

# Company Presentation

Banca Akros Workshop 2012

Sicily - June 22nd, 2012



WORLDWIDE  
SUPPORTING GLOBAL UTILITIES IN THE DEVELOPMENT  
PLATFORM TO ENHANCE  
PRODUCT OFFERING  
ENERGY

**Prysmian**  
Group



# AGENDA

## ➤ Group Overview & 2012 Outlook

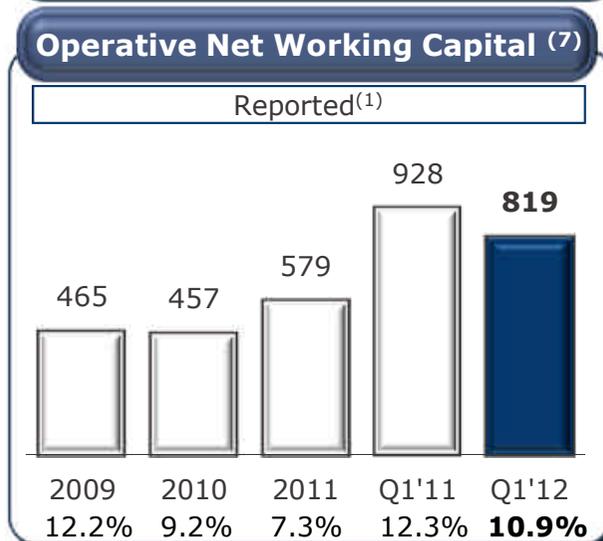
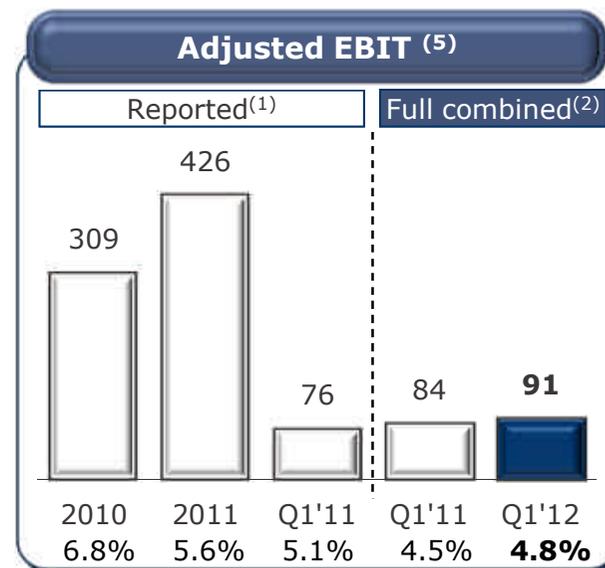
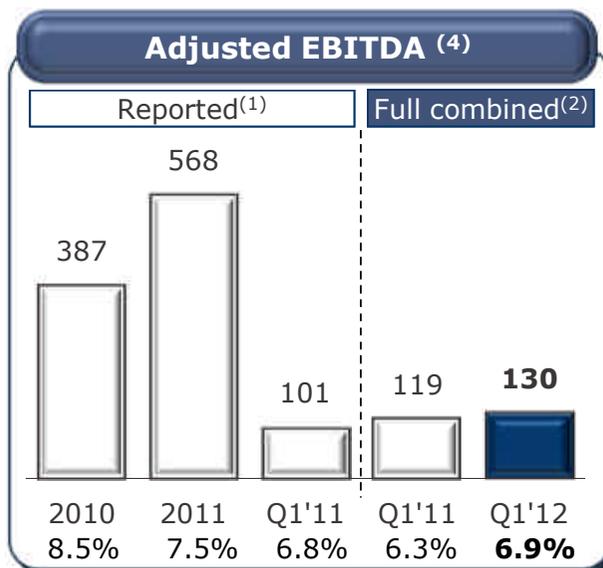
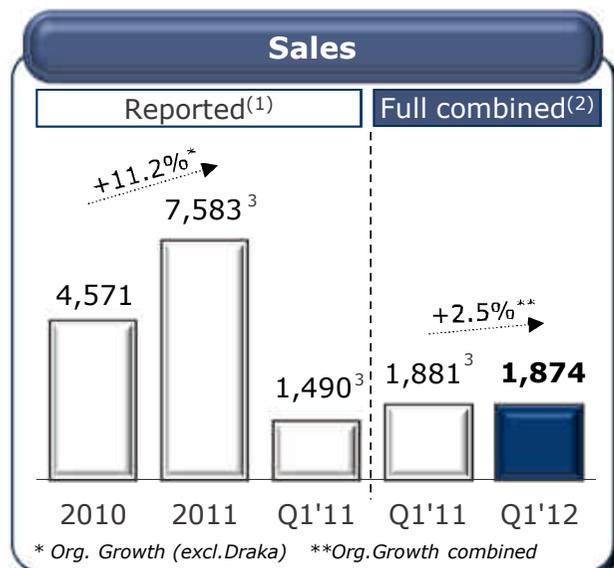
➤ Draka integration

