

Company Presentation

Italian Infrastructure Day – Borsa Italiana

Milan – September 5th, 2013



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

Prysmian
Group



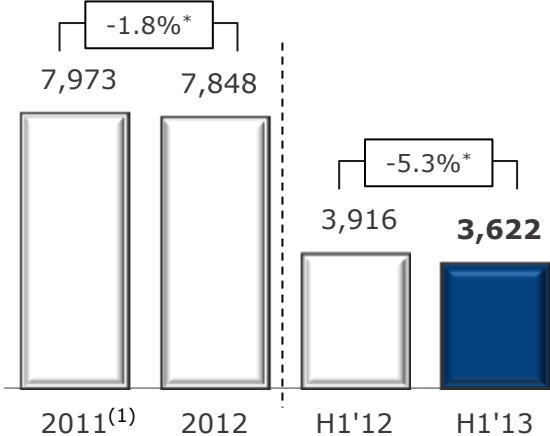
➤ Group Overview & 2013 Outlook

- Draka integration
- Financial Results
- Appendix

H1 2013 Key Financials

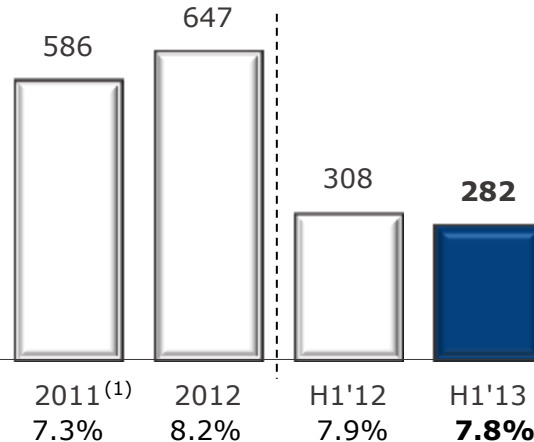
Euro Millions, % on Sales

Sales

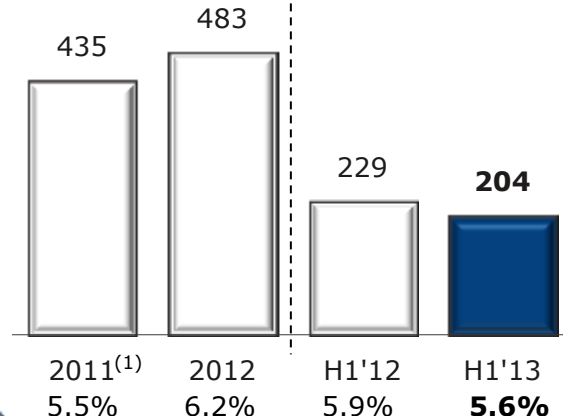


* Org. Growth

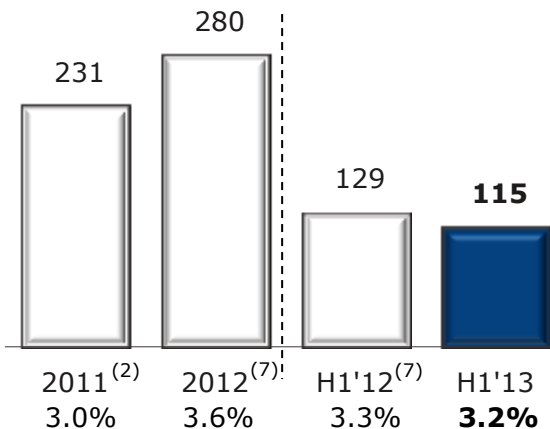
Adjusted EBITDA ⁽³⁾



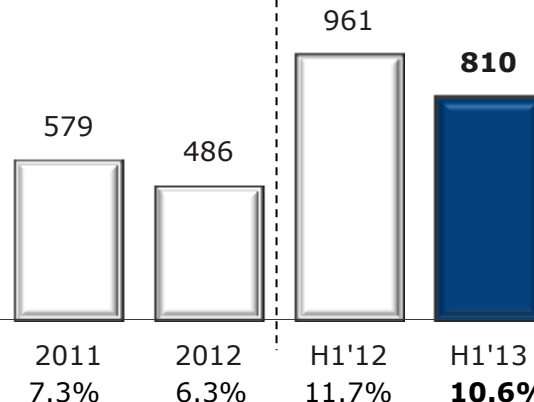
Adjusted EBIT ⁽⁴⁾



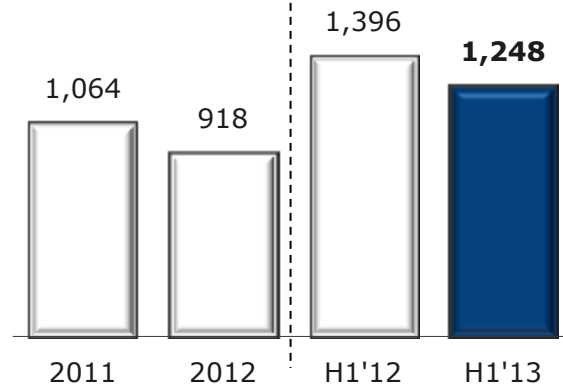
Adjusted Net Income ⁽⁵⁾



Operative Net Working Capital ⁽⁶⁾



Net Financial Position



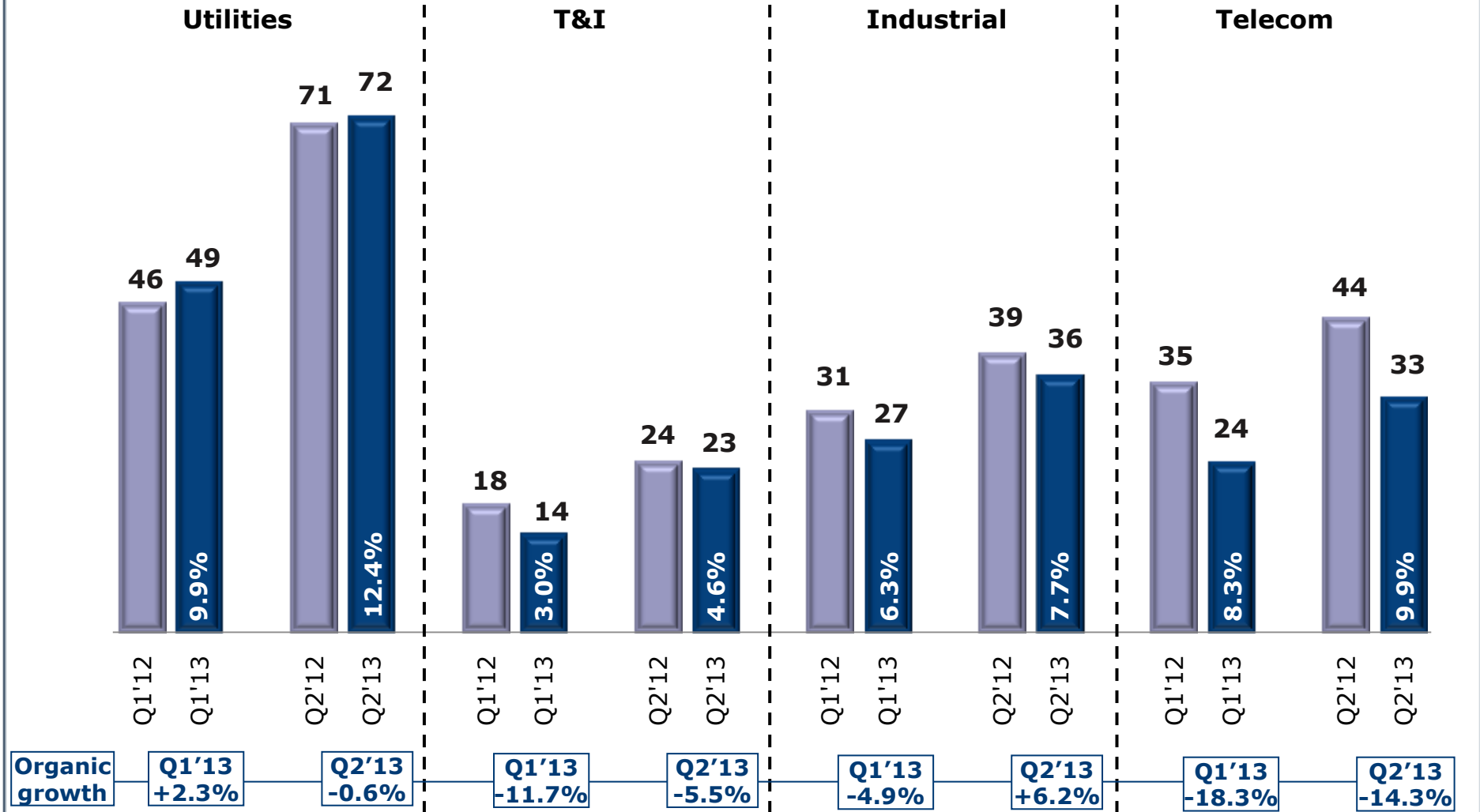
(1) Includes Draka Group's results for the period 1 January - 31 December; (2) Includes Draka Group's results for the period 1 March - 31 December (3) Adjusted excluding non-recurring income/expenses; (4) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives 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 €2mIn in FY2012, € 1mIn in H1'12)

Adj. EBITDA evolution by business

Organic growth improvement across all businesses and synergies driving margins recovery

Adj. EBITDA by business

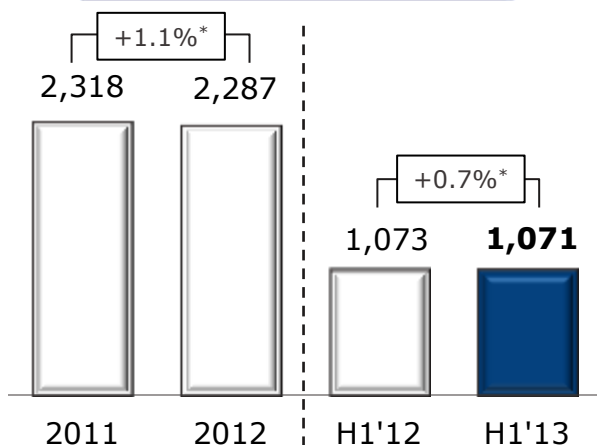
Euro million and % on Sales



Utilities

Euro Millions, % on Sales

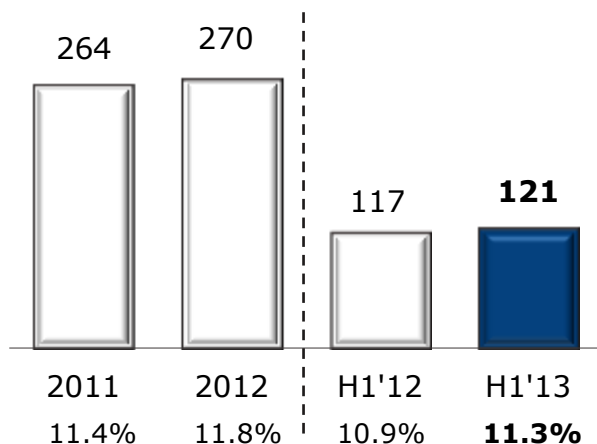
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

DISTRIBUTION

- Volume decrease mainly due to continuous deterioration in European demand. Weak pricing driving pressure on profitability despite growing industrial efficiencies
 - Europe: lower contribution across all countries except UK. Major reductions in Italy, Spain and Germany. No drivers for profitability improvement in H2
 - North America: volume growth driven by positive market. Pricing recovery supporting profitability increase expected to continue in H2
 - South America: higher volume expected in H2 (Vs a weak H1) based on growing order book
 - Asia: sales decrease due to challenging Australian market

TRANSMISSION – HV

- Significant increase in profitability expected in H2 (Vs H1) due to projects phasing. FY expected above previous year
- Margins improvement thanks to better projects mix
- Order book providing high visibility on next 12 months sales
- Growing activity in Europe, Middle East and selected Asian regions (e.g. Singapore and Australia)

TRANSMISSION – Submarine

- Strong increase in profitability in H1 (Vs H1'12) expected to accelerate in H2
- Record order book at €2.3bn supported by approx. € 600m projects awarded in H1
- High tendering activity both in off-shore wind and large connections to keep long term growth
- Ongoing production capacity increase in Arco Felice (Italy)

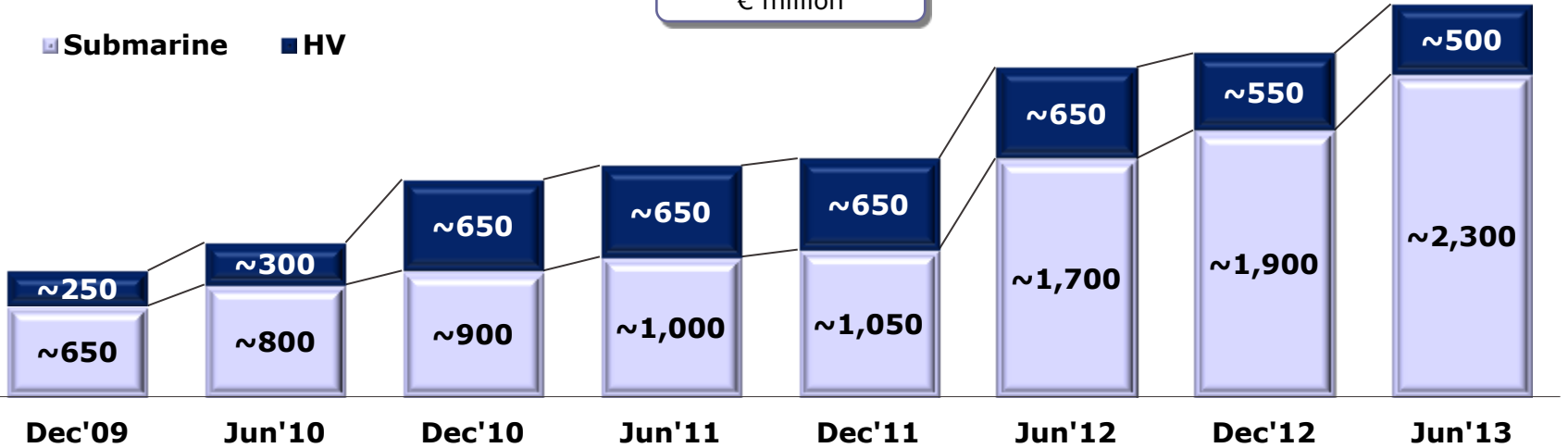
Utilities – Transmission

Record orders backlog with high technology projects to enhance profitability

Orders Backlog evolution

€ million

■ Submarine ■ HV

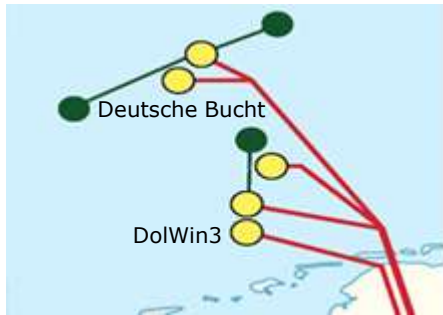


Strengthening leadership in the submarine business

€ 600m projects awarded in H1'13 increasing visibility to over 3 years



Normandie 3
€45m



DolWin3 **€350m** &
Deutsche Bucht **€50m**



Mallorca - Ibiza
€85m



ExxonMobil's oil offshore
platforms
\$100m

Utilities – Strong increase in H2 profitability driven by transmission

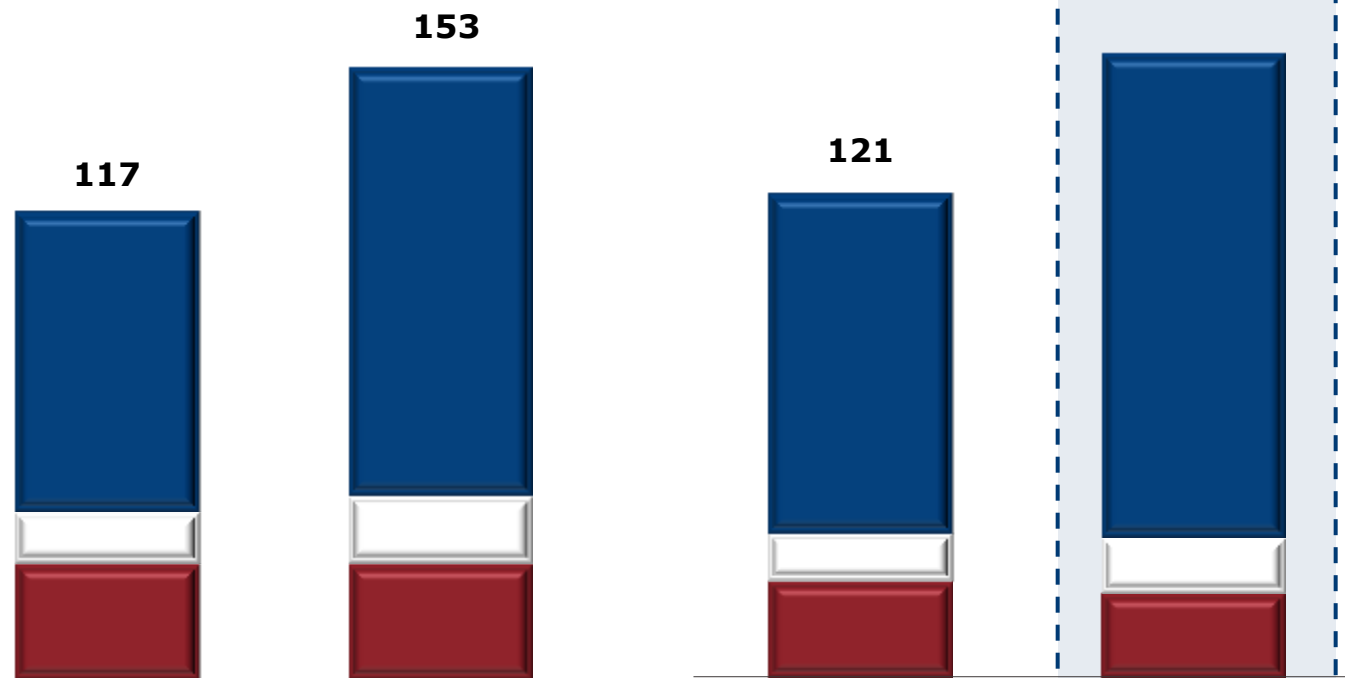
Adj.EBITDA increase in H2 covered by Transmission order book

Utilities – Adj.EBITDA

€ million

2012

2013E



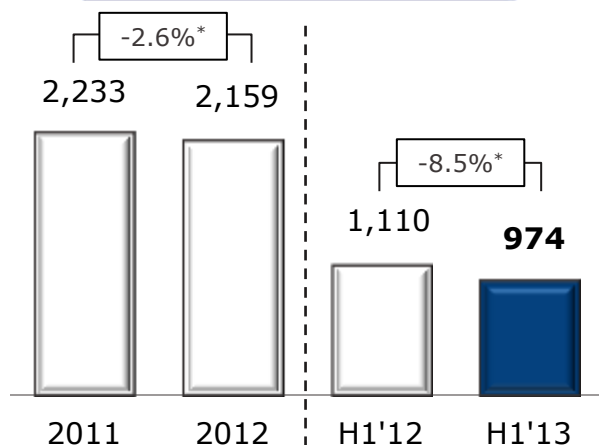
- High visibility on H2 thanks to submarine and HV order book
- Growing contribution from high value added transmission business driving sustainable margins increase
- Bottom in power distribution not expected to recover in H2

■ Distribution ■ Network Components ■ Transmission

Trade & Installers

Euro Millions, % on Sales

Sales to Third Parties



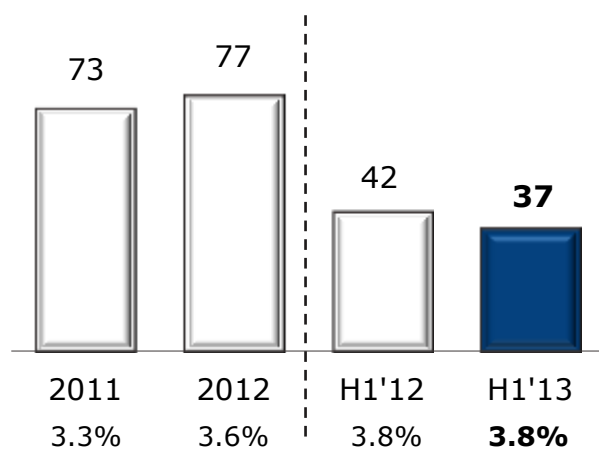
* Organic Growth

Note: FY2011 combined including Draka for 12 months

Highlights

- Continuous deterioration in demand in line with FY expectations. Slight improvement in organic change through the year thanks to stabilized demand. Price decrease fully offset by cost reduction.
 - Europe: demand stabilizing at significant lower level Vs 2012 across all countries. Major decrease in Germany, Spain, Italy and Eastern Europe. Ongoing production capacity rationalization
 - North America: low H1 expected to recover next quarters thanks to positive underlying construction demand
 - Growing demand in South America expected to continue during the year

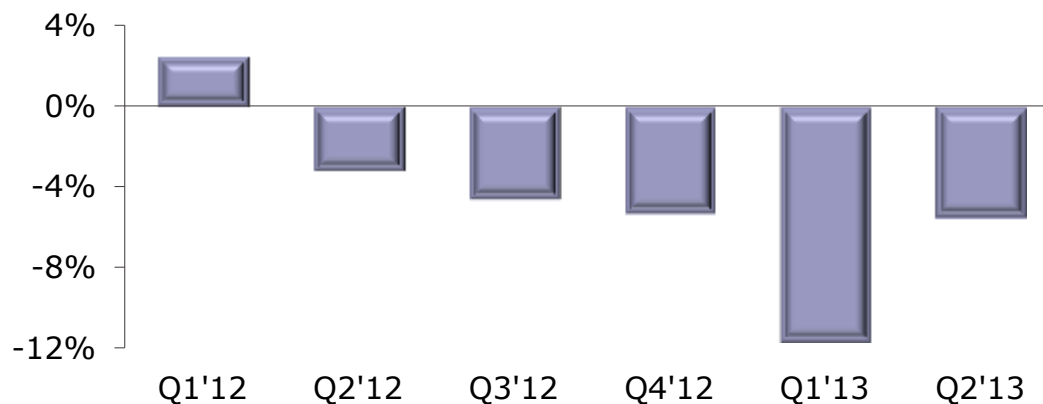
Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Organic Growth

