

# Company Presentation

Goldman Sachs 5th European Industrials Conference

London - December 3rd, 2013



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

**Prysmian**  
Group

 **PRYSMIAN**  
 **Draka**

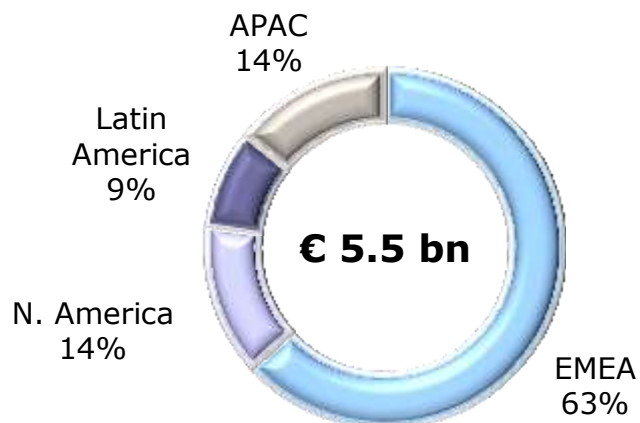
## ➤ Group Overview & 2013 Outlook

- Draka integration
- Financial Results
- Appendix

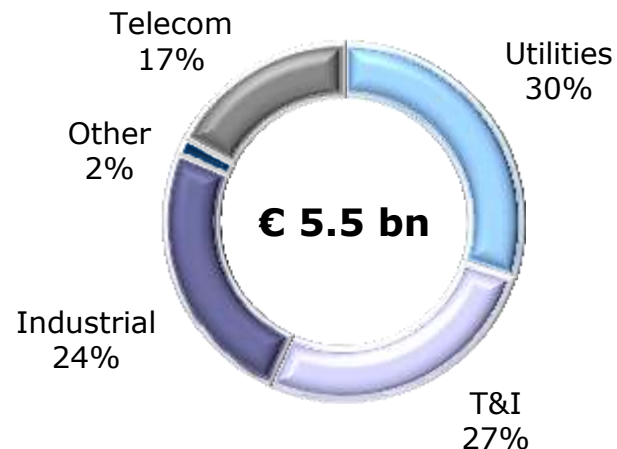
# Prysmian Group at a glance

9M 2013 Results

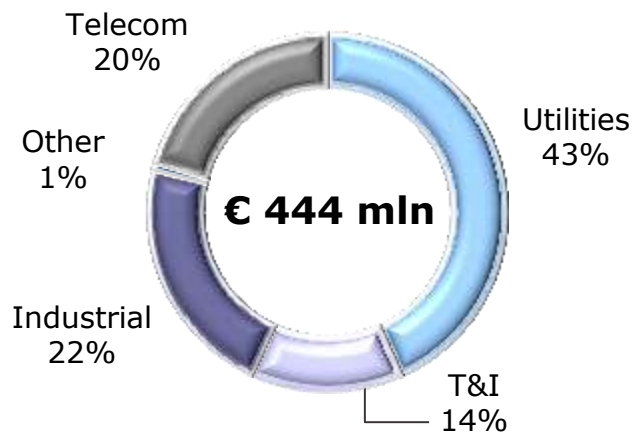
## Sales breakdown by geography



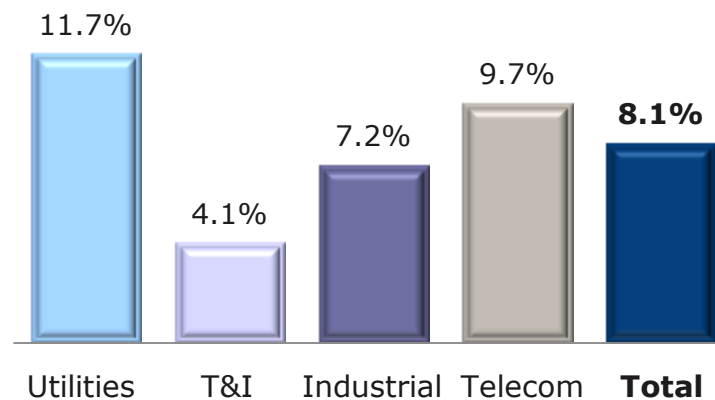
## Sales breakdown by business



## 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)  
**37%**

**Utilities**  
(Power Distribution)  
**8%**

**T&I**  
**12%**

**LTM 9M'13**  
**ADJ. EBITDA**  
**€ 623 mln**

**Industrial**  
(OGP & SURF, Renewables, Elevator)  
**9%**

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

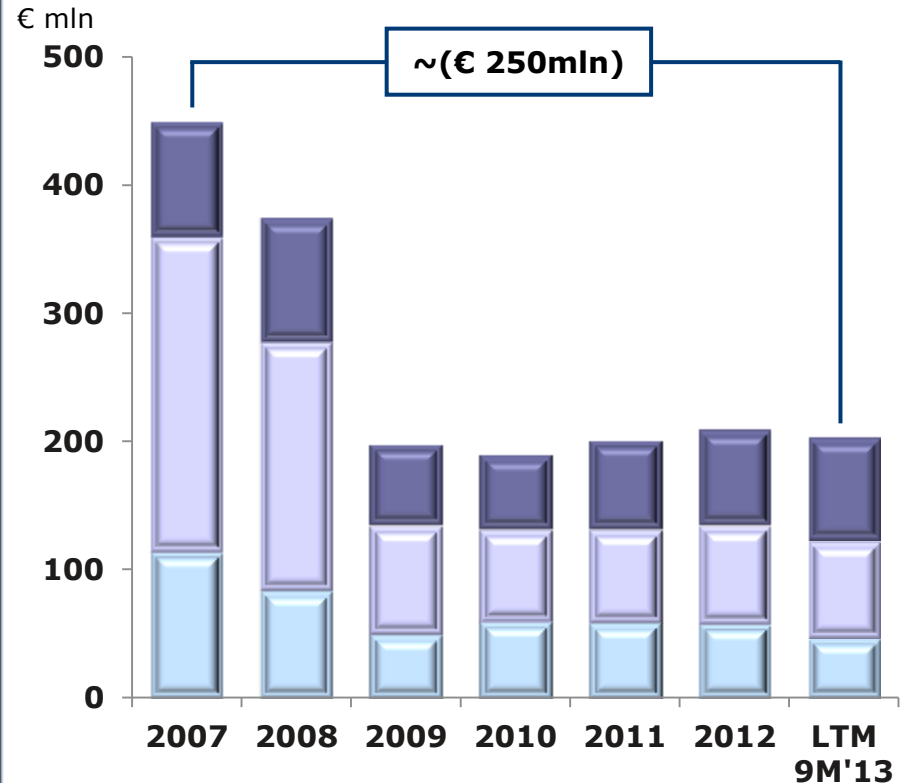
**Telecom**  
(Optical and Fiber, JVs, Multimedia & Specials)  
**20%**

**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



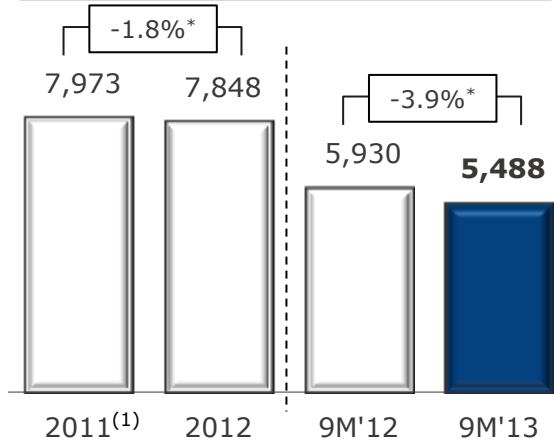
■ PD ■ T&I ■ Industrial\*

\* Industrial includes Specialties & OEM, Automotive and Other segments

# 9M 2013 Key Financials

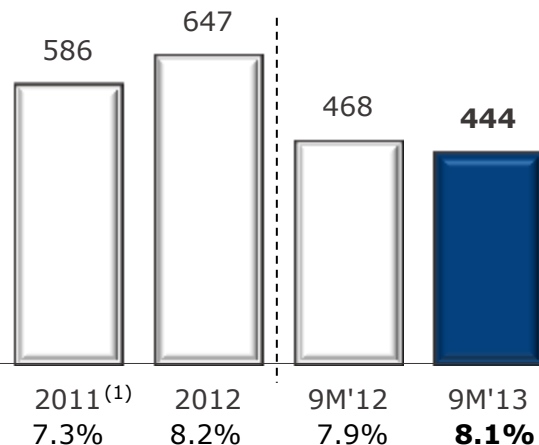
Euro Millions, % on Sales

## Sales

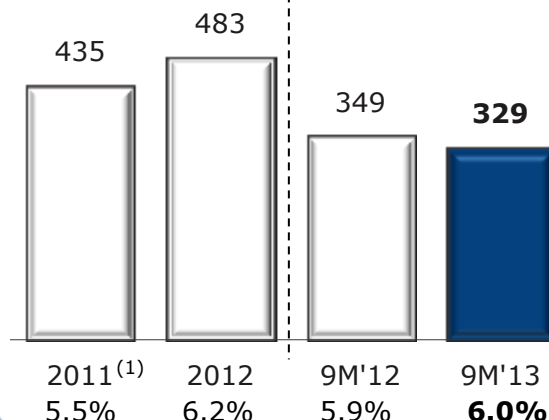


\* Org. Growth

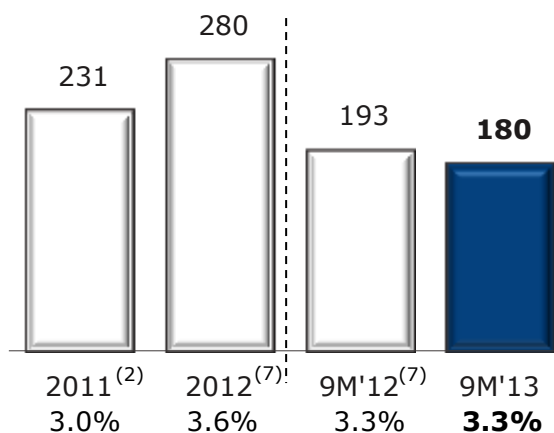
## Adjusted EBITDA <sup>(3)</sup>



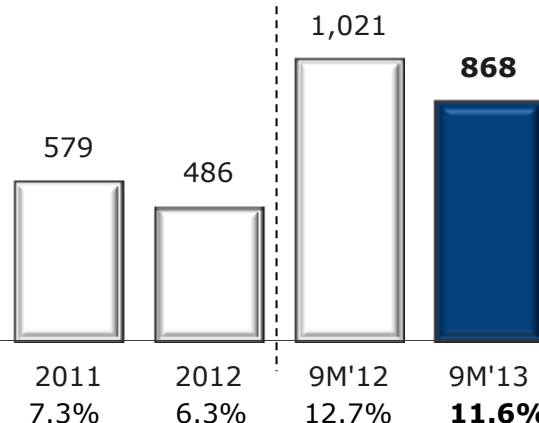
## Adjusted EBIT <sup>(4)</sup>



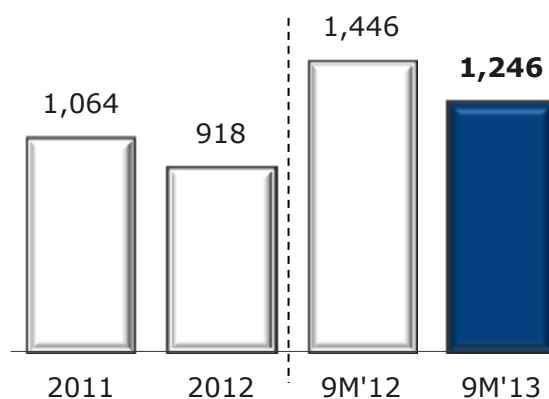
## Adjusted Net Income <sup>(5)</sup>



## Operative Net Working Capital <sup>(6)</sup>



## 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 €2m in FY'12, € 1m in 9M'12)

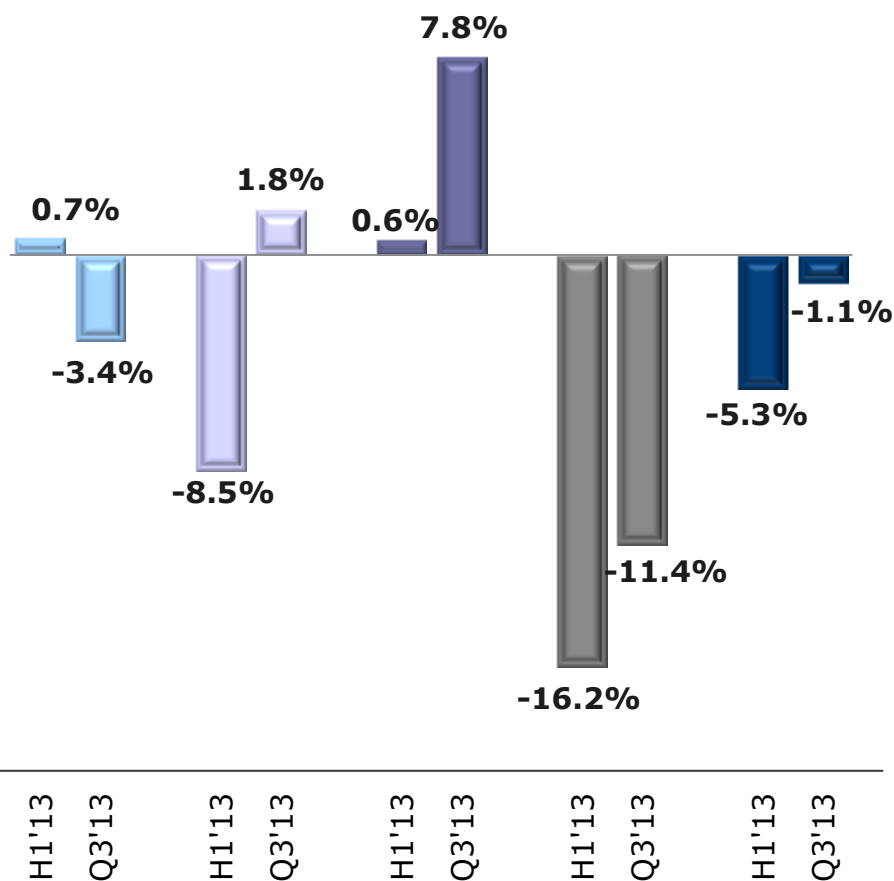
# Organic Growth and adj. EBITDA evolution

Sales stabilizing at bottom level in Europe. Profitability sustained by synergies and Transmission

## Organic Growth evolution

% change on previous year period

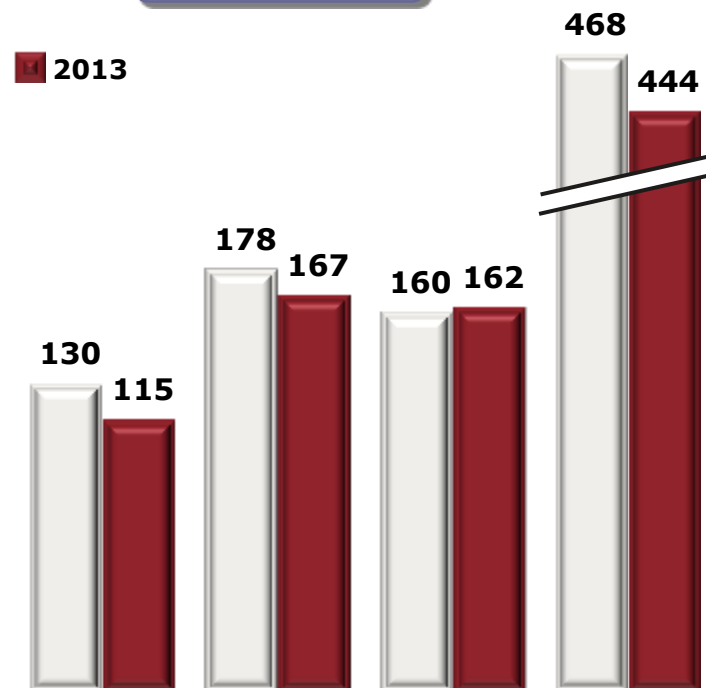
Utilities T&I Industrial Telecom Total



## Adj. EBITDA evolution

Euro million

2012 2013



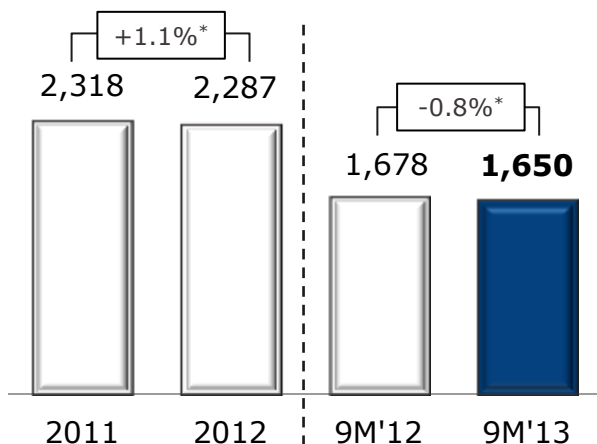
	Δ Q1	Δ Q2	Δ Q3	Δ 9M
Utilities	+3	+1	+3	+7
T&I	(4)	(1)	+4	(1)
Industrial	(4)	(3)	+3	(4)
<b>Tot.Energy*</b>	<b>(4)</b>	<b>-</b>	<b>+9</b>	<b>+5</b>
Telecom	(11)	(11)	(7)	(29)
<b>Total</b>	<b>(15)</b>	<b>(11)</b>	<b>+2</b>	<b>(24)</b>

\* Total Energy include Other Energy business: ΔQ1 +€1m, ΔQ2 +€3m, ΔQ3 -€1m, Δ9M +€3m

# Utilities

Euro Millions, % on Sales

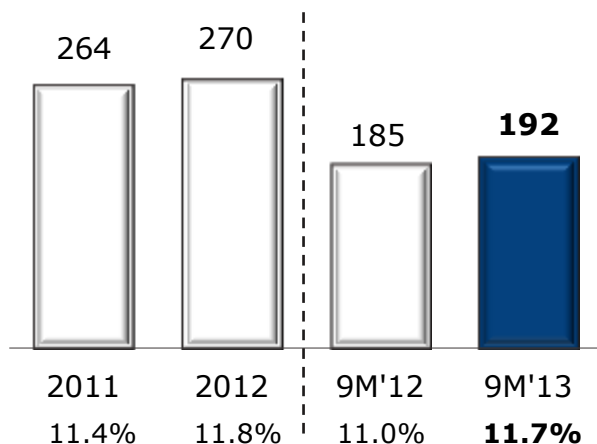
## Sales to Third Parties



\* Organic Growth

Note: FY2011 combined including Draka for 12 months

## Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

## Highlights

### DISTRIBUTION

- As expected no signs of recovery in H2'13. Further deterioration in demand due to lower power consumption and weak European construction. Limited margin decrease thanks to on-going cost rationalization
  - Europe: further decrease in central/south Europe (particularly in Italy); stable eastern Europe; signs of recovery in UK/Nordics
  - North America: continuous positive volume trend sustaining profitability improvement
  - South America: selective volume strategy to preserve profitability. Utilities reviewing capex plan
  - APAC: lower sales due to weak Australian market. Expanding business in other Asean regions

### TRANSMISSION – HV

- Stable profitability in 9M'13 (Vs 9M'12) with higher contribution expected in Q4
- Stable order book with approx. 12 months sales visibility
- Increasing leadership in high margin projects and growing contribution from land portion submarine projects
- Increasing activity in Asean (e.g. Indonesia, Singapore, Australia) through Chinese production capacity

### TRANSMISSION – Submarine

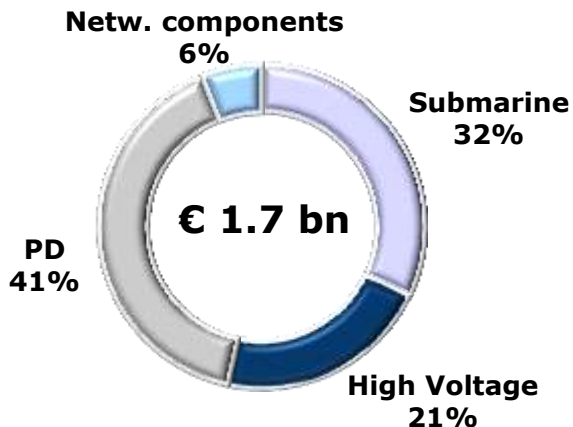
- Strong increase in profitability in 9M expected to continue in next quarters
- Growing tendering activity mainly driven by Europe; still limited demand in US and Asia
- First positive contribution from Global Marine acquisition. New Cable Enterprise vessel to be refurbish in 2014 to achieve Prysmian standards
- Production capacity increase in Arco Felice (Italy) to be completed by Q1'14

# Utilities – Submarine as key driver of profitability increase

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

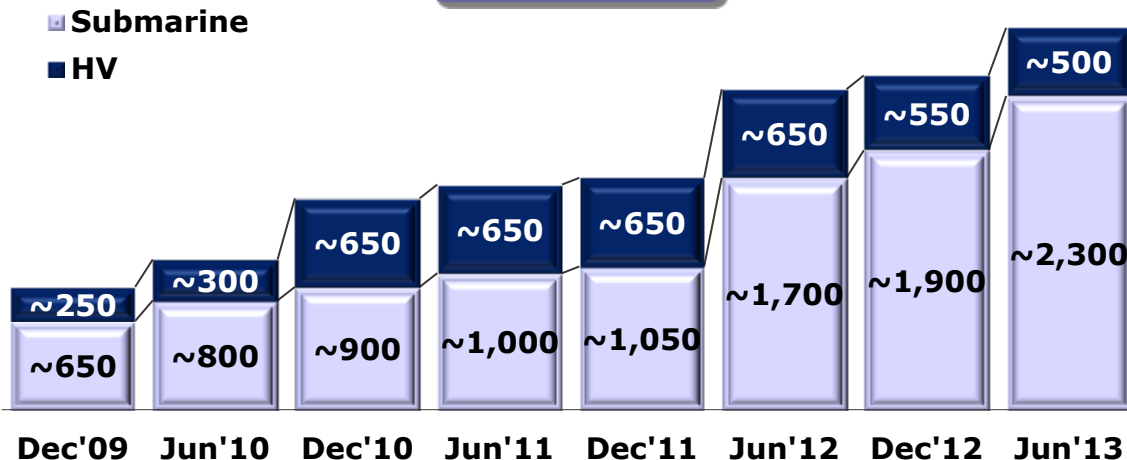
## Sales breakdown

9M 2013



## Orders Backlog evolution

€ million

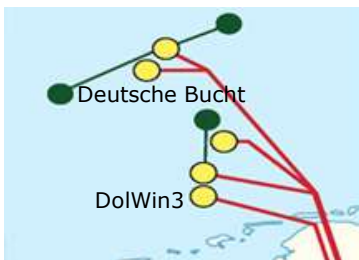


## Strengthening leadership in the submarine business

Over € 650m projects awarded in 9M'13 increasing visibility to about 3 years



Normandie 3  
€45m



DolWin3 €350m &  
Deutsche Bucht €50m



Mallorca - Ibiza  
€85m



ExxonMobil's oil  
offshore platforms  
\$100m



Capri - Torre Annunziata  
€70m

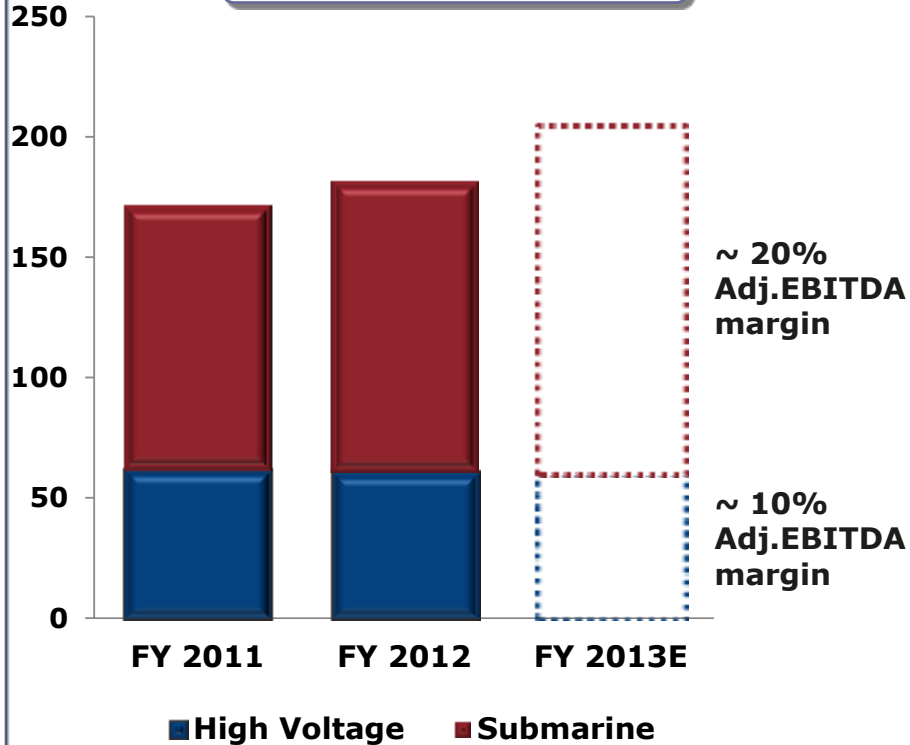


# Utilities – Transmission

Best-in-class technology and reliability as key asset to enhance leadership in high margin projects