➤ Financial Results

➤ Appendix

# Q1 2012 Key Financials

Euro Millions, % on Sales

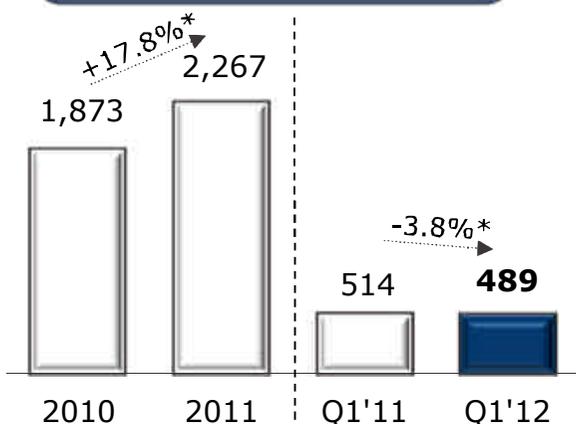


(1) Reported figures include Draka Group's results since 1 March 2011; (2) Full combined figures include Draka Group's results for the period 1 January - 31 March; (3) Includes consolidation adjustments; (4) Adjusted excluding non-recurring income/expenses; (5) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (6) 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; (7) Operative Net Working capital defined as NWC excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

# Utilities

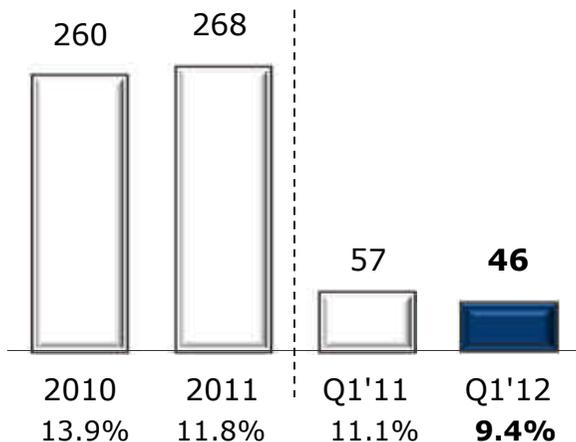
Euro Millions, % of Sales – Full Combined Results

## Sales to Third Parties



\* Organic Growth  
 Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

## Adjusted EBITDA (1)



(1) Adjusted excluding non-recurring income/expenses  
 Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

## Highlights

### DISTRIBUTION

- Lower volume due to weak demand in key European countries. Continuous positive trend in other geographical areas
  - Positive volume trend in Nordic countries partially offset lower demand in Central and South of Europe
  - Volume and profitability recovery in North America
  - Growing demand in Brazil
- Stable profitability at bottom level despite negative impact from raw material prices and difficult price recovery

### TRANSMISSION – HV

- Margins impacted by projects awarded in 2009/10 at competitive price
- Stable demand with higher competition on low-end technology projects
- Low contribution in Q1 expected to be recovered mainly in H2
- European interconnections and renewables as key drivers of demand and profitability improvement

### TRANSMISSION – Submarine

- Continuous strong demand with new interconnections and off-shore wind-farms projects to be awarded next quarters
- Renewables:
  - Germany confirmed as key driver
  - UK and France preparing large capex plans for next years
- Ongoing capacity increase to maintain leadership position in a growing market

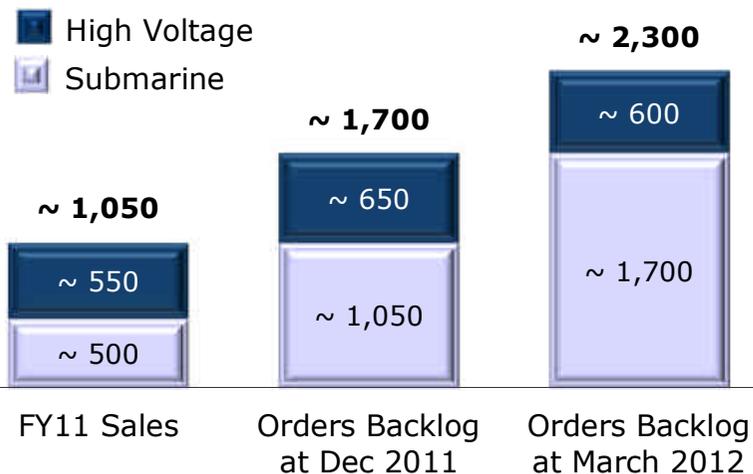
Low contribution from HV and Submarine in Q1 (due to projects phasing) to be recovered mainly in H2

# Utilities – Record visibility on current Order-book

Capacity increase in submarine to support sales growth next years

## Strong increase in transmission Orders Backlog to support margins recovery in Utilities

Adj. EBITDA 2011 Combined



## Leader in all submarine applications with largest production capabilities

New capacity to support wind off-shore growth

Capacity increase planned

Pikkala (Finland)



High Voltage

Drammen (Norway)



Inter-array Medium Voltage

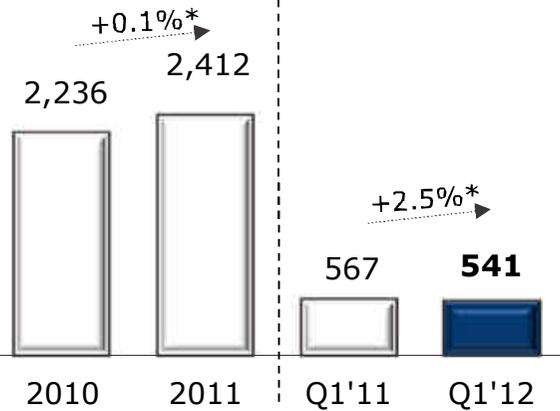
Arco Felice (Italy)



