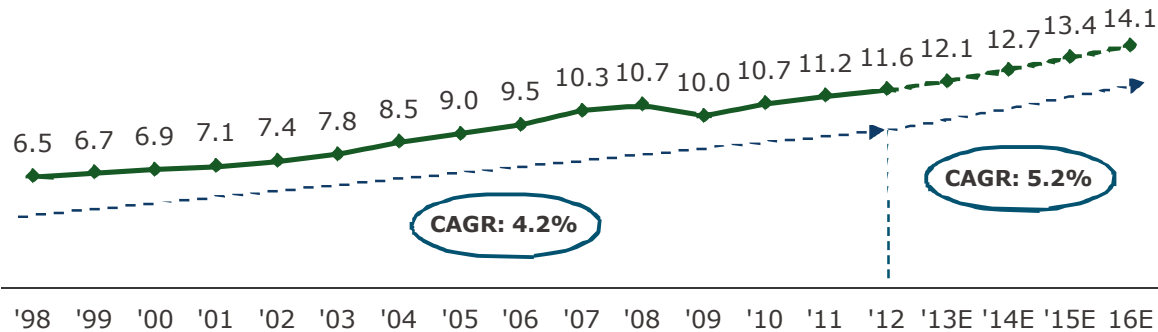


Source: Company analysis based on CRU data – April 2013. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for energy business). Energy = Low Voltage and Power Cable; TLC = External Copper TLC Cable, Fibre Optic,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

Market Volumes Trend

Energy Cables Reference Market

Million Tons Conductor

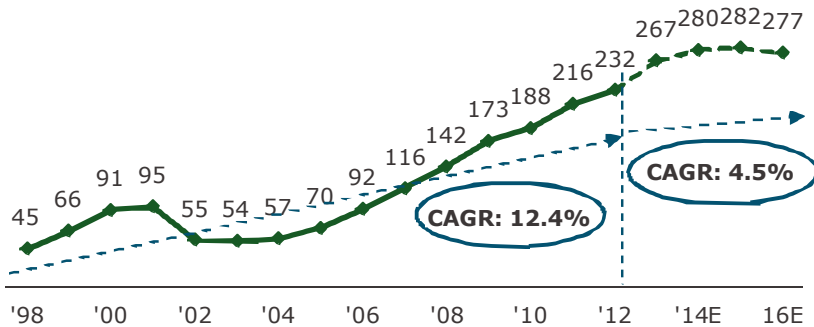


- Long term growth driven by:
 - Energy consumption
 - Investments in power grid interconnections
 - Investments in power transmission and distribution
 - Infrastructure investments
 - Renewable energy