## Adj. EBITDA evolution

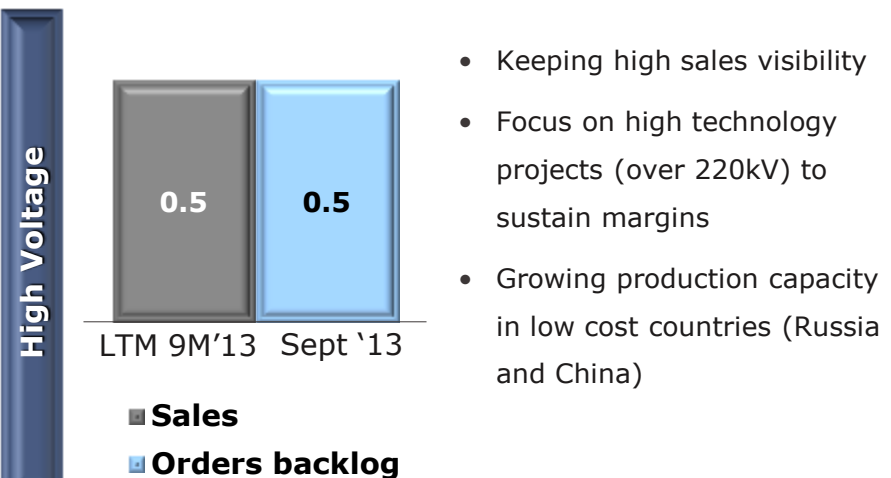
Euro million



- Submarine: steady growth in profitability driven by sales organic growth and margin stability
- High Voltage: stable profitability in a challenging environment thanks to better projects mix and industrial efficiencies

## Sales and Orders Backlog

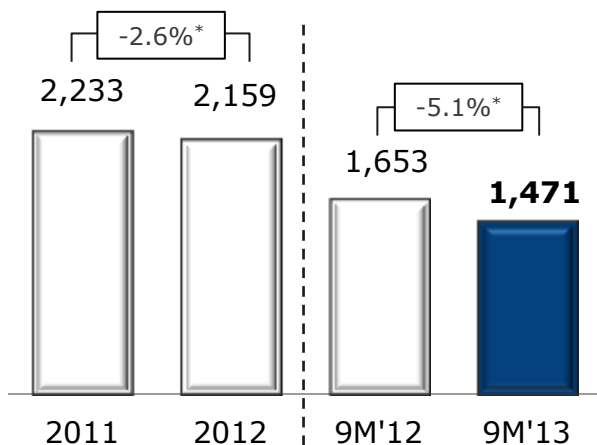
Euro billion



# Trade & Installers

Euro Millions, % on Sales

## Sales to Third Parties



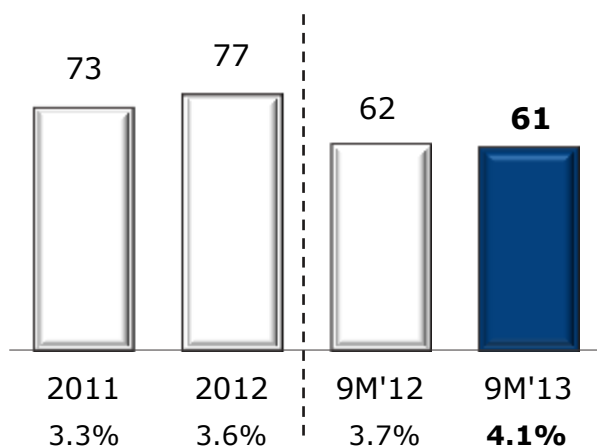
\* Organic Growth

Note: FY2011 combined including Draka for 12 months

## Highlights

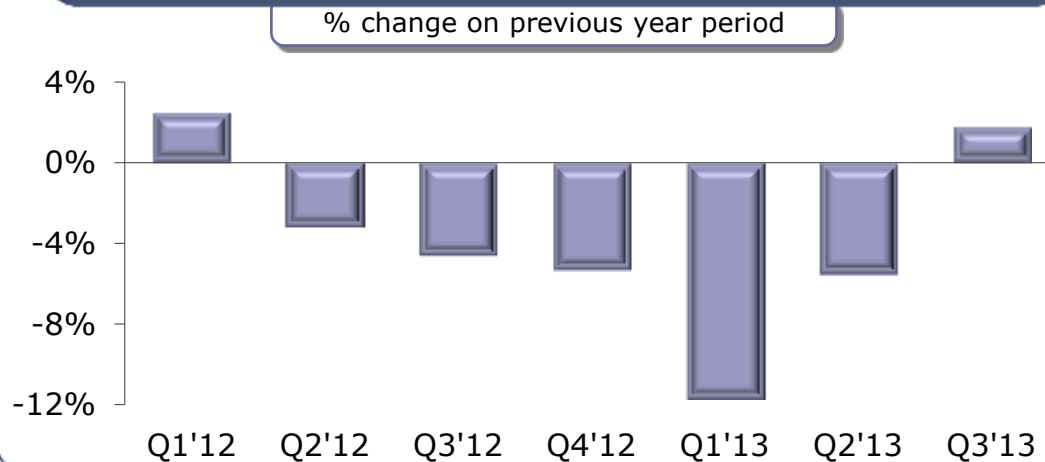
- Q3 organic growth and profitability substantially in line with previous year level. Demand and pricing stabilizing at H2'12 level. Slight improvement in profitability thanks to cost reduction
  - Europe: no signs of volume improvement across all major markets except Turkey. Price recovery from current bottom level as key driver for profitability increase
  - North America: growing contribution in profitability thanks to positive construction demand in Canada and renewed wind incentives in US
  - South America: strengthening leadership position in the key Brazilian market and significant increase in profitability
  - APAC: negative organic growth due to lower construction activity and higher import competition in Australia

## Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

## Organic Growth



# Trade & Installers

Sales breakdown

## Sales breakdown by geographical area

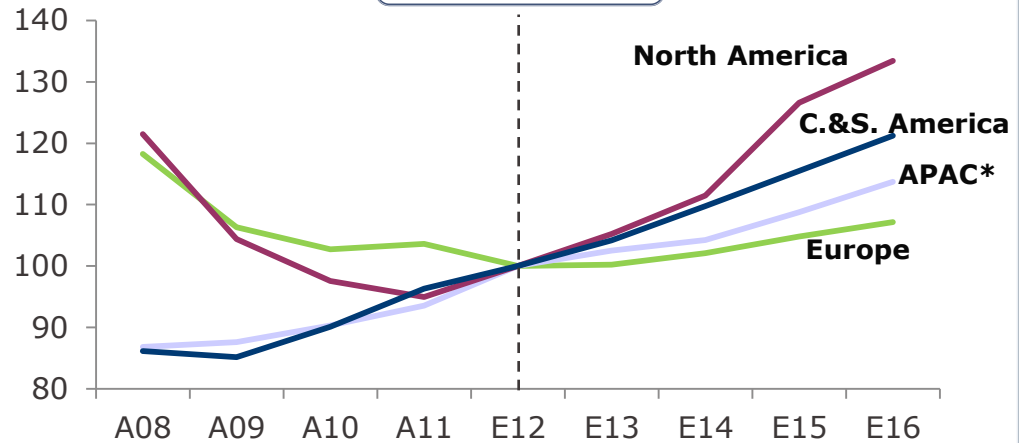
9M 2013



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

## Total Construction Investments

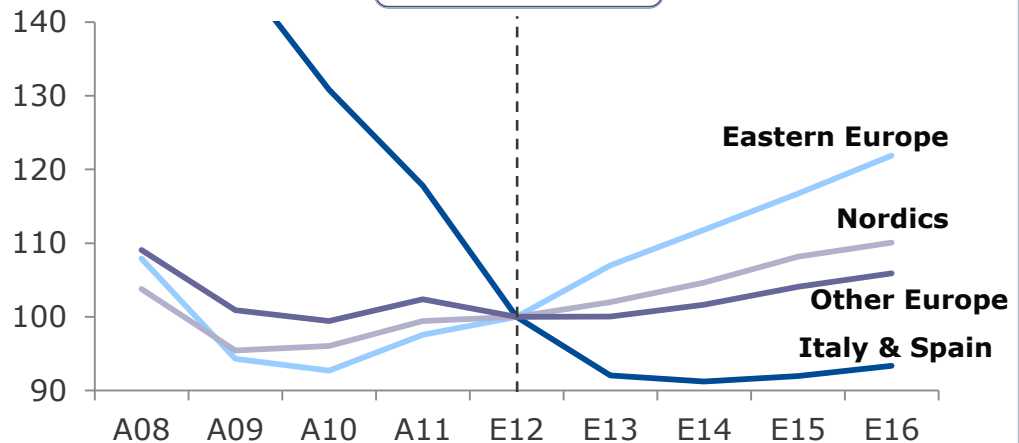
2012 = 100



\* Excl. China

## Focus on Europe

2012 = 100

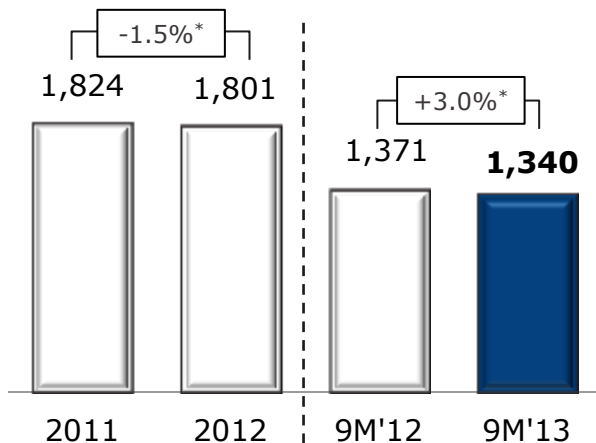


Source: Cresme Ricerche - Euroconstruct, December 2012

# Industrial

Euro Millions, % on Sales

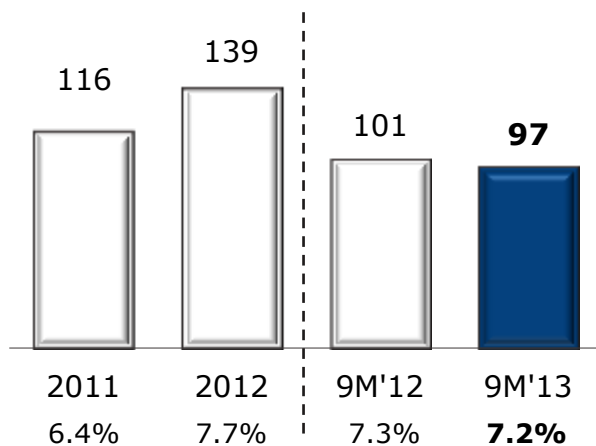
## Sales to Third Parties



\* Organic Growth

Note: FY2011 combined including Draka for 12 months

## Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

## Highlights

### OGP

- Positive trend in offshore expected to continue next quarters thanks to North Sea, Asean and South America. Declining demand in onshore limiting Oil&gas profitability improvement in 2013

### SURF

- Strong Q3 in Umbilicals thanks to new commercial initiatives out of Brazil; first deliveries in Indonesia and Angola. Flexible pipes development limited by Petrobras focus on pre-salt explorations
- DHT: sound increase driven by successful business development in Europe and Apac. Ongoing capacity increase in North America

### Elevator

- Positive organic growth mainly supported by China. Higher volumes also in the domestic US market and Europe

### Renewable

- Still very weak demand in China and North America. Gradual improvement in H2'13 Vs bottom level achieved in H1 thanks to Europe and S.America

### Automotive

- Continuous increase driven by North and South America

### Specialties & OEM

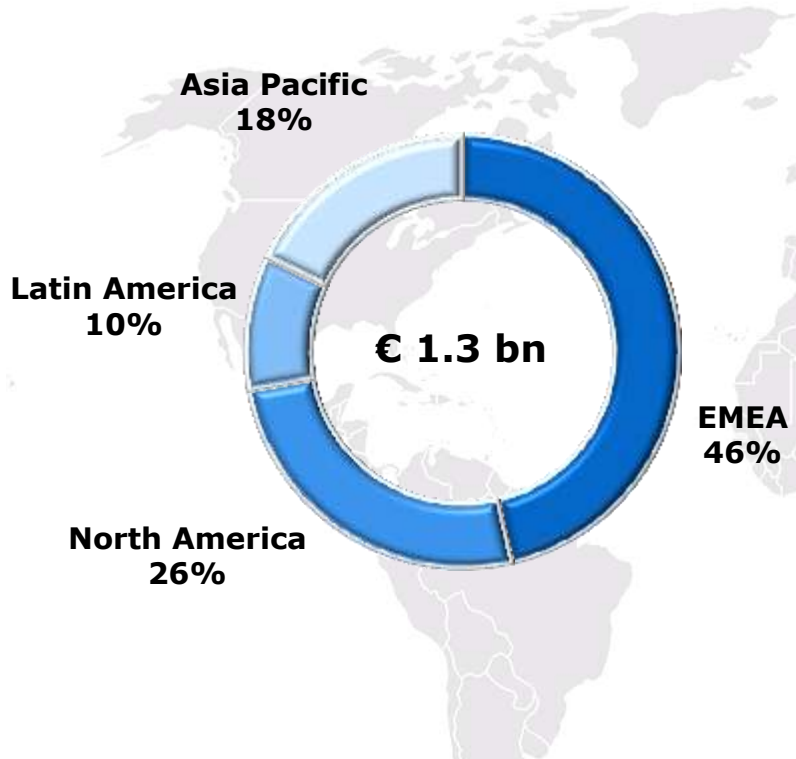
- Keeping a positive trend in a tough economic environment thanks to new commercial initiatives mainly in Railway/Rolling Stock (Europe, North and South America); Crane (Apac) and Marine (Russia)

# Industrial

Sales breakdown

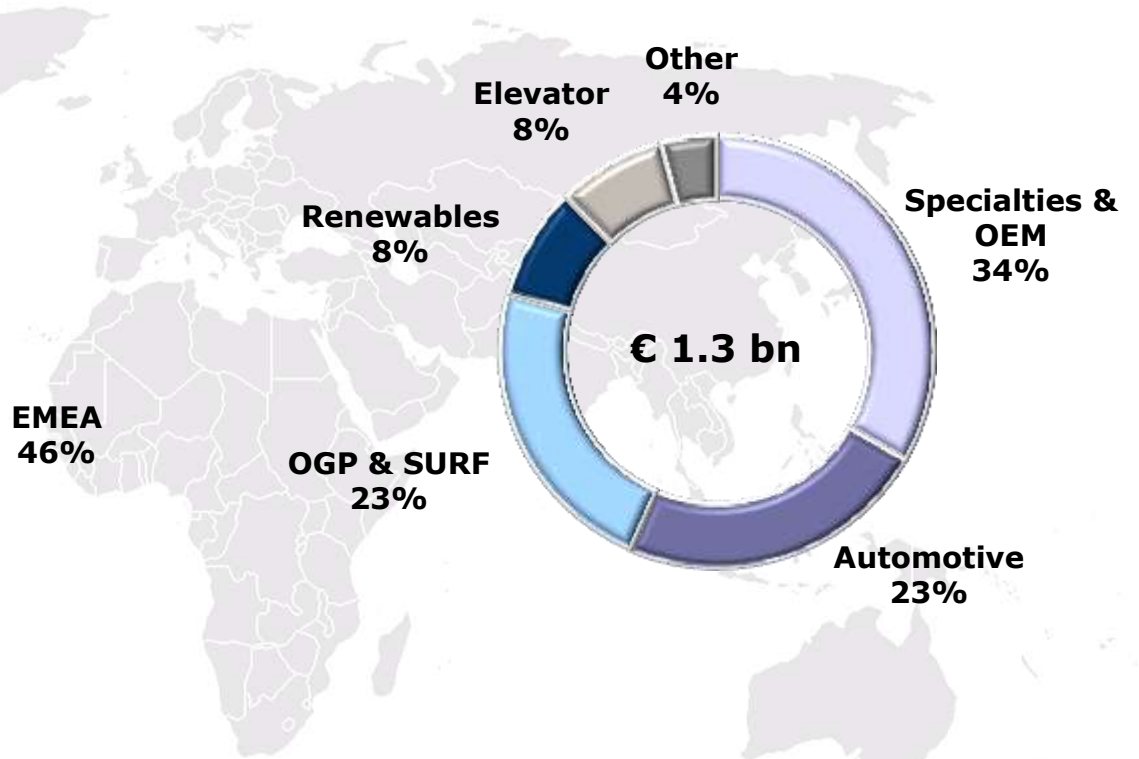
## Sales breakdown by geographical area

9M 2013



## Sales breakdown by business segment

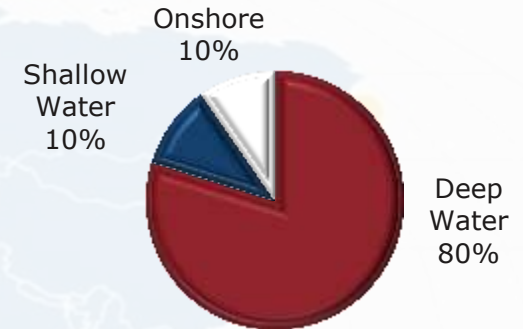
9M 2013



# SURF – First steps to build up a global business

South America remains a key priority. Large off-shore explorations in West Africa and Apac

## 2012 Global oil & gas new discovery volumes by terrain



- 
- Umbilical projects out of Brazil
  - Proven reserves
  - Unproven reserves

### New frame agreement with Petrobras

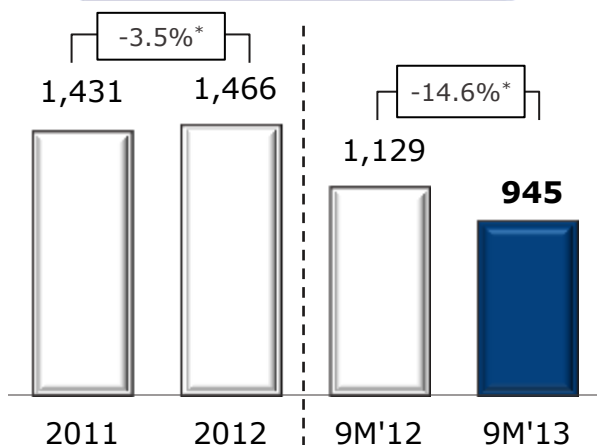
- New frame agreement signed with Petrobras in Oct'13:
  - Umbilicals: 360km worth approx. \$260m (50% minimum purchasing commitment, orders to be received within 2 years for deliveries within 3/4 y)
  - Flexible: extension to 2016 of the existing frame agreement worth \$95m (no minimum purchasing commitment)

### International business development

- First umbilicals orders delivered in 2012-13:
  - Egypt: hydraulic umbilical & accessories (Saipem)
  - Nigeria: electro-optical umbilical (Shell)
  - Indonesia: electro-hydraulic umbilical & accessories (ConocoPhillips)
  - Angola: dynamic optical umbilical (Total)

Source: Baker Hughes

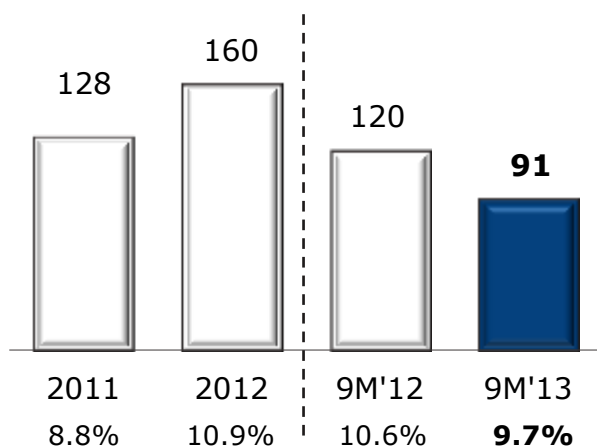
### Sales to Third Parties



\* Organic Growth

Note: FY2011 combined including Draka for 12 months

### Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

### Highlights

- Double digit sales decrease due to strong volume downturn in North and South America for optical and continuous decrease in Europe for MMS and Copper. Profitability strongly penalized by lower volumes despite cost rationalization during 2012

#### Optical / Fiber

- **Europe:** increasing exposure to Eastern Europe and Russia to benefit from high growing demand. Still low volumes in the rest of Europe; France and Spain expected to increase investments in next quarters
- **North America:** 50% lower demand in H1 expected to gradually recover pre-stimulus level in the next quarters (excluding incentives renewal)
- **South America:** large number of projects submitted for stimulus packages approval in Brazil expected to drive demand recovery during 2014
- **APAC:** China and Australia maintaining high growth rate. Developing presence in other fast growing Asean countries (e.g. Singapore, Malaysia, Indonesia)

#### Multimedia & Specials

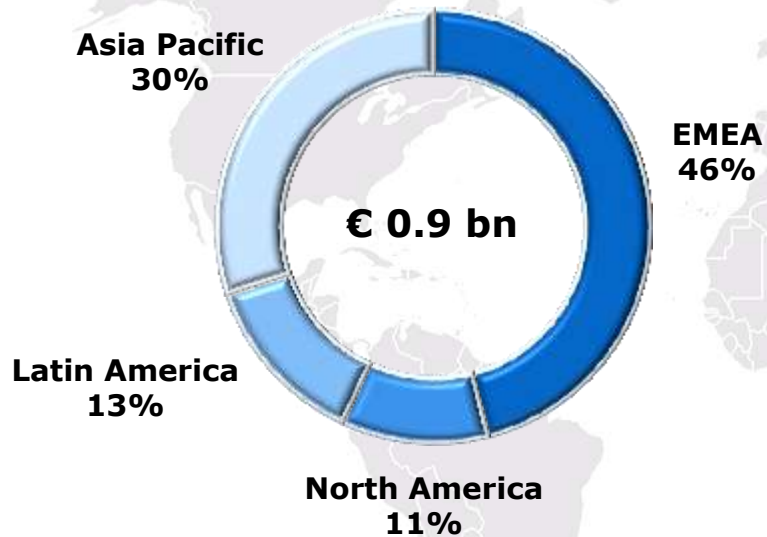
- Decreasing demand in data centers in Europe (e.g. France, UK, Germany). Successful commercial initiatives in South America and APAC (Indonesia, China and Singapore) expected to support profitability in next quarters