# Trade & Installers

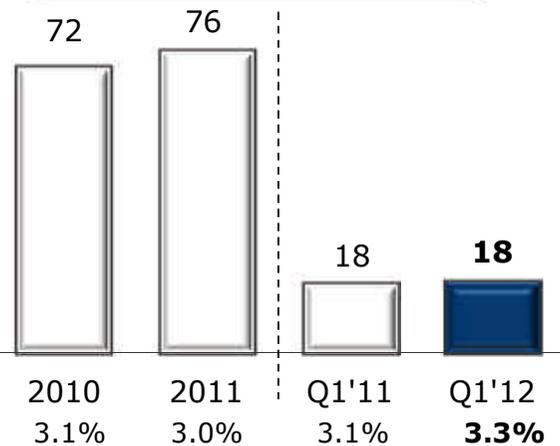
Euro Millions, % of Sales – Full Combined Results

## Sales to Third Parties



\* Organic Growth  
Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

## Adjusted EBITDA (1)

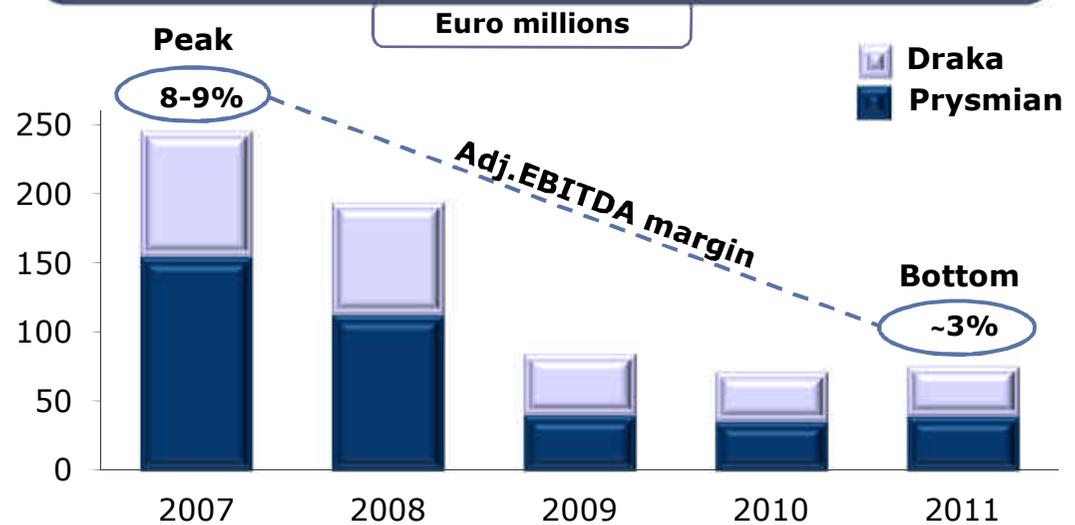


(1) Adjusted excluding non-recurring income/expenses  
Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

## Highlights

- Minor recovery in demand driven by extra-European countries
  - Europe: lower volumes in Central and South Europe partially offset by slight improvement in Eastern Europe, Nordics and UK
  - Improving volumes and profitability in North America also due to very low comparable basis
  - Growing construction activity in South America and Asia expected to continue
- Keeping strong focus on working capital and cash generation

## Adj.EBITDA<sup>a)</sup> evolution from peak to bottom

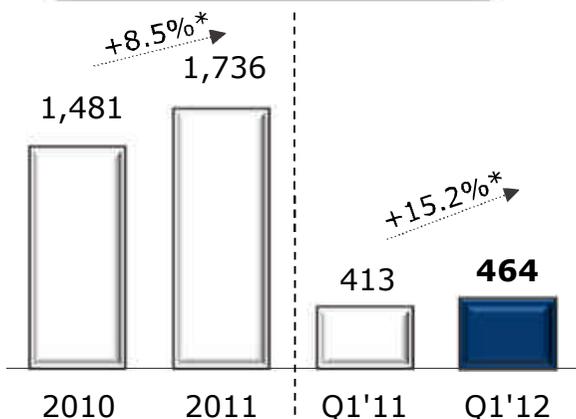


a) 2007-2009: T&I business for Prysmian and E&I business for Draka; 2010-2011 T&I for both Prysmian and Draka as reclassified according to Prysmian accounting

# Industrial

Euro Millions, % of Sales – Full Combined Results

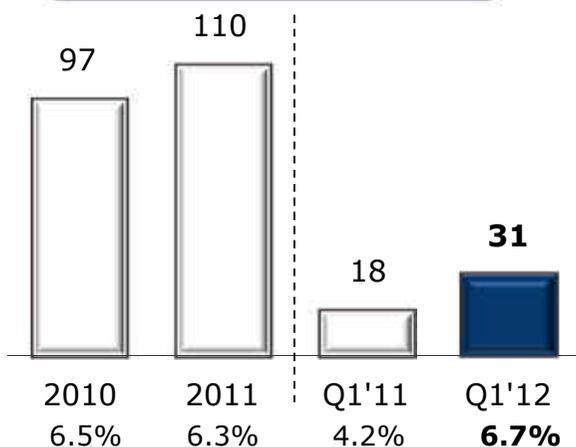
## Sales to Third Parties



\* Organic Growth

Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

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



(1) Adjusted excluding non-recurring income/expenses

Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

## Highlights

### OGP

- Strong oil Offshore demand driving increase in sales and profitability. Better capacity saturation in Norway and China driven by positive trend in North Sea and Asian markets