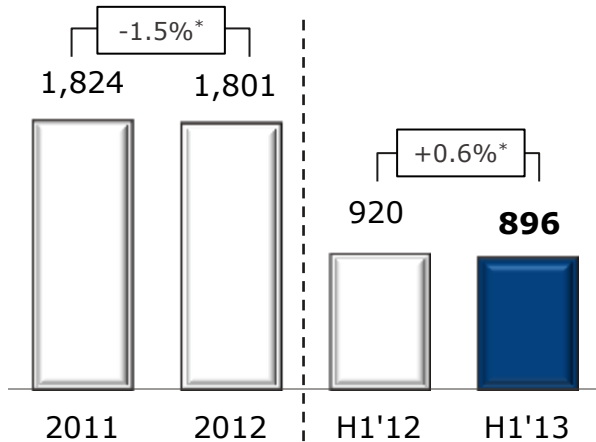
On the same quarter of previous year



Industrial

Euro Millions, % on Sales

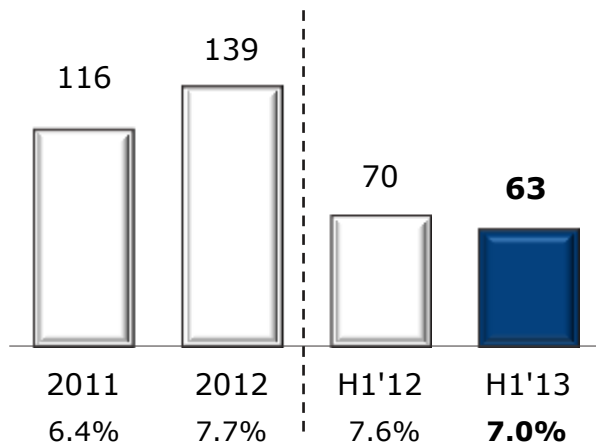
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

OGP

- Orders backlog to drive higher results in H2 fully offsetting weak H1. Recovery expected from off-shore projects in South America, Singapore and North Sea

SURF

- Growing contribution in Umbilicals through the year with first deliveries in Indonesia and West Africa during H2. Lower investments in Brazil limiting flexible pipes development
- DHT: positive performance in sales and profitability mainly driven by N.America and N.Europe

Elevator

- Steady increase supported by North America and APAC

Renewable

- Slight order intake improvement in Europe to support higher contribution in H2 (Vs very low H1). Investments expected to recover in North America

Automotive

- Positive organic growth driven by North and South America. Stable contribution from Europe achieved through industrial efficiencies

Specialties & OEM

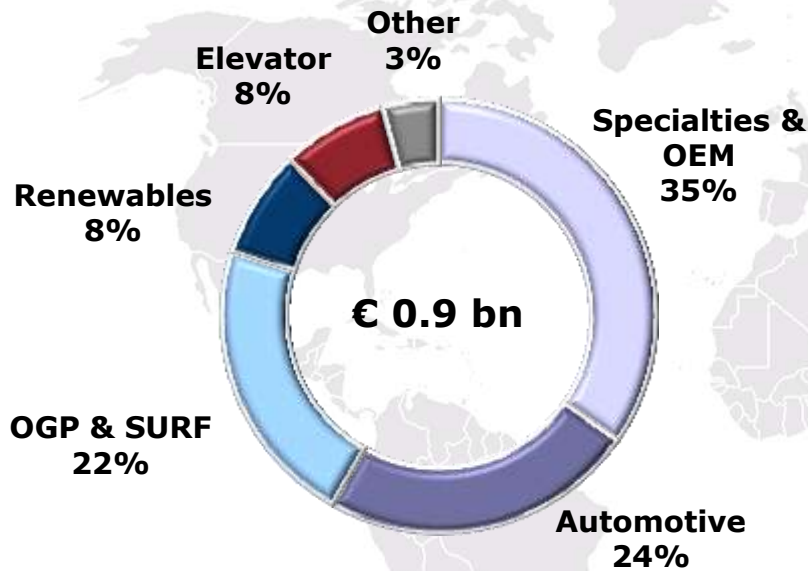
- Growing sales and profitability thanks to Railway/Rolling Stock in Europe, N.America and Australia. Positive trend also in Crane (Germany, China) and Marine (Russia, Nordics & new initiatives in S.America). Demand reduction in Defence, Mining and Infrastructure

Industrial

Growing in higher value added segments to offset current profitability decrease in Renewables

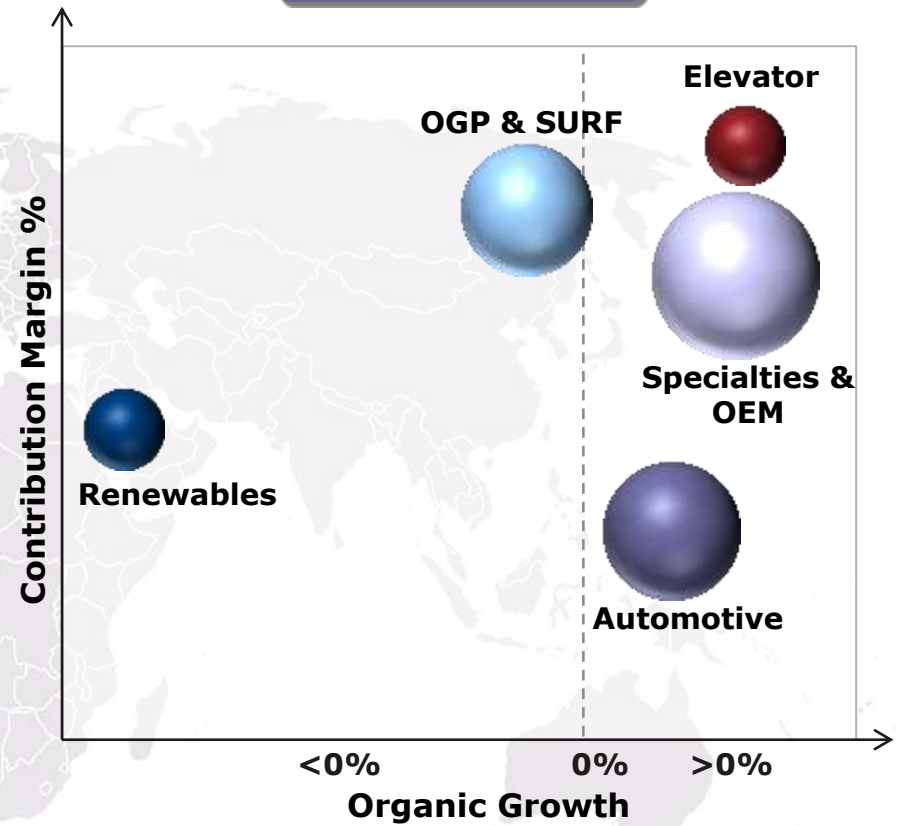
Sales breakdown by business segment

H1 2013

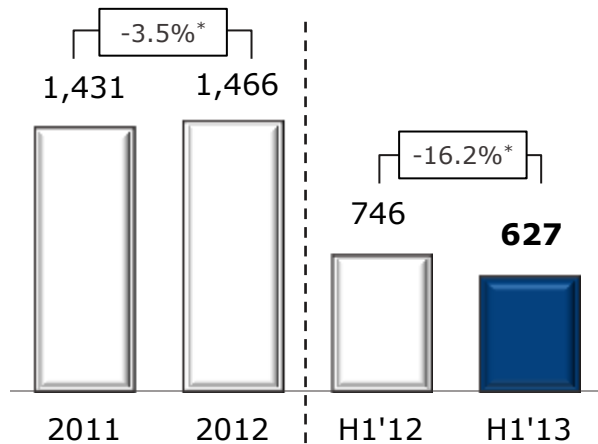


Business segment matrix

H1 2013



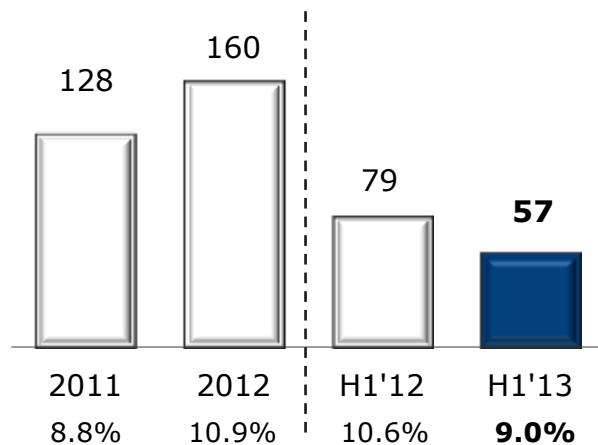
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

- H1 contraction in sales and profitability substantially in line with Q1 due to still very high comparable basis in Optical North and South America

Optical / Fiber

- **Europe:** substantially stable volume vs. previous year
- **North America:** still high double digit volume decrease due to strong H1'12 and uncertainty on incentives renewal
- **Australia:** continuous increase in sales and profitability driven by NBN project
- **Brazil:** Very low investments in H1 waiting for stimulus packages
- **China:** growing demand in FTTH and FTTA expected to continue through the year

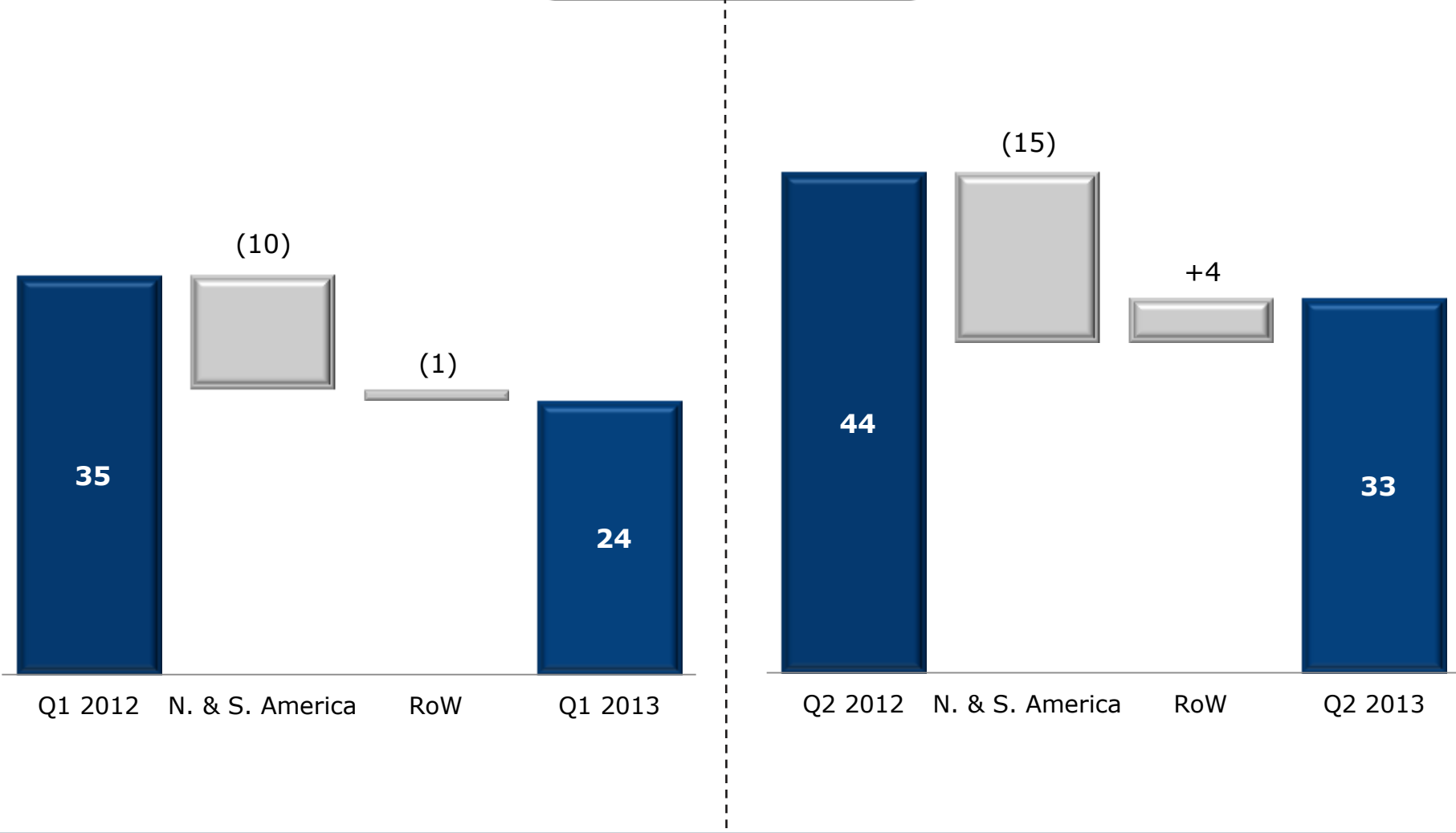
Multimedia & Specials

- Lower investments in data centers in consolidated European countries (e.g. Spain, France, Italy) partially offset by emerging markets and European countries under investing in the last years (e.g. Turkey, Poland)

Telecom – H1 profitability decrease fully attributable to incentives suspended in North and South America

Adj. EBITDA evolution

Euro million



2013 Outlook – FY target confirmed with strong increase in profitability in H2

Solid orders backlog in Transmission and synergies to face continuous weakness in cyclical businesses

FY 2013 Adj.EBITDA Target (€ mln)

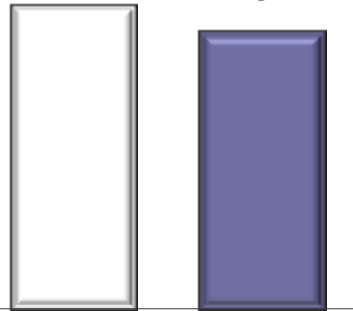
600

650

H1 2013

308

282



H1 2012

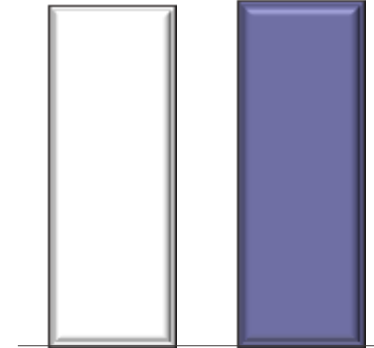
H1 2013

- H1 consistent with FY target
- Weak telecom performance due to lower demand in US and South America
- Bottom in cyclical businesses in Europe
- Strong decrease in Renewables

H2 2013E

339

343



H2 2012

H2 2013E

- Continuous weakness in European cyclical businesses
- Strong growth in Transmission contribution
- Slight recovery in Telecom vs. H1
- Limited improvement in Industrial (OGP & Renewables)

➤ Group Overview & 2013 Outlook

➤ **Draka integration**

➤ Financial Results

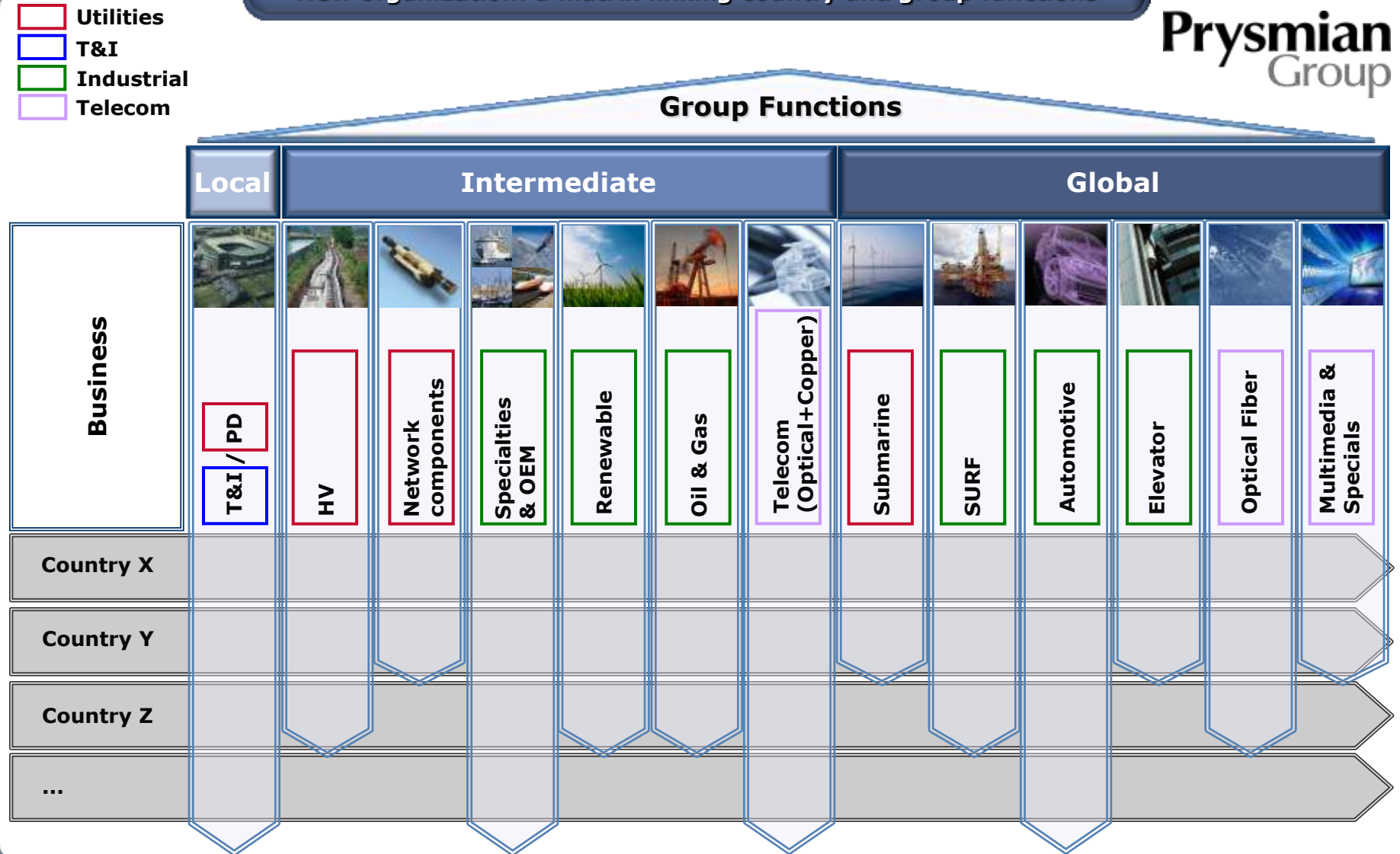
➤ Appendix

The new organization model

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



New organization: a matrix linking country and group functions



Integration process update

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

Q2 2011

H2 2011

FY 2012

FY 2013

Design

Execution

- New Group Organization and Key People Appointment **done**
- Base Business Protection **done**
- Corporate Brand **done**
- Mission & Vision **done**
- Kick-off of main integration workstreams **done**

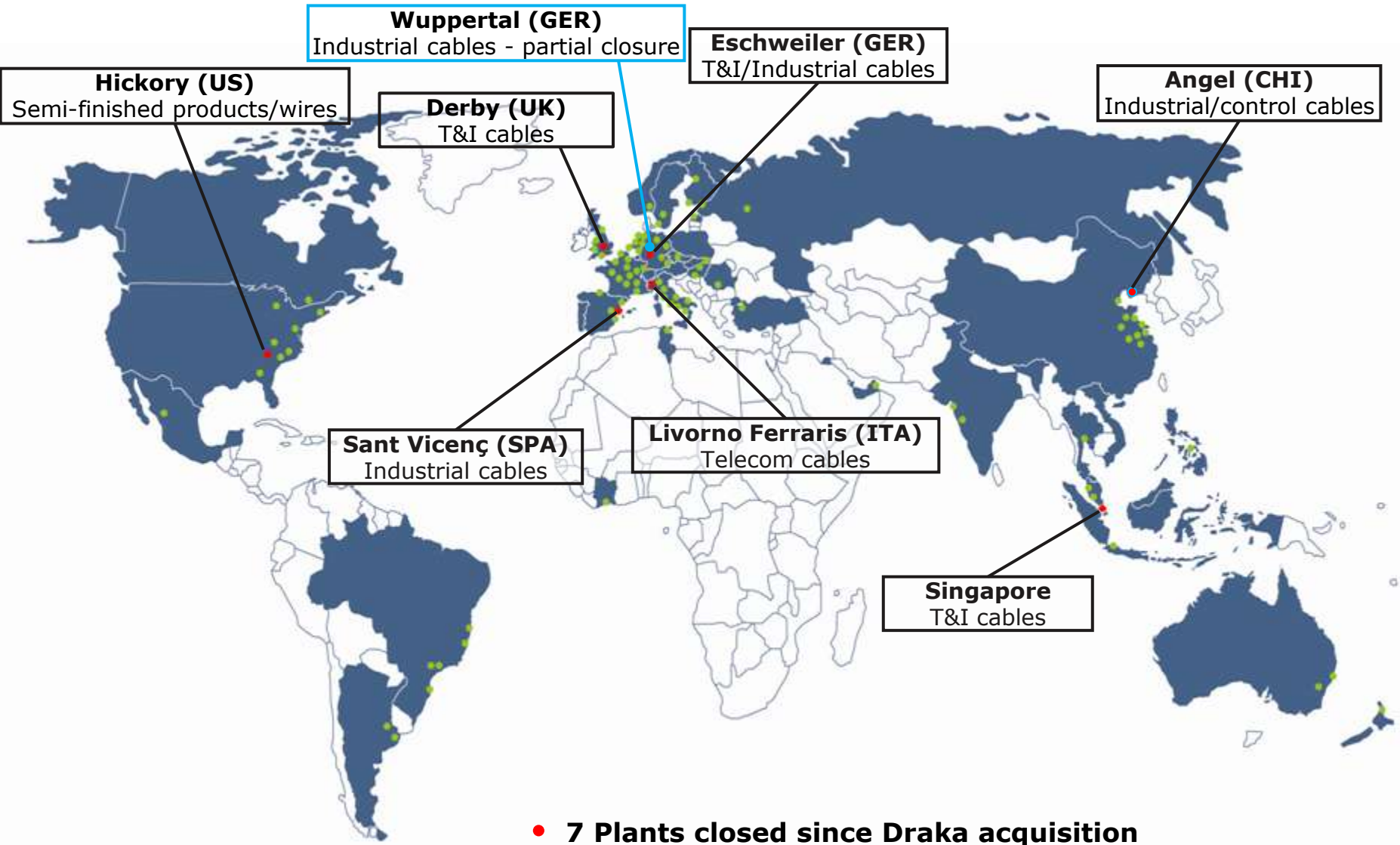
- Start deployment of new organization and processes **done**
- Synergies plan completed, start delivering first costs reduction in:
 - Procurement **done**
 - Overheads rationalization **done**

- Consolidate "One-company" identity with common targets:
 - Key management aligned with shareholders' value through the 2011-13 incentive plan **done**
- Synergies Plan:
 - Fixed costs reduction as major contributor to FY'12 Target. Approx. 8% management and staff rationalization completed by Q1'2012 **done**
 - Finalizing detailed review of suppliers agreements during the year **done**
 - First production facilities rationalization from H2'12. Closing down 6 plants by Q1'13 **done**

- Actions completed to achieve the €100m cumulated synergies target by 2013
- Enhance Public company model: all Group employees (including blue/white collar) involved in a new Employee Stock Purchasing and Ownership Plan
- Synergies Plan:
 - Additional 4% management and staff rationalization completed by Q1'13 (cumulated 12%)
 - Procurement synergies run-rate from 2013 (suppliers agreements review completed)
 - Cost reduction from operations as major contributor to FY'13 Target. 7 plants closed since the acquisition to Dec '12. Additional plants rationalization to be executed in 2013-14; total number depending on demand evolution