#### Copper

- Lower profitability due to volume reduction in Europe and South America

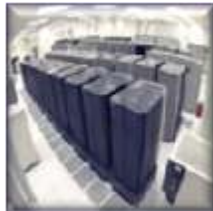
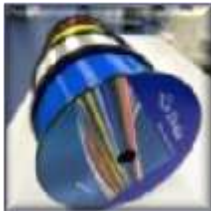
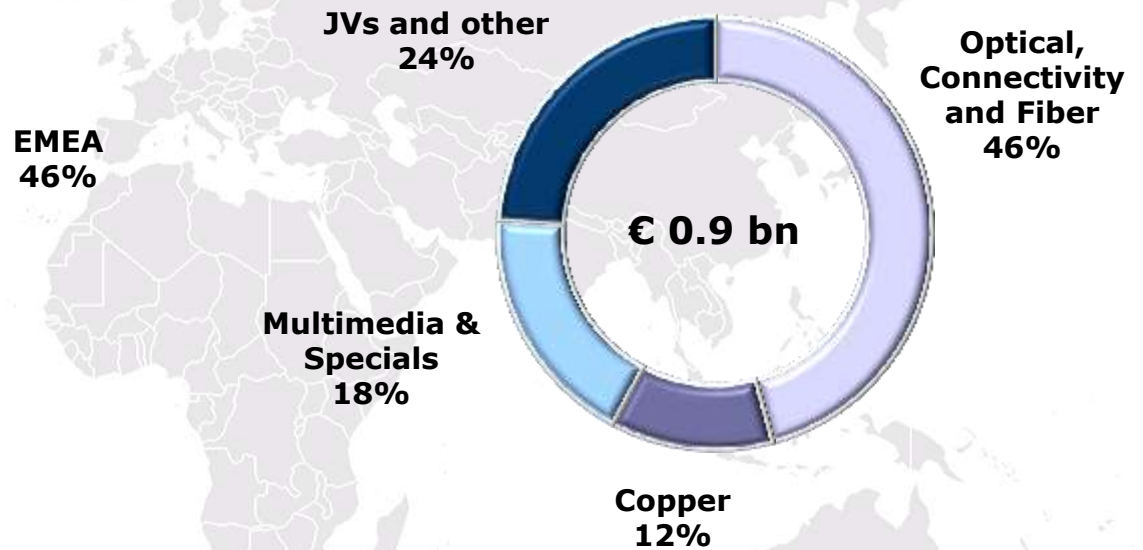
### Sales breakdown by geographical area

9M 2013



### Sales breakdown by business segment

9M 2013

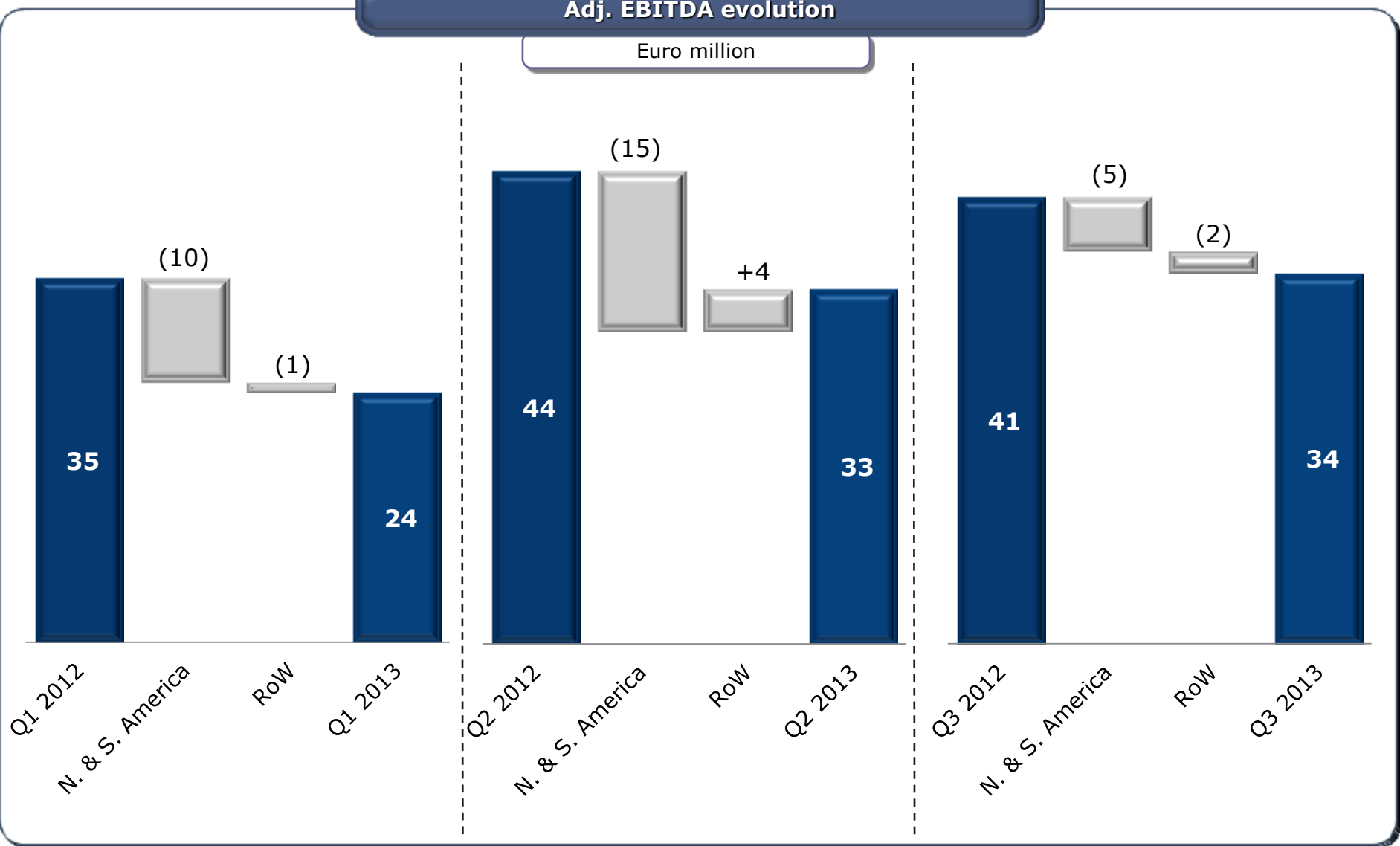




# Telecom – Tough 2013 due to demand contraction in Optical N.&S. America and Copper/Multimedia in Europe

## Adj. EBITDA evolution

Euro million



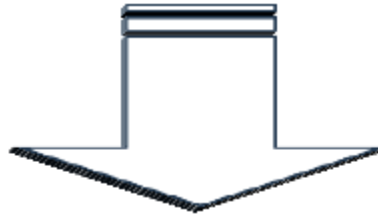
## Outlook – FY Target confirmed despite new bottom in cyclicals and weak Telecom

Underlying business trend in line with initial expectations. Material negative currency effect in H2

FY 2013 Adj.EBITDA Target (€ mln)

600

650



- FY negative currency effect (mainly BRL, USD, AUD) of approx. €20mln
- Transmission projects phasing increasing contribution in Q4
- Growing cost synergies
- Higher SURF deliveries in H2

➤ Group Overview & 2013 Outlook

➤ **Draka integration**

➤ Financial Results

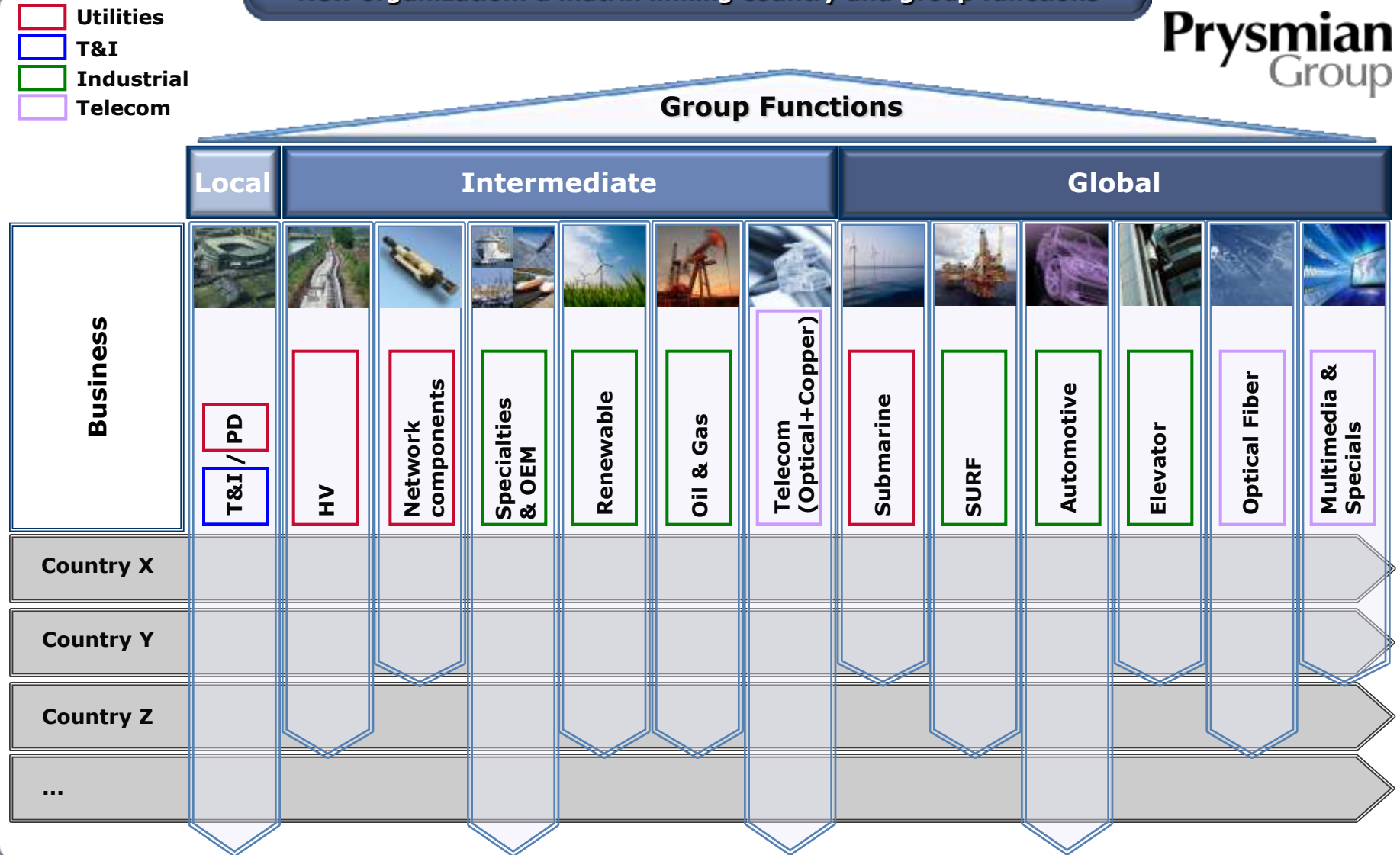
➤ Appendix

# 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**

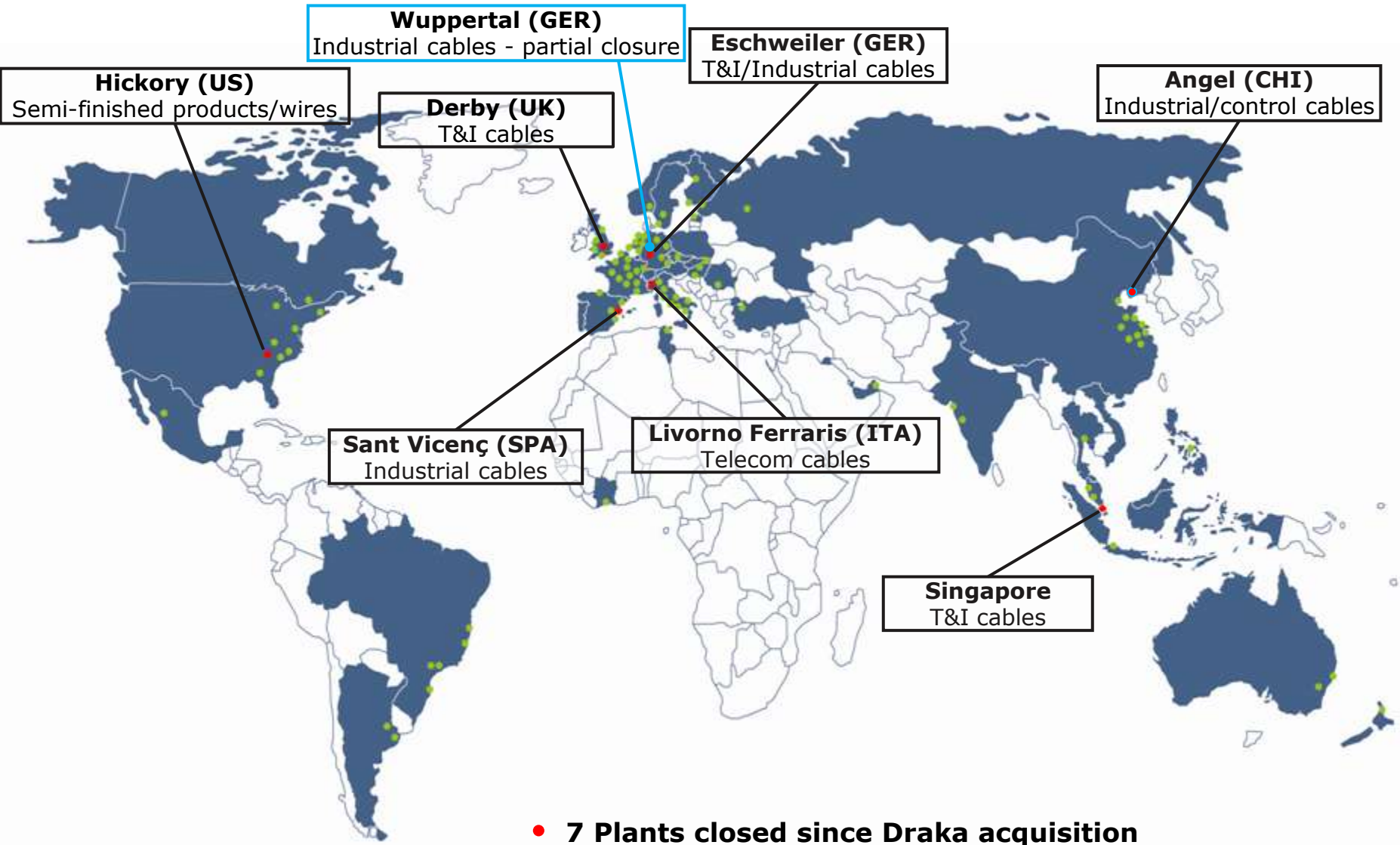
- Start deployment of new organization and processes  **done**
- Synergies plan completed, start delivering first costs reduction in:
  - Procurement  **done**
  - Overheads rationalization  **done**

- 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



● 7 Plants closed since Draka acquisition

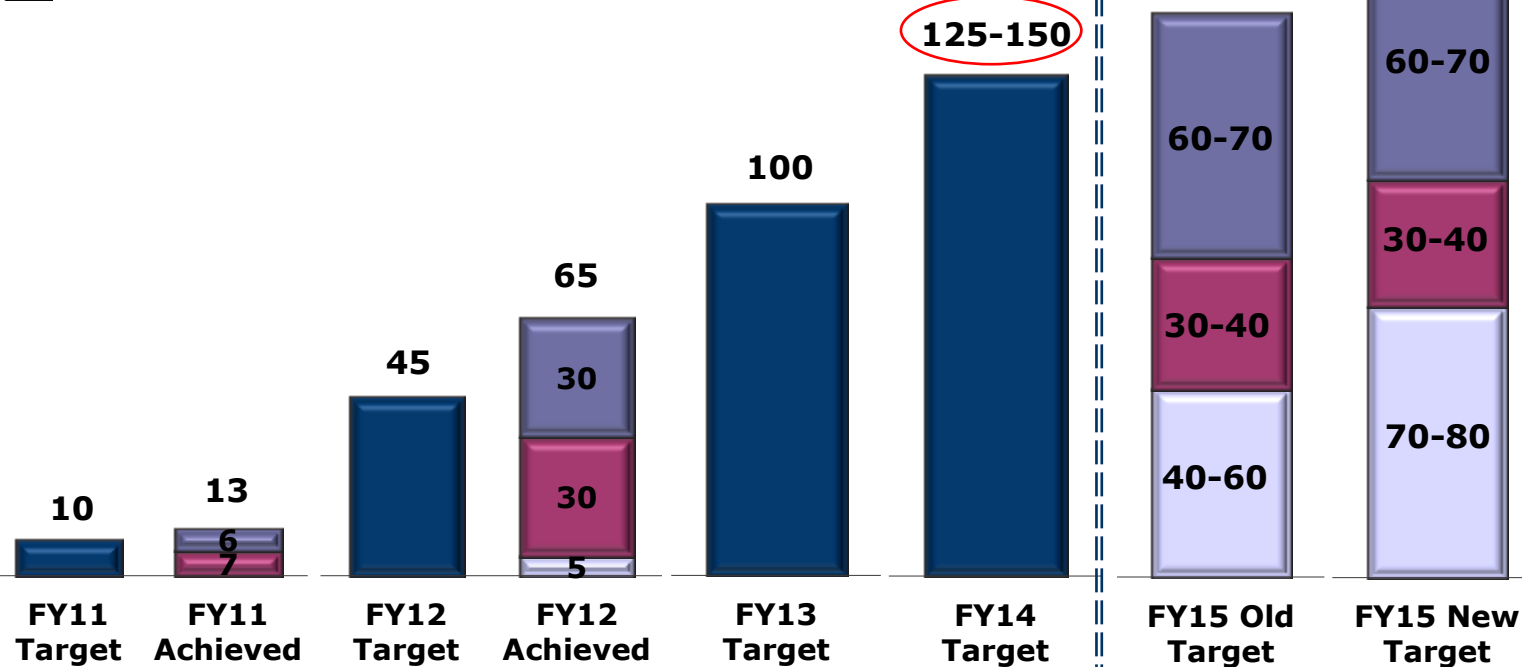
# Synergies target increased – Increasing efforts on production rationalization

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



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

# Profit and Loss Statement

Euro Millions

	9M 2013	9M 2012	FY 2012
<b>Sales</b>	<b>5,488</b>	<b>5,930</b>	<b>7,848</b>
<i>YoY total growth</i>	(7.5%)		
<i>YoY organic growth</i>	(3.9%)		
<b>Adj.EBITDA</b>	<b>444</b>	<b>468</b>	<b>647</b>
<i>% on sales</i>	8.1%	7.9%	8.2%
<i>Non recurring items</i>	(34)	(66)	(101)
<b>EBITDA</b>	<b>410</b>	<b>402</b>	<b>546</b>
<i>% on sales</i>	7.5%	6.8%	7.0%
<b>Adj.EBIT</b>	<b>329</b>	<b>349</b>	<b>483</b>
<i>% on sales</i>	6.0%	5.9%	6.2%
<i>Non recurring items</i>	(34)	(66)	(101)
<i>Special items</i>	(30)	12	(20)
<b>EBIT</b>	<b>265</b>	<b>295</b>	<b>362</b>
<i>% on sales</i>	4.8%	5.0%	4.6%
<i>Financial charges</i>	(106)	(86) <sup>a)</sup>	(120) <sup>a)</sup>
<b>EBT</b>	<b>159</b>	<b>209</b>	<b>242</b>
<i>% on sales</i>	2.9%	3.5%	3.1%
Taxes	(49)	(61)	(73)
<i>% on EBT</i>	30.7%	29.2%	30.2%
<b>Net income</b>	<b>110</b>	<b>148</b>	<b>169</b>
<i>Extraordinary items (after tax)</i>	(70)	(45)	(111)
<b>Adj.Net income</b>	<b>180</b>	<b>193</b>	<b>280</b>

a) Restated to include effects of IAS 19 revised; negative effect of €2mIn in FY 2012, €1mIn in 9M 2012

# Extraordinary Effects

Euro Millions

	9M 2013	9M 2012	FY 2012
Antitrust investigation	3	(3)	(1)
Restructuring	(32)	(51)	(74)
Draka integration costs	-	(5)	(9)
Other	(5)	(7)	(17)
<b>EBITDA adjustments</b>	<b>(34)</b>	<b>(66)</b>	<b>(101)</b>
Special items	(30)	12	(20)
Gain/(loss) on metal derivatives	(12)	30	14
Assets impairment	(9)	(4)	(24)
Other	(9)	(14)	(10)
<b>EBIT adjustments</b>	<b>(64)</b>	<b>(54)</b>	<b>(121)</b>
Gain/(Loss) on ex.rates/derivat. <sup>(1)</sup>	(26)	(7)	(11)
Other extr. financial Income/exp.	(9)	(2)	(5)
<b>EBT adjustments</b>	<b>(99)</b>	<b>(63)</b>	<b>(137)</b>
Tax	29	18	26
<b>Net Income adjustments</b>	<b>(70)</b>	<b>(45)</b>	<b>(111)</b>

## Notes

(1) Includes currency and interest rate derivatives

# Financial Charges

Euro Millions

	9M 2013	9M 2012	FY 2012
<b>Net interest expenses</b>	<b>(77)</b>	<b>(82)<sup>a)</sup></b>	<b>(111)<sup>a)</sup></b>
<i>of which non cash Conv.Bond interest exp.</i>	(4)	-	-
Bank fees amortization	(6)	(7)	(10)
Gain/(loss) on exchange rates	(12)	(25)	(29)
Gain/(loss) on derivatives <sup>(1)</sup>	(14)	18	18
Non recurring effects	(5)	(2)	(5)
<b>Net financial charges</b>	<b>(114)</b>	<b>(98)</b>	<b>(137)</b>
Share in net income of associates	8	12	17
<b>Total financial charges</b>	<b>(106)</b>	<b>(86)</b>	<b>(120)</b>

## Notes

(1) Includes currency and interest rate derivatives

a) Restated to include effects of IAS 19 revised; negative effect of €2mIn in FY 2012, €1mIn in 9M 2012

# Statement of financial position (Balance Sheet)

Euro Millions

	30 Sept 2013	30 Sept 2012	31 Dec 2012
Net fixed assets	2,215	2,248	2,311
<i>of which: intangible assets</i>	639	615	655
<i>of which: property, plants &amp; equipment</i>	1,464	1,533	1,543
Net working capital	855	1,033	479
<i>of which: derivatives assets/(liabilities)</i>	(13)	12	(7)
<i>of which: Operative Net working capital</i>	868	1,021	486
Provisions & deferred taxes	(300)	(351)	(369)
<b>Net Capital Employed</b>	<b>2,770</b>	<b>2,930</b>	<b>2,421</b>
Employee provisions	335	310	344
Shareholders' equity	1,189	1,174	1,159
<i>of which: attributable to minority interest</i>	44	55	47
Net financial position	1,246	1,446	918
<b>Total Financing and Equity</b>	<b>2,770</b>	<b>2,930</b>	<b>2,421</b>