### SURF

- Increasing contribution in line with plans
  - **Flexible pipes** Q1 sales over €10m with a growing order-book expected from H2 also driven by 6.0" qualification
  - **Umbilicals**: expected short term volume reduction due to Petrobras installation backlog. First orders from West Africa
  - Higher volume in **DHT** thanks to US and North Sea; first deliveries to Petrobras from Q2

### Renewable

- Sound organic growth achieved in Q1 expected to be confirmed next quarters leveraging on extra-European markets (China, Australia and India)

### Automotive

- Stable European demand sustained by Germany, Eastern Europe and Nordics. Growing trend in Apac, North and South America

### Elevator

- Positive sales and profitability trend due to demand recovering in the main US market and higher volume in China and South America

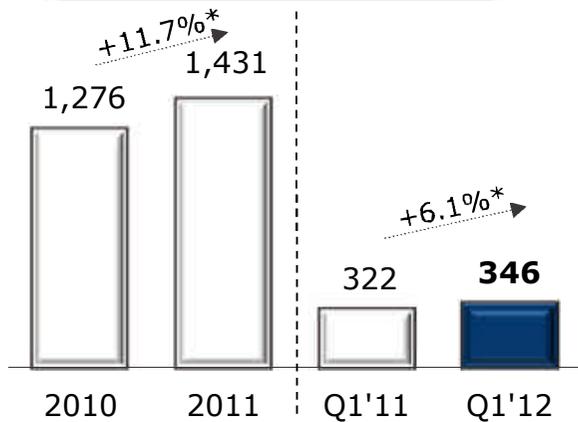
### Specialties & OEM

- Growing order-book in Emerging markets (Asia and Australia) and North America. Weaker demand in Europe

# Telecom

Euro Millions, % of Sales – Full Combined Results

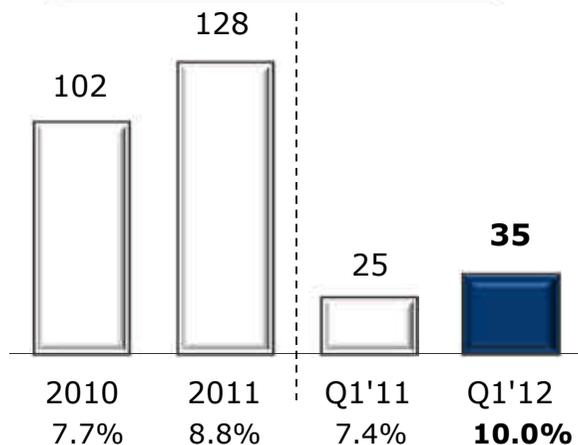
## Sales to Third Parties



\* Organic Growth

Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

## Adjusted EBITDA (1)



(1) Adjusted excluding non-recurring income/expenses

Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

## Highlights

### Optical / Fiber

- Positive trend in demand expected to continue driven by higher data traffic in consolidated markets and new backbone/metropolitan ring connections in emerging countries
  - Gradual increase in Europe mainly driven by UK and Benelux. Still limited capex by large incumbents in other major countries
  - Stimulus packages still supporting investments in North America
  - Lower than expected volume in Australia due to postponement of NBN deliveries to H2. Long term investment plan confirmed
  - Full control of Draka JVs in Brazil to strengthen presence in the fast growing South American markets
  - China continues as one of major growing drivers of global demand
- Focus on better product mix and lower production cost to improve profitability