Telecom Cables Reference Market

Optical Fiber Cables

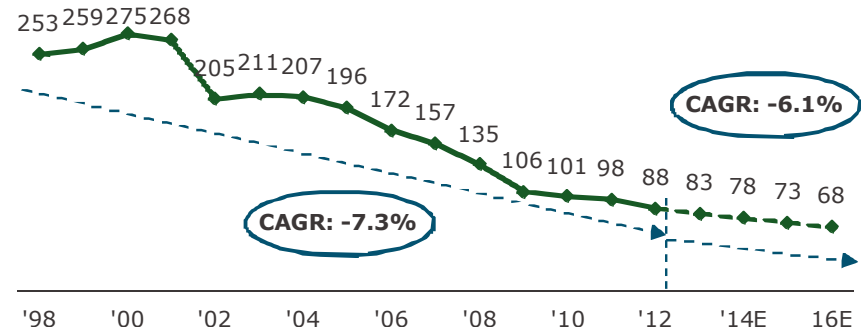
Million Km Fibre



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

Copper Cables

Million Km Pair



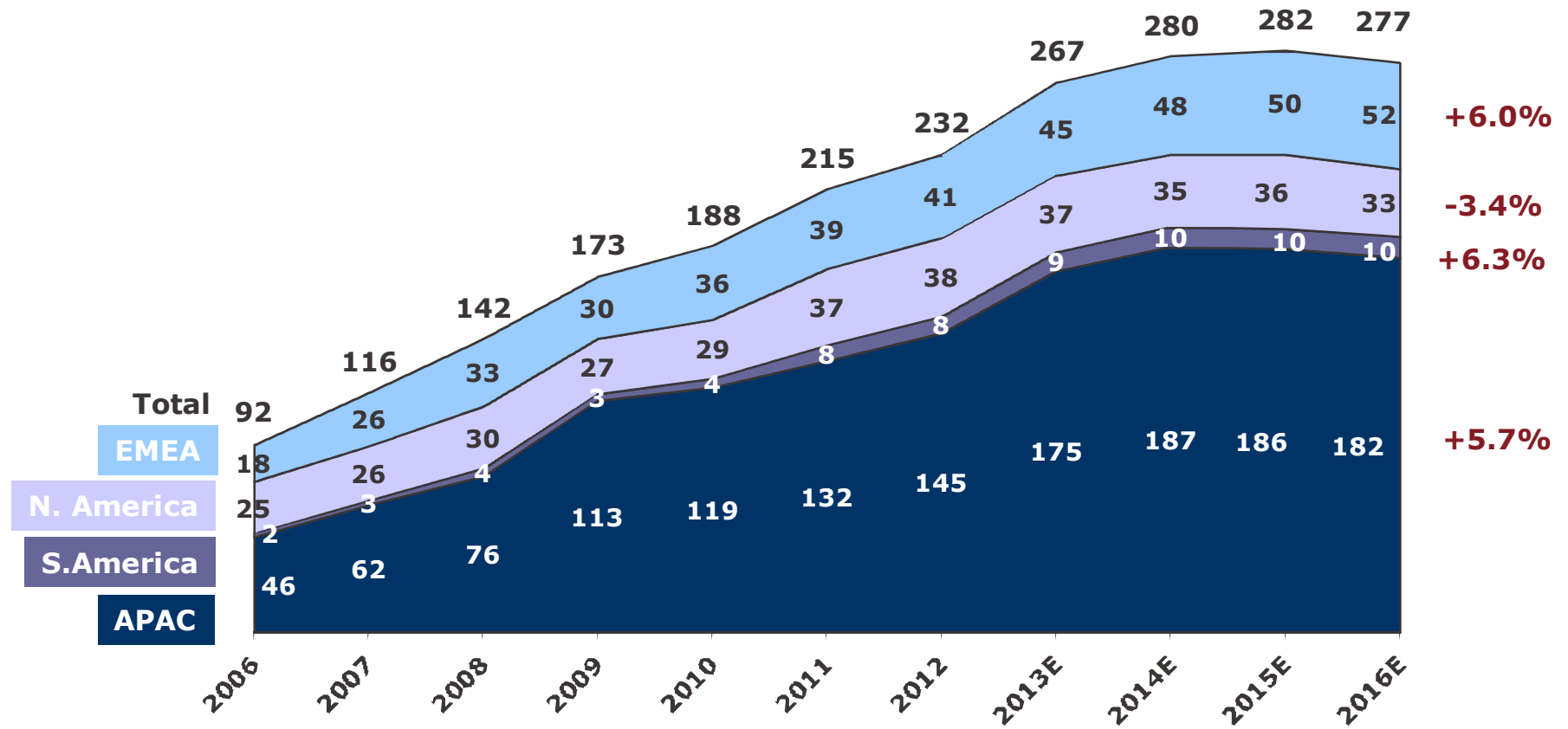
Steady decline of copper cables expected to continue

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

Telecom – Demand evolution by geographical area

Optical fibre cable (Million km)