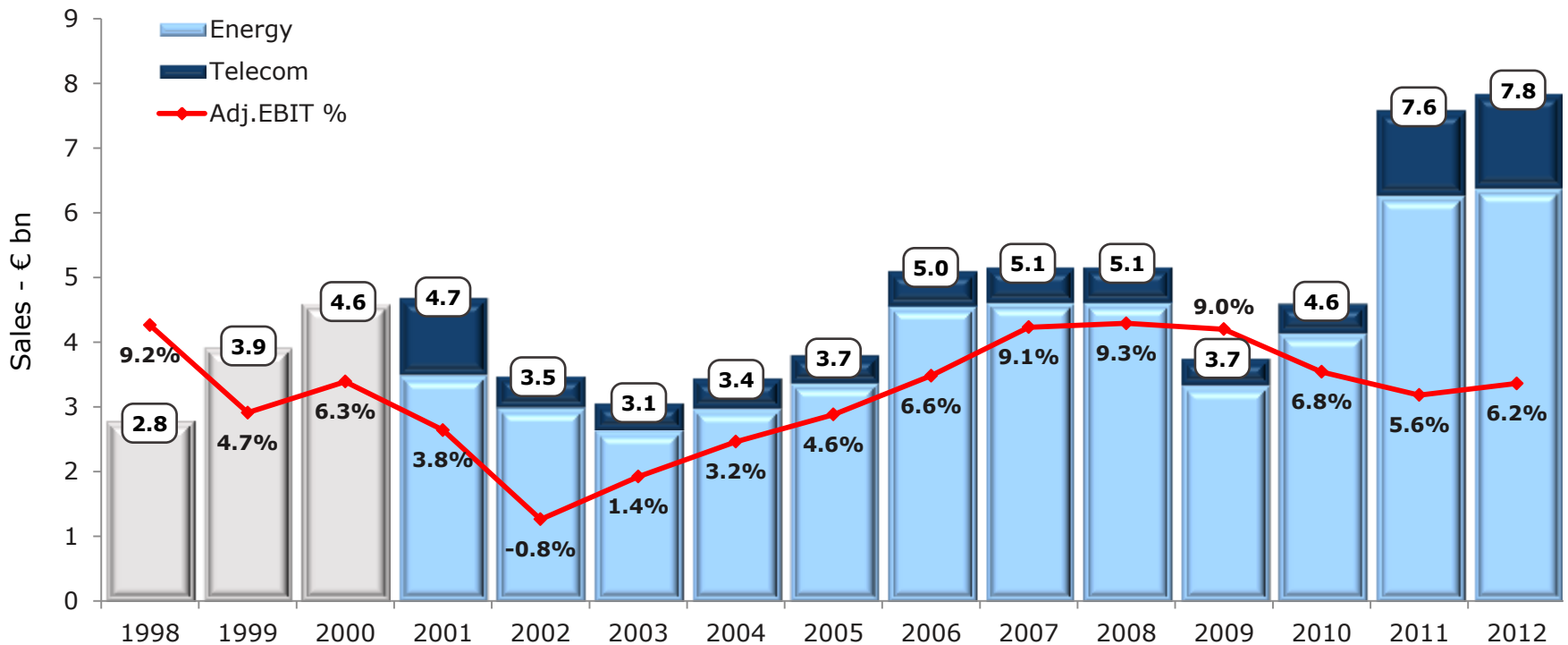
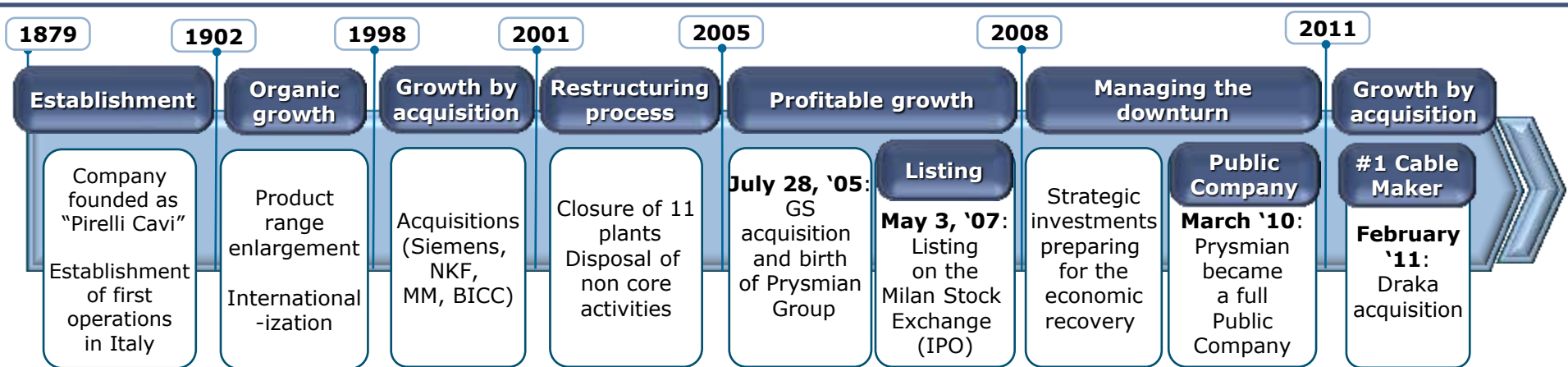
# Cash Flow

Euro Millions

	9M 2013	9M 2012	FY 2012
<b>Adj.EBITDA</b>	<b>444</b>	<b>468</b>	<b>647</b>
Non recurring items	(34)	(66)	(101)
<b>EBITDA</b>	<b>410</b>	<b>402</b>	<b>546</b>
Net Change in provisions & others	(51)	4	(1)
<b>Cash flow from operations (before WC changes)</b>	<b>359</b>	<b>406</b>	<b>545</b>
Working Capital changes	(435)	(460)	75
Paid Income Taxes	(48)	(57)	(74)
<b>Cash flow from operations</b>	<b>(124)</b>	<b>(111)</b>	<b>546</b>
Acquisitions	-	(35)	(86)
Net Operative CAPEX	(73)	(89)	(141)
Net Financial CAPEX	8	5	8
<b>Free Cash Flow (unlevered)</b>	<b>(189)</b>	<b>(230)</b>	<b>327</b>
Financial charges	(91)	(97)	(129)
<b>Free Cash Flow (levered)</b>	<b>(280)</b>	<b>(327)</b>	<b>198</b>
<i>Free Cash Flow (levered) excl. acquisitions</i>	<i>(280)</i>	<i>(292)</i>	<i>284</i>
Dividends	(92)	(45)	(45)
Other Equity movements	-	1	1
<b>Net Cash Flow</b>	<b>(372)</b>	<b>(371)</b>	<b>154</b>
<b>NFP beginning of the period</b>	<b>(918)</b>	<b>(1,064)</b>	<b>(1,064)</b>
Net cash flow	(372)	(371)	154
Other variations	44	(11)	(8)
<b>NFP end of the period</b>	<b>(1,246)</b>	<b>(1,446)</b>	<b>(918)</b>

- Group Overview & 2013 Outlook
- Draka integration
- Financial Results
- Appendix – Prysmian at a Glance

# Key Milestones

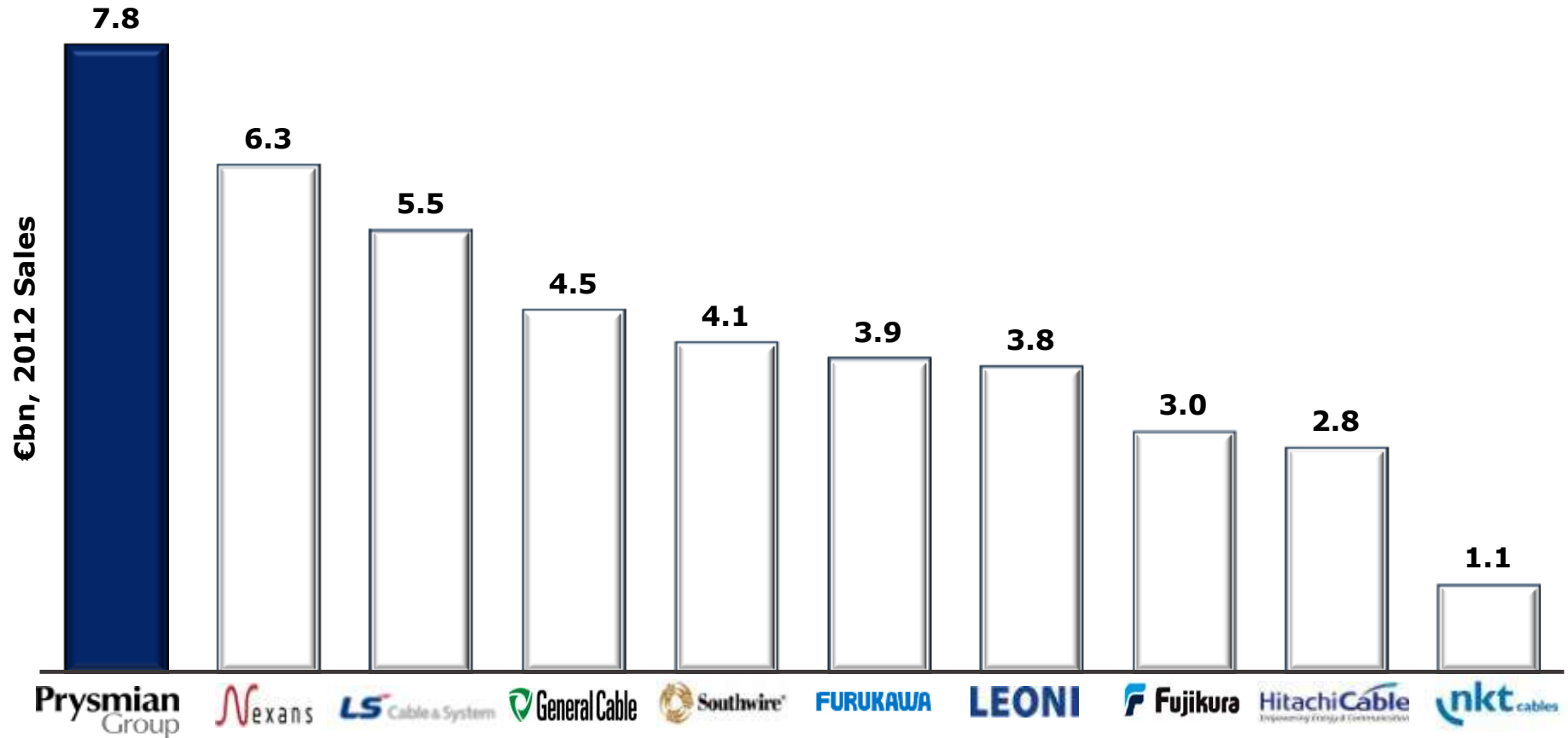


Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2012 Prysmian accounts, data reported under IFRS. Draka consolidated since 1 March 2011



# The World's Leading Cables & Systems Company

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

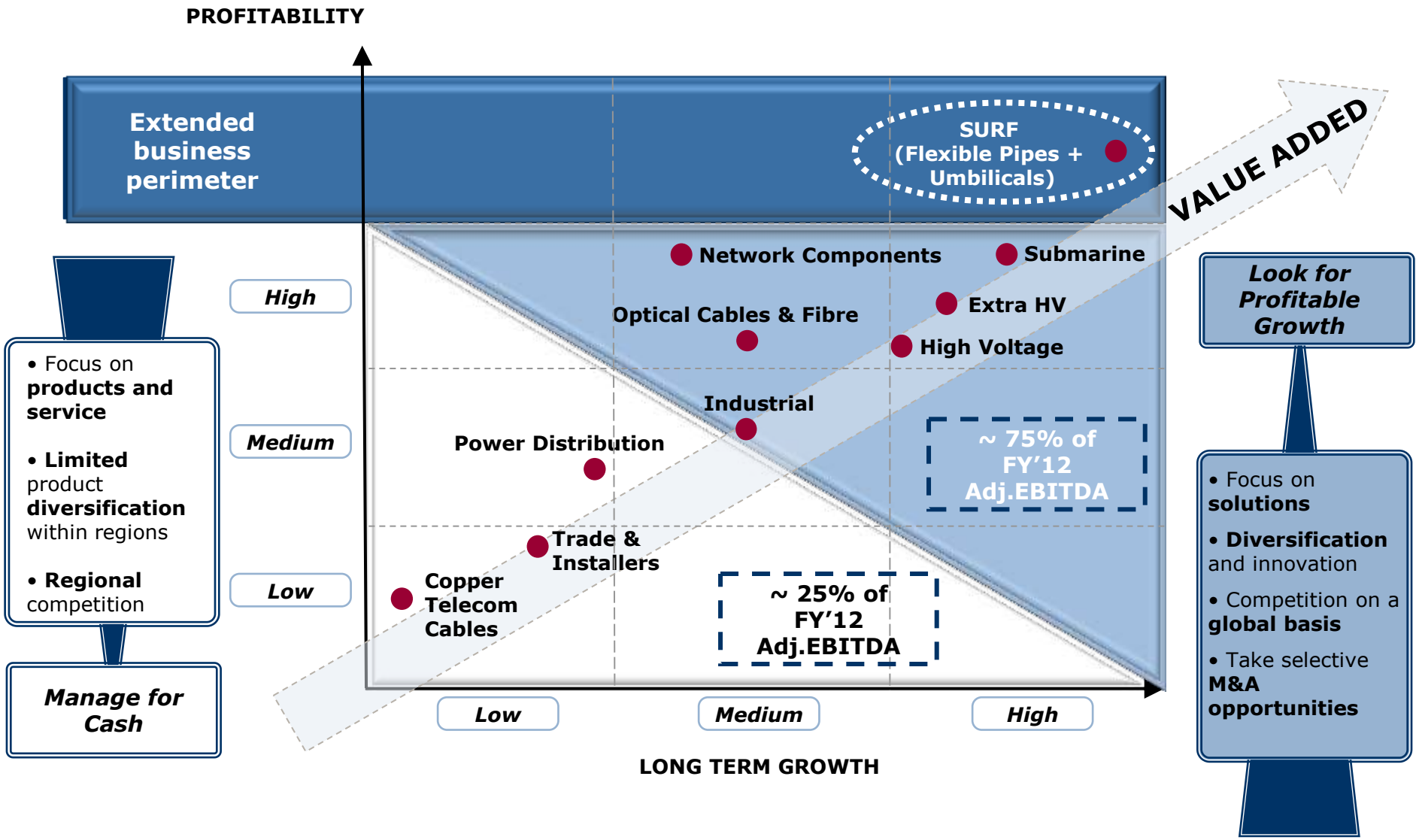


Source: Companies' public documents.

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

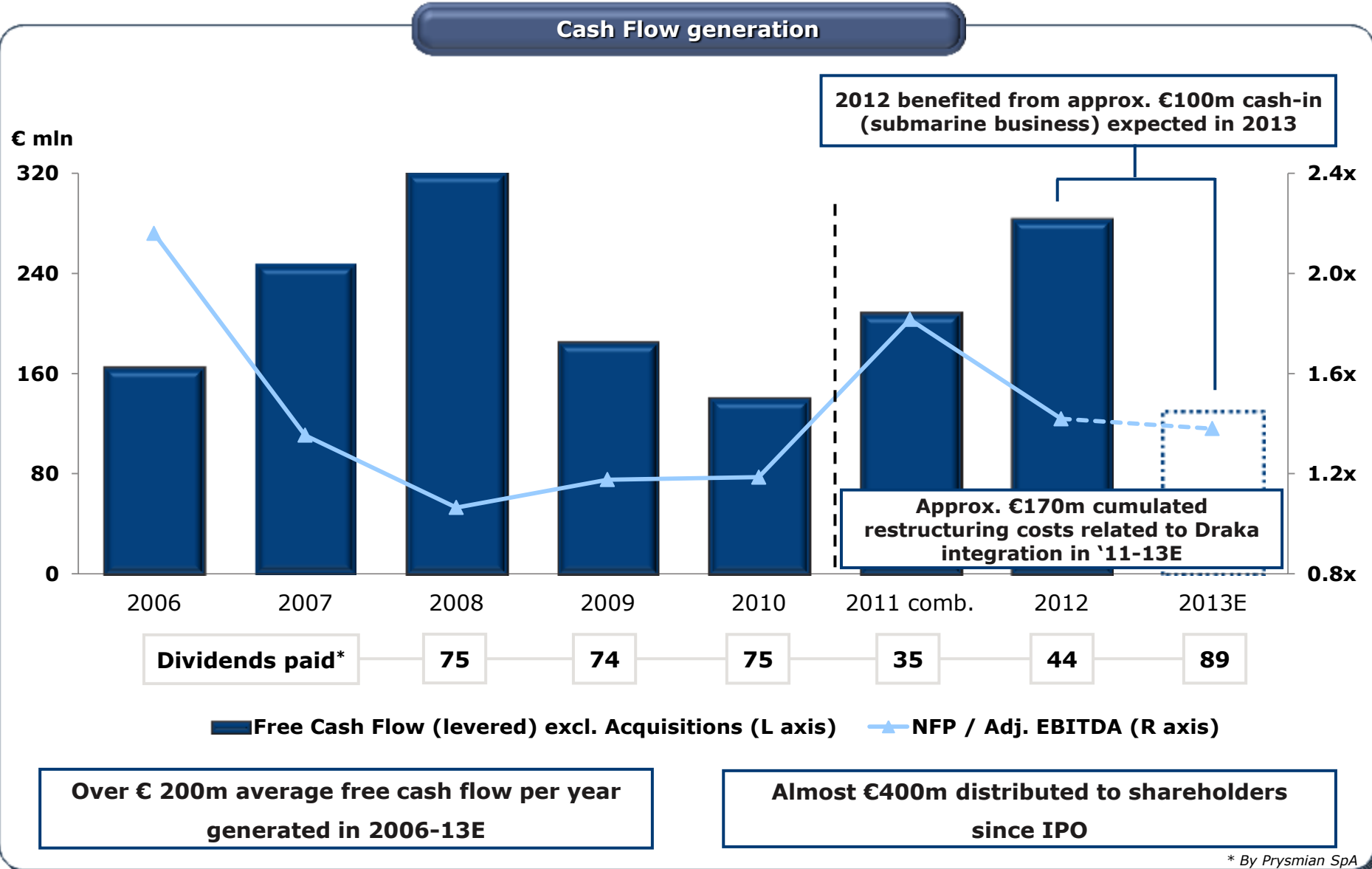
# Prysmian Group business portfolio

Focus on high value added segments



# Cash Flow generation as key priority to create value for shareholders

Growing capabilities to invest organically/acquisitions and remunerate shareholders