### Multimedia & Specials

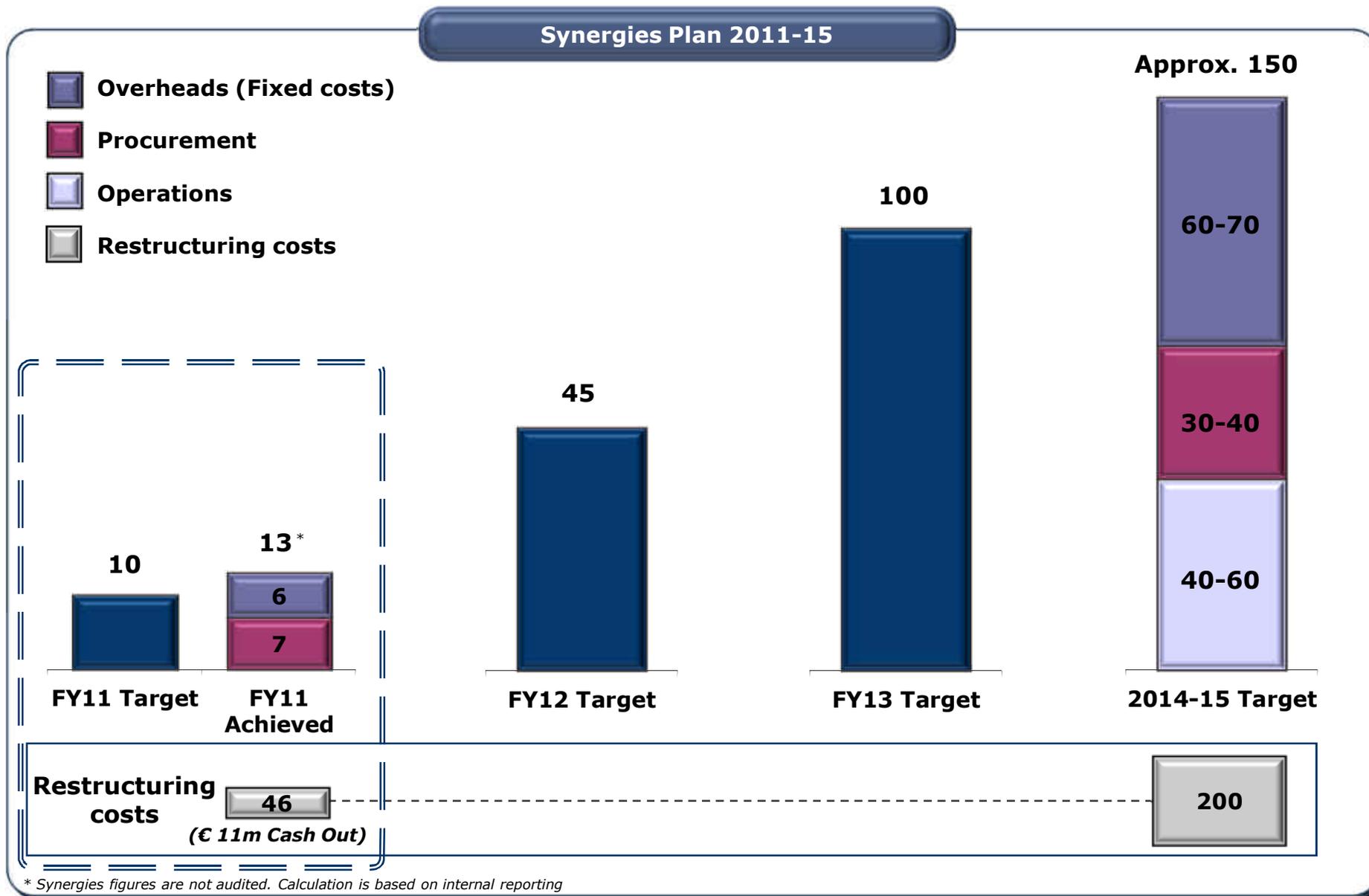
- Data centers expansion driving higher volume in all European countries. Strengthening North and South American position driving new growth opportunities