First step of production footprint optimization completed

7 plants closed and 1 plant restructured since Draka acquisition



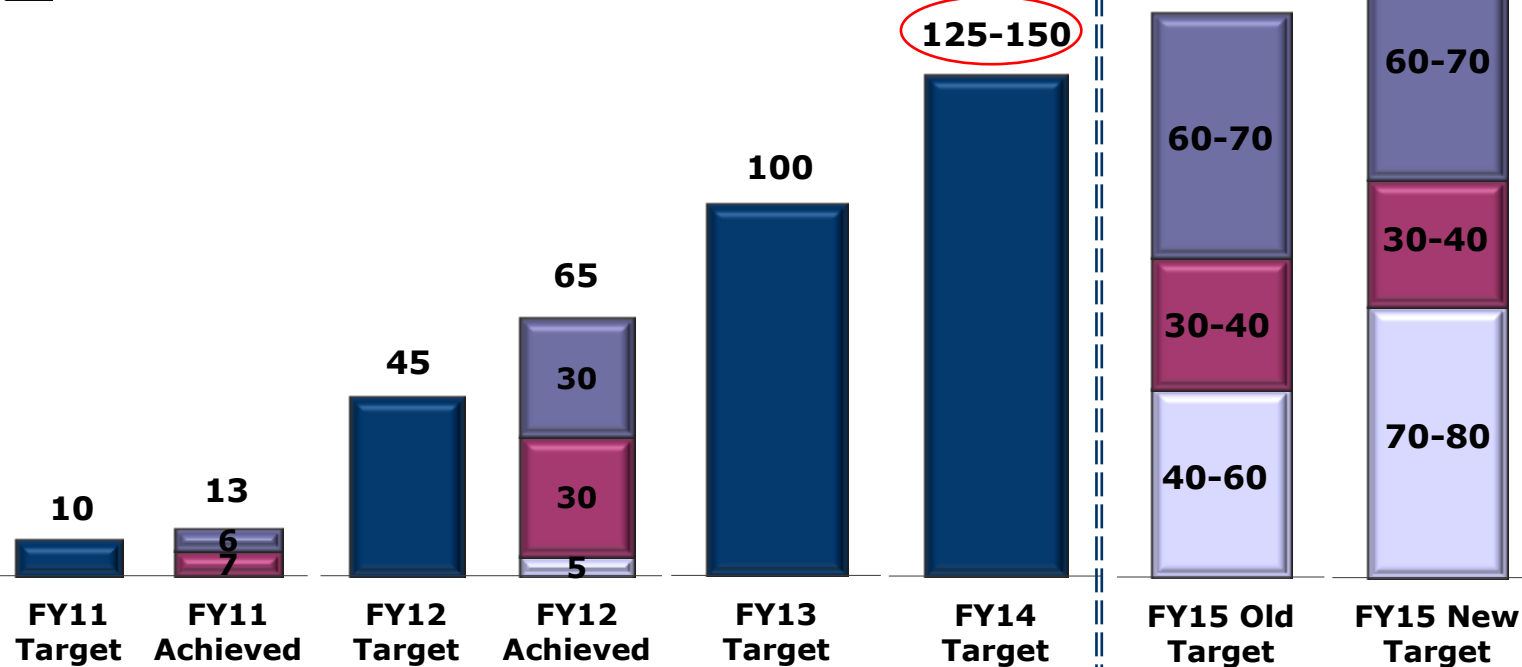
Synergies target increased – Increasing efforts on production rationalization

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

Update on Synergies Plan 2011-15

Euro million

- Overheads (Fixed costs)
- Procurement
- Operations



- Strong decrease in cyclical demand require new actions to limit overcapacity in Europe
- Selective production rationalization to improve ROCE in cyclical segments
- Additional synergies mainly generated in Operations

Restructuring costs



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

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%*

North America

OEMs

- Crane
- Mining
- Railway

OGP

- Drilling
- Refinery

Telecom

- Hybrid 4G cables
- Access networks
- OPGW

EMEA

OEMs

- Rolling stock
- Mining
- Marine

OGP

- Downstream Iraq and ME

Elevator

- Market penetration

Telecom

- Hybrid 4G cables
- Access networks/ connectivity
- MMS

APAC

OEMs

- Crane
- Mining
- Nuclear

OGP

- Upstream offshore
- LNG (Liquefied Natural Gas)

Elevator

- Business expansion

Telecom

- Hybrid 4G cables
- Access networks/ connectivity
- MMS

Latin America

OEMs

- Rolling stock
- Mining
- Marine

OGP

- Upstream offshore

Telecom

- Optical cables
- Multimedia datacom

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Profit and Loss Statement

Euro Millions

	H1 2013	H1 2012	FY 2012
Sales	3,622	3,916	7,848
<i>YoY total growth</i>	<i>(7.5%)</i>		
<i>YoY organic growth</i>	<i>(5.3%)</i>		
Adj. EBITDA	282	308	647
<i>% on sales</i>	<i>7.8%</i>	<i>7.9%</i>	<i>8.2%</i>
<i>Non recurring items</i>	<i>(26)</i>	<i>(42)</i>	<i>(101)</i>
EBITDA	256	266	546
<i>% on sales</i>	<i>7.1%</i>	<i>6.8%</i>	<i>7.0%</i>
Adj. EBIT	204	229	483
<i>% on sales</i>	<i>5.6%</i>	<i>5.9%</i>	<i>6.2%</i>
<i>Non recurring items</i>	<i>(26)</i>	<i>(42)</i>	<i>(101)</i>
<i>Special items</i>	<i>(44)</i>	<i>(9)</i>	<i>(20)</i>
EBIT	134	178	362
<i>% on sales</i>	<i>3.7%</i>	<i>4.5%</i>	<i>4.6%</i>
<i>Financial charges</i>	<i>(76)</i>	<i>(51)^{a)}</i>	<i>(120)^{a)}</i>
EBT	58	127	242
<i>% on sales</i>	<i>1.6%</i>	<i>3.2%</i>	<i>3.1%</i>
Taxes	(17)	(38)	(73)
<i>% on EBT</i>	<i>29.0%</i>	<i>29.9%</i>	<i>30.2%</i>
Net income	41	89	169
<i>Extraordinary items (after tax)</i>	<i>(74)</i>	<i>(40)</i>	<i>(111)</i>
Adj. Net income	115	129	280

a) Restated to include effects of IAS 19 revised; negative effect of €2mIn in FY2012, €1mIn in H1 2012

Extraordinary Effects

Euro Millions

	H1 2013	H1 2012	FY 2012
Antitrust investigation	1	(3)	(1)
Restructuring	(21)	(27)	(74)
Draka integration costs	-	(3)	(9)
Other	(6)	(9)	(17)
EBITDA adjustments	(26)	(42)	(101)
Special items	(44)	(9)	(20)
<i>Gain/(loss) on metal derivatives</i>	(37)	1	14
<i>Assets impairment</i>	-	(1)	(24)
<i>Other</i>	(7)	(9)	(10)
EBIT adjustments	(70)	(51)	(121)
Gain/(Loss) on ex.rates/derivat. ⁽¹⁾	(21)	1	(11)
Other extr. financial Income/exp.	(7)	(2)	(5)
EBT adjustments	(98)	(52)	(137)
Tax	24	12	26
Net Income adjustments	(74)	(40)	(111)

Notes

(1) Includes currency and interest rate derivatives

Financial Charges

Euro Millions

	H1 2013	H1 2012	FY 2012
Net interest expenses	(51)	(53)^{a)}	(111)^{a)}
<i>of which non cash Conv.Bond interest exp.</i>	(2)	-	-
Bank fees amortization	(5)	(5)	(10)
Gain/(loss) on exchange rates	(10)	(21)	(29)
Gain/(loss) on derivatives ⁽¹⁾	(11)	22	18
Non recurring effects	(5)	(2)	(5)
Net financial charges	(82)	(59)	(137)
Share in net income of associates	6	8	17
Total financial charges	(76)	(51)	(120)

Notes

(1) Includes currency and interest rate derivatives

a) Restated to include effects of IAS 19 revised; negative effect of €2mIn in FY2012, €1mIn in H1 2012

Statement of financial position (Balance Sheet)

Euro Millions

	30 June 2013	30 June 2012	31 December 2012
Net fixed assets	2,252	2,264	2,311
<i>of which: intangible assets</i>	643	619	655
<i>of which: property, plants & equipment</i>	1,496	1,549	1,543
Net working capital	772	934	479
<i>of which: derivatives assets/(liabilities)</i>	(38)	(27)	(7)
<i>of which: Operative Net working capital</i>	810	961	486
Provisions & deferred taxes	(294)	(369)	(369)
Net Capital Employed	2,730	2,829	2,421
Employee provisions	332	308	344
Shareholders' equity	1,150	1,125	1,159
<i>of which: attributable to minority interest</i>	44	52	47
Net financial position	1,248	1,396	918
Total Financing and Equity	2,730	2,829	2,421

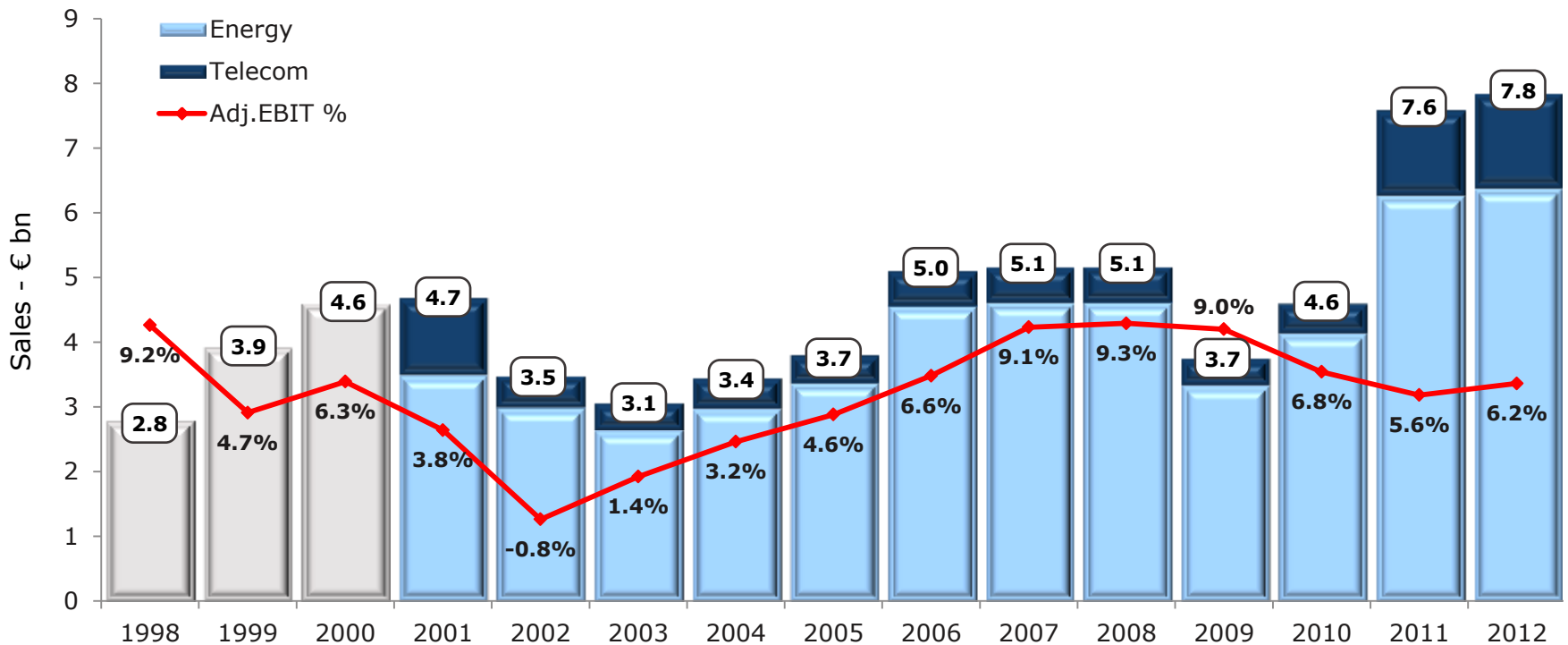
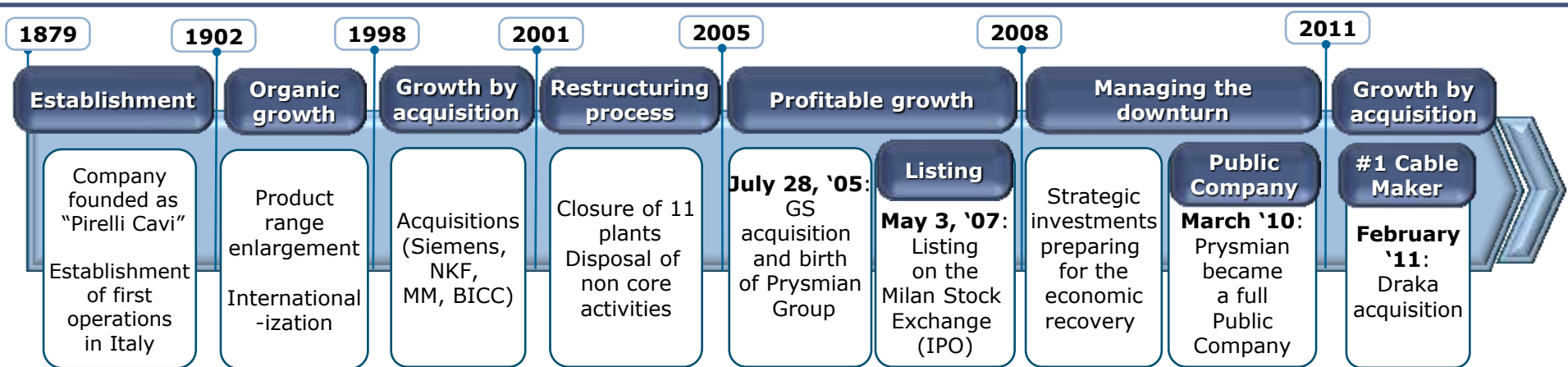
Cash Flow

Euro Millions

	H1 2013	H1 2012	FY 2012
Adj.EBITDA	282	308	647
Non recurring items	(26)	(42)	(101)
EBITDA	256	266	546
Net Change in provisions & others	(41)	(8)	(1)
Cash flow from operations (before WC changes)	215	258	545
Working Capital changes	(367)	(359)	75
Paid Income Taxes	(28)	(32)	(74)
Cash flow from operations	(180)	(133)	546
Acquisitions	-	(35)	(86)
Net Operative CAPEX	(50)	(63)	(141)
Net Financial CAPEX	8	6	8
Free Cash Flow (unlevered)	(222)	(225)	327
Financial charges	(72)	(76)	(129)
Free Cash Flow (levered)	(294)	(301)	198
<i>Free Cash Flow (levered) excl. acquisitions</i>	<i>(294)</i>	<i>(266)</i>	<i>284</i>
Dividends	(91)	(45)	(45)
Other Equity movements	-	-	1
Net Cash Flow	(385)	(346)	154
NFP beginning of the period	(918)	(1,064)	(1,064)
Net cash flow	(385)	(346)	154
Other variations	55	14	(8)
NFP end of the period	(1,248)	(1,396)	(918)

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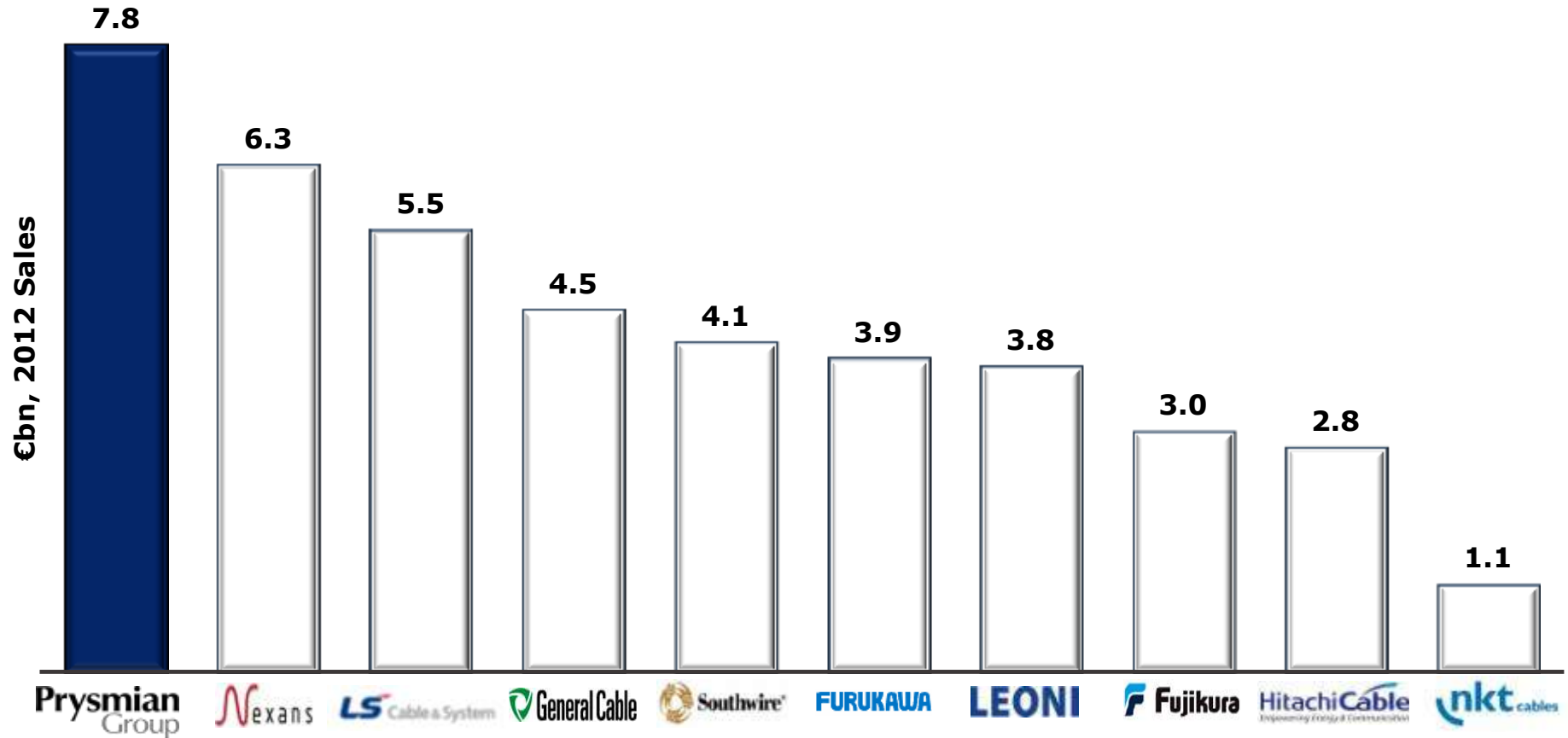
Key Milestones



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

The World's Leading Cables & Systems Company

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

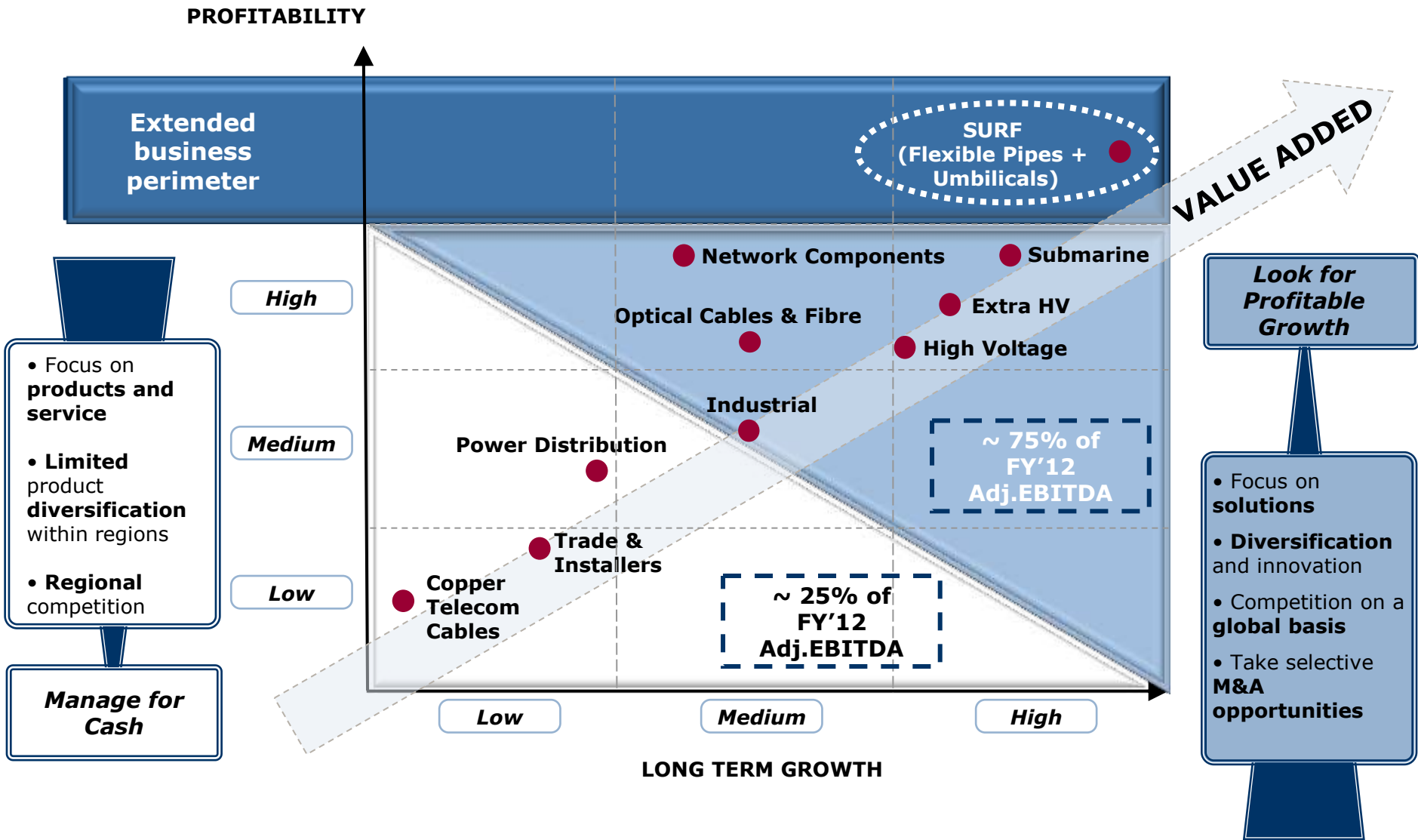


Source: Companies' public documents.