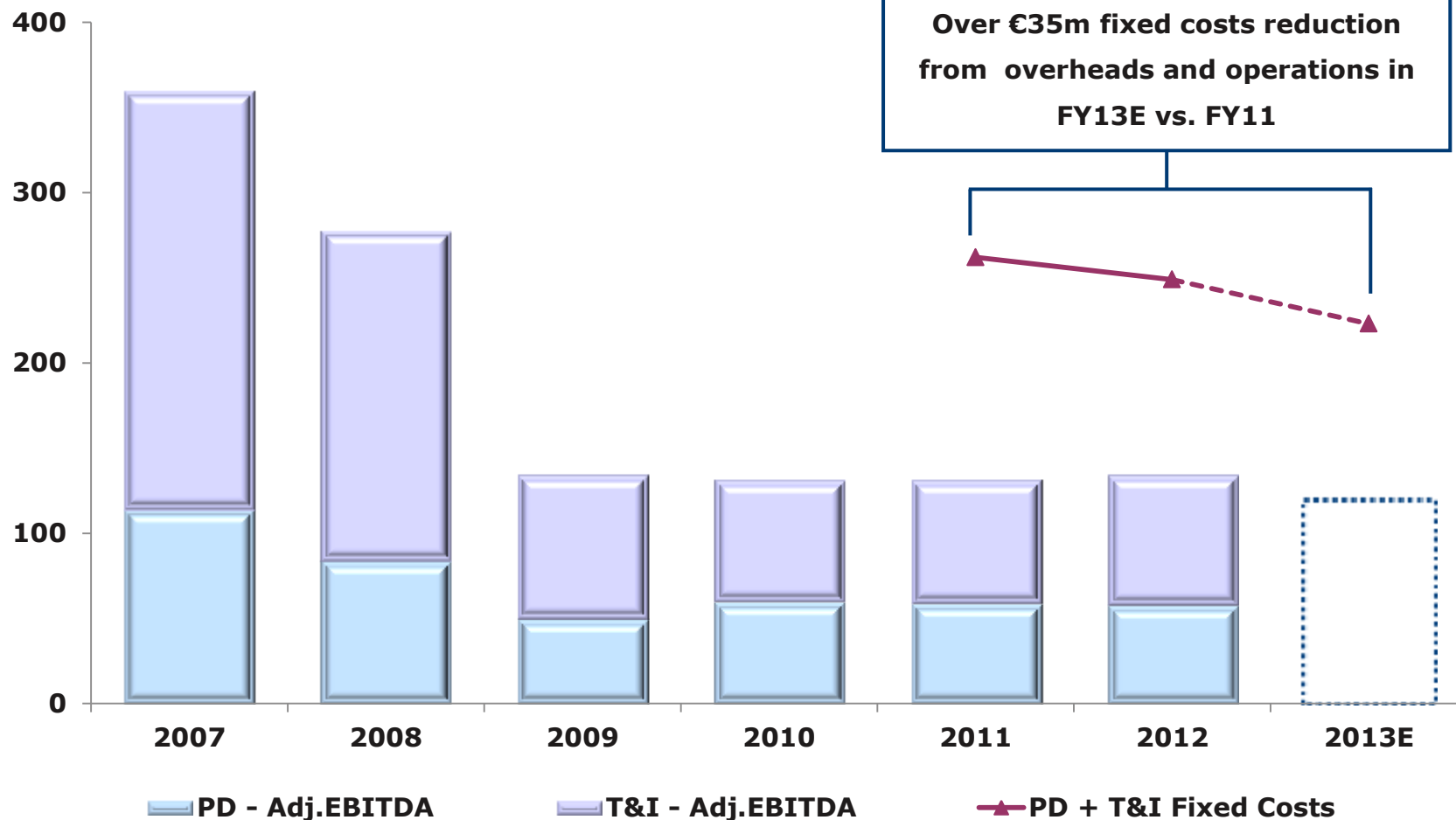


# Improving operating leverage during the downturn

Approx. €240m adj.EBITDA reduction from 2007 despite cost rationalization

## Power Distribution + T&I

Adj. EBITDA and Fixed Costs – Euro million

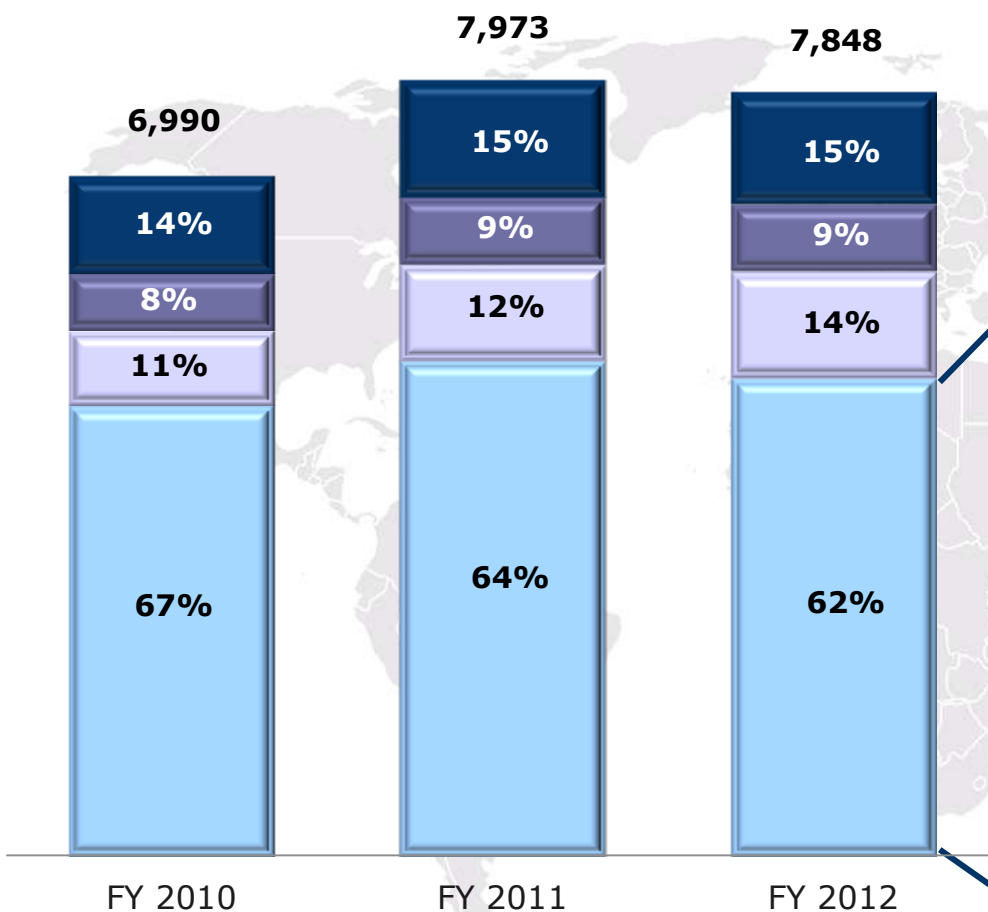


2007-11: Combined data Prysmian + Draka

# Sales evolution by geographical area

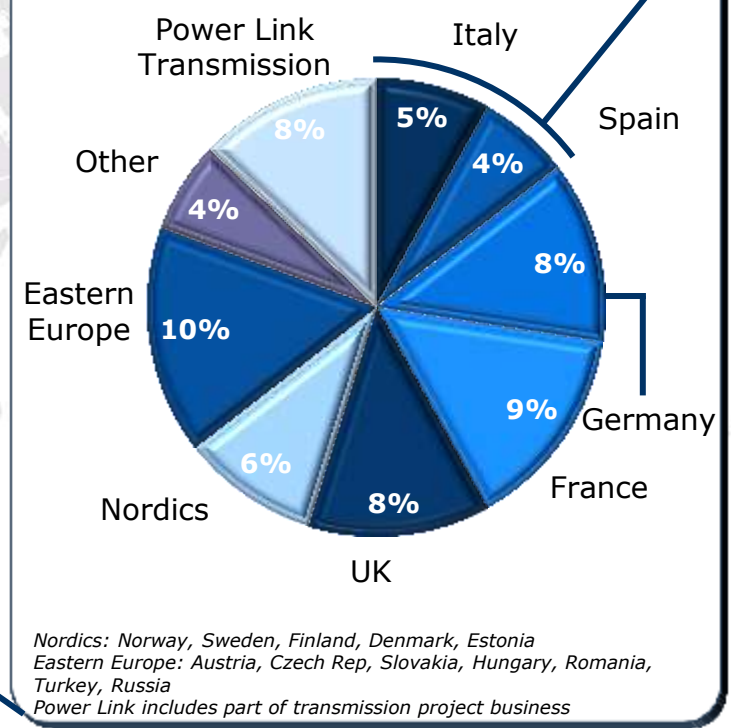
Improving geographical diversification with a limited exposure to weaker southern European countries

€ million



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

**EMEA Sales breakdown**  
FY 2012 - Total = 62%



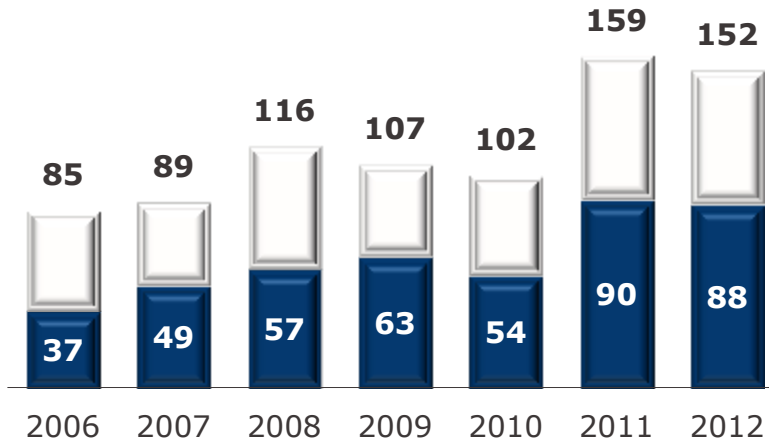
Note: FY2010 and FY2011 Sales Combined Prysmian + Draka

# CAPEX evolution

Investments focused on high value added businesses

## Capacity Increase & Product mix (€m)

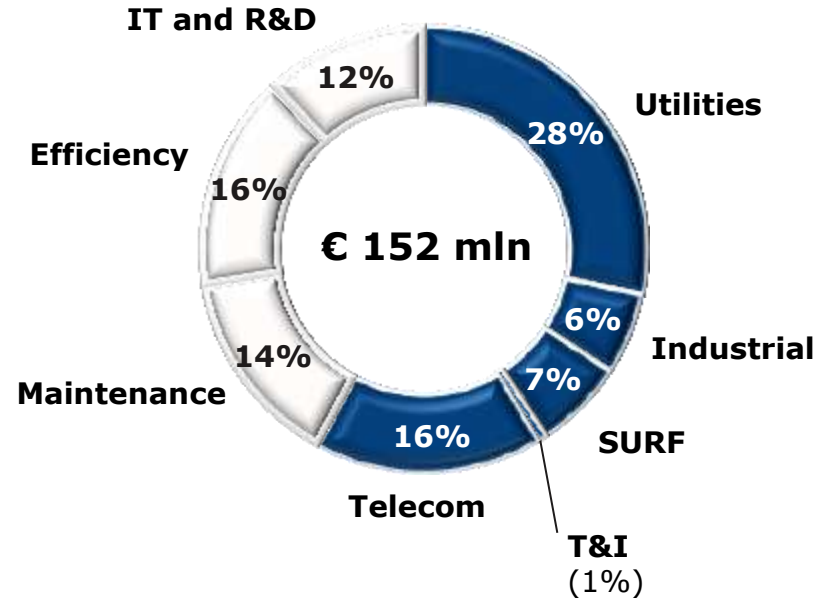
- ▒ Maintenance, Efficiency, IT and R&D
- Capacity Increase & Product mix



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

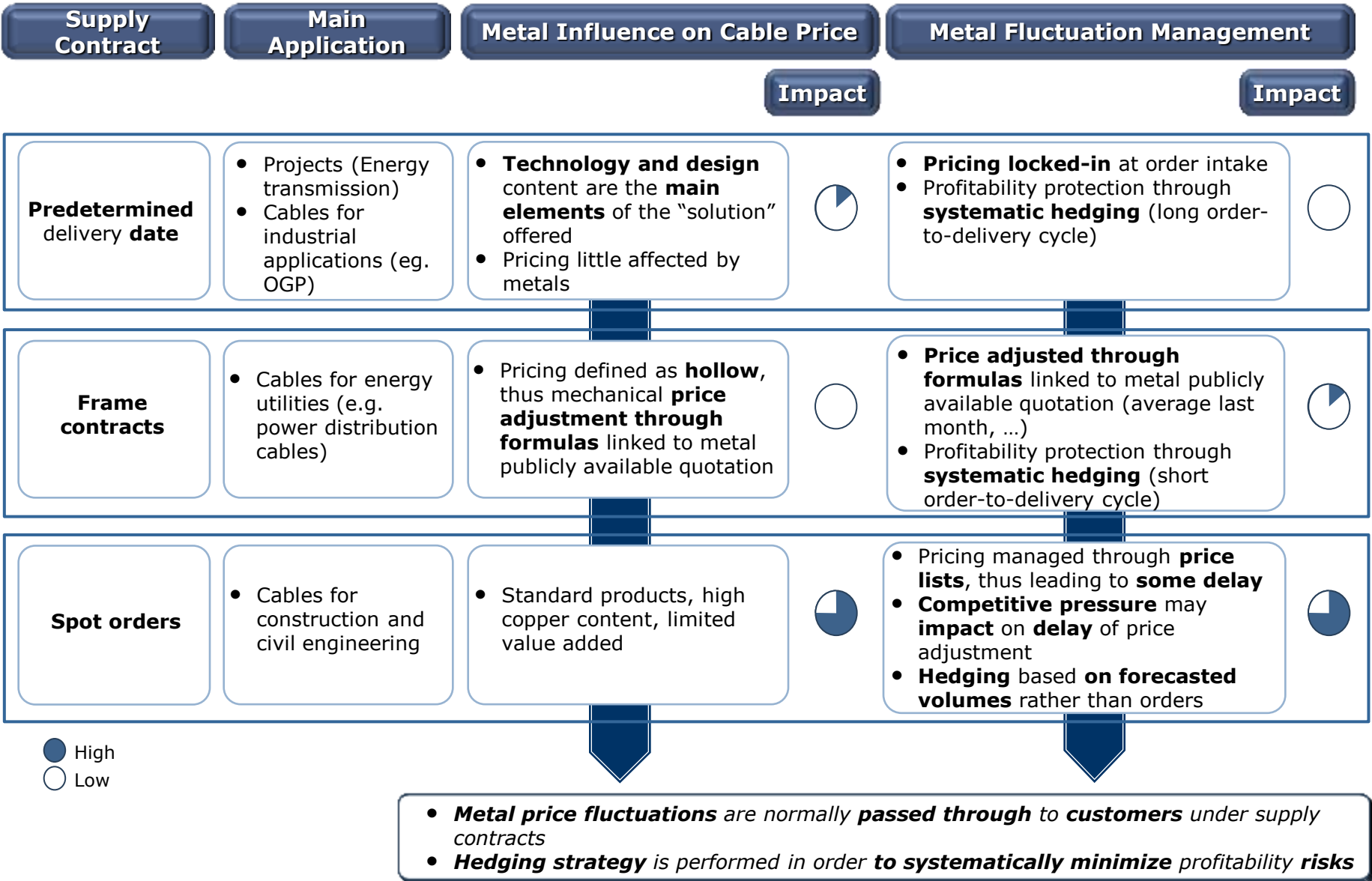
## 2012 Capex by destination

- ▒ 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

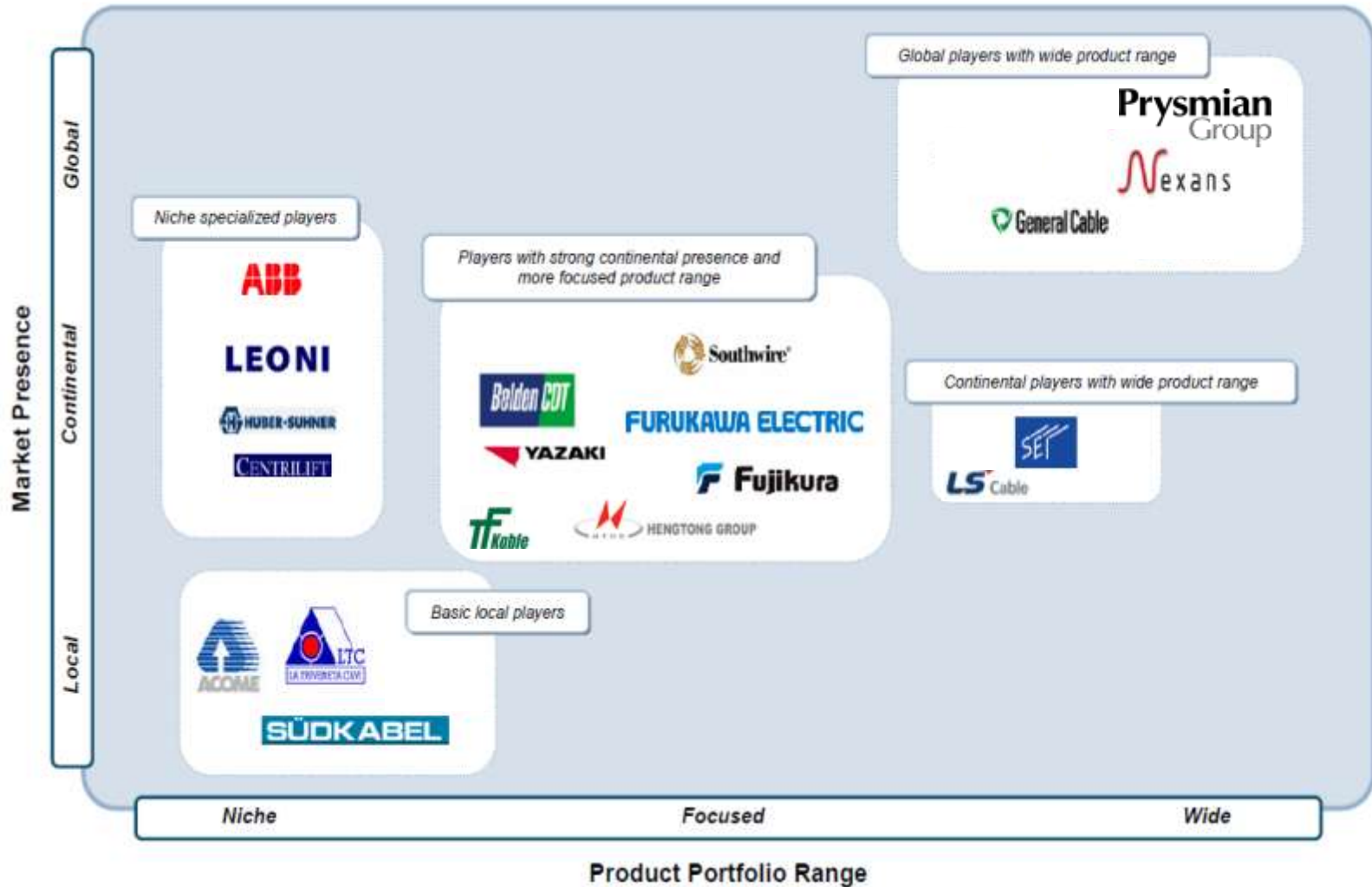
➤ Financial Results

➤ 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



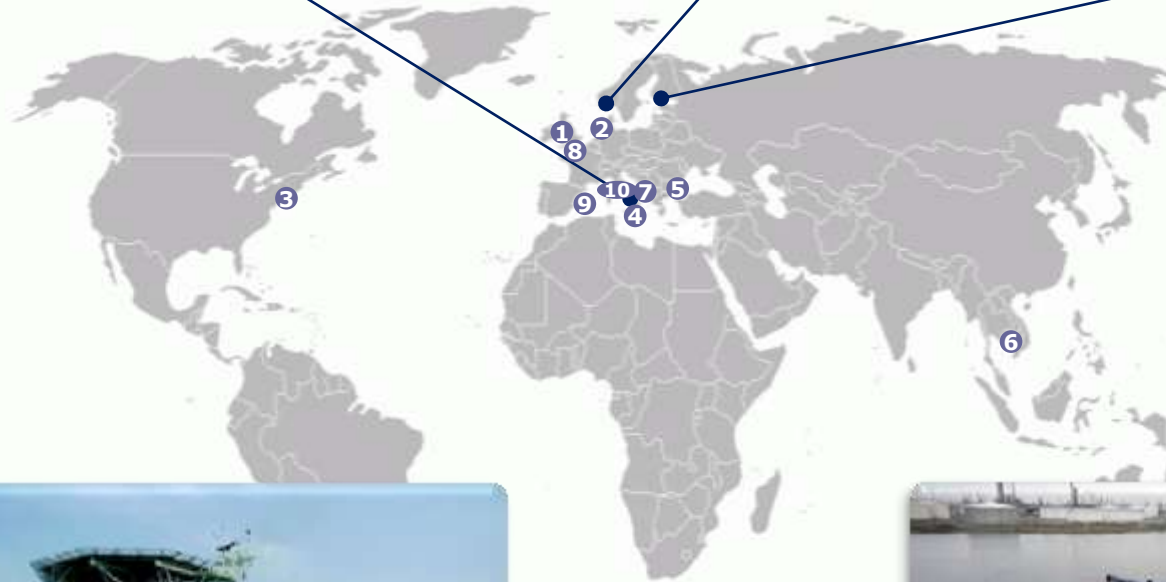
Arco Felice (Italy)



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
10. Capri  
US Offshore platforms



Giulio Verne

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



Cable Enterprise

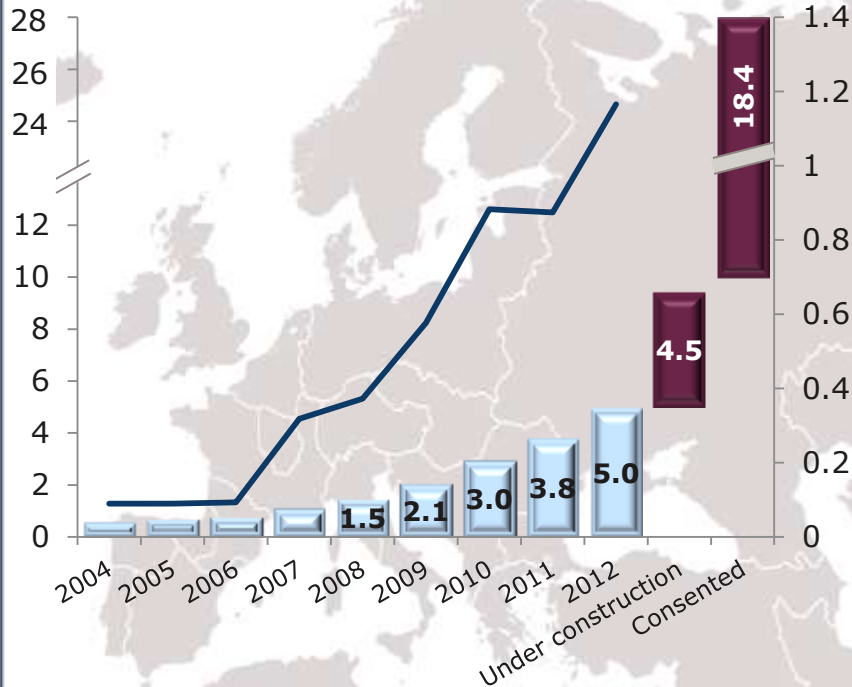
- Length overall: 115m
- Depth moulded: 6.8m
- Gross tonnage: 8,328t

# 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)

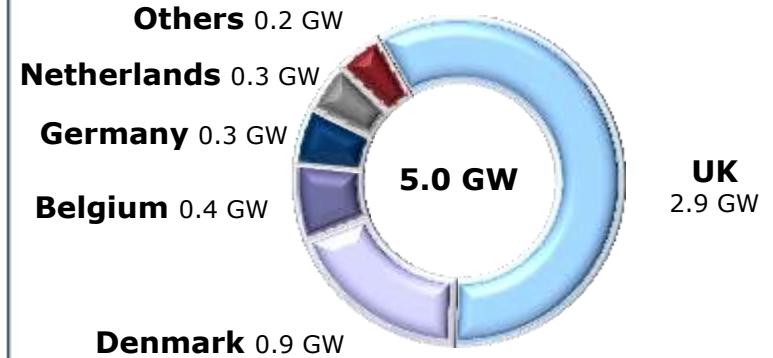
— Cumulated Offshore Wind capacity (L axis)  
— Annual Additional capacity (R axis)



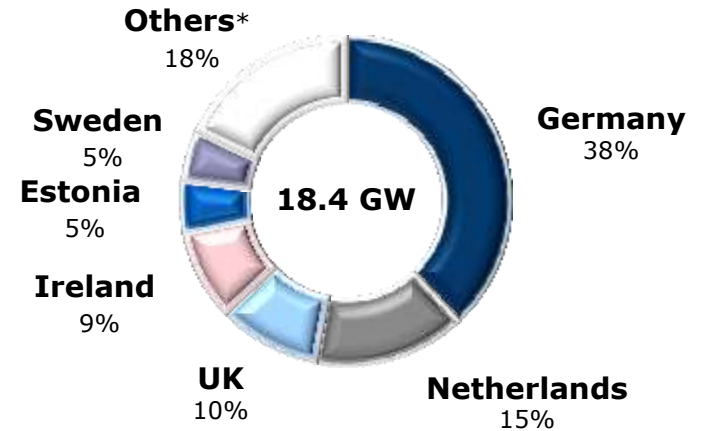
- **Capacity Increase: 1.2 GW** in 2012
- **Total capacity: 5.0 GW** at end 2012 (+30% vs. 2011)
- **Under construction: 4.5 GW** at end 2012
- **Consented: 18.4 GW**

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

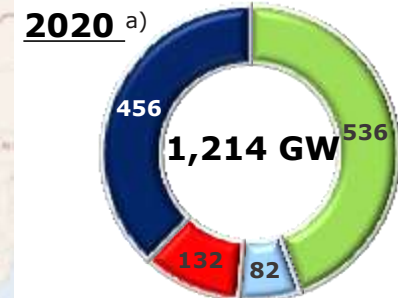
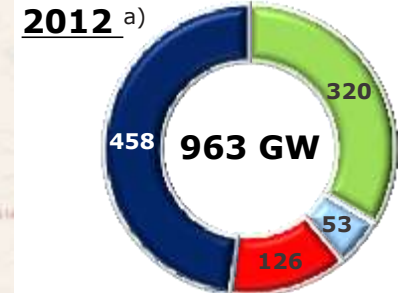
### Legend