### OPGW

- Strong organic growth driven by Italy, Spain, Middle East and South America

# First year of integration increasing confidence on Synergies Targets

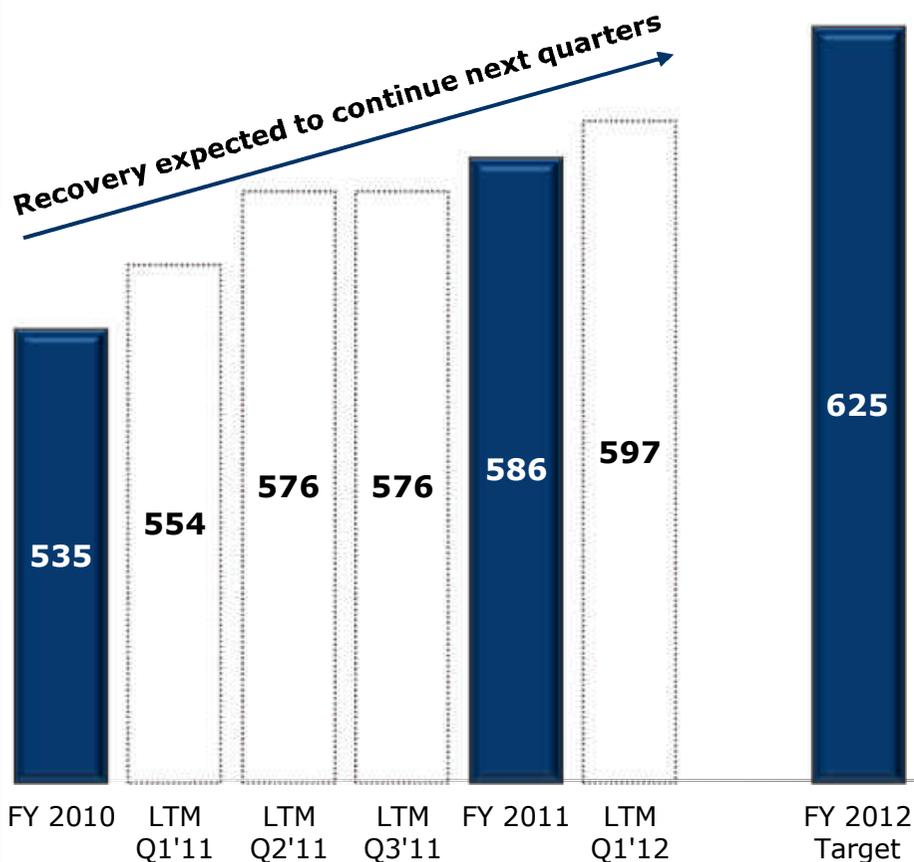
Euro Millions



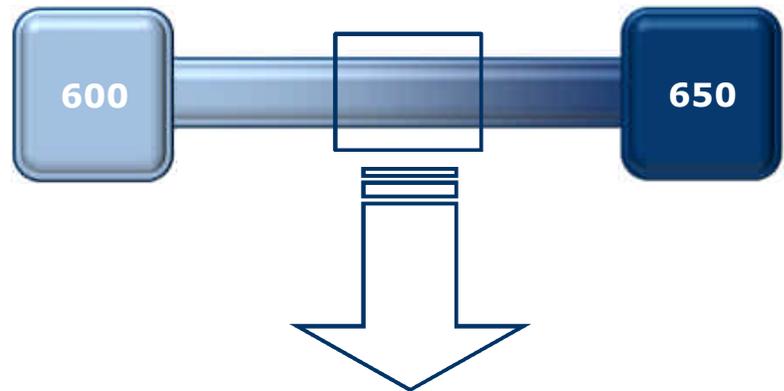
# 2012 Outlook

Growing profitability in a challenging market environment

LTM\* Adj.EBITDA evolution (€ mln)



2012 Adj.EBITDA Target (€ mln)



- Midpoint target based on:**
- Growing synergies from Draka integration
  - Higher contribution from submarine
  - Continuous increase in Flexible pipes deliveries
  - Positive demand in Telecom
  - Stabilization of cyclical businesses

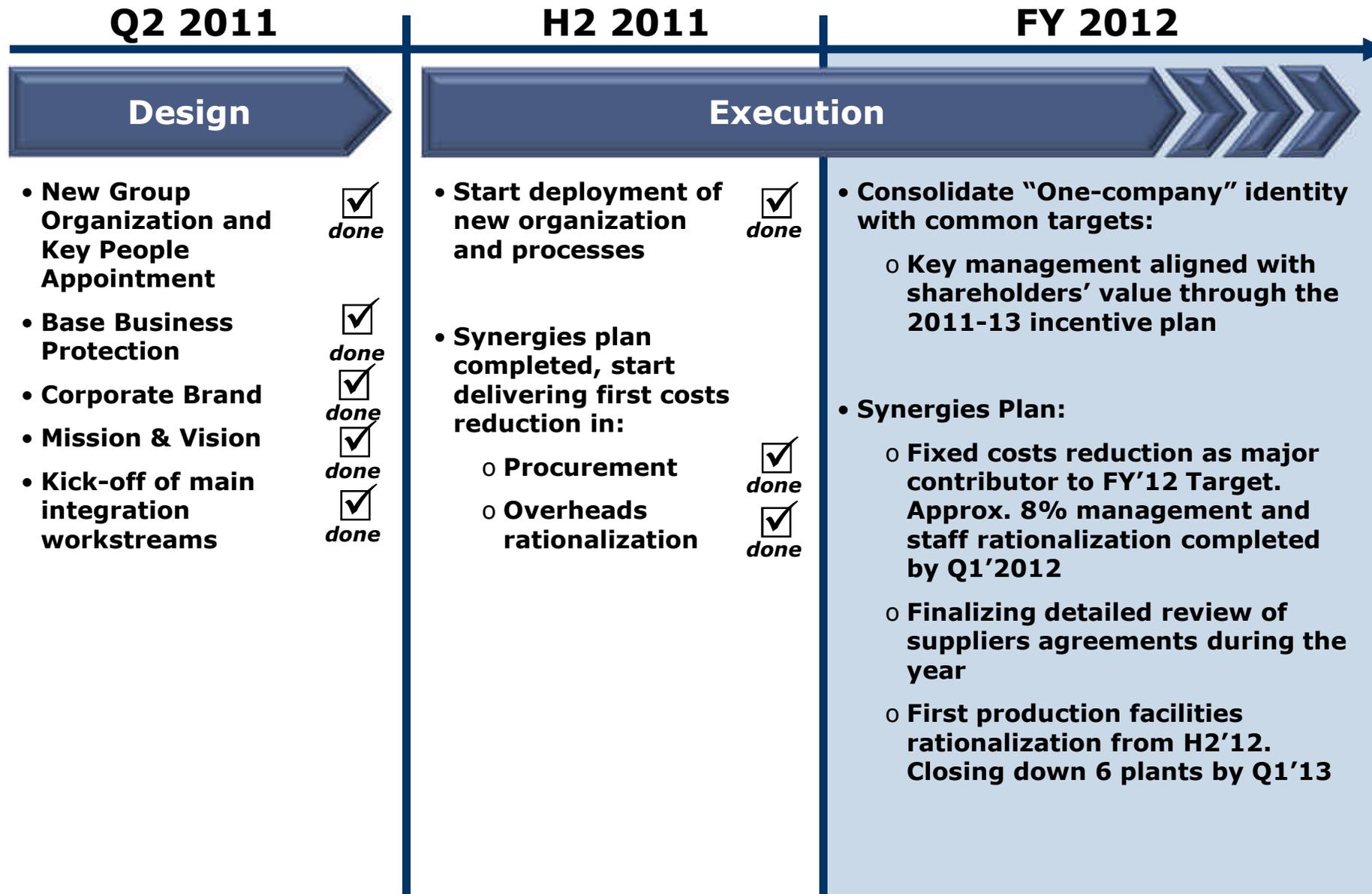
Note: full combined figures Prysmian + Draka  
 \* LTM stands for Last Twelve Months