Note: Nexans excluding Other segment (mainly Electrical Wire); 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

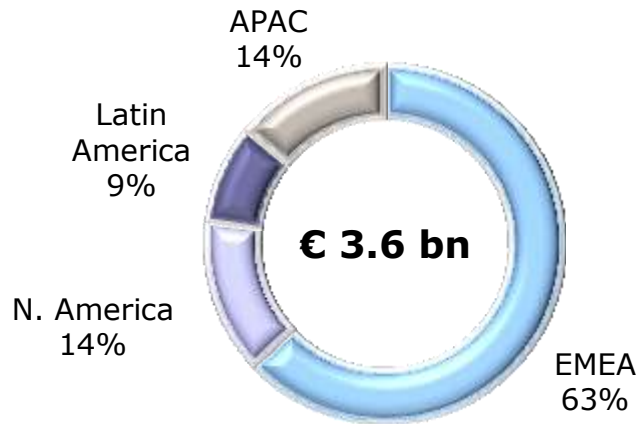
Focus on high value added segments



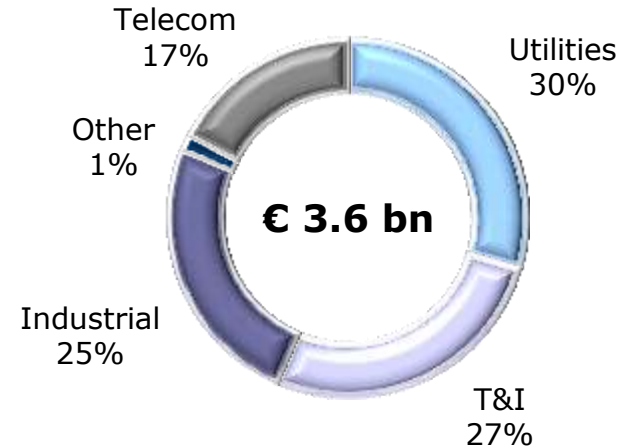
Prysmian Group at a glance

H1 2013 Results

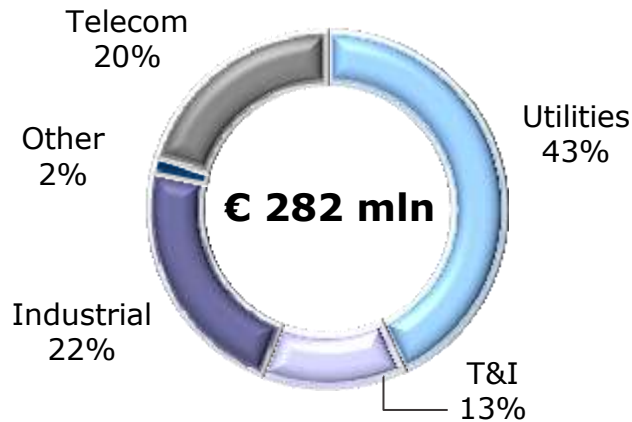
Sales breakdown by geography



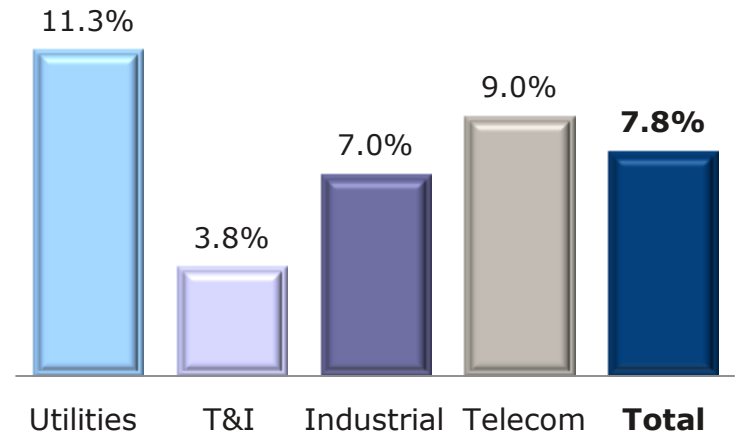
Sales breakdown by business



Adj. EBITDA by business



Adj. EBITDA margin by business



Long Cycle Businesses Vs. Short Cycle Businesses

Adj. EBITDA breakdown

Long Cycle Businesses
66%

Short Cycle Businesses
34%

Utilities
(Submarine, HV, Net. Components)
36%

Utilities
(Power Distribution)
8%

T&I
12%

LTM H1'13
ADJ. EBITDA
€ 621 mln

Industrial
(OGP & SURF, Renewables, Elevator)
8%

Industrial
(Specialties & OEM, Automotive, Other)
13%

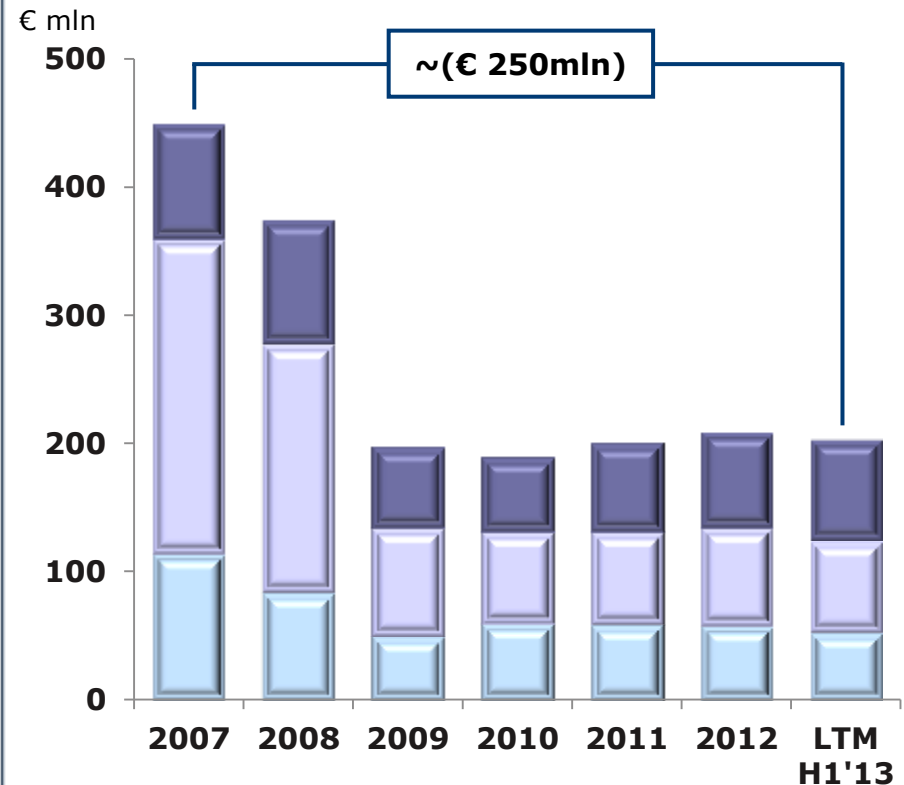
Telecom
(Optical and Fiber, JVs, Multimedia & Specials)
22%

Telecom
(Copper)
1%

 **Long Cycle**
 **Short Cycle**

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

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



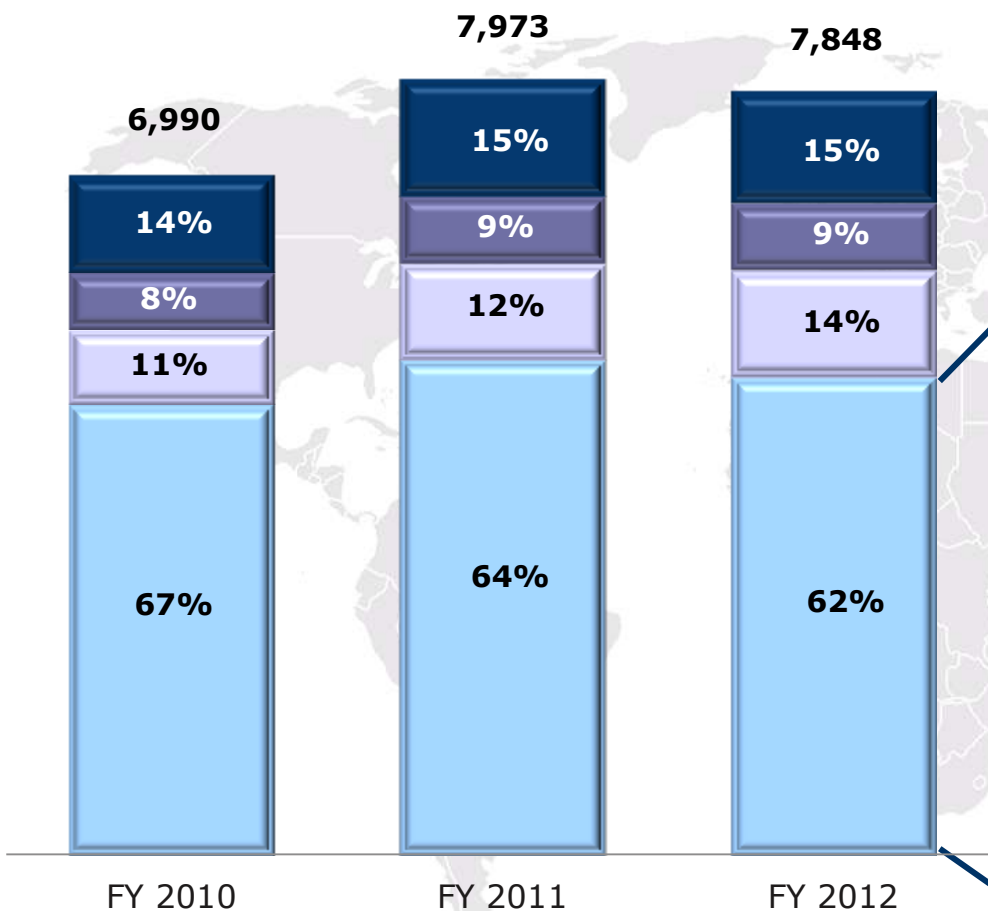
■ PD ■ T&I ■ Industrial*

* Industrial includes Specialties & OEM, Automotive and Other segments

Sales evolution by geographical area

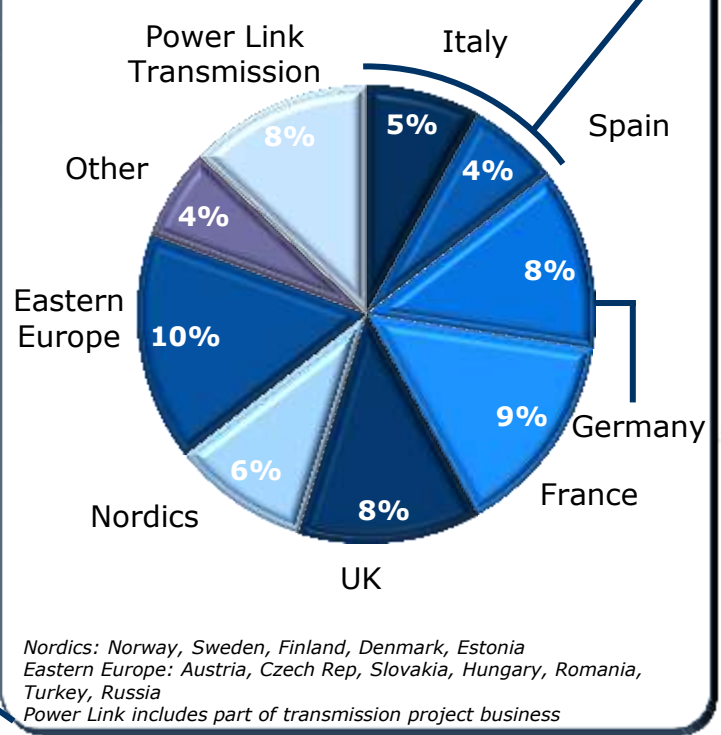
Improving geographical diversification with a limited exposure to weaker southern European countries

€ million



Italy & Spain accounting for approx. 7% of Group Adj.EBITDA

EMEA Sales breakdown
FY 2012 - Total = 62%



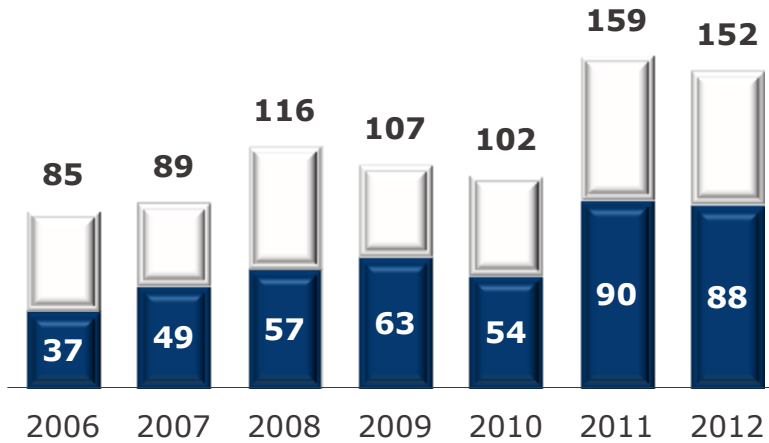
Note: FY2010 and FY2011 Sales Combined Prysmian + Draka

CAPEX evolution

Investments focused on high value added businesses

Capacity Increase & Product mix (€m)

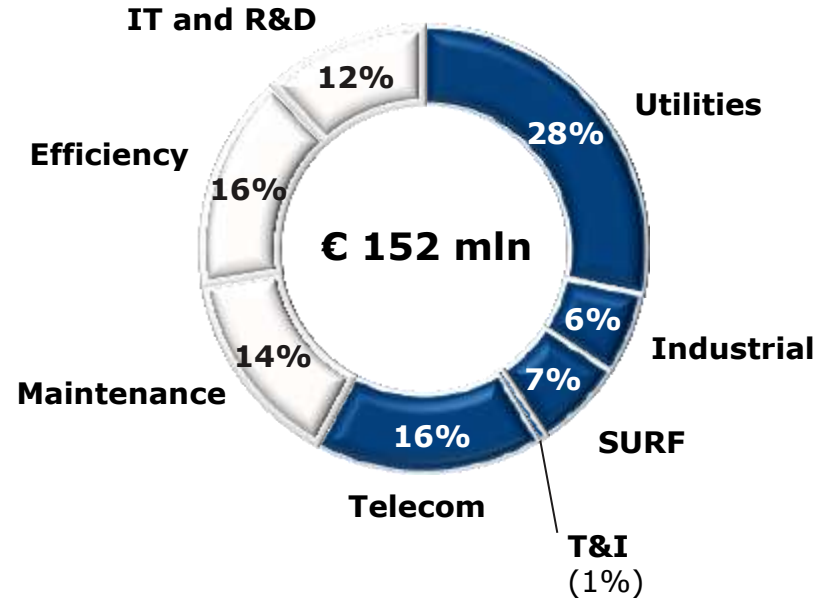
■ Maintenance, Efficiency, IT and R&D
■ Capacity Increase & Product mix



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%

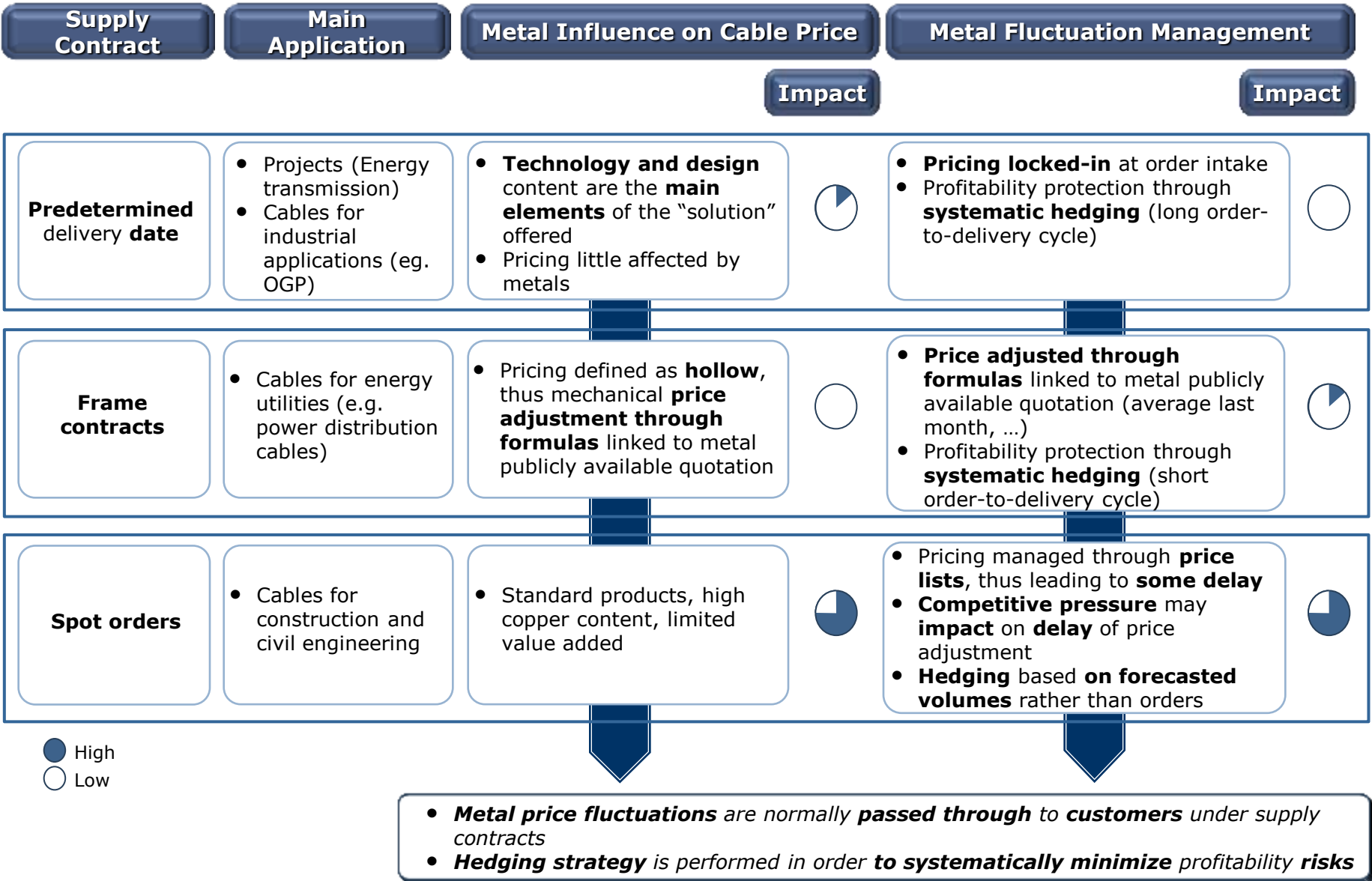
2012 Capex by destination

■ Maintenance, Efficiency, IT and R&D
■ Capacity Increase & Product Mix



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

Metal Price Impact on Profitability



➤ Group Overview & Outlook 2013

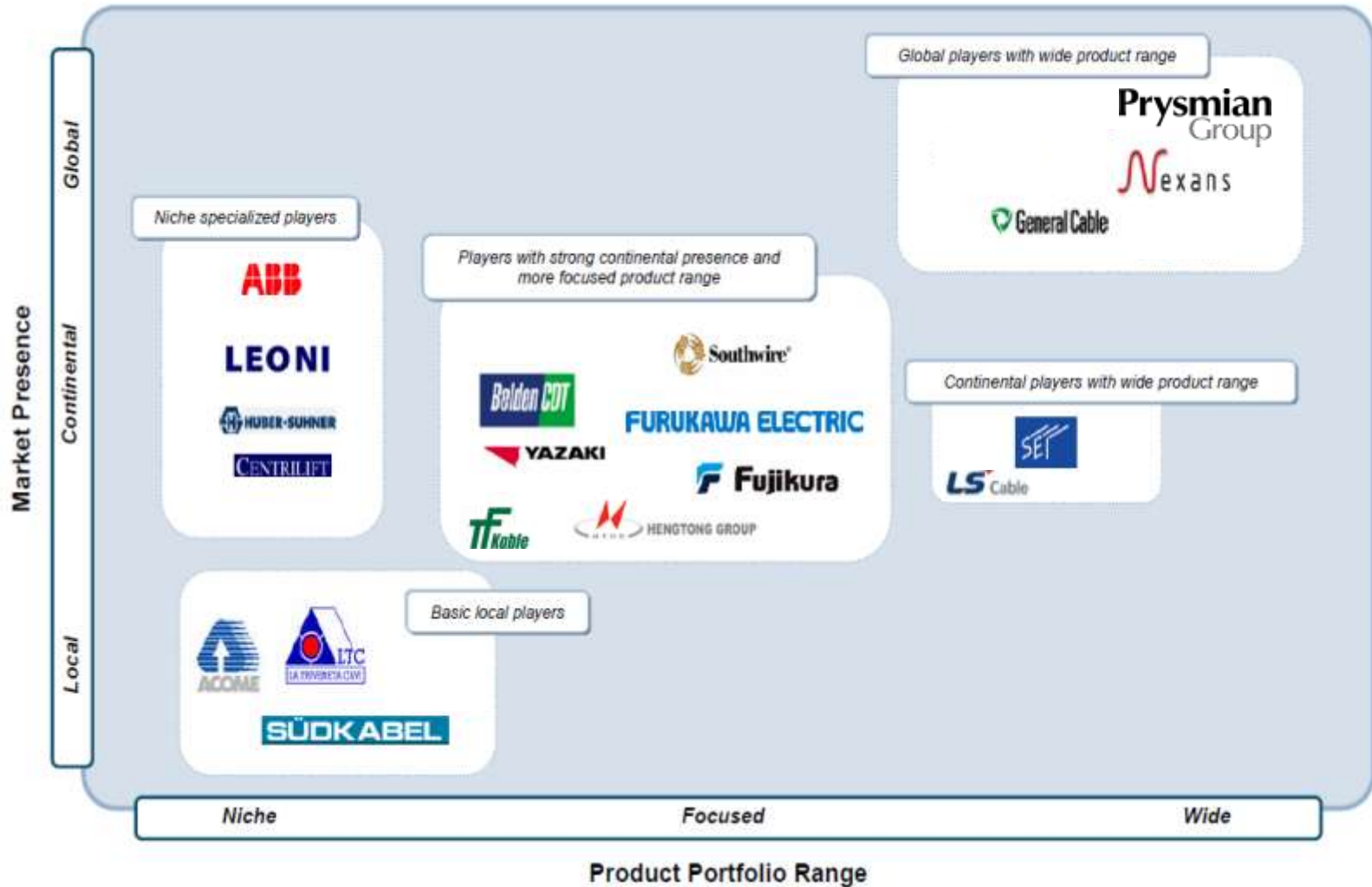
➤ Draka integration

➤ 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 – Investing in submarine to increase ROCE