-  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**

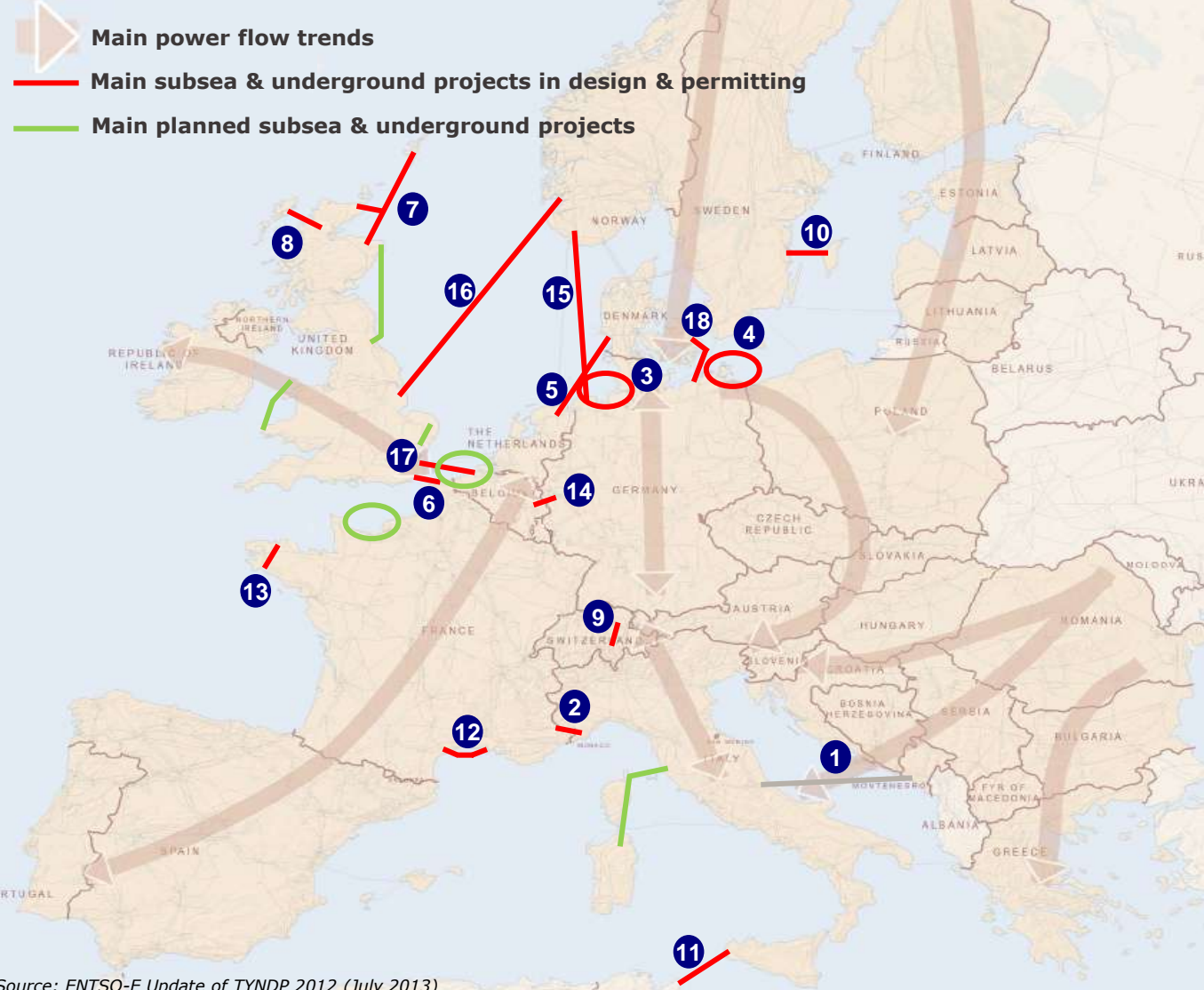
a) Total 2012-2020 include Other sources for respectively 6 and 8GW. Source: ENTSO-E

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

2. Italy – France
3. Germany (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
17. Nemo (UK-BE)
18. Denmark – Germany

### Already awarded:

1. Italy – Montenegro
3. 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 <sup>(1)</sup>

Capri	Terna	2014-15	<b>70</b>
US Offshore platforms	ExxonMobil's	2014-15	<b>\$100m</b>
Balearic Islands	Red Eléctrica de España	2014-15	<b>85</b>
Deutsche Bucht	TenneT	2014-15	<b>50</b>
DolWin3	TenneT	2014-16	<b>350</b>
Normandie 3	Jersey Electricity plc	2013-14	<b>45</b>
Mon.Ita	Terna	2013-16	<b>400</b>
Dardanelles	TEIAS	2012-14	<b>67</b>
Phu Quoc	EVNSPC	2012-14	<b>67</b>
Western Link	NGET/SPT Upgrades	2012-15	<b>800</b>
HelWin2	TenneT	2012-15	<b>200</b>
Hudson Project	Hudson Transm. Partners LLC	2012-13	<b>\$175m</b>
SylWin1	TenneT	2012-14	<b>280</b>
HelWin1	TenneT	2011-13	<b>150</b>
BorWin2	TenneT	2010-13	<b>250</b>
Messina	Terna	2010-13	<b>300</b>
Kahramaa	Qatar General Elect.	2009-10	<b>140</b>
Greater Gabbard	Fluor Ltd	2009-10	<b>93</b>
Cometa	Red Eléctrica de España	2008-11	<b>119</b>
Trans Bay	Trans Bay Cable LLC	2008-10	<b>\$125m</b>
Sa.Pe.I	Terna	2006-10	<b>418</b>
Neptune	Neptune RTS	2005-07	<b>159</b>
GCC Saudi - Bahrain	Gulf Coop. Council Inter. Aut.	2006-10	<b>132</b>
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

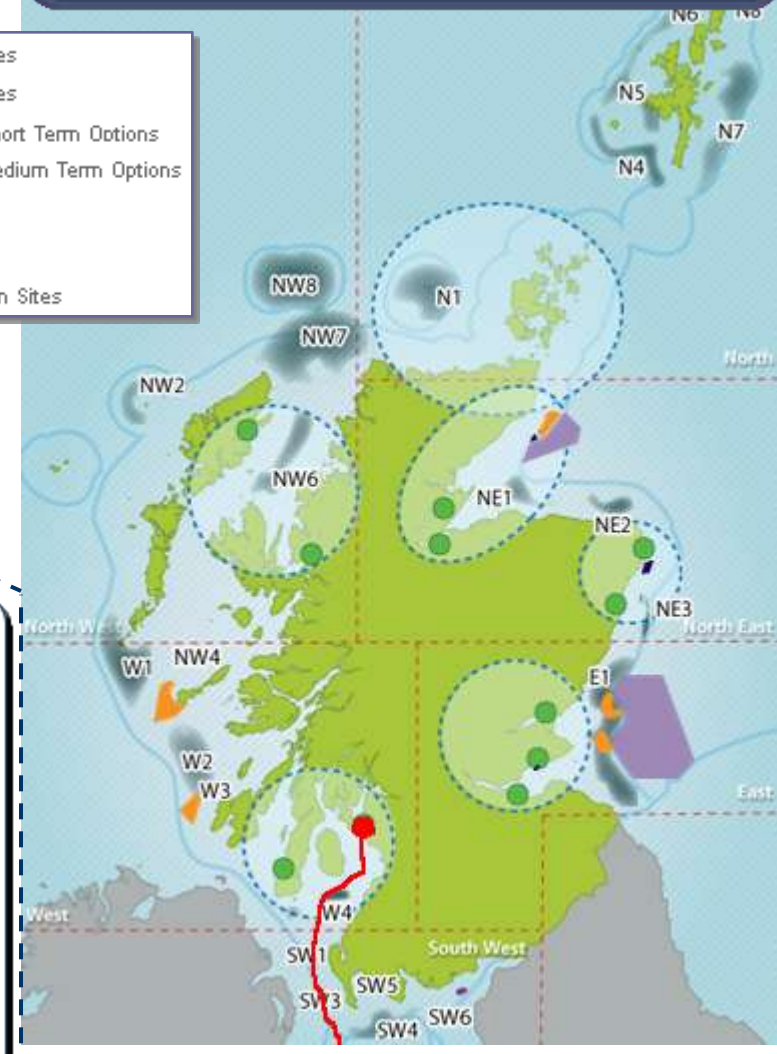
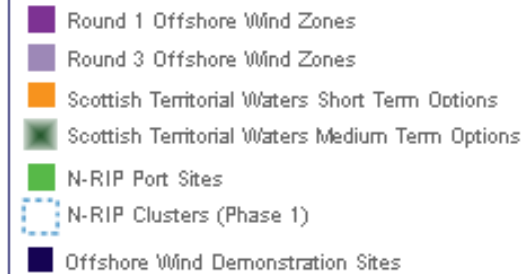
## Western Link route



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

## 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



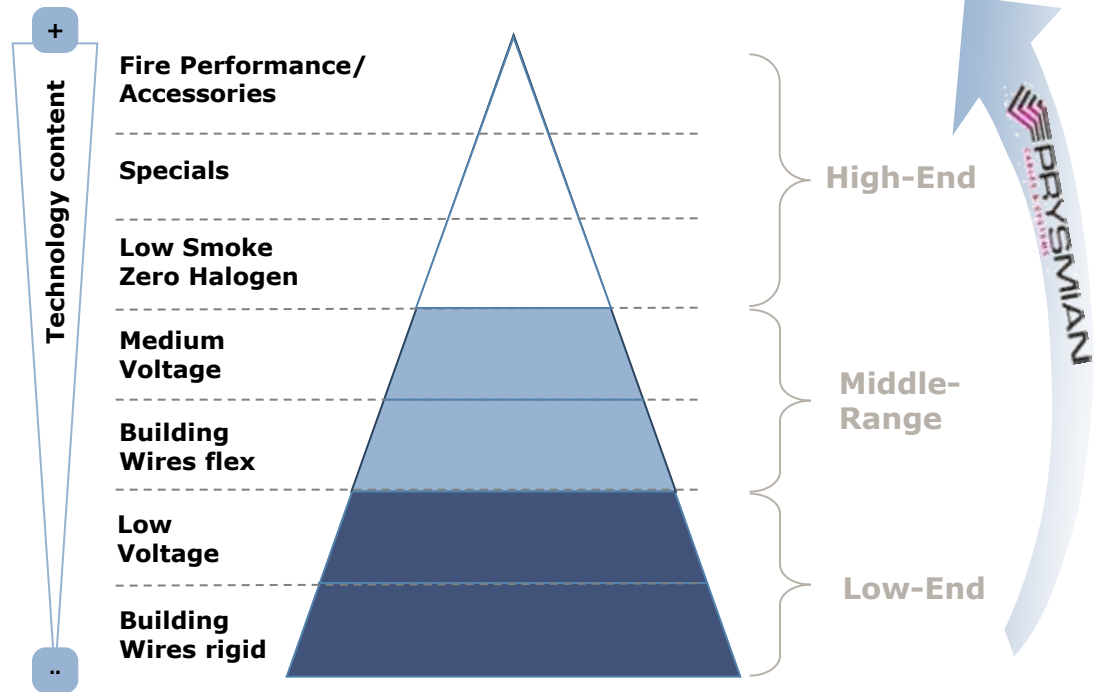
## Key success factors

- 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



## 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

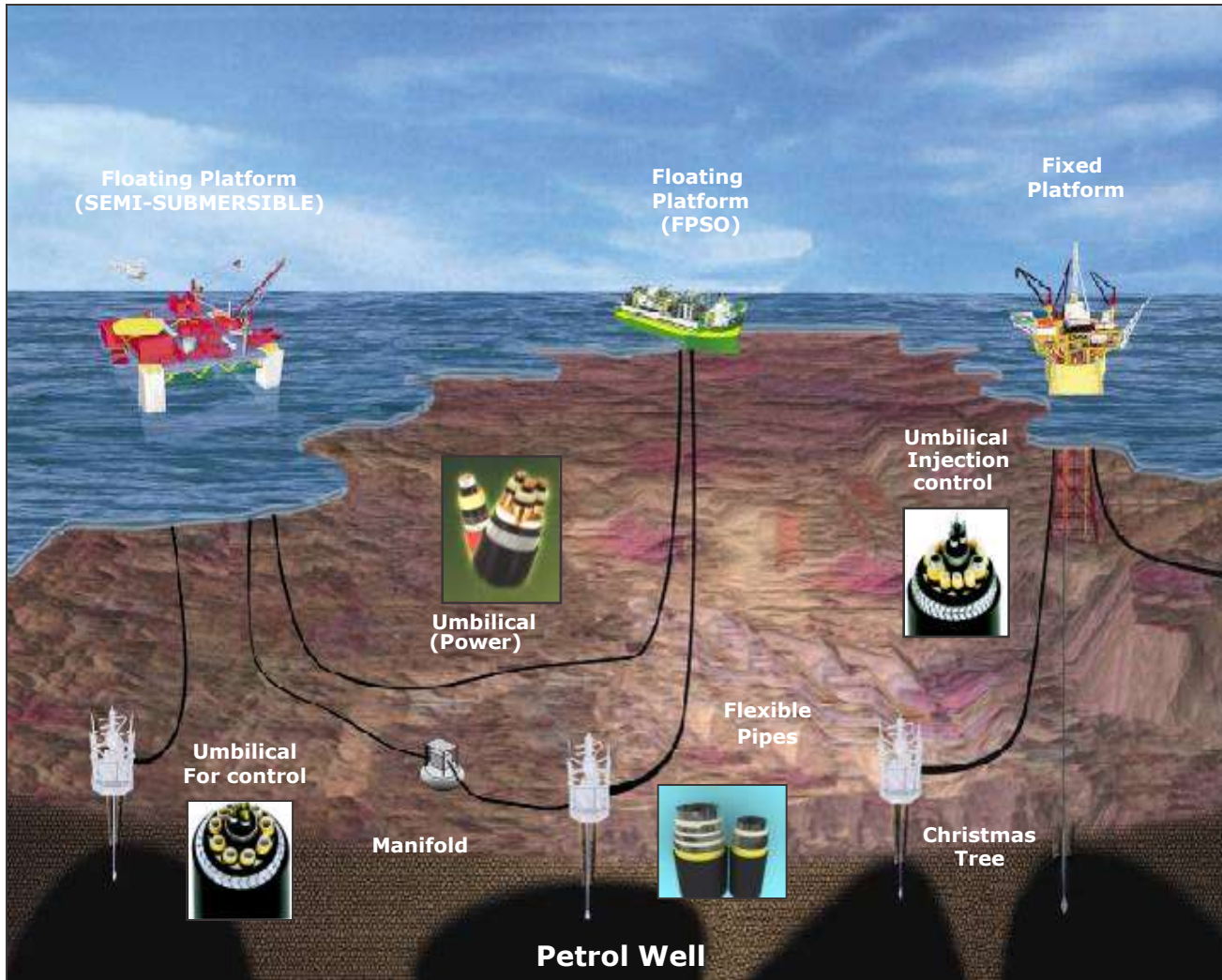
## Key customers

Large and differentiated customer base generally served through direct sales



# Industrial – Off-shore oil exploration

## Oilfield structure

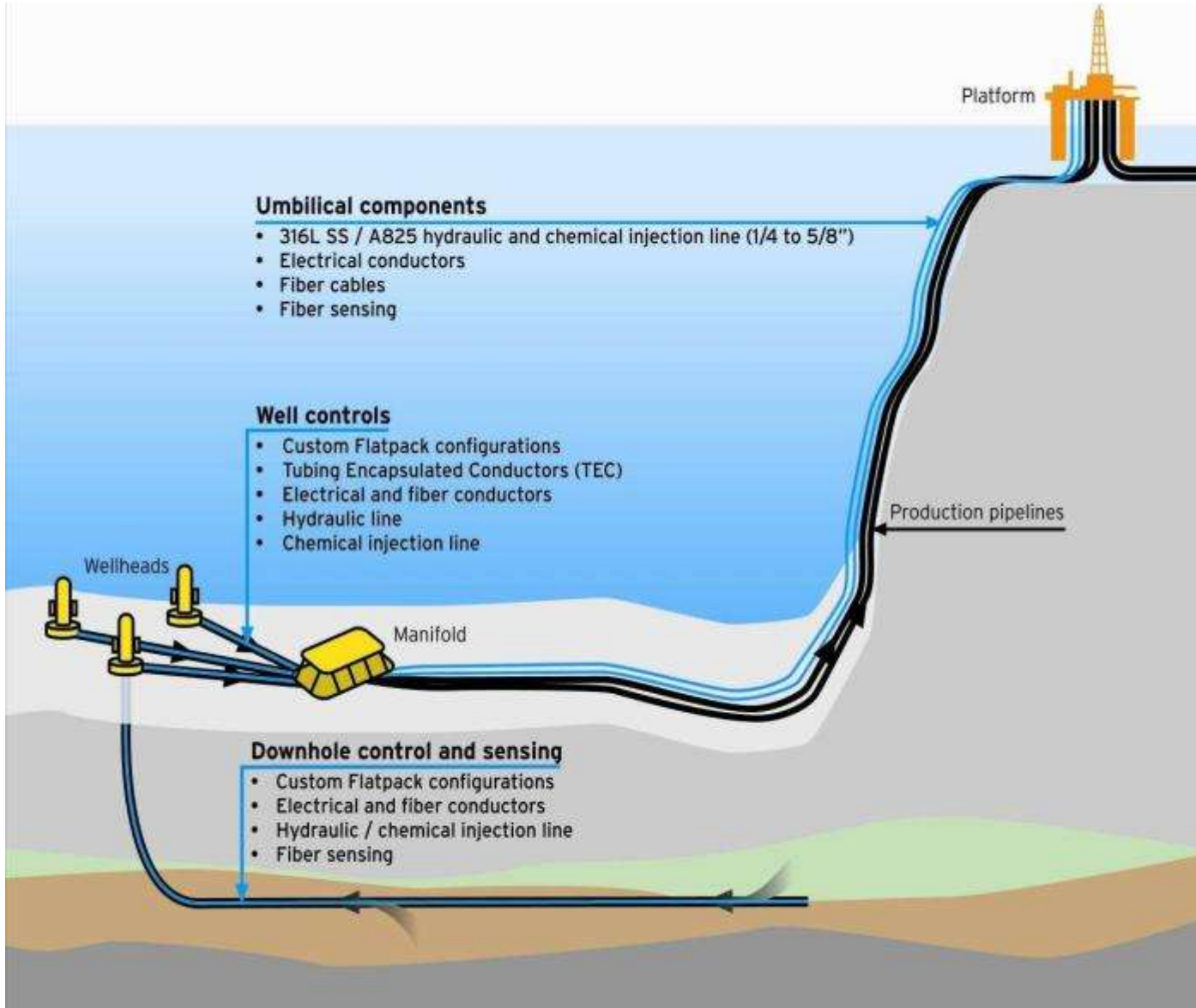


### Flexible Pipes



# 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



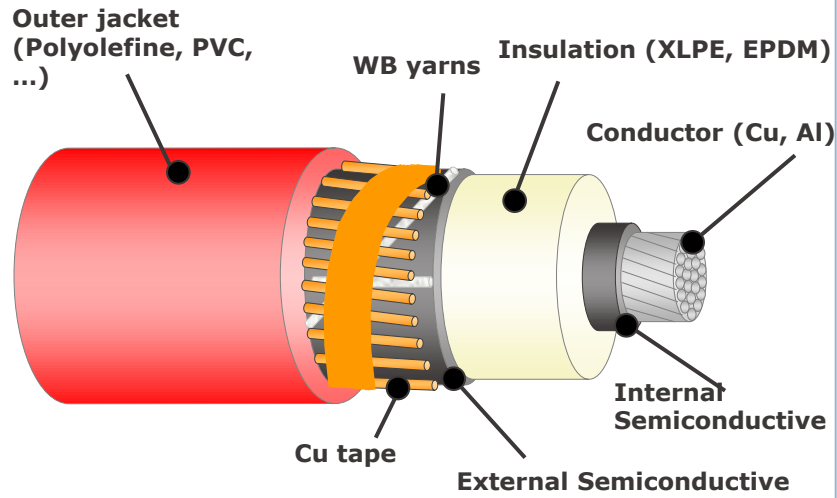
GAS & FLUID TUBING



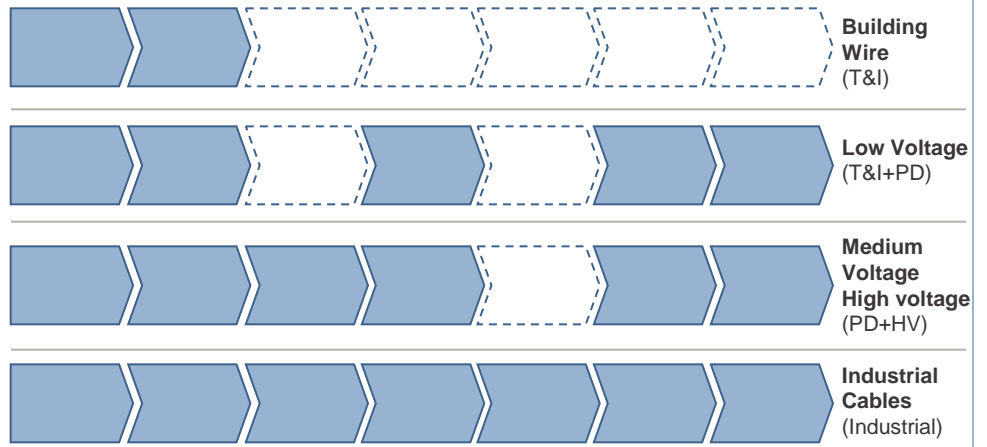
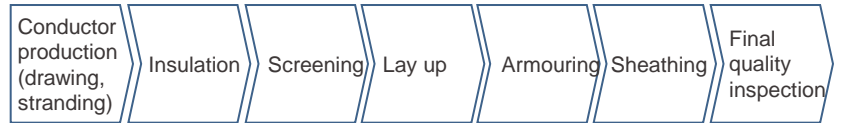
PACKAGED GAS & FLUID TUBING

# Macro-structure of Energy Cables

## Product macro structure



## Production process

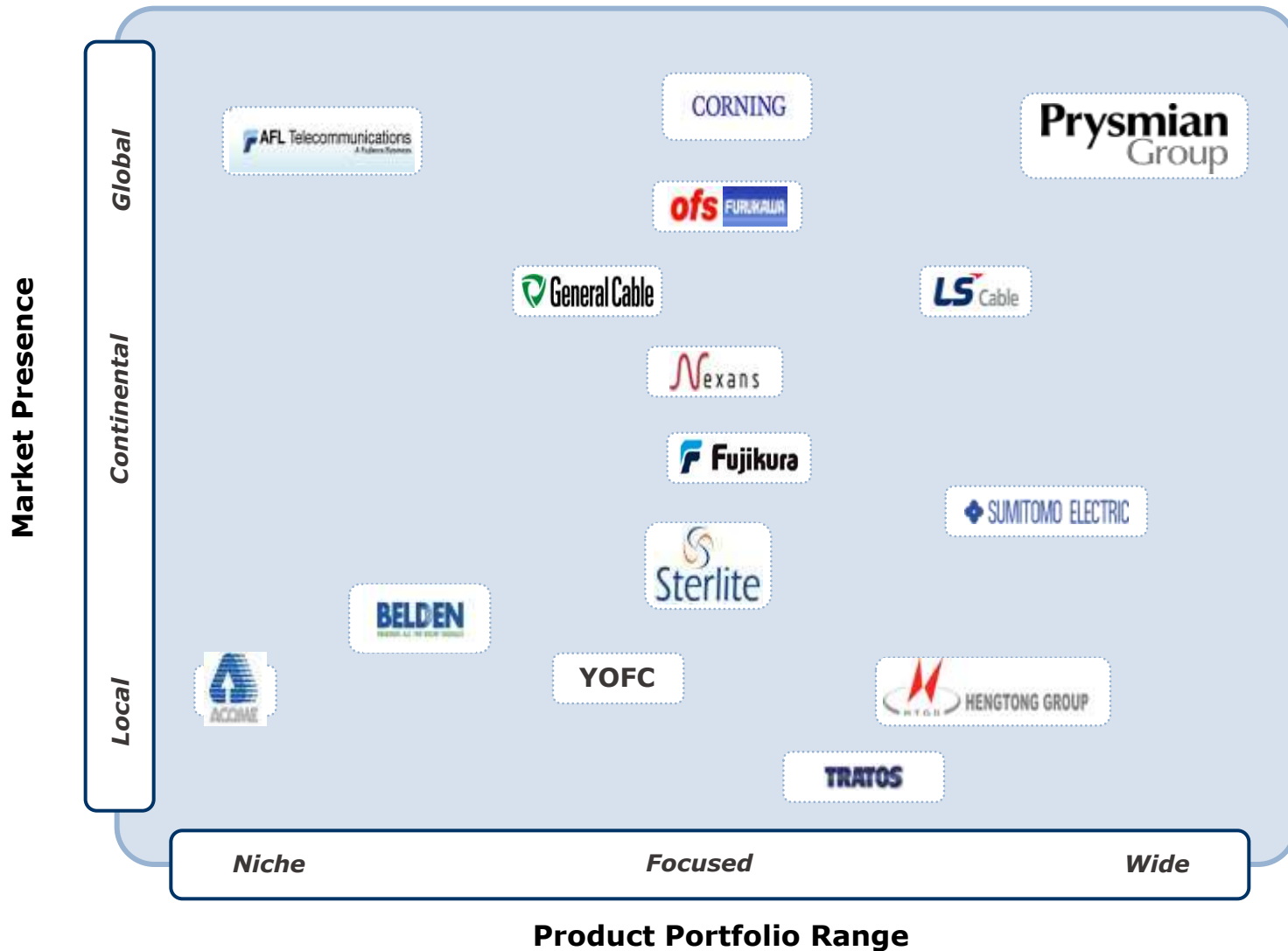




- Group Overview & 2013 Outlook
- Draka integration
- Financial Results
- Appendix – Telecom