# AGENDA

- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix

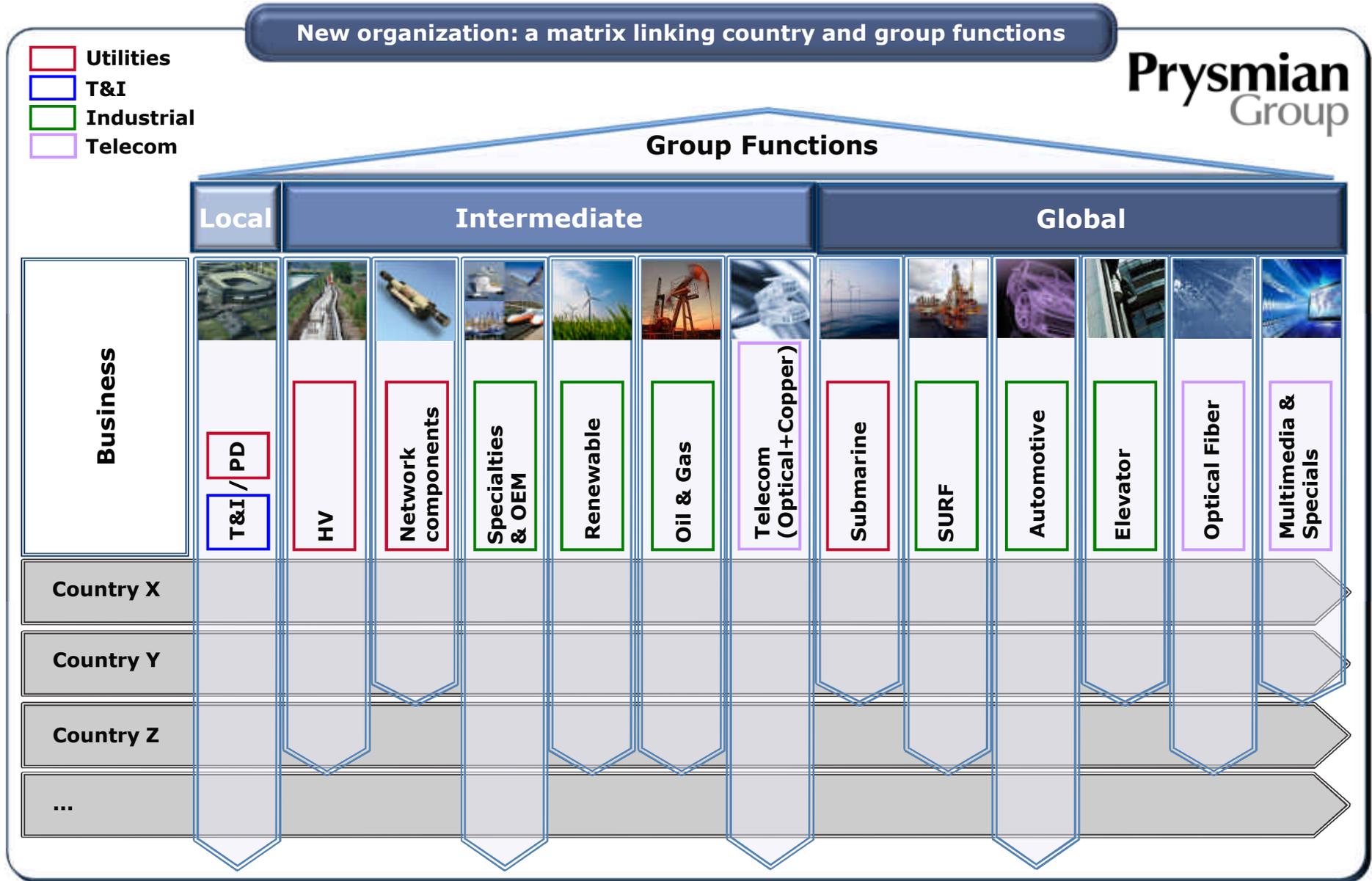
# Integration process update

Successful deployment of new organization and common processes



# The new organization model

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



# AGENDA

- Group Overview & 2012 Outlook
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- **Financial Results**
- Appendix

# Profit and Loss Statement

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Sales</b>	<b>1,874</b>	<b>1,490</b>	<b>1,881</b>
<i>YoY total growth</i>	-0.4% <sup>c)</sup>		
<i>YoY organic growth</i>	2.5% <sup>c)</sup>		
<b>Adj.EBITDA</b>	<b>130</b>	<b>101</b>	<b>119</b>
<i>% on sales</i>	6.9%	6.8%	6.3%
<i>Non recurring items</i>	(15)	(9)	
<b>EBITDA</b>	<b>115</b>	<b>92</b>	
<i>% on sales</i>	6.1%	6.2%	
<b>Adj.EBIT</b>	<b>91</b>	<b>76</b>	<b>84</b>
<i>% on sales</i>	4.8%	5.1%	4.5%
<i>Non recurring items</i>	(15)	(9)	
<i>Special items</i>	13	(20)	
<b>EBIT</b>	<b>89</b>	<b>47</b>	
<i>% on sales</i>	4.8%	3.2%	
<i>Financial charges</i>	(28)	(28)	
<b>EBT</b>	<b>61</b>	<b>19</b>	
<i>% on sales</i>	3.3%	1.3%	
<i>Taxes</i>	(19)	(6)	
<i>% on EBT</i>	31.1%	30.2%	
<b>Net income</b>	<b>42</b>	<b>13</b>	
<i>Extraordinary items (after tax)</i>	(3)	(23)	
<b>Adj.Net income</b>	<b>45</b>	<b>36</b>	