Strengthening production and installation (GME acquisition) capabilities



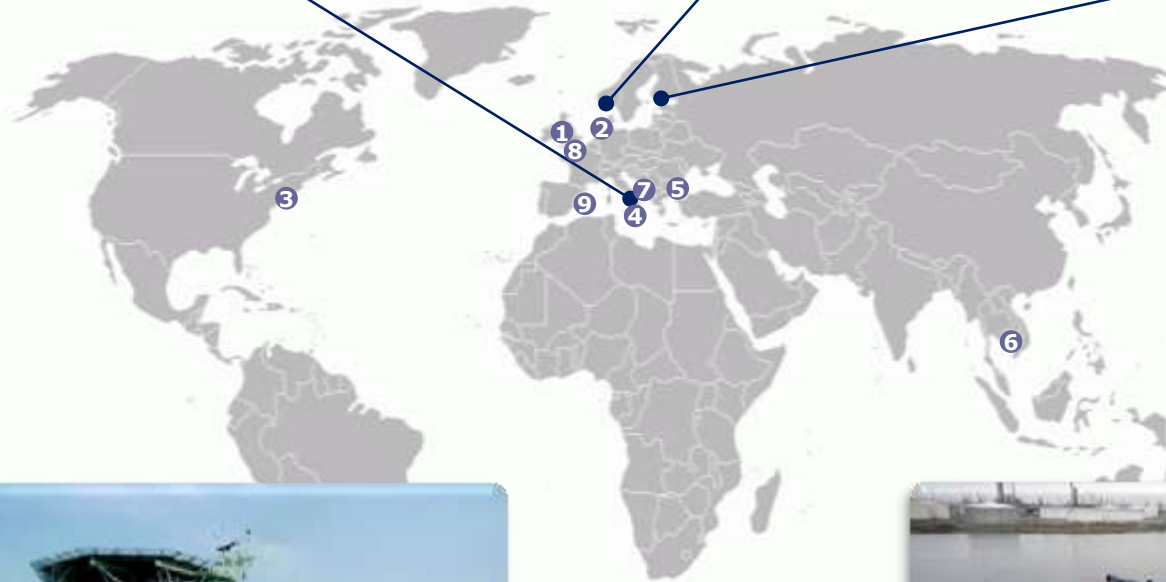
Arco Felice (Italy)



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
US Offshore platforms



Giulio Verne

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



Cable Enterprise

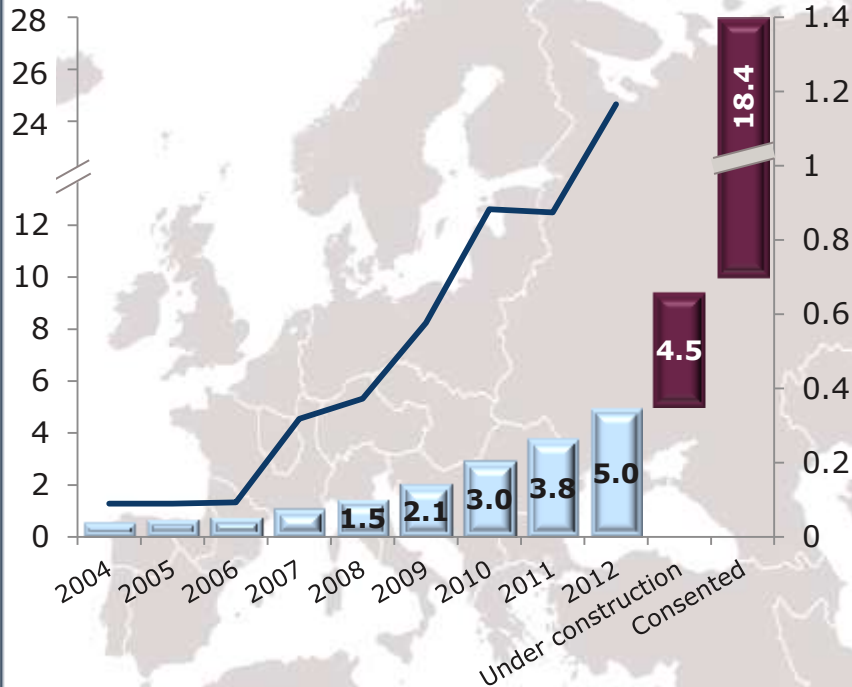
- Length overall: 115m
- Depth moulded: 6.8m
- Gross tonnage: 8,328t

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)

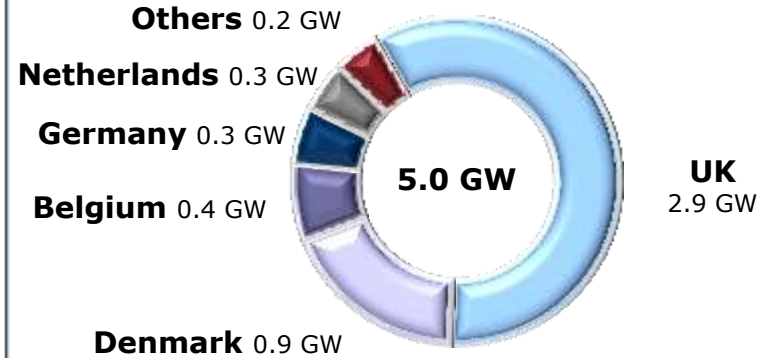
— Cumulated Offshore Wind capacity (L axis)
— Annual Additional capacity (R axis)



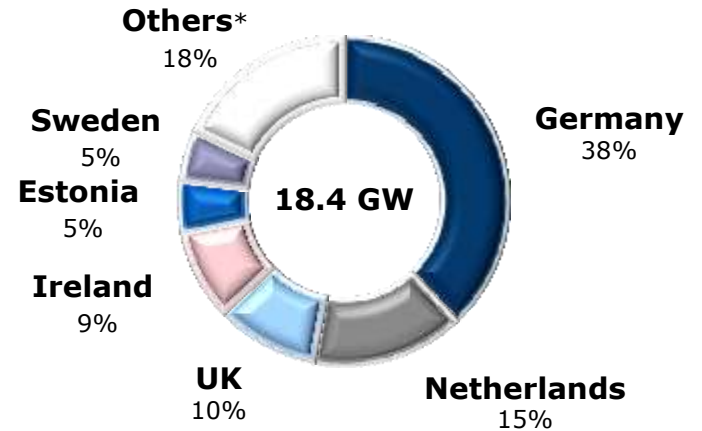
- **Capacity Increase: 1.2 GW** in 2012
- **Total capacity: 5.0 GW** at end 2012 (+30% vs. 2011)
- **Under construction: 4.5 GW** at end 2012
- **Consented: 18.4 GW**

Source: EWEA (January 2013)

Europe 2012 Cumulated Capacity by Country



Consented Offshore Capacity by Country



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

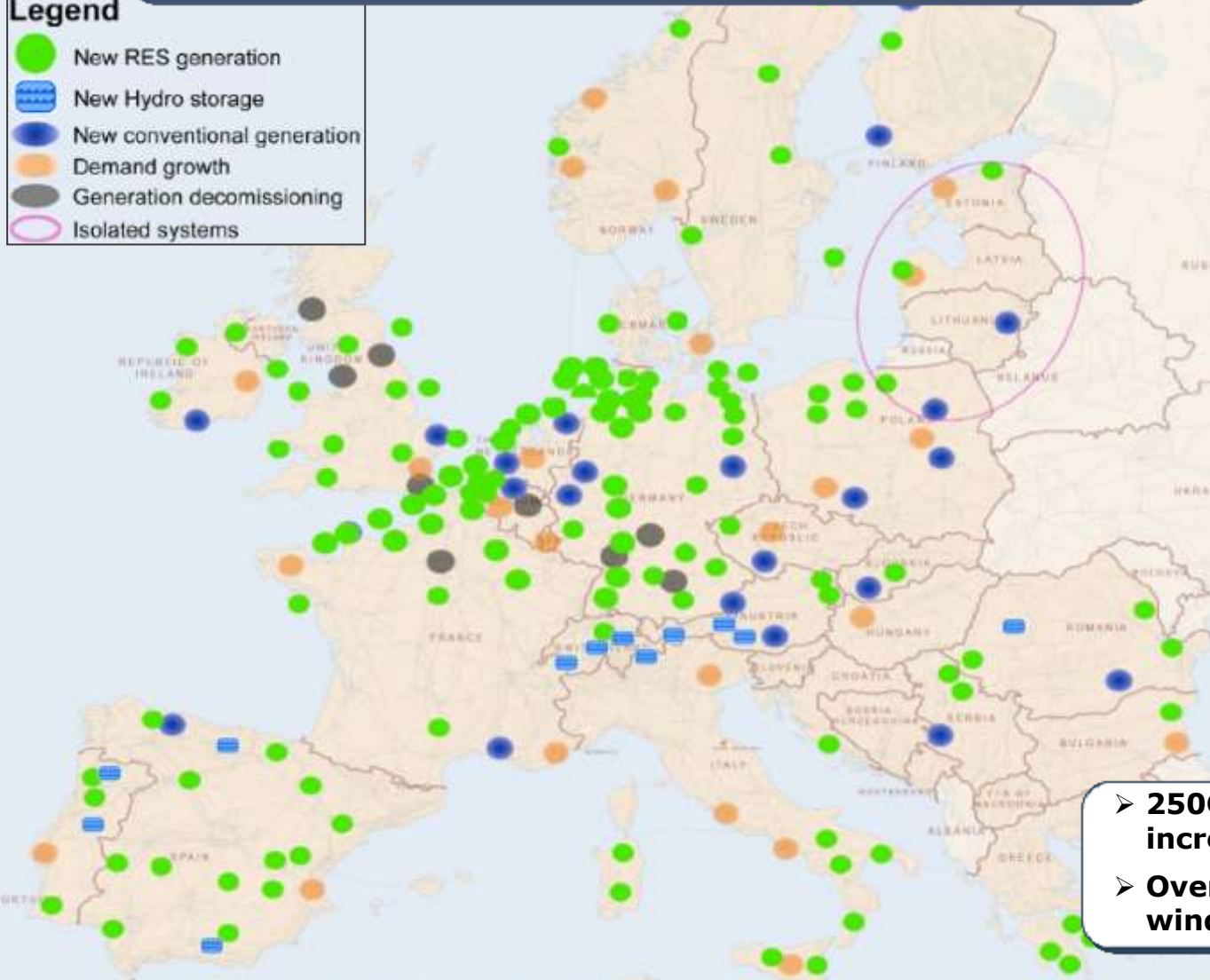
Utilities – Transmission

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

Main primary drivers for grid development in Europe toward 2020

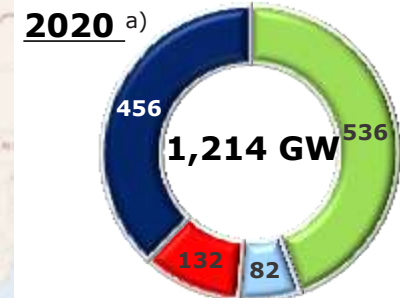
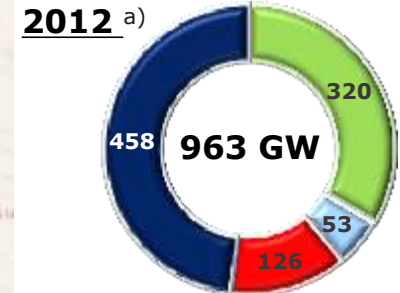
Legend





-  New RES generation
-  New Hydro storage
-  New conventional generation
-  Demand growth
-  Generation decommissioning
-  Isolated systems



Evolution of the generation mix

Scenario EU2020



-  Renewable Energy Sources
-  Hydro (non RES)
-  Nuclear
-  Fossil fuels

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

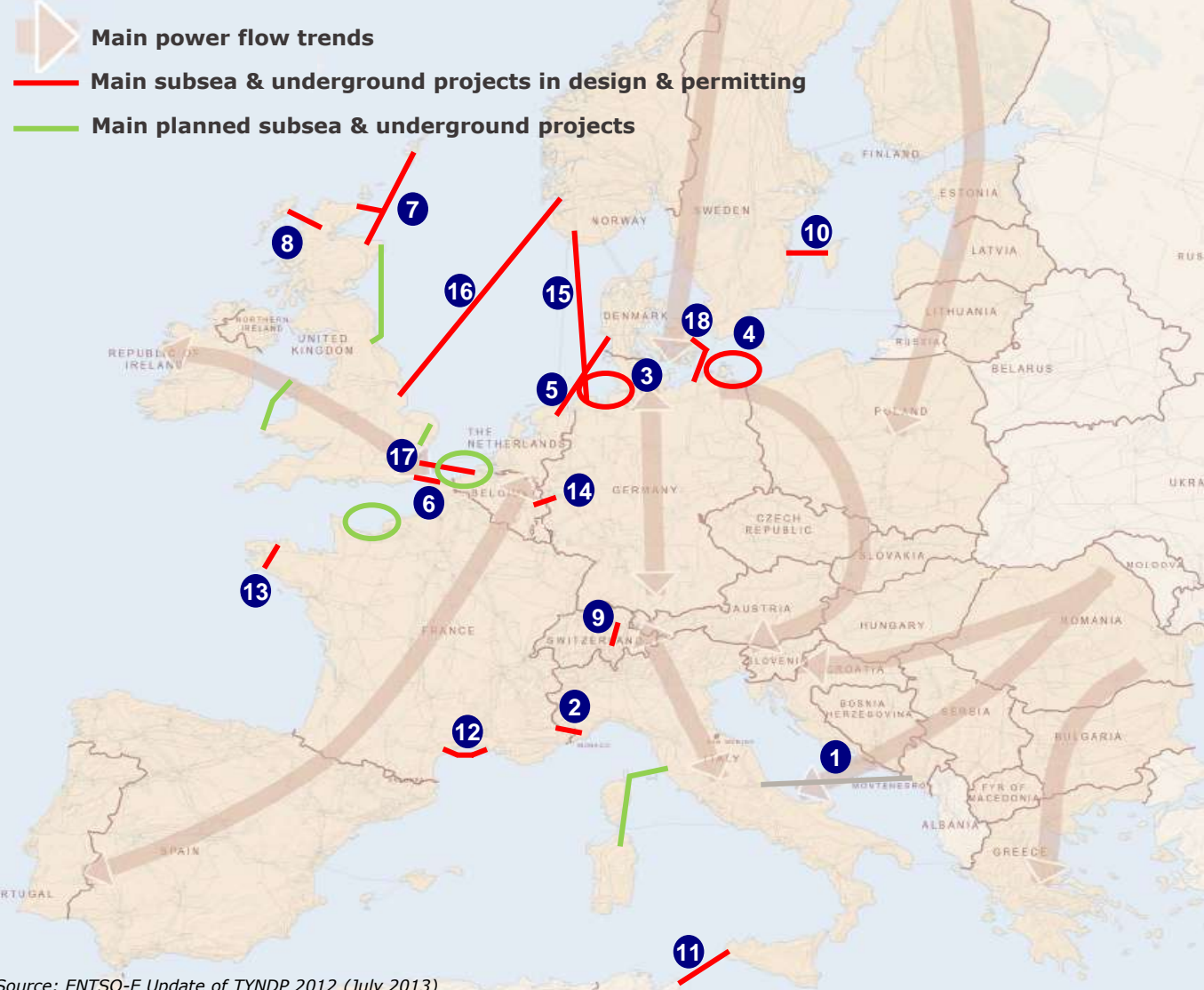
a) Total 2012-2020 include Other sources for respectively 6 and 8GW. Source: ENTSO-E

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

Utilities – Transmission

Update on transmission projects of pan-European significance

Main subsea and underground projects of pan-European significance



List of main projects

- Italy – France
- Italy – France
- Germany (Borwin III & IV, Sylwin II)
- Germany (Baltic Sea East & West)
- Cobra (NL-DK)
- France – UK (Eurotunnel)
- UK Caithness
- Western Isles Link
- Schwanden-Limmern (CH)
- Västervik – Gotland
- Tunisia – Italy
- Marseille – Languedoc
- Calan – Plaine-Haute
- Belgium – Germany
- Norway – Germany
- Norway – UK
- Nemo (UK-BE)
- Denmark – Germany

Already awarded:

- Italy – Montenegro
- Germany (Dolwin III)

Source: ENTSO-E Update of TYNDP 2012 (July 2013)