CAGR (12-16)
+4.5%

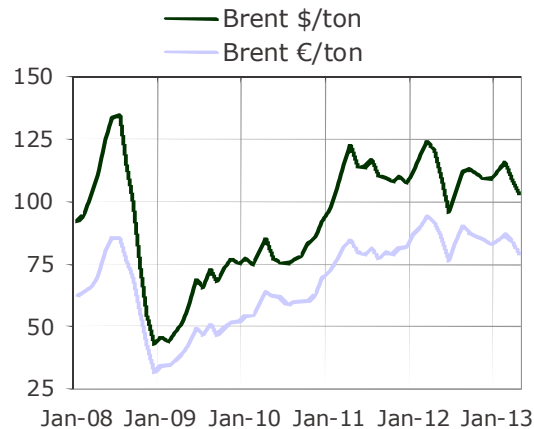


Source: CRU, April 2013

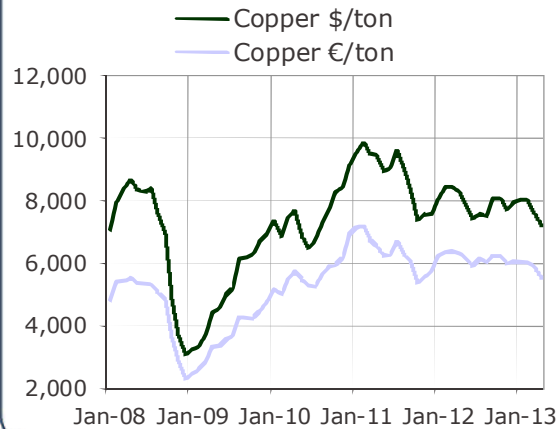
Reference Scenario

Commodities & Forex

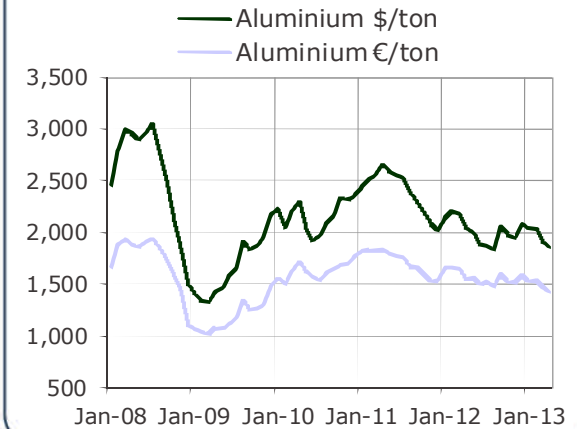
Brent



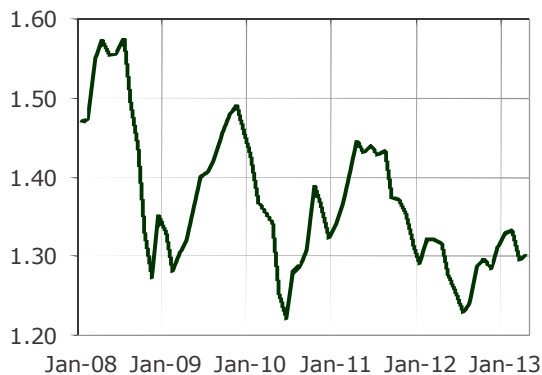
Copper



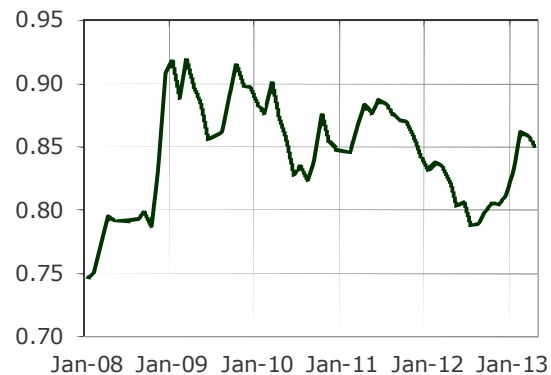
Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Thomson Reuters

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