# Major Players within the Telecom Industry

Competitive scenario



## 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

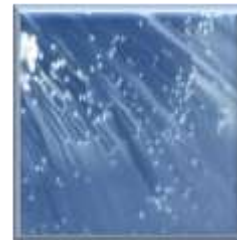
Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



### 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

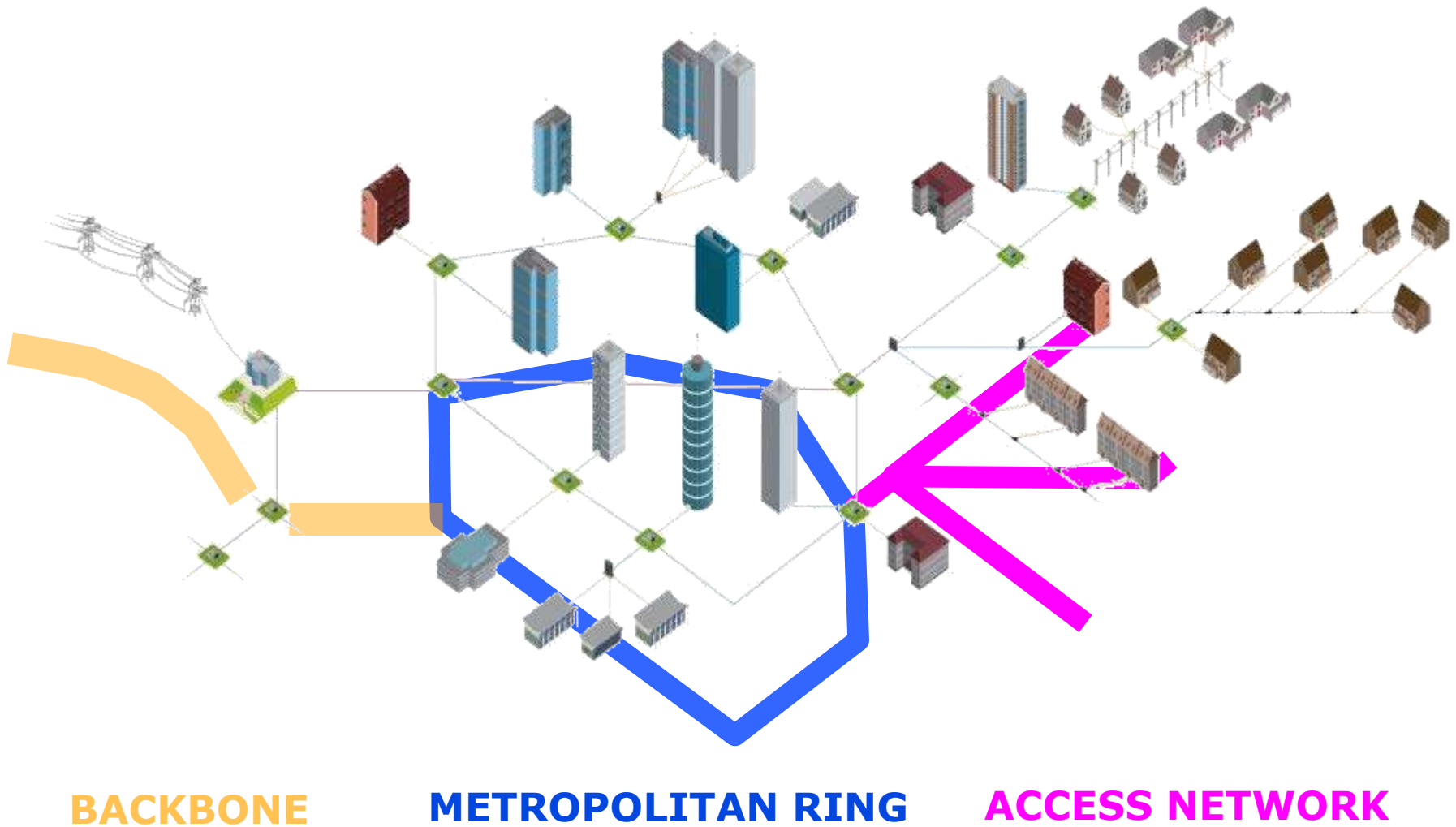
### Strategic value of fibre

- 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

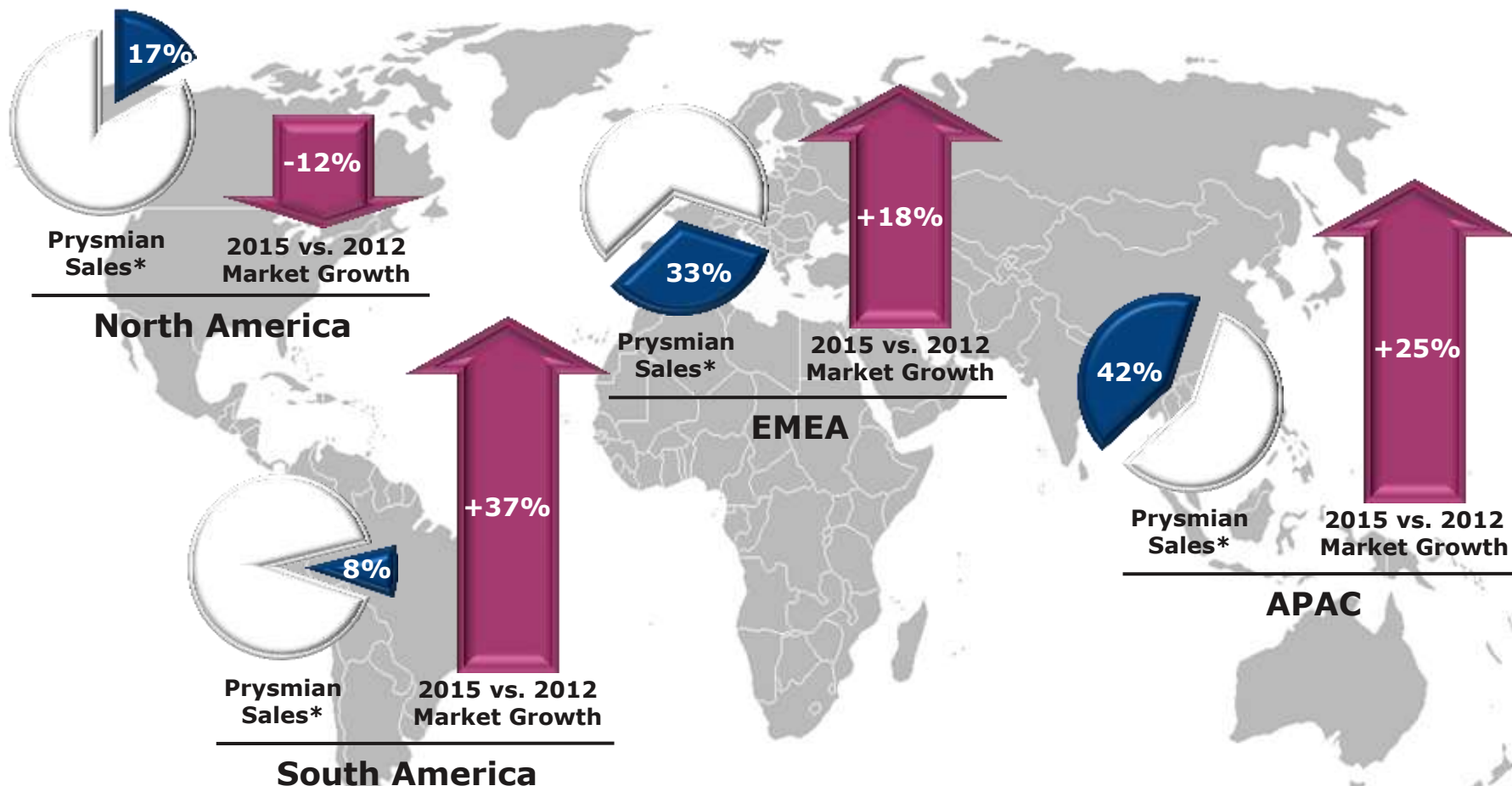
# Telecom Cables Main Applications



# Telecom – Solid drivers in optical confirmed despite weak 2013

Growing investments expected in South America, EMEA and APAC

## Global optical cables demand



\* % calculated on LTM 9M'13 Sales of Optical, Connectivity & Fiber + JVs (LTM 9M'13 total sales approx. € 0.8bn)

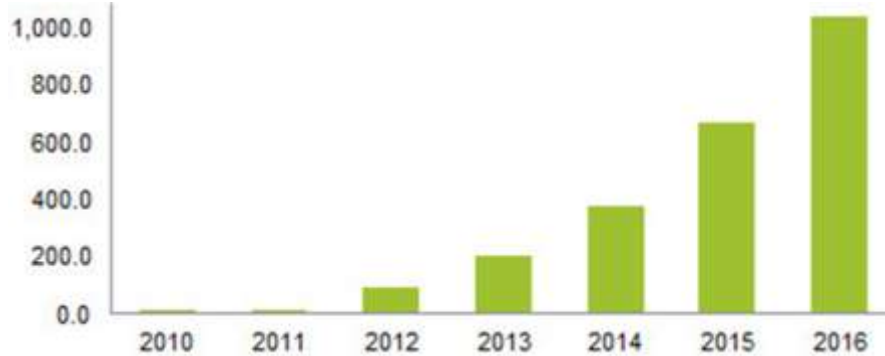
Source: CRU, October 2013

# 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



- 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

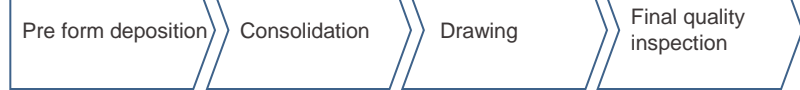
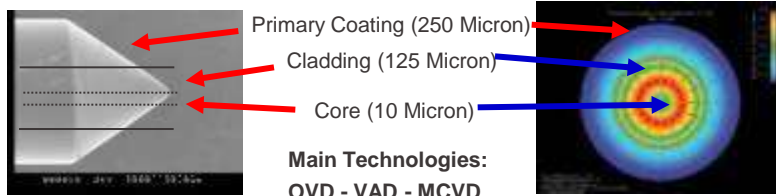


# Macro-structure of Telecom Cables

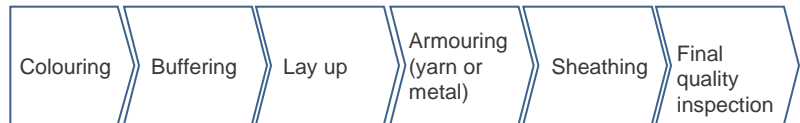
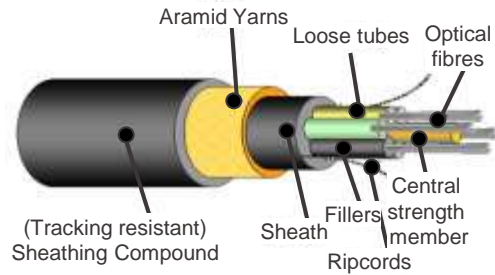
## Product macro structure

## Production process

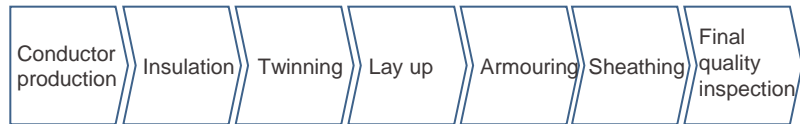
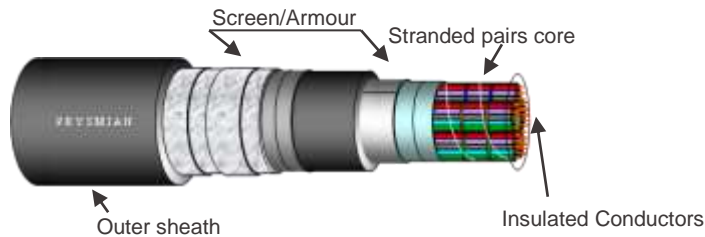
### Fibre optic



### Optical cables



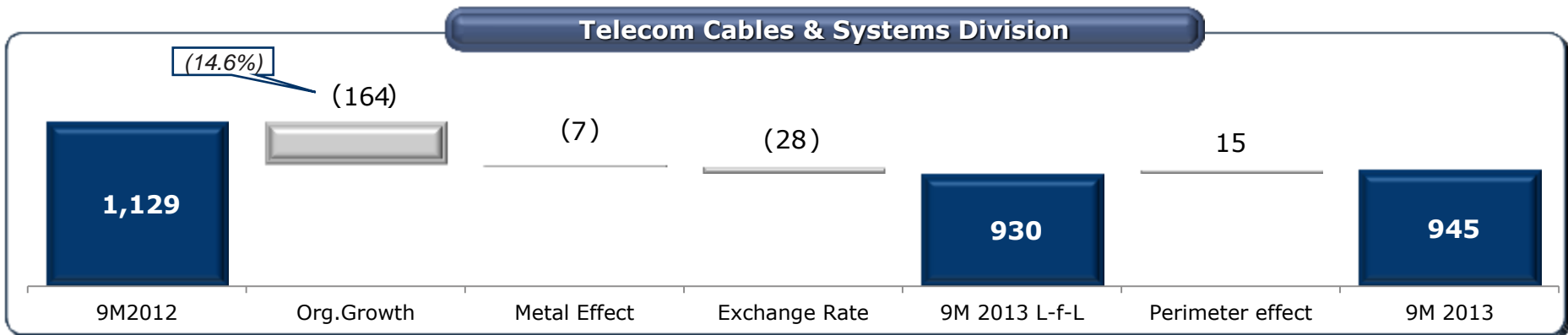
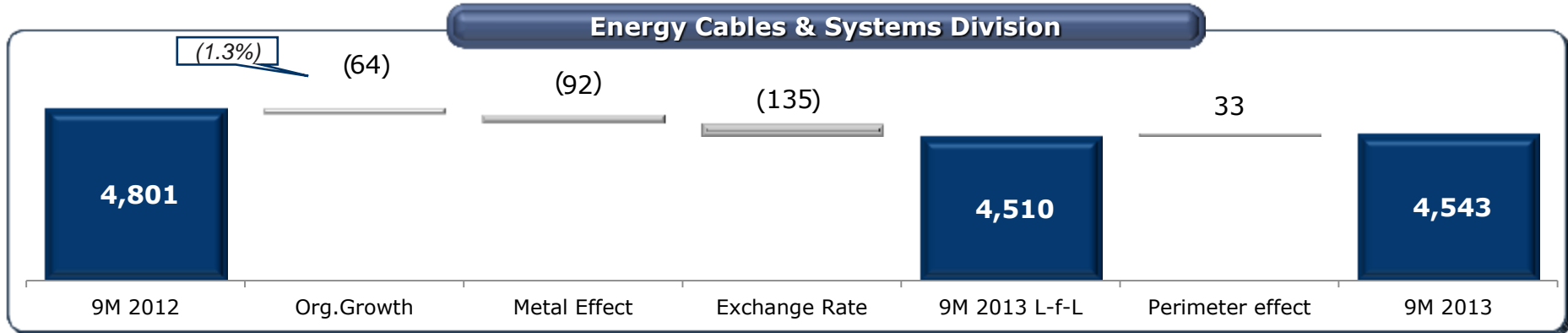
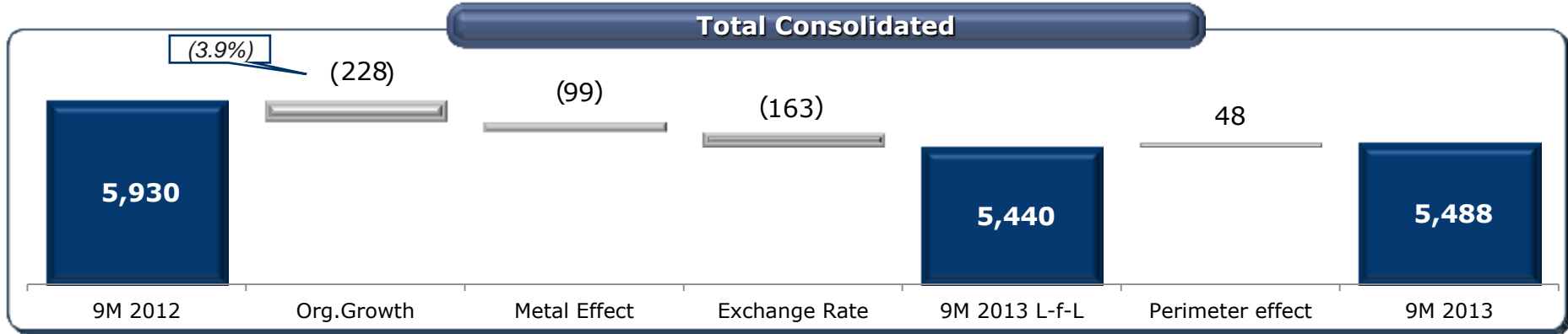
### Copper cables



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# Bridge Consolidated Sales

Euro Millions



# Energy Segment – Profit and Loss Statement

Euro Millions

	9M 2013	9M 2012	FY 2012
<b>Sales to Third Parties</b>	<b>4,543</b>	<b>4,801</b>	<b>6,382</b>
<i>YoY total growth</i>	<i>(5.4%)</i>		
<i>YoY organic growth</i>	<i>(1.3%)</i>		
<b>Adj. EBITDA</b>	<b>353</b>	<b>348</b>	<b>487</b>
<i>% on sales</i>	<i>7.8%</i>	<i>7.3%</i>	<i>7.6%</i>
<b>Adj. EBIT</b>	<b>275</b>	<b>268</b>	<b>379</b>
<i>% on sales</i>	<i>6.0%</i>	<i>5.6%</i>	<i>5.9%</i>

# Energy Segment – Sales and Profitability by business area

Euro Millions, % on Sales

	9M 2013	9M 2012	Total growth	Organic growth	
<b>Sales to Third Parties</b>	Utilities	1,650	(1.7%)	(0.8%)	
	Trade & Installers	1,471	(11.0%)	(5.1%)	
	Industrial	1,340	1,371	(2.3%)	3.0%
	Others	82	99	n.m.	n.m.
	<b>Total Energy</b>	<b>4,543</b>	<b>4,801</b>	<b>(5.4%)</b>	<b>(1.3%)</b>
<b>Adj. EBITDA</b>	Utilities	192	185	11.7%	11.0%
	Trade & Installers	61	62	4.1%	3.7%
	Industrial	97	101	7.2%	7.3%
	Others	3	-	n.m.	n.m.
	<b>Total Energy</b>	<b>353</b>	<b>348</b>	<b>7.8%</b>	<b>7.3%</b>
<b>Adj. EBIT</b>	Utilities	162	159	9.8%	9.3%
	Trade & Installers	41	41	2.8%	2.5%
	Industrial	71	70	5.3%	5.1%
	Others	1	(2)	n.m.	n.m.
	<b>Total Energy</b>	<b>275</b>	<b>268</b>	<b>6.0%</b>	<b>5.6%</b>

# Telecom Segment – Profit and Loss Statement

Euro Millions

	9M 2013	9M 2012	FY 2012
<b>Sales to Third Parties</b>	<b>945</b>	<b>1,129</b>	<b>1,466</b>
<i>YoY total growth</i>	<i>(16.3%)</i>		
<i>YoY organic growth</i>	<i>(14.6%)</i>		
<b>Adj. EBITDA</b>	<b>91</b>	<b>120</b>	<b>160</b>
<i>% on sales</i>	<i>9.7%</i>	<i>10.6%</i>	<i>10.9%</i>
<b>Adj. EBIT</b>	<b>54</b>	<b>81</b>	<b>104</b>
<i>% on sales</i>	<i>5.7%</i>	<i>7.3%</i>	<i>7.1%</i>

# Financial Structure

Euro Millions

## Debt structure (€m)

	30.09.13	30.06.13	31.12.12
Term Loan	184	184	670
Revolving Credit Facility	75	-	-
Eurobond 5.25%	408	403	413
Convertible bond 1.25%	261	260	-
Securitization	-	116	75
Term Loan 2011	400	400	400
Revolving 2011	75	-	-
Other Debt	279	382	290
<b>Total Gross Debt</b>	<b>1,682</b>	<b>1,745</b>	<b>1,848</b>
Cash & Cash equivalents	(321)	(386)	(812)
Other Financial Assets	(104)	(99)	(97)
<b>NFP Vs third parties</b>	<b>1,257</b>	<b>1,260</b>	<b>939</b>
Bank Fees	(11)	(12)	(21)
<b>NFP</b>	<b>1,246</b>	<b>1,248</b>	<b>918</b>

## 30.09.2013 (€m)

	Used	Available Funds <sup>(2)</sup>	Maturity
Term Loan	184	-	12/2014
Revolving Credit Facility	75	321	12/2014
Eurobond 5.25%	408	-	04/2015
Convertible bond 1.25%	261	-	03/2018
Securitization	-	-	-
Term Loan 2011	400	-	03/2016
Revolving 2011	75	325	03/2016
Other Debt	279	-	-
<b>Total Gross Debt</b>	<b>1,682</b>	<b>646</b>	<b>2.2 y <sup>(1)</sup></b>
Cash & Cash equivalents	(321)	321	
Other Financial Assets	(104)	80	
<b>NFP Vs third parties</b>	<b>1,257</b>	<b>1,047</b>	

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

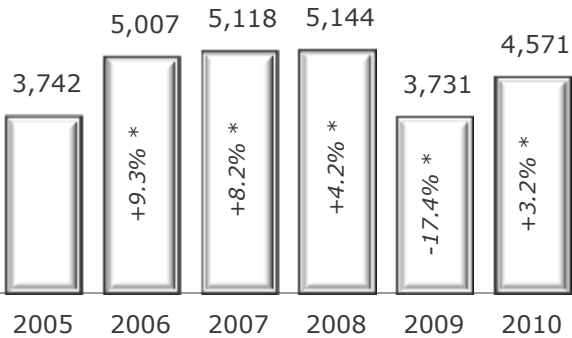
(2) Defined as Cash and Unused committed credit lines