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

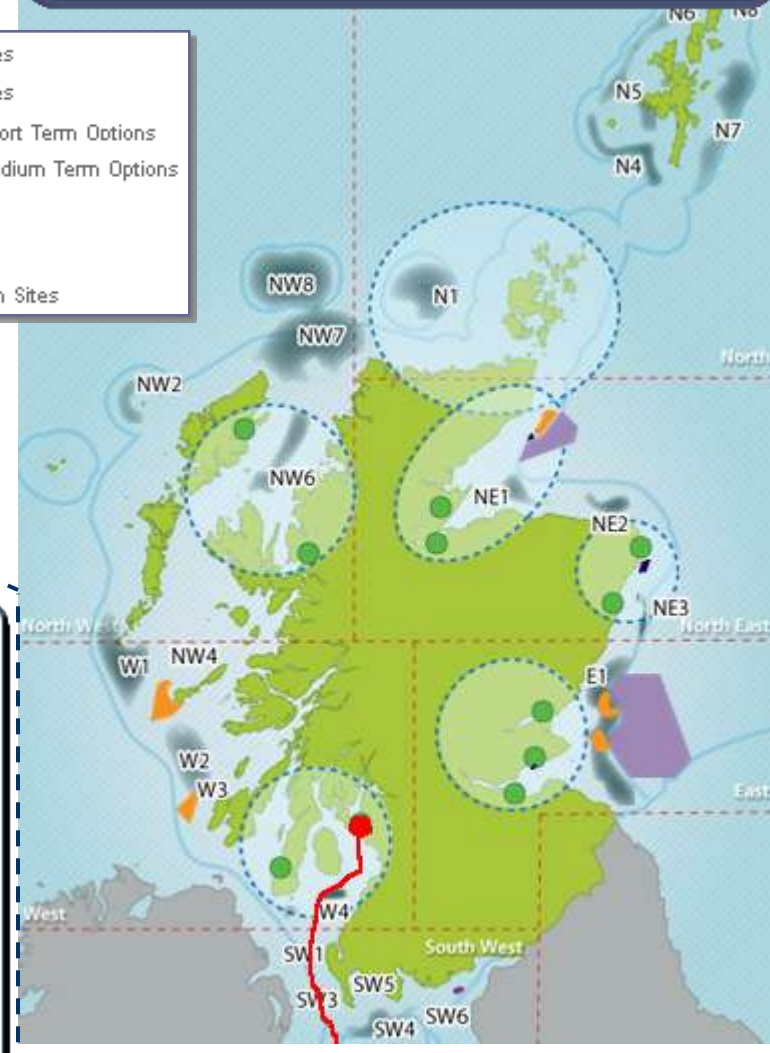
— Western Link route



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

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



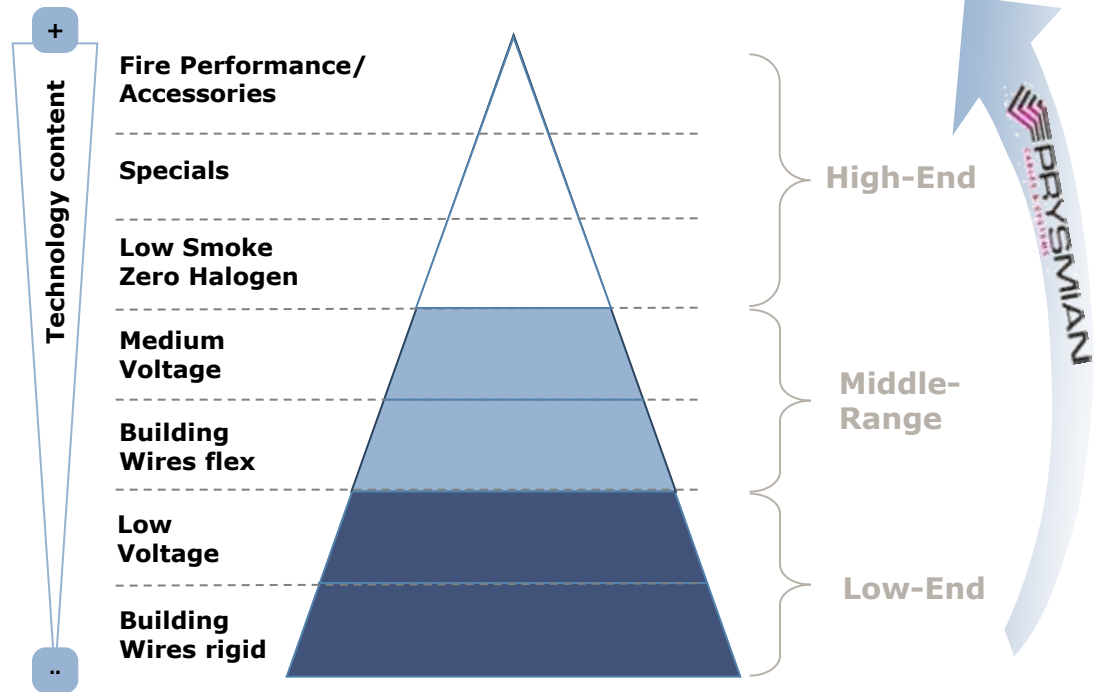
Key success factors

- 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

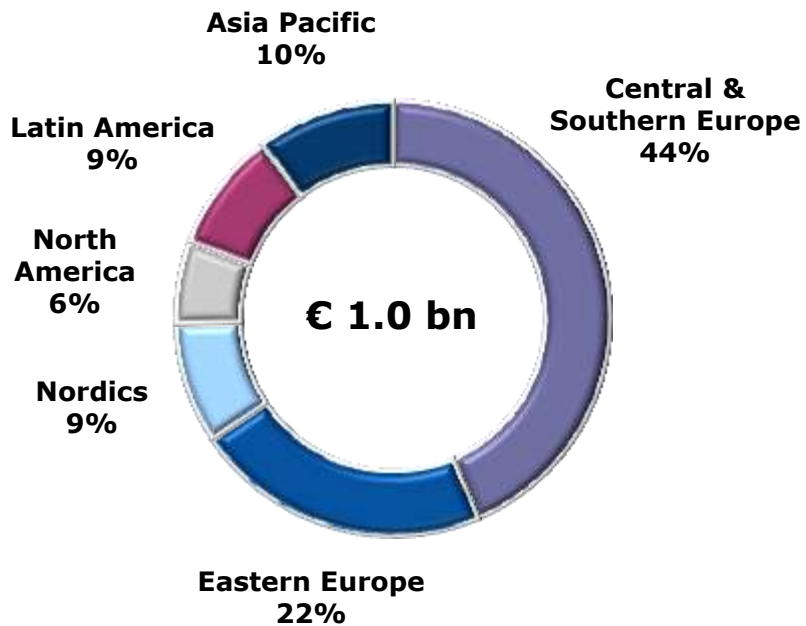


Trade & Installers

Sales breakdown

Sales breakdown by geographical area

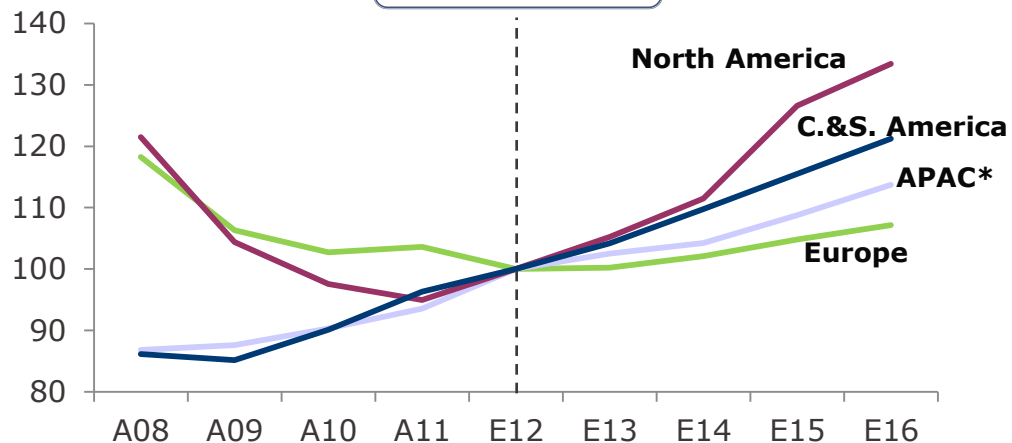
H1 2013



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

Total Construction Investments

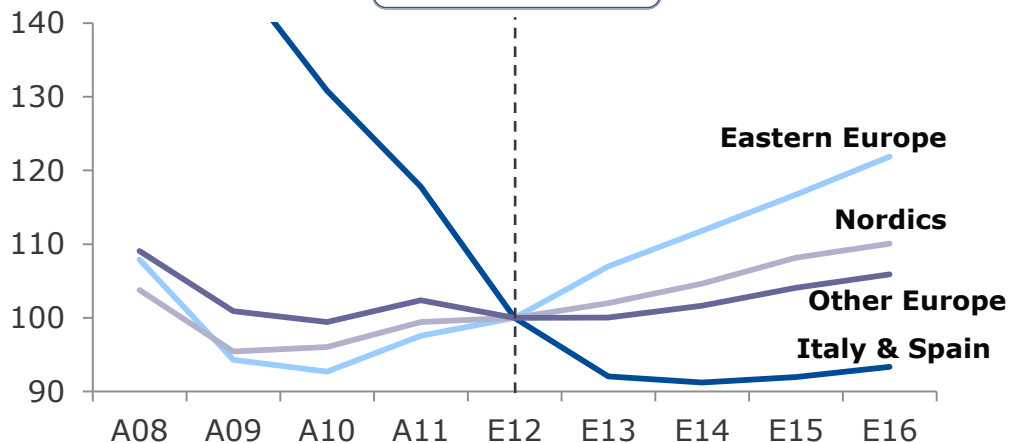
2012 = 100



* Excl. China

Focus on Europe

2012 = 100



Source: Cresme Ricerche - Euroconstruct, December 2012

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

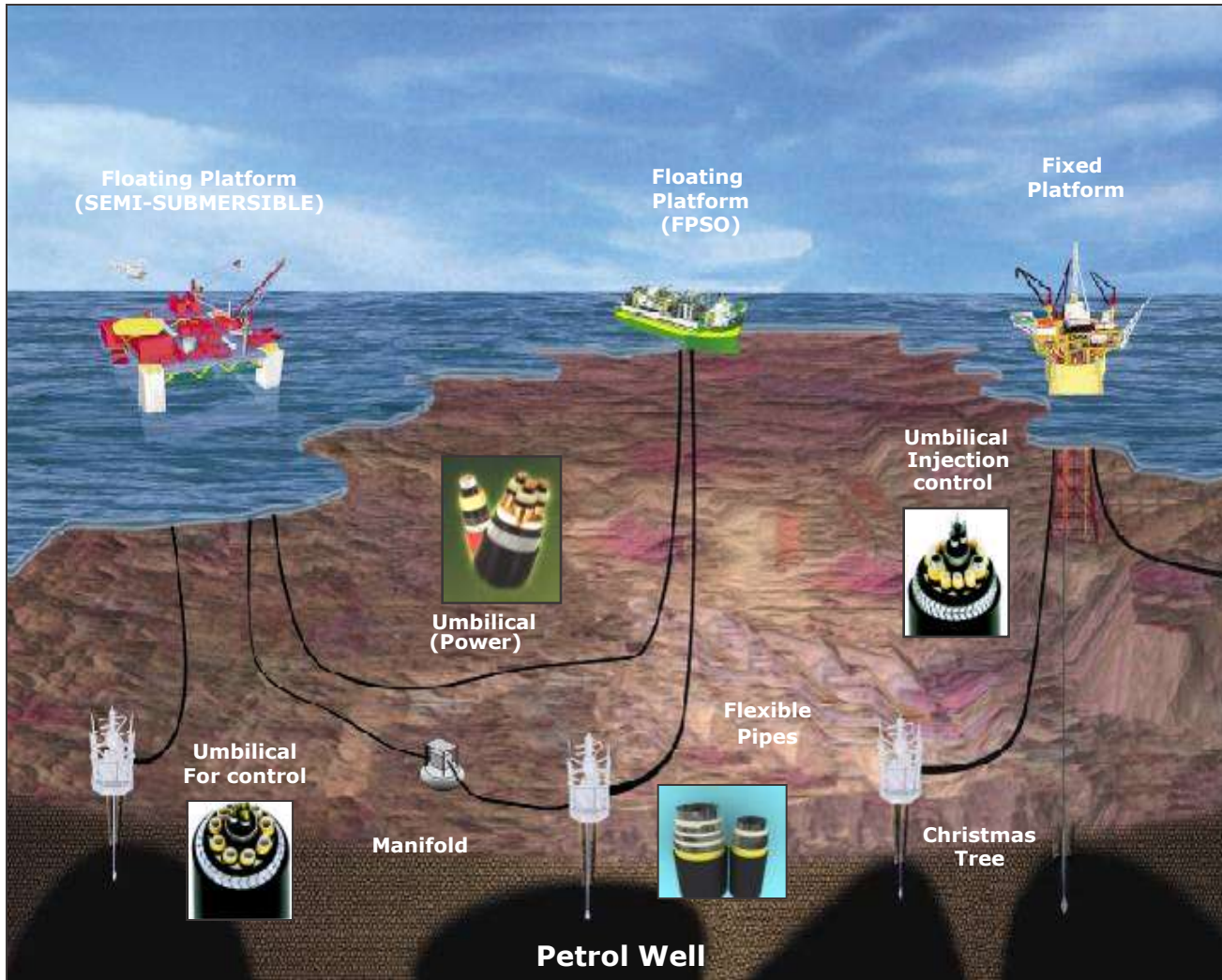
Key customers

Large and differentiated customer base generally served through direct sales

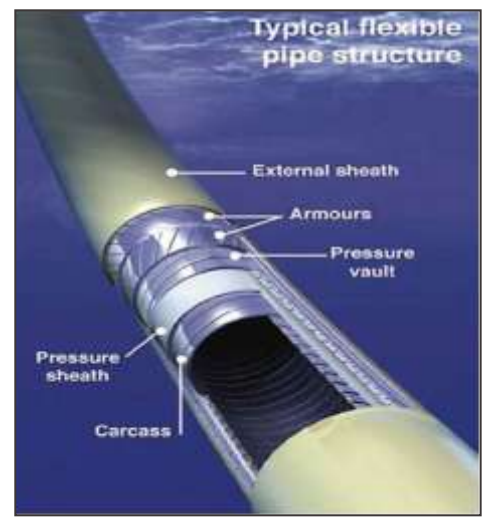


Industrial – Off-shore oil exploration

Oilfield structure

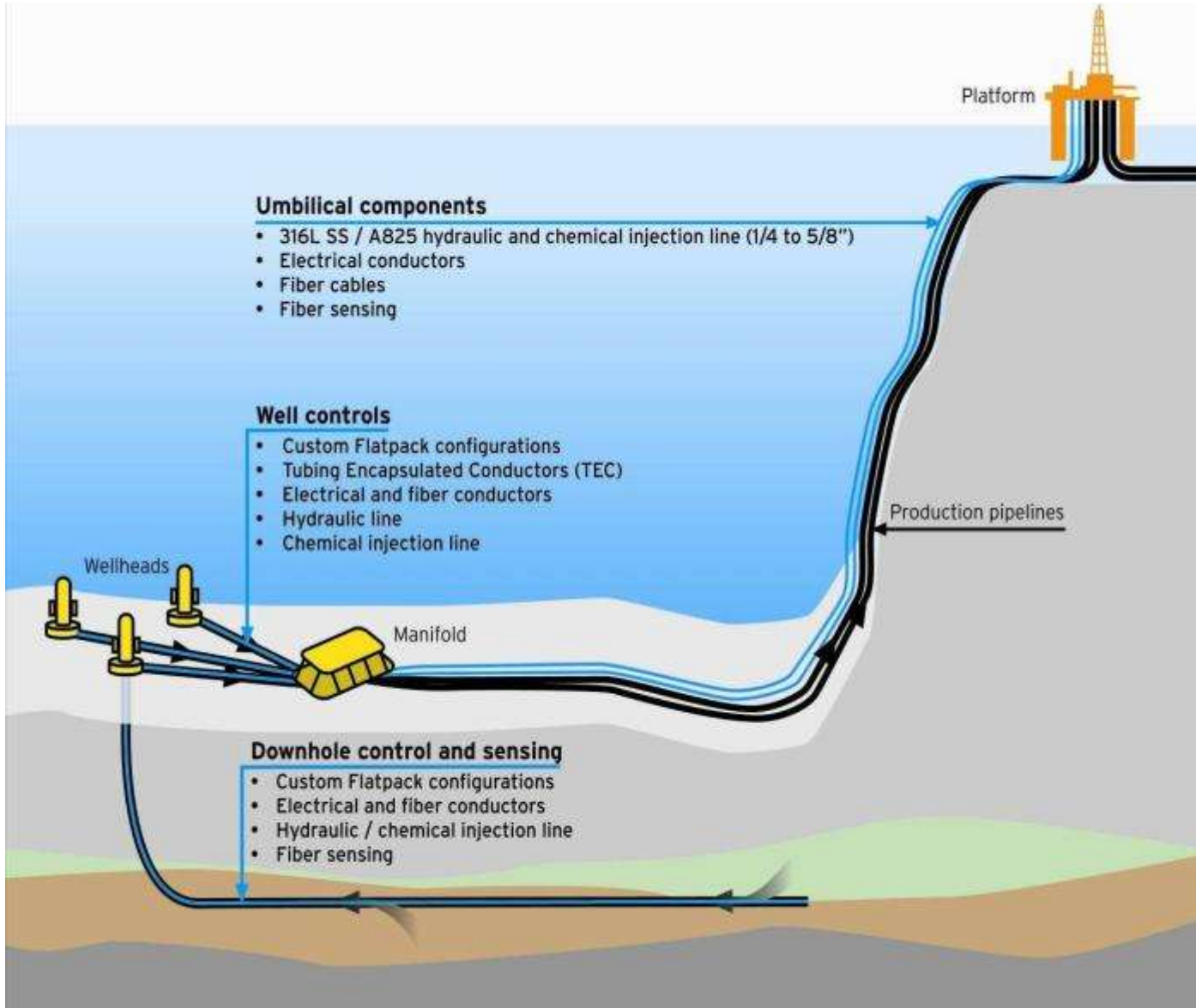


Flexible Pipes



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



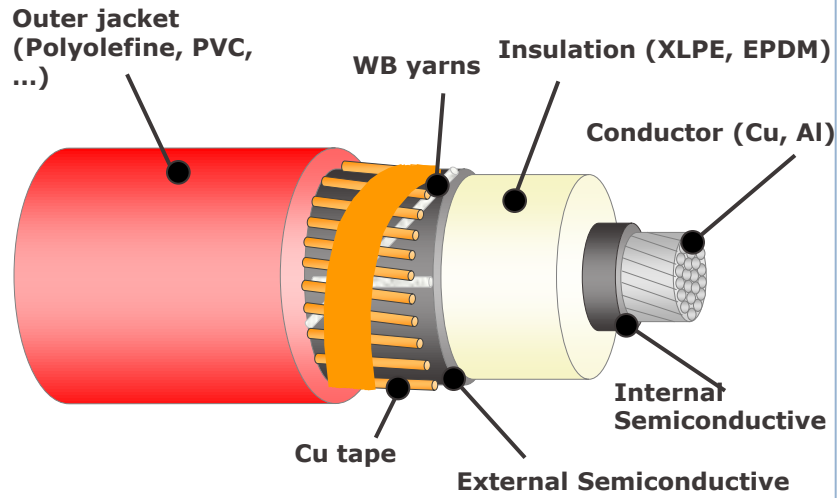
GAS & FLUID TUBING



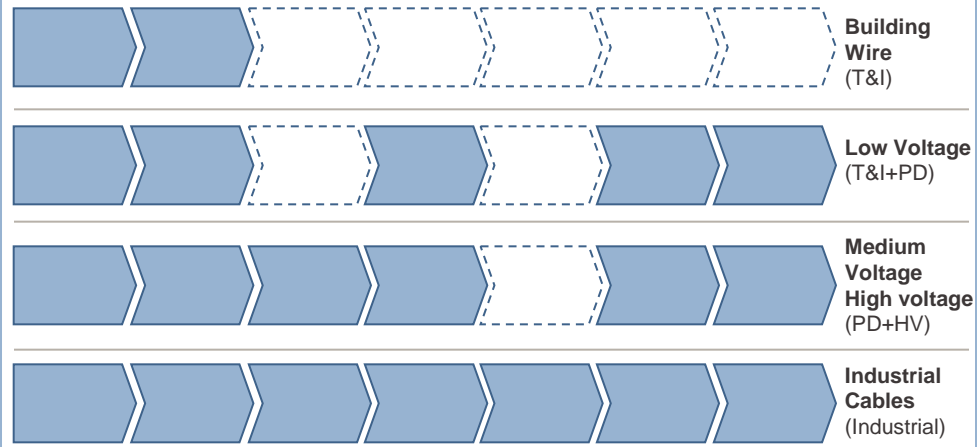
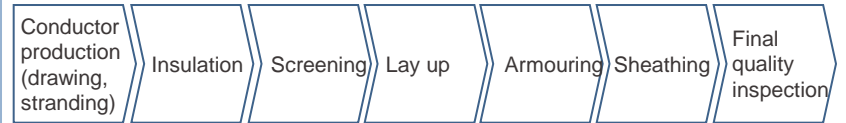
PACKAGED GAS & FLUID TUBING

Macro-structure of Energy Cables

Product macro structure



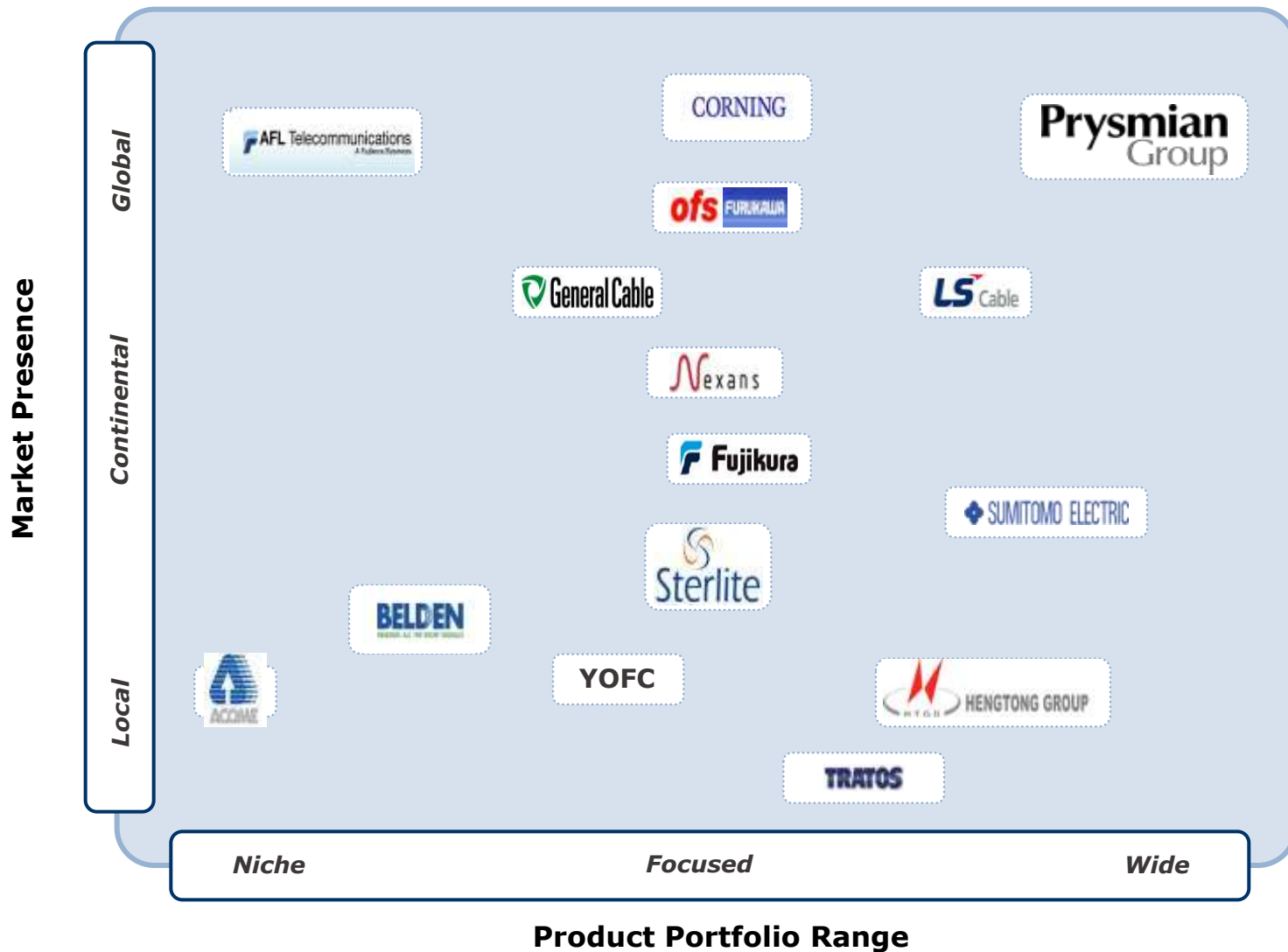
Production process



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

Major Players within the Telecom Industry

Competitive scenario



Our Telecom Business

Business description

Integrated cable solutions focused on high -end Telecom

Telecom solutions

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

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

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



MMS

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

Mobile networks: Antenna line products for mobile operators

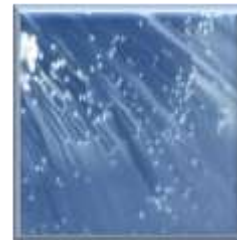
Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



Optical Fiber

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

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



Key customers

Key customers include key operators in the telecom sector



Optical cables

Global overview

Market trends

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

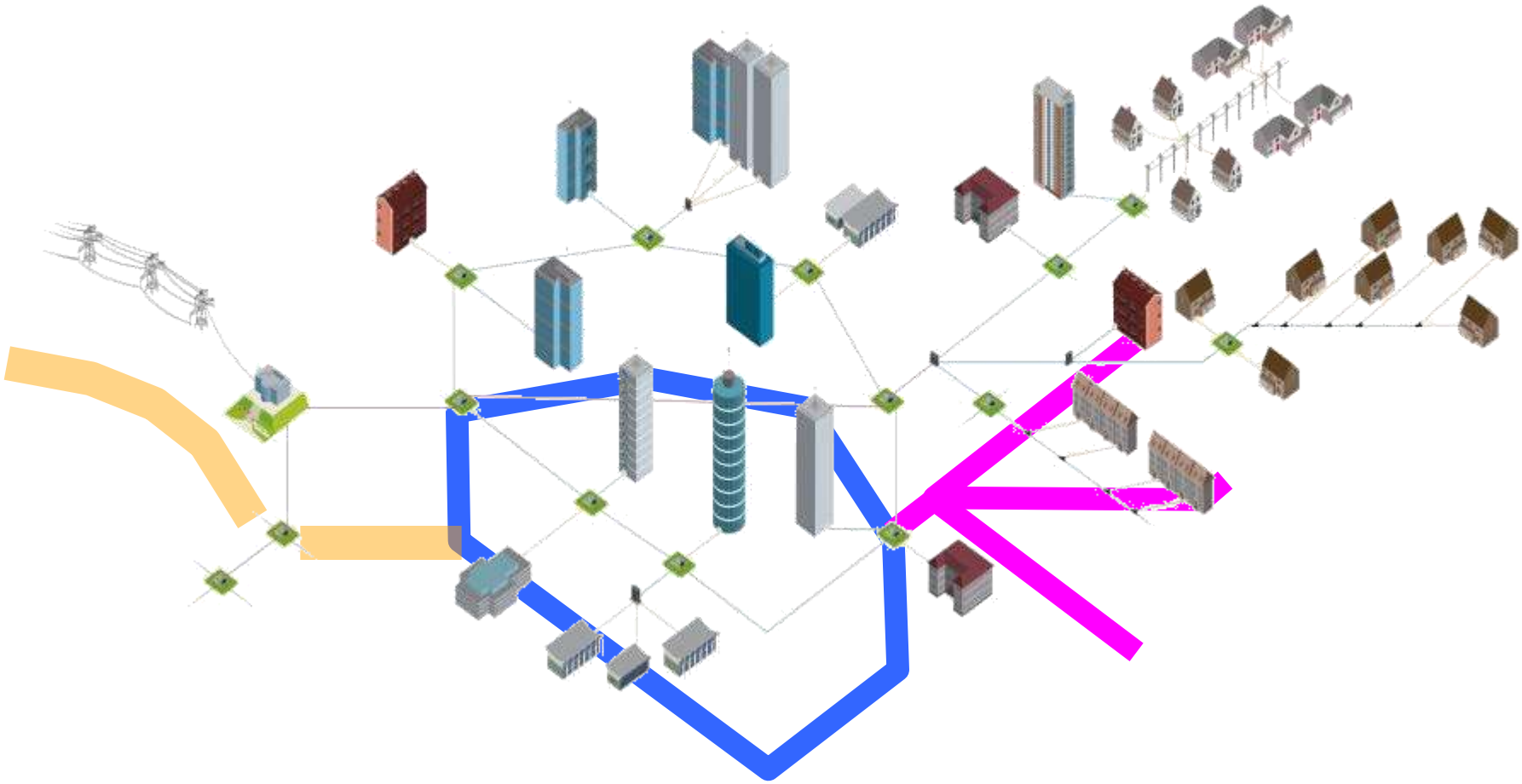
Strategic value of fibre

- 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

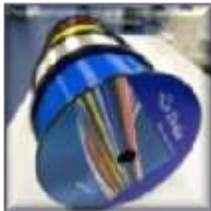
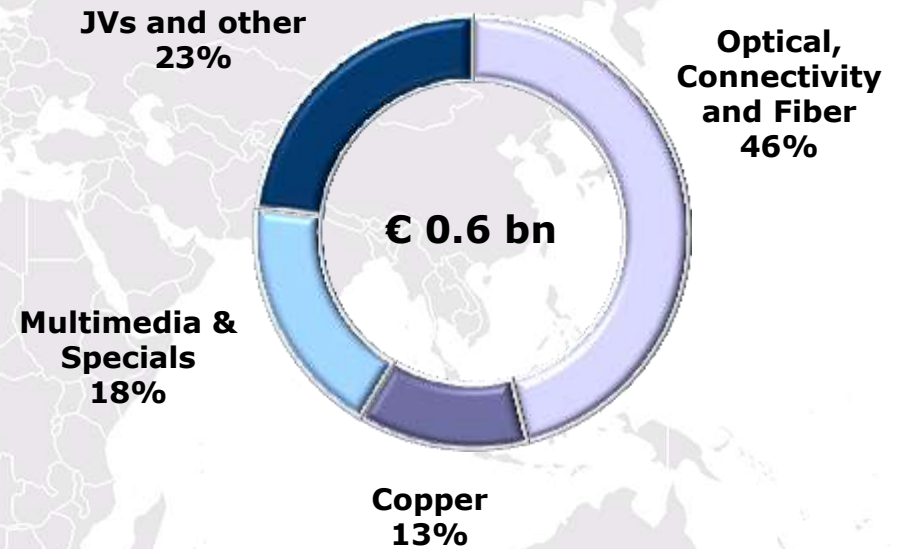
Sales breakdown by geographical area