a) Includes Draka Group's results since 1 March 2011

b) Includes Draka Group's results since 1 January 2011

c) Variation calculated on Q1 2011 Combined

# Extraordinary Effects

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>
Antitrust investigation	1	-
Restructuring	(14)	(2)
Draka transaction costs	-	(5)
Draka integration costs	(1)	-
Draka change of control effects	-	(2)
Other	(1)	-
<b>EBITDA adjustments</b>	<b>(15)</b>	<b>(9)</b>
Special items	13	(20)
Gain/(loss) on metal derivatives	18	(20)
Other	(5)	-
<b>EBIT adjustments</b>	<b>(2)</b>	<b>(29)</b>
Gain/(Loss) on other derivatives <sup>(1)</sup>	(1)	4
Gain/(Loss) exchange rate	(1)	(9)
<b>EBT adjustments</b>	<b>(4)</b>	<b>(34)</b>
Tax	1	11
<b>Net Income adjustments</b>	<b>(3)</b>	<b>(23)</b>

## Notes

(1) Includes currency and interest derivatives

a) Includes Draka Group's results since 1 March 2011

# Financial Charges

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>
<b>Net interest expenses</b>	<b>(26)</b>	<b>(22)</b>
Bank fees Amortization	(2)	(2)
Gain/(loss) on exchange rates	(1)	(9)
Gain/(loss) on derivatives <sup>(1)</sup>	(1)	4
<b>Net financial charges</b>	<b>(30)</b>	<b>(29)</b>
Share in net income of associates	2	1
<b>Total financial charges</b>	<b>(28)</b>	<b>(28)</b>

## Notes

*(1) Includes currency and interest derivatives*

*a) Includes Draka Group's results since 1 March 2011*

# Statement of financial position (Balance Sheet)

Euro Millions

	31 March '12	31 March '11	31 December '11
Net fixed assets	2,234	2,114	2,255
<i>of which: intangible assets</i>	615	583	618
<i>of which: property, plants &amp; equipment</i>	1,528	1,459	1,544
Net working capital	814	970	552
<i>of which: derivatives assets/(liabilities)</i>	(5)	42	(27)
<i>of which: Operative Net working capital</i>	819	928	579
Provisions & deferred taxes	(366)	(95)	(371)
<b>Net Capital Employed</b>	<b>2,682</b>	<b>2,989</b>	<b>2,436</b>
Employee provisions	271	224	268
Shareholders' equity	1,138	1,305	1,104
<i>of which: attributable to minority interest</i>	55	66	62
Net financial position	1,273	1,460	1,064
<i>Bank Fees</i>	(27)	(35)	(28)
<i>Net financial position vs Third Parties</i>	1,300	1,495	1,092
<b>Total Financing and Equity</b>	<b>2,682</b>	<b>2,989</b>	<b>2,436</b>

# Cash Flow

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Adj.EBITDA</b>	<b>130</b>	<b>101</b>	<b>119</b>
Non recurring items	(15)	(9)	(14)
<b>EBITDA</b>	<b>115</b>	<b>92</b>	<b>105</b>
Net Change in provisions & others	(12)	(14)	(15)
<b>Cash flow from operations (before WC changes)</b>	<b>103</b>	<b>78</b>	<b>90</b>
Working Capital changes	(243)	(177)	(269)
Paid Income Taxes	(15)	(14)	(15)
<b>Cash flow from operations</b>	<b>(155)</b>	<b>(113)</b>	<b>(194)</b>
Acquisitions	(9)	(419) <sup>(1)</sup>	(501)
Net Operative CAPEX	(25)	(17)	(22)
Net Financial CAPEX	2	2	2
<b>Free Cash Flow (unlevered)</b>	<b>(187)</b>	<b>(547)</b>	<b>(715)</b>
Financial charges	(17)	(24)	(26)
<b>Free Cash Flow (levered)</b>	<b>(204)</b>	<b>(571)</b>	<b>(741)</b>
Other Equity movements	-	1	1
<b>Net Cash Flow</b>	<b>(204)</b>	<b>(570)</b>	<b>(740)</b>
<b>NFP beginning of the period</b>	<b>(1,064)</b>	<b>(459)</b>	<b>(732)</b>
Net cash flow	(204)	(570)	(740)
Perimeter Change	-	(439) <sup>(2)</sup>	-
Other variations	(5)	8	12
<b>NFP end of the period</b>	<b>(1,273)</b>	<b>(1,460)</b>	<b>(1,460)</b>

## Notes

(1) Includes € 82m of cash and cash equivalents in Draka consolidated accounts as of 28.02.2011

(2) Gross financial debt in Draka consolidated accounts as of 28.02.2011

a) Includes Draka Group's results since 1 March 2011  
b) Includes Draka Group's results since 1 January 2011

# AGENDA

- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Draka Acquisition

## Full support from Draka shareholders to the new Prysmian industrial project