Note: Compound average spread on used committed credit lines equal to 2.1%

# Prysmian Historical Key Financials

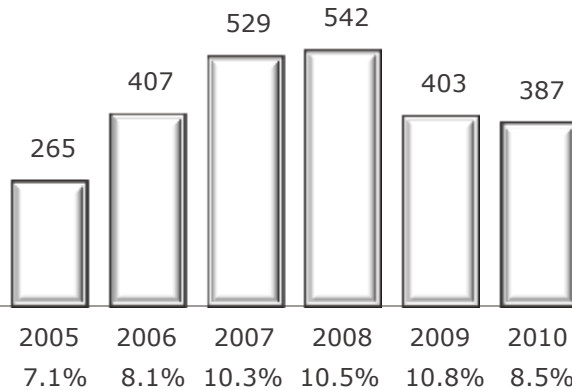
Euro Millions, % of Sales – Pre Draka acquisition

## Sales

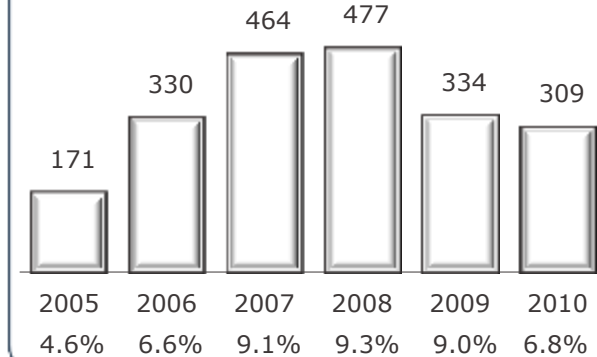


\* Organic Growth

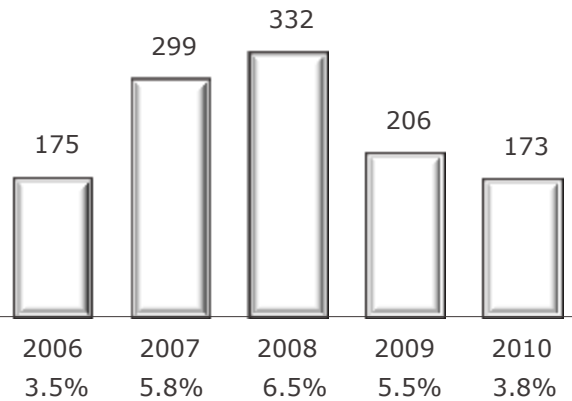
## Adjusted EBITDA (1)



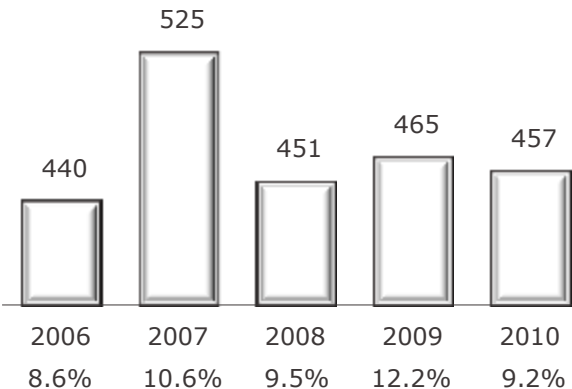
## Adjusted EBIT (2)



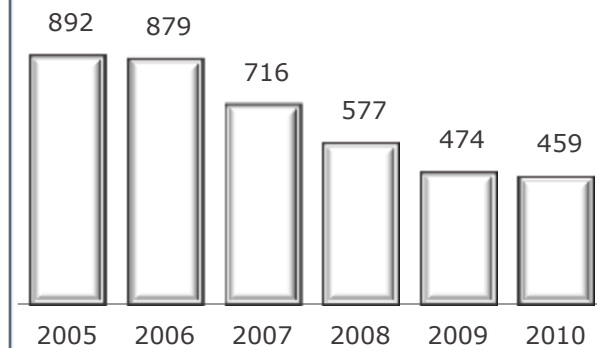
## Adjusted Net Income (3)



## Operative NWC (4)



## Net Financial Position



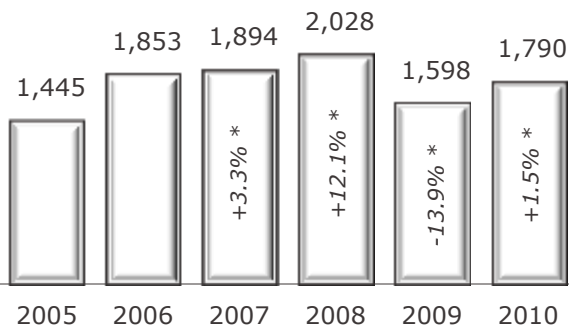
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair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

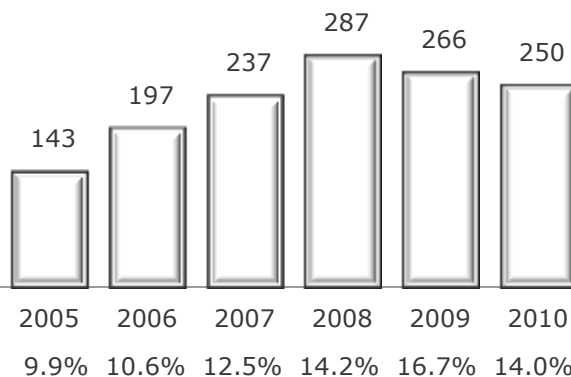
Euro Millions, % of Sales – Pre Draka acquisition

## Sales Vs Third Parties

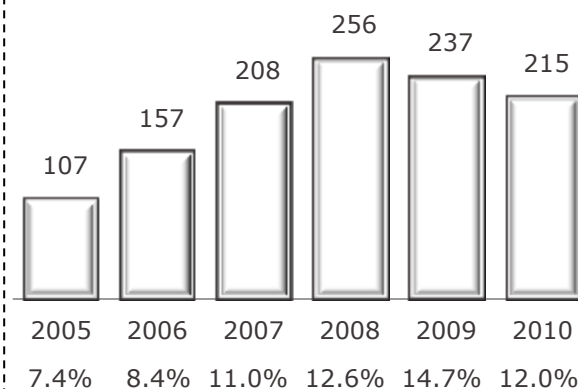


\* Organic Growth

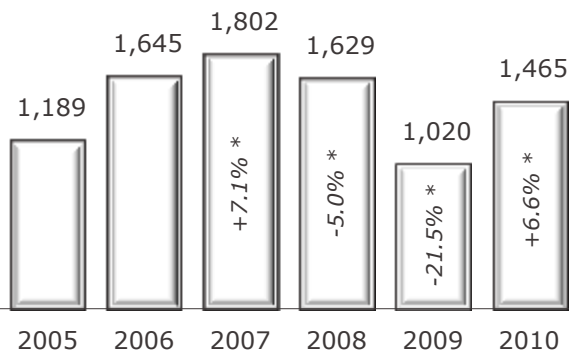
## Adjusted EBITDA (1)



## Adjusted EBIT (2)

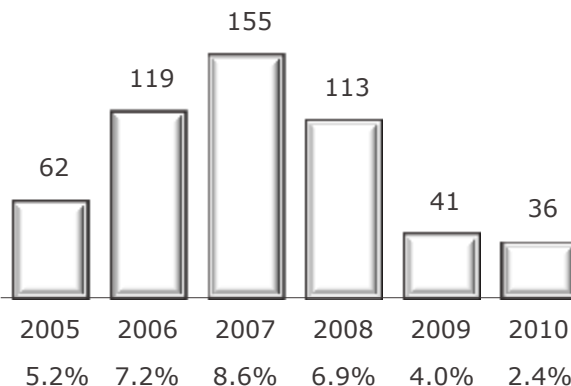


## Sales Vs Third Parties

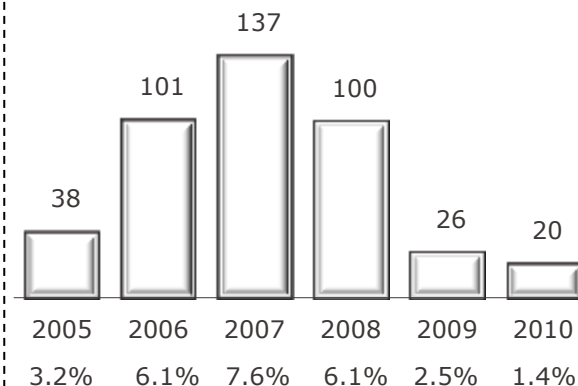


\* Organic Growth

## Adjusted EBITDA (1)



## Adjusted EBIT (2)



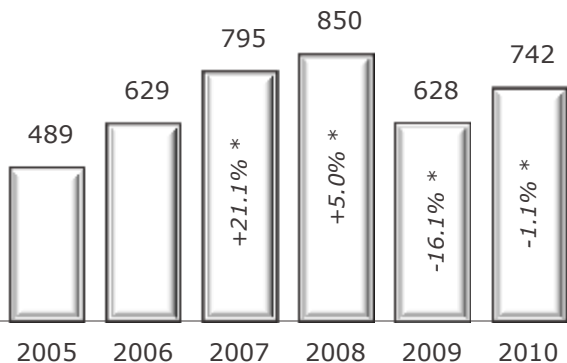
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

# Historical Key Financials by Business Area – Industrial and Telecom

Euro Millions, % of Sales – Pre Draka acquisition

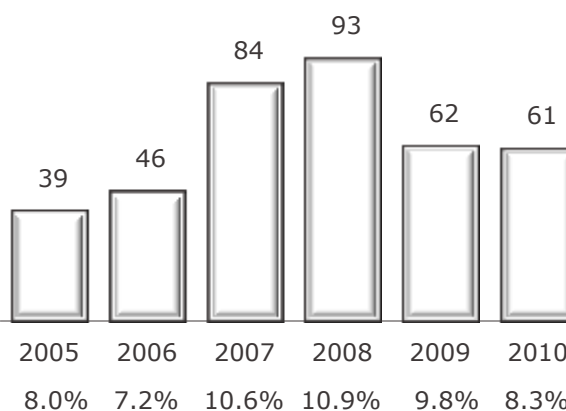
Industrial

## Sales Vs Third Parties

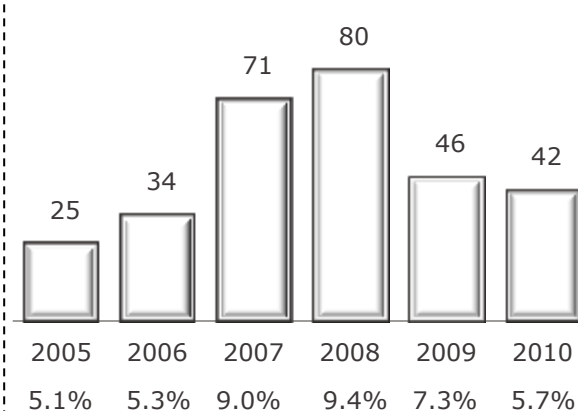


\* Organic Growth

## Adjusted EBITDA (1)

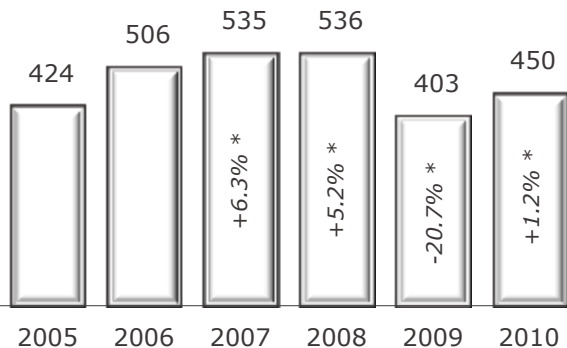


## Adjusted EBIT (2)



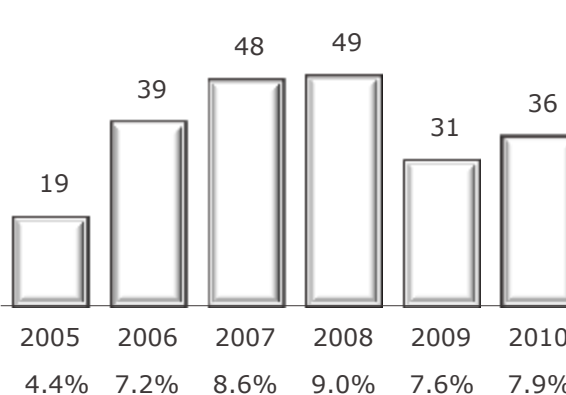
Telecom

## Sales Vs Third Parties

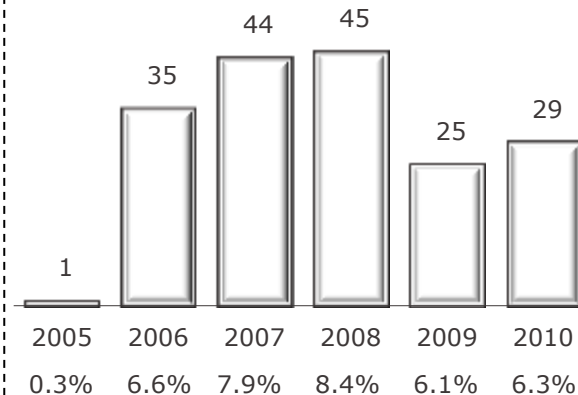


\* Organic Growth

## Adjusted EBITDA (1)



## Adjusted EBIT (2)



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

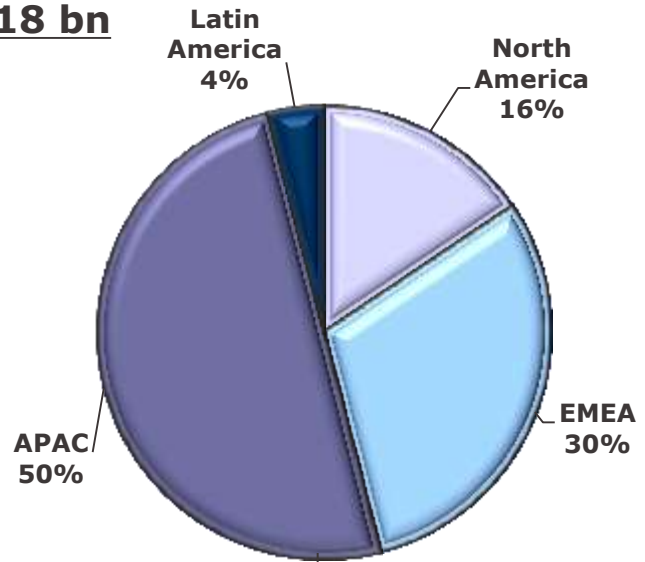
- Group Overview & 2013 Outlook
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- Appendix – Cable Industry Reference Market

# The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2012

## 2012 Global Cables Reference Market

**€ 118 bn**



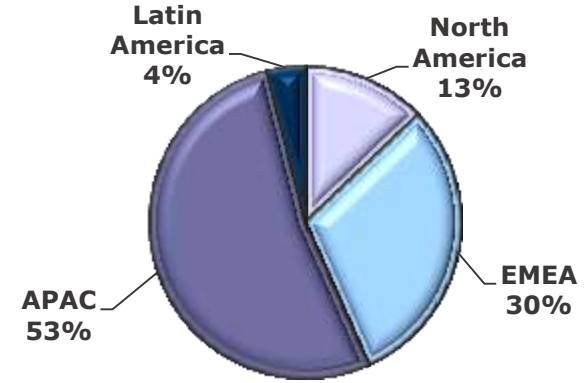
**Energy Cables Reference Market**  
~€94bn

- Trade and Installers
- Utilities
- Industrial

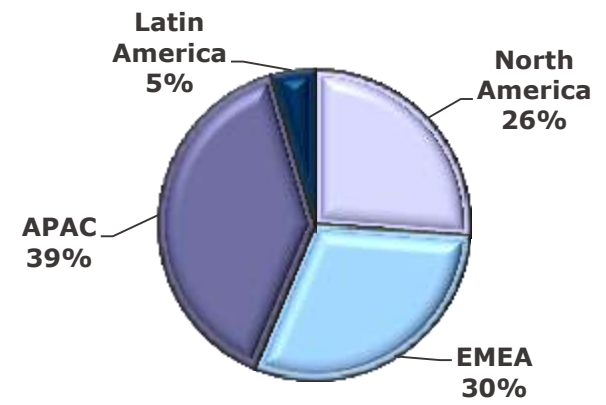
**Telecom Cables Reference Market**  
~€24bn

- Optical cables and fiber
- Copper Cables
- MMS

## Energy Cables Reference Market (~€94bn)



## Telecom Cables Reference Market (~€24bn)

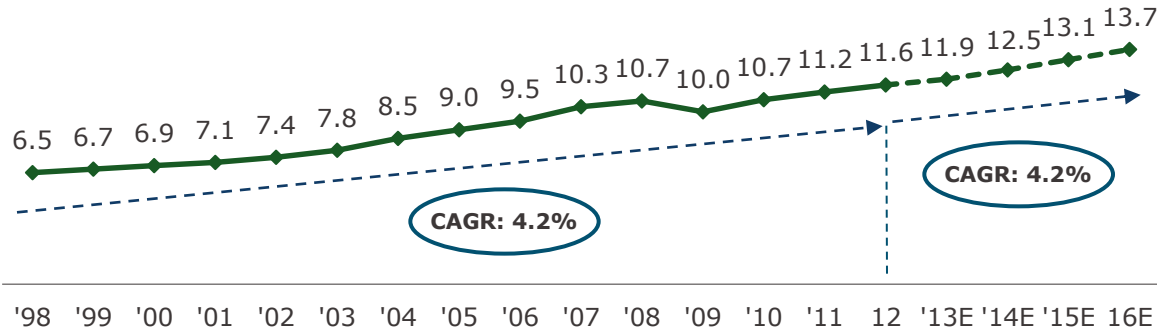


Source: Company analysis based on CRU data – October 2013. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for energy business). Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre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

# Market Volumes Trend

## Energy Cables Reference Market

Million Tons Conductor

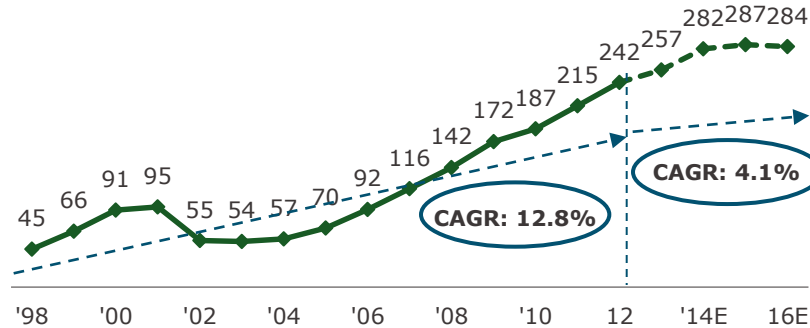


- Long term growth driven by:
  - Energy consumption
  - Investments in power grid interconnections
  - Investments in power transmission and distribution
  - Infrastructure investments
  - Renewable energy

## Telecom Cables Reference Market

### Optical Fiber Cables

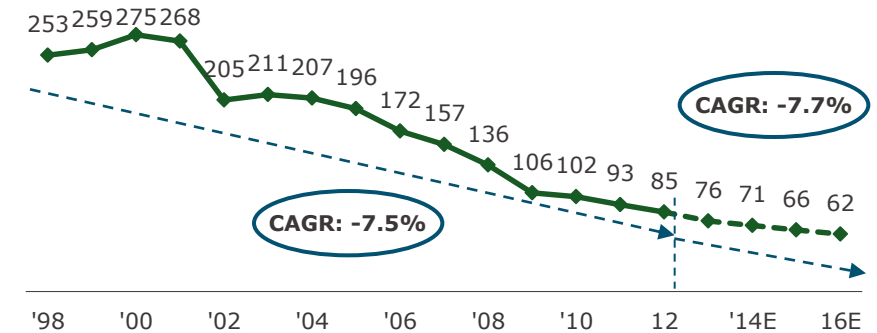
Million Km Fibre



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

### Copper Cables

Million Km Pair



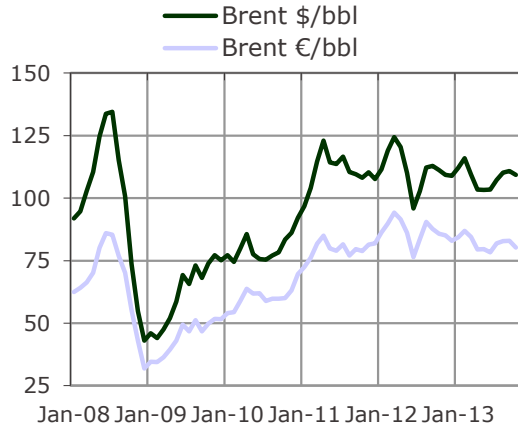
Steady decline of copper cables expected to continue

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

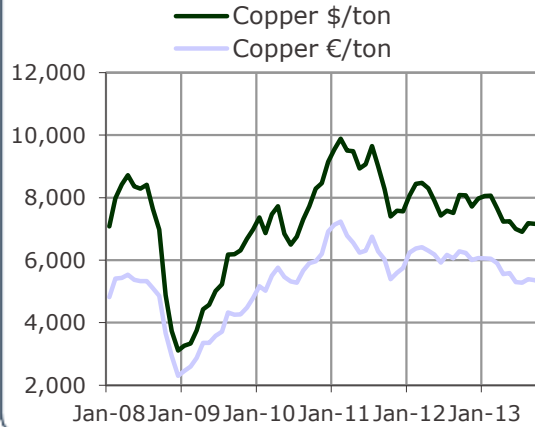
# Reference Scenario

## Commodities & Forex

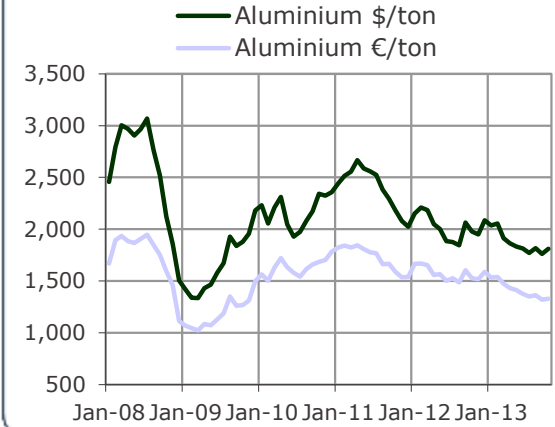
### Brent



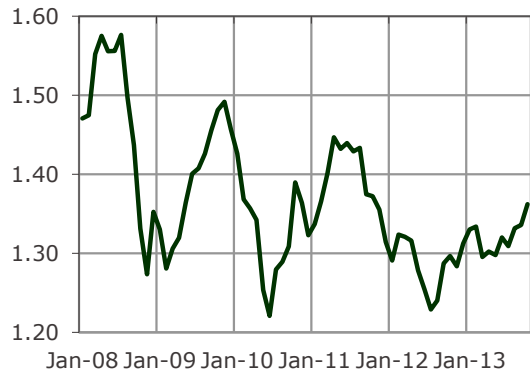
### Copper



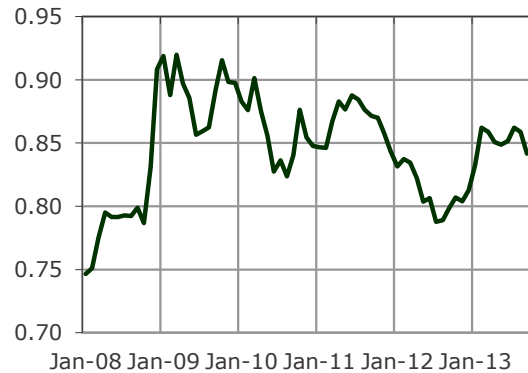
### Aluminium



### EUR / USD



### EUR / GBP



### EUR / BRL



Based on monthly average data  
Source: Thomson Reuters

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