H1 2013



Sales breakdown by business segment

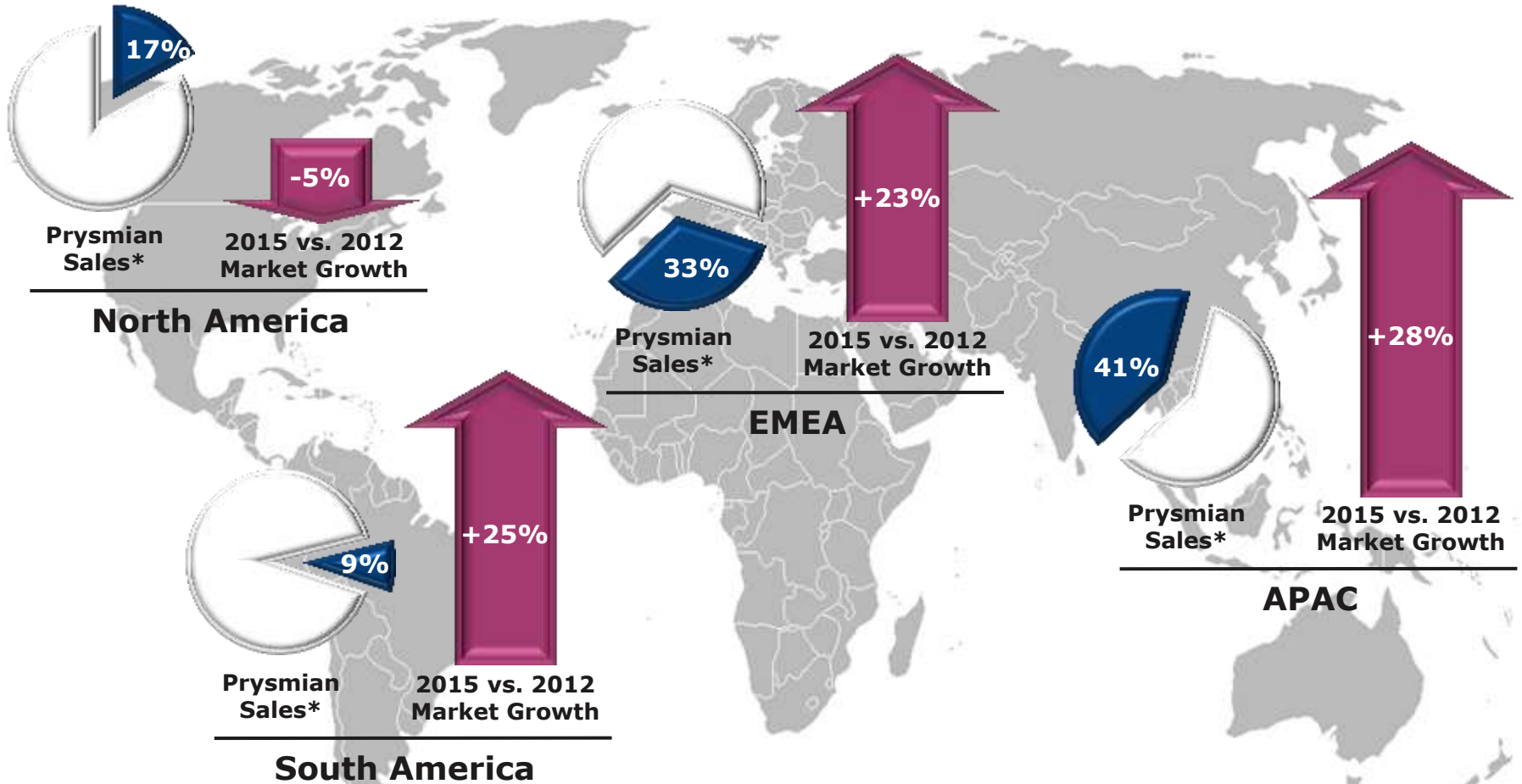
H1 2013



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

Growing investments expected in South America, EMEA and APAC

Global optical cables demand



* % calculated on LTM H1'13 Sales of Optical, Connectivity & Fiber + JVs (LTM h1'13 total sales approx. € 0.9bn)

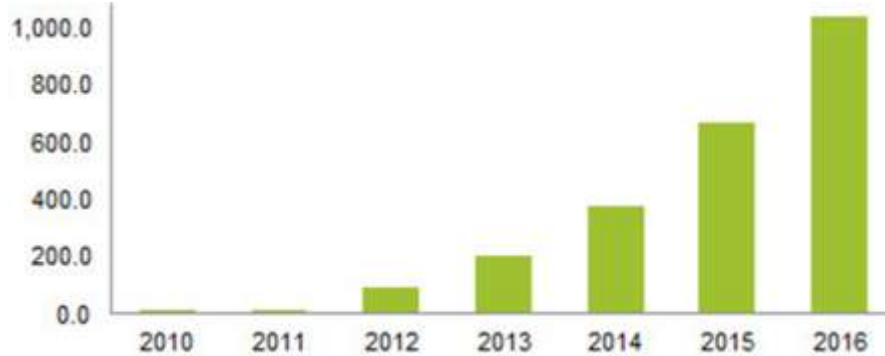
Source: CRU, April 2013

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

Consolidated leadership in Australia to benefit from new NBN project

Start-up of National broadband network in 2011



Rollout plan for National Broadband Network

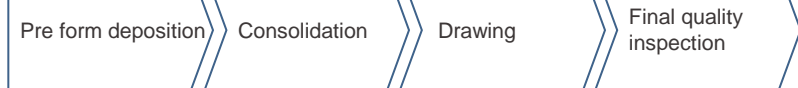
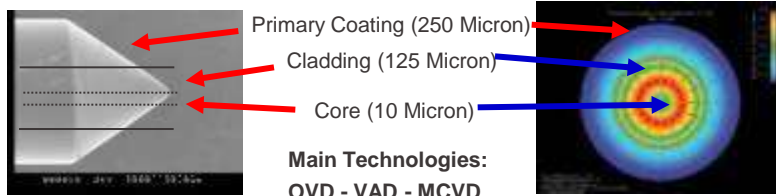
- Government initiative to provide direct fibre connection to 93% of Australian subscribers (residential and business)
- AUD 43 bn capex planned during the period (2011-2019); construction started in 2011
- Telstra and NBN agreed to jointly develop the new network
- Prysmian signed a 5-year agreement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

Macro-structure of Telecom Cables

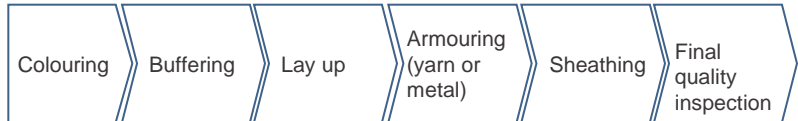
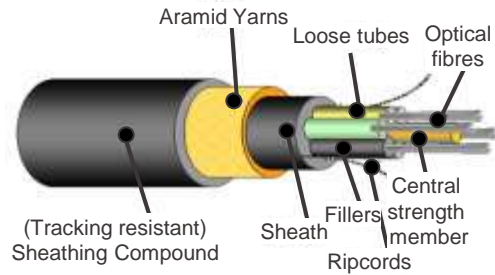
Product macro structure

Production process

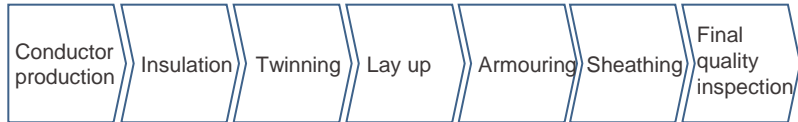
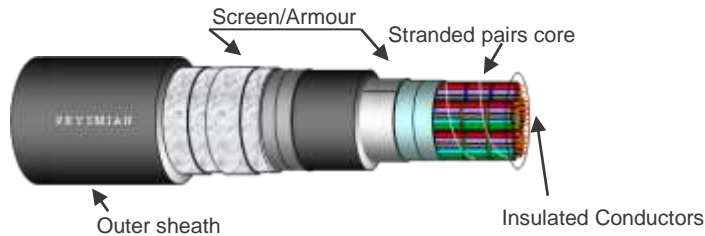
Fibre optic



Optical cables



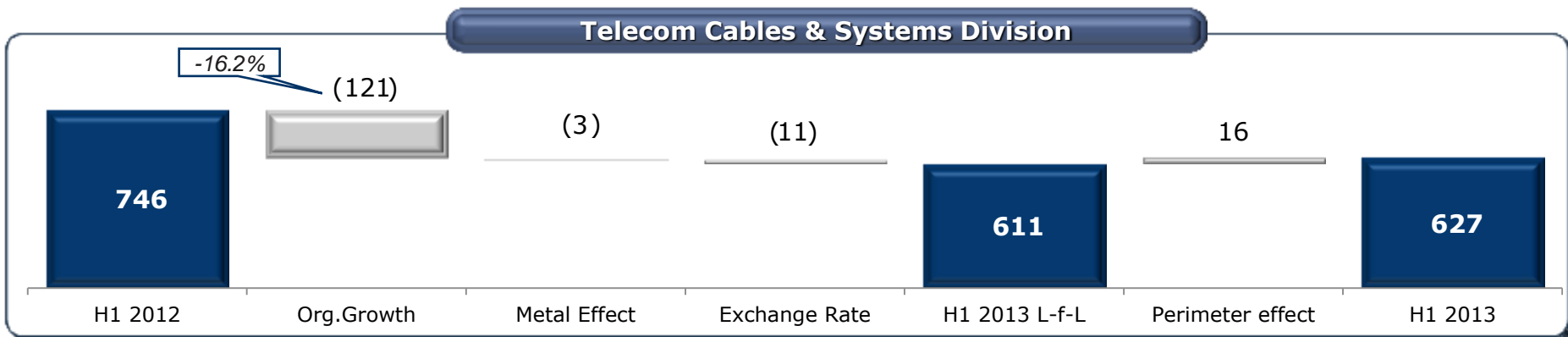
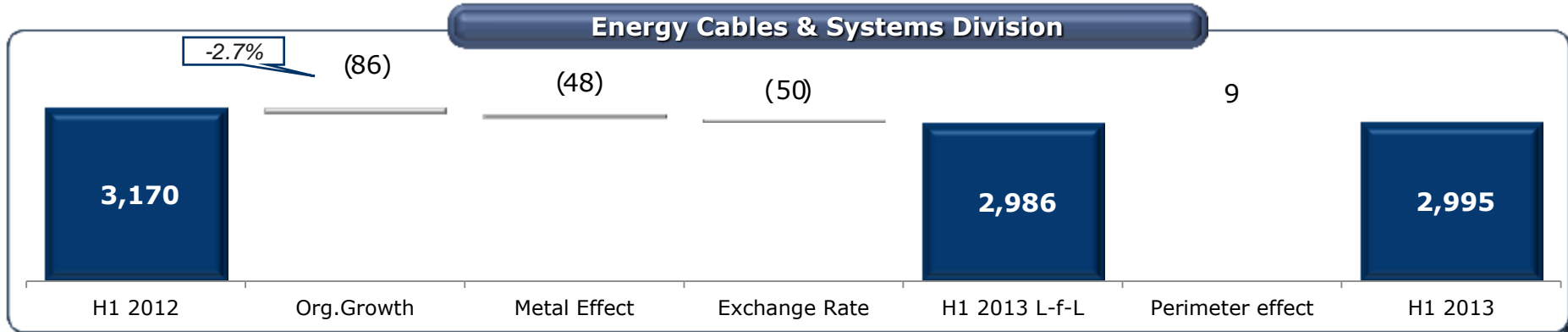
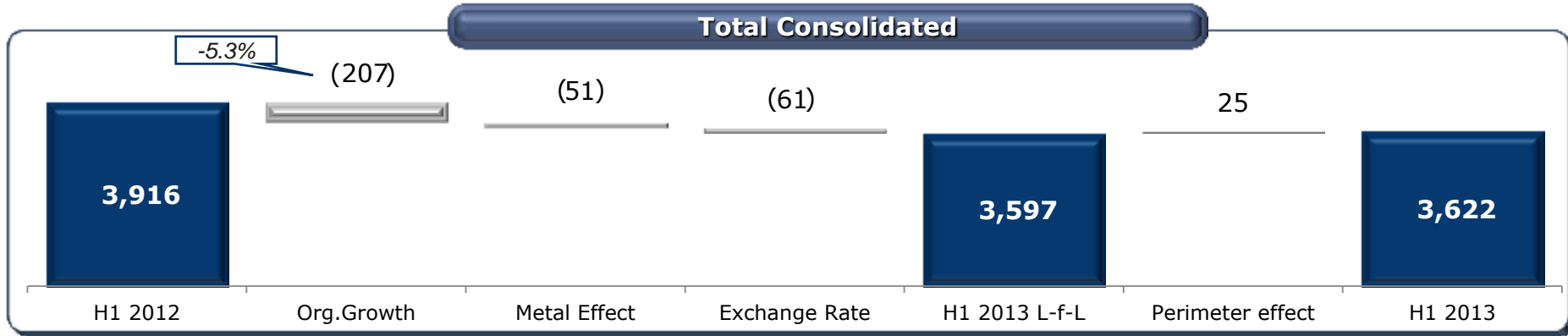
Copper cables



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

Bridge Consolidated Sales

Euro Millions



Energy Segment – Profit and Loss Statement

Euro Millions

	H1 2013	H1 2012	FY 2012
Sales to Third Parties	2,995	3,170	6,382
<i>YoY total growth</i>	<i>(5.5%)</i>		
<i>YoY organic growth</i>	<i>(2.7%)</i>		
Adj. EBITDA	225	229	487
<i>% on sales</i>	<i>7.5%</i>	<i>7.2%</i>	<i>7.6%</i>
Adj. EBIT	172	175	379
<i>% on sales</i>	<i>5.8%</i>	<i>5.5%</i>	<i>5.9%</i>

Energy Segment – Sales and Profitability by business area

Euro Millions, % on Sales

	H1 2013	H1 2012	Total growth	Organic growth	
Sales to Third Parties	Utilities	1,071	(0.2%)	0.7%	
	Trade & Installers	974	(12.3%)	(8.5%)	
	Industrial	896	920	(2.7%)	0.6%
	Others	54	67	n.m.	n.m.
	Total Energy	2,995	3,170	(5.5%)	(2.7%)
Adj. EBITDA	Utilities	121	117	11.3%	10.9%
	Trade & Installers	37	42	3.8%	3.8%
	Industrial	63	70	7.0%	7.6%
	Others	4	-	n.m.	n.m.
	Total Energy	225	229	7.5%	7.2%
Adj. EBIT	Utilities	101	100	9.4%	9.3%
	Trade & Installers	24	28	2.5%	2.5%
	Industrial	45	49	5.0%	5.4%
	Others	2	(2)	n.m.	n.m.
	Total Energy	172	175	5.8%	5.5%
			H1'13 % on Sales	H1'12 % on Sales	

Telecom Segment – Profit and Loss Statement

Euro Millions

	H1 2013	H1 2012	FY 2012
Sales to Third Parties	627	746	1,466
<i>YoY total growth</i>	<i>(16.0%)</i>		
<i>YoY organic growth</i>	<i>(16.2%)</i>		
Adj. EBITDA	57	79	160
<i>% on sales</i>	<i>9.0%</i>	<i>10.6%</i>	<i>10.9%</i>
Adj. EBIT	32	54	104
<i>% on sales</i>	<i>5.2%</i>	<i>7.3%</i>	<i>7.1%</i>

Financial Structure

Euro Millions

Debt structure (€m)

	30.06.13	31.03.13	31.12.12
Term Loan	184	185	670
Revolving Credit Facility	-	-	-
Eurobond 5.25%	403	418	413
Convertible bond 1.25%	260	258	-
Securitization	116	105	75
Term Loan 2011	400	400	400
Revolving 2011	-	-	-
Other Debt	382	347	290
Total Gross Debt	1,745	1,713	1,848
Cash & Cash equivalents	(386)	(409)	(812)
Other Financial Assets	(99)	(77)	(97)
NFP Vs third parties	1,260	1,227	939
Bank Fees	(12)	(14)	(21)
NFP	1,248	1,213	918

30.06.2013 (€m)

	Used	Available Funds ⁽²⁾	Maturity
Term Loan	184	-	12/2014
Revolving Credit Facility	-	396	12/2014
Eurobond 5.25%	403	-	04/2015
Convertible bond 1.25%	260	-	03/2018
Securitization	116	34	07/2013
Term Loan 2011	400	-	03/2016
Revolving 2011	-	400	03/2016
Other Debt	382	-	-
Total Gross Debt	1,745	830	2.3 y ⁽¹⁾
Cash & Cash equivalents	(386)	386	
Other Financial Assets	(99)	79	
NFP Vs third parties	1,260	1,295	

(1) Average maturity as of 30 June 2013 excluding other debt

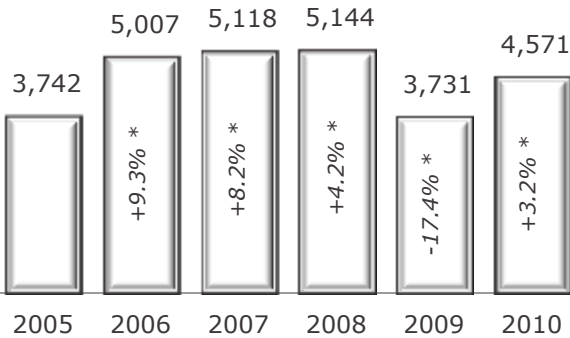
(2) Defined as Cash and Unused committed credit lines

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

Prysmian Historical Key Financials

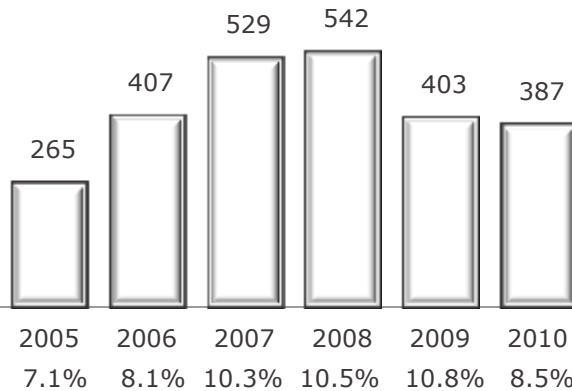
Euro Millions, % of Sales – Pre Draka acquisition

Sales

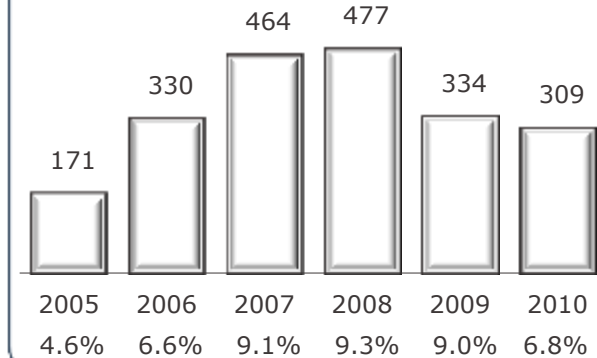


* Organic Growth

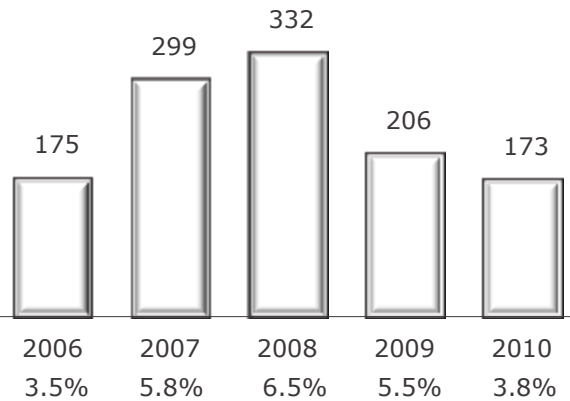
Adjusted EBITDA (1)



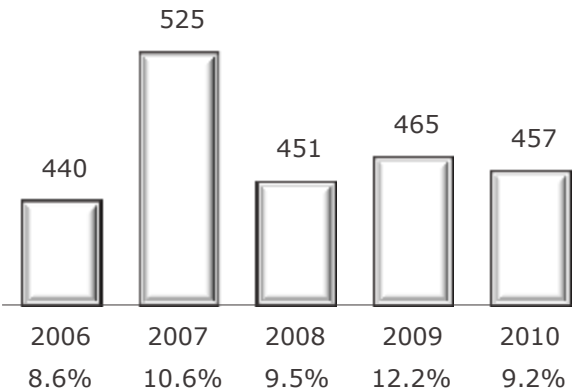
Adjusted EBIT (2)



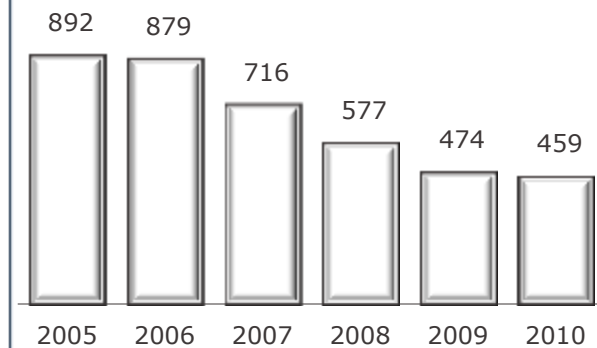
Adjusted Net Income (3)



Operative NWC (4)



Net Financial Position

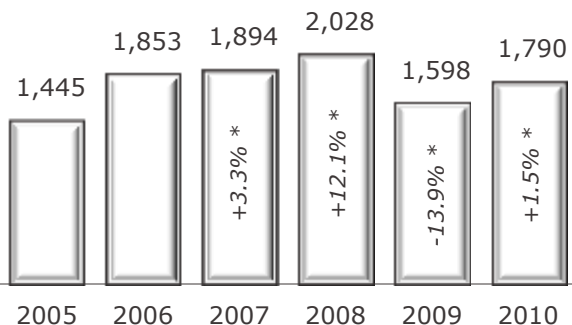


(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair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

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

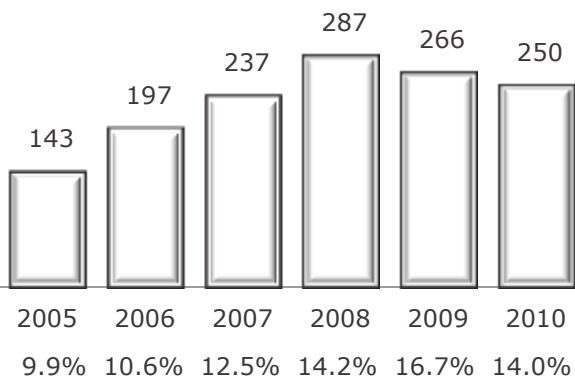
Euro Millions, % of Sales – Pre Draka acquisition

Sales Vs Third Parties

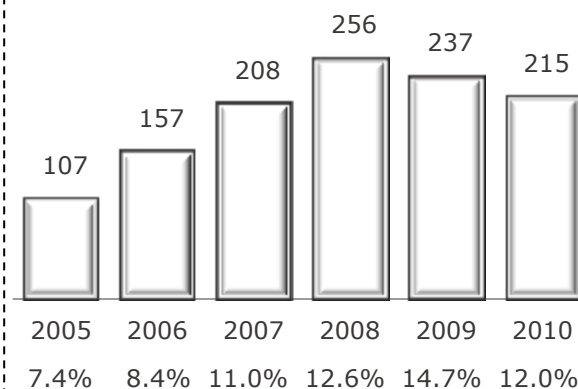


* Organic Growth

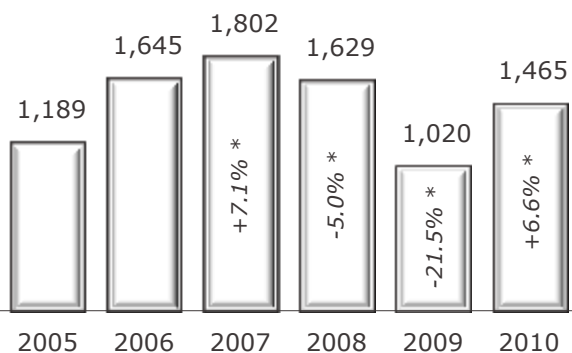
Adjusted EBITDA (1)



Adjusted EBIT (2)

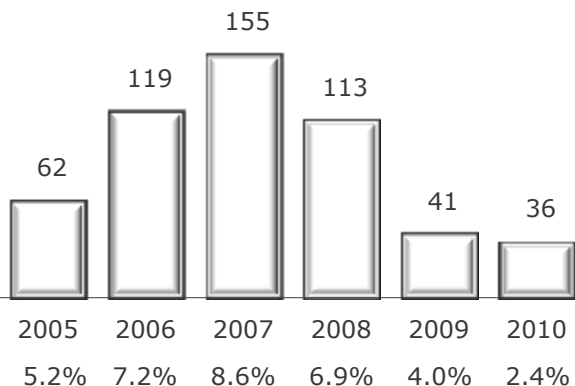


Sales Vs Third Parties

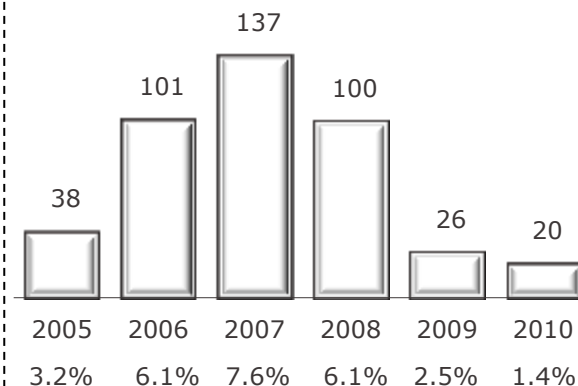


* Organic Growth

Adjusted EBITDA (1)



Adjusted EBIT (2)

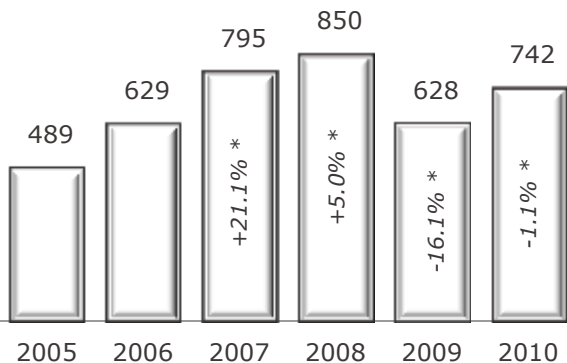


(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

Historical Key Financials by Business Area – Industrial and Telecom

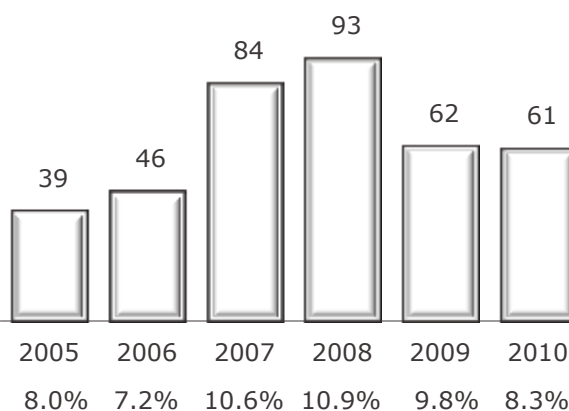
Euro Millions, % of Sales – Pre Draka acquisition

Sales Vs Third Parties

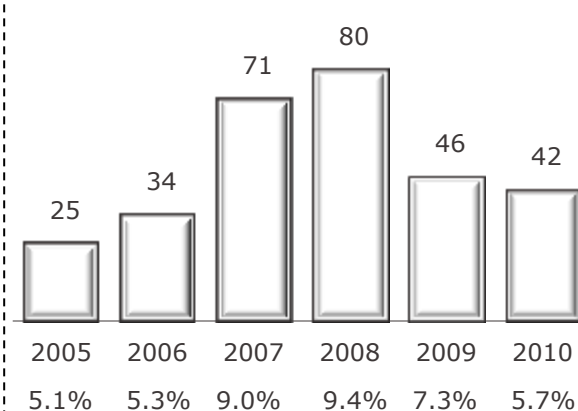


* Organic Growth

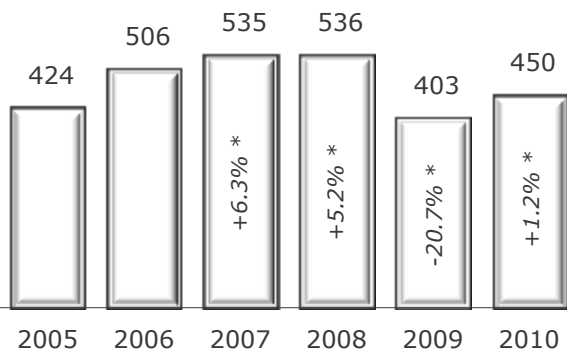
Adjusted EBITDA (1)



Adjusted EBIT (2)

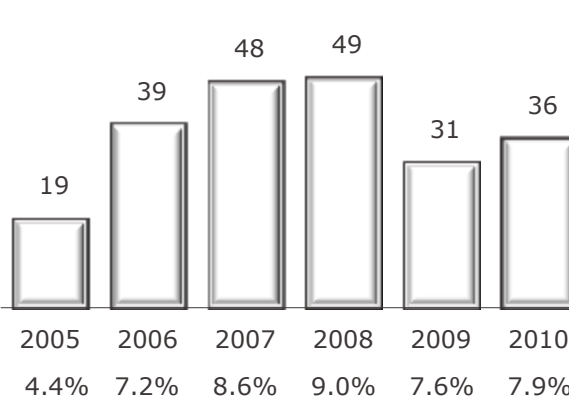


Sales Vs Third Parties

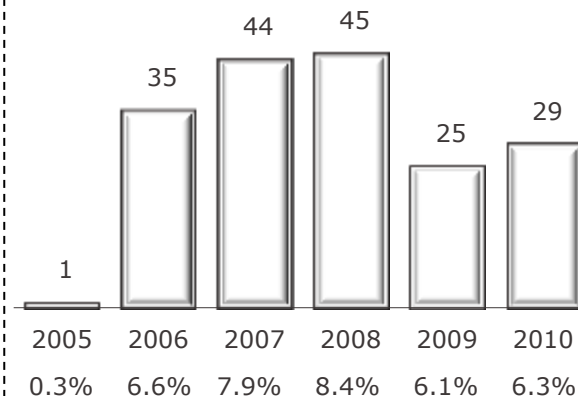


* Organic Growth

Adjusted EBITDA (1)



Adjusted EBIT (2)



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

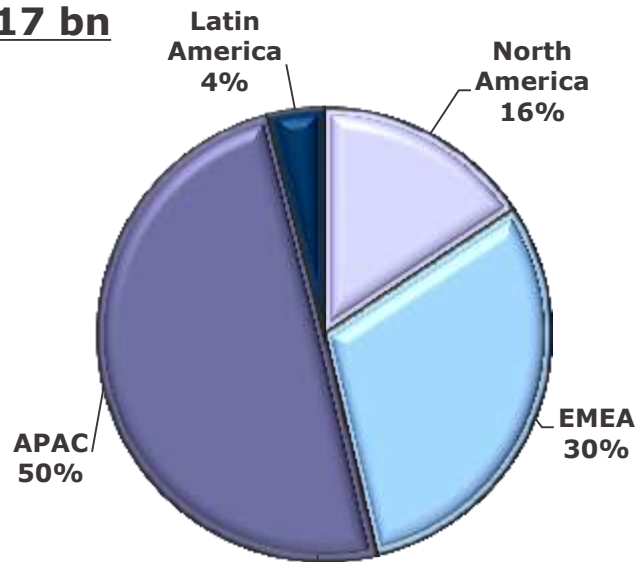
- Group Overview & 2013 Outlook
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- Appendix – Cable Industry Reference Market

The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2012

2012 Global Cables Reference Market

€ 117 bn



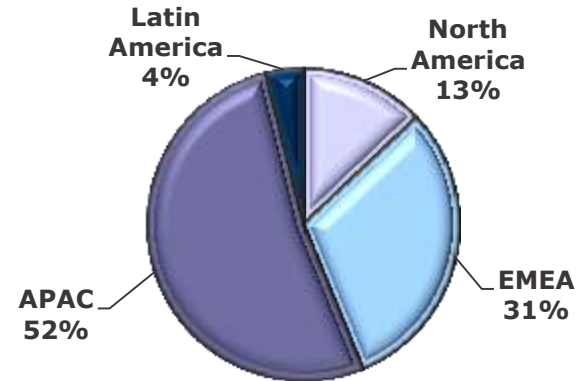
Energy Cables Reference Market
~€93bn

- Trade and Installers
- Utilities
- Industrial

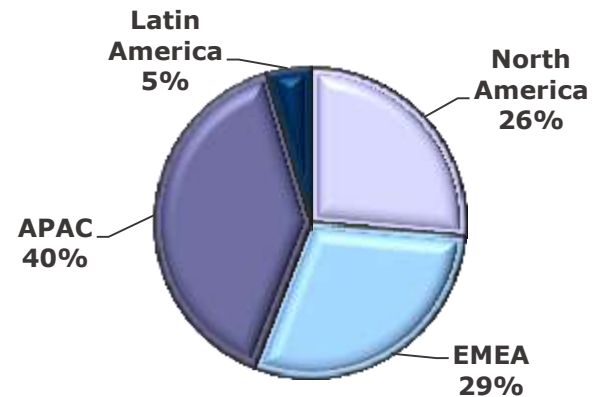
Telecom Cables Reference Market
~€24bn

- Optical cables and fiber
- Copper Cables
- MMS

Energy Cables Reference Market (~€93bn)



Telecom Cables Reference Market (~€24bn)

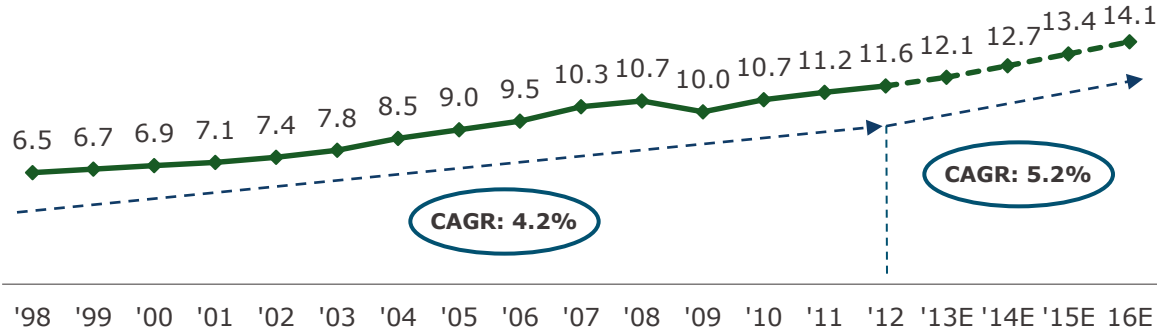


Source: Company analysis based on CRU data – April 2013. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for energy business). Energy = Low Voltage and Power Cable; TLC = External Copper TLC Cable, Fibre Optic,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

Market Volumes Trend

Energy Cables Reference Market

Million Tons Conductor

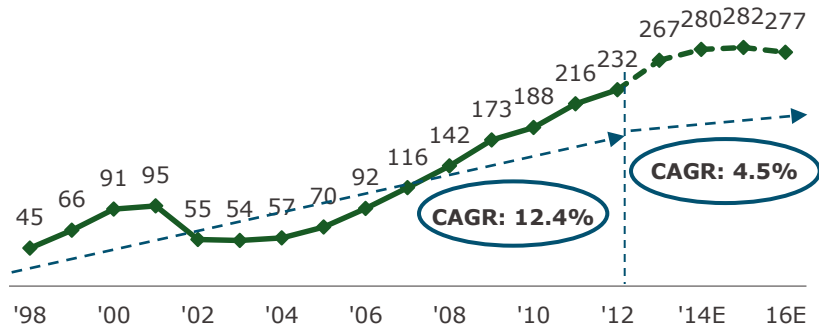


- Long term growth driven by:
 - Energy consumption
 - Investments in power grid interconnections
 - Investments in power transmission and distribution
 - Infrastructure investments
 - Renewable energy

Telecom Cables Reference Market

Optical Fiber Cables

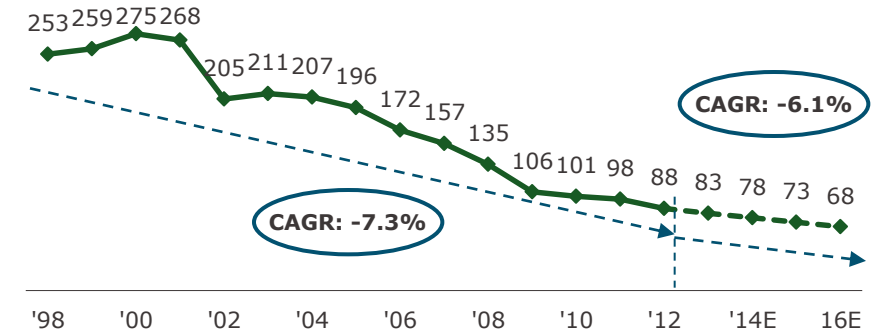
Million Km Fibre



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

Copper Cables

Million Km Pair



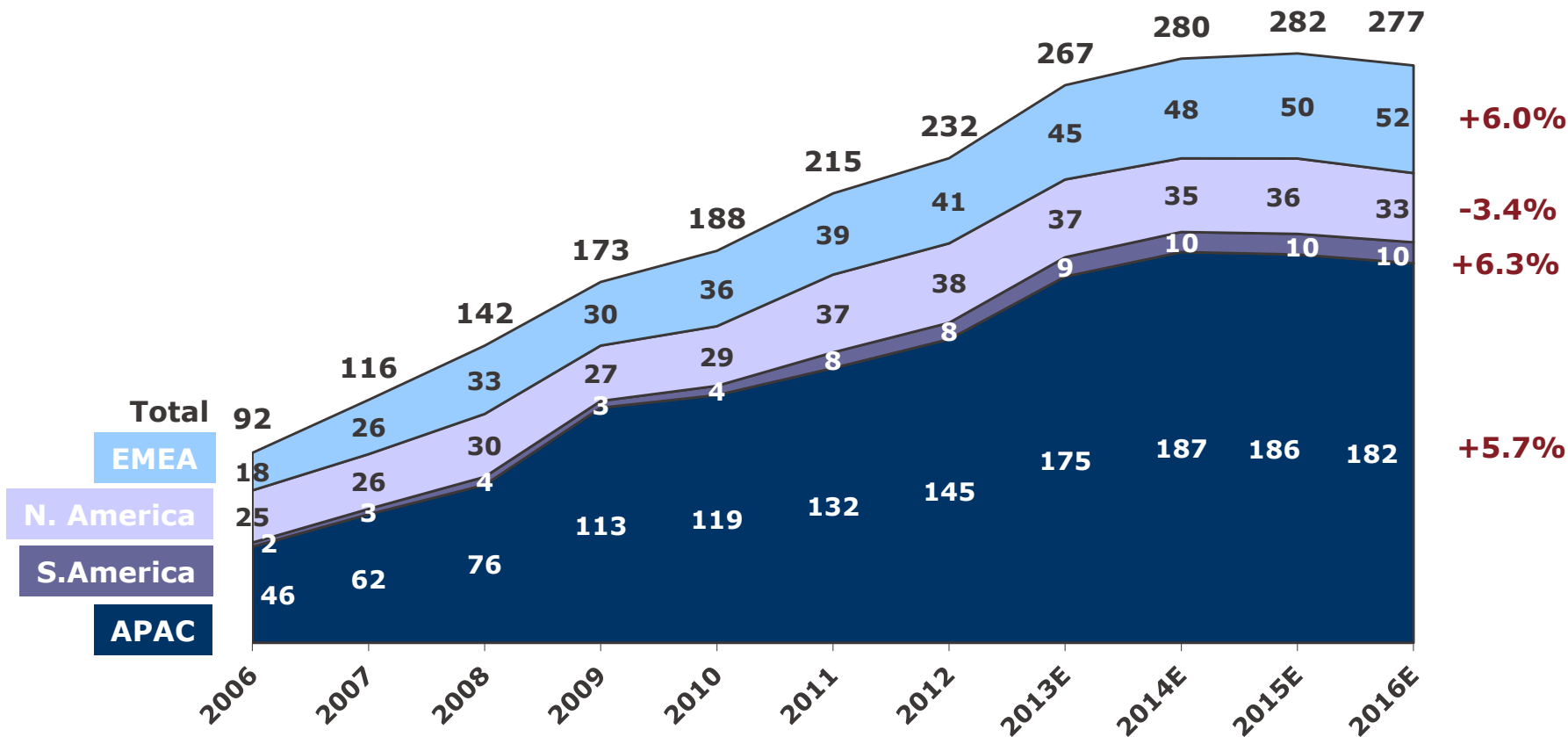
Steady decline of copper cables expected to continue

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%

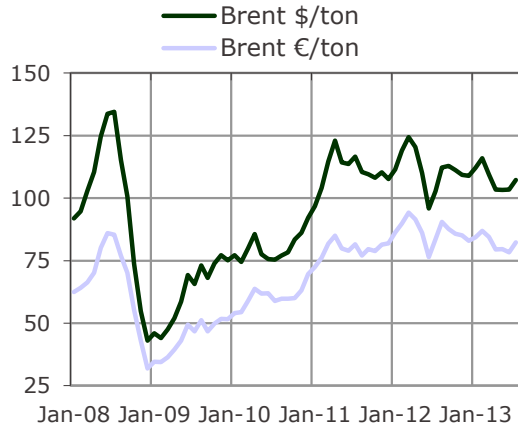


Source: CRU, April 2013

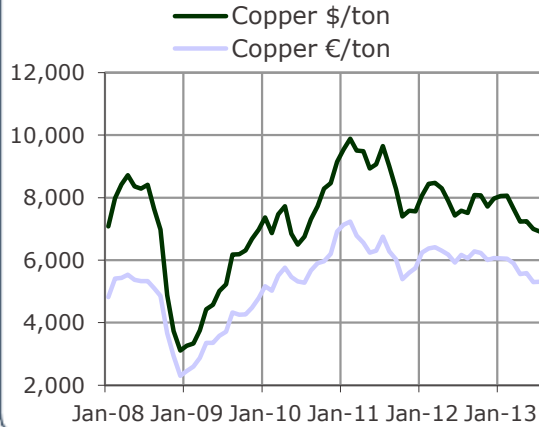
Reference Scenario

Commodities & Forex

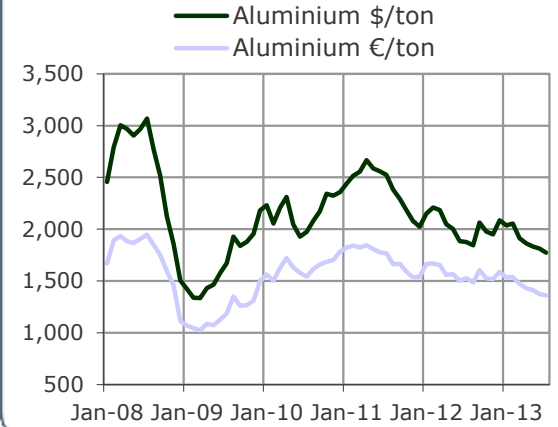
Brent



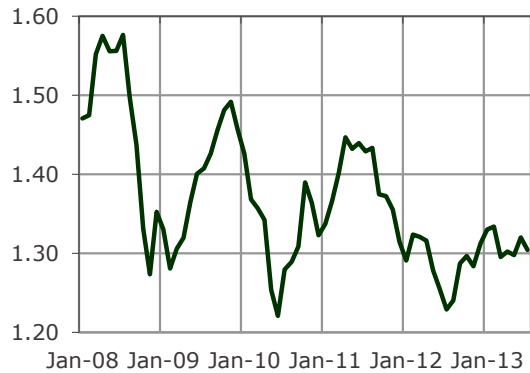
Copper



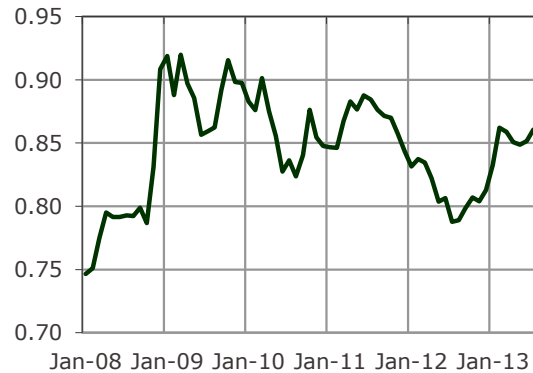
Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Thomson Reuters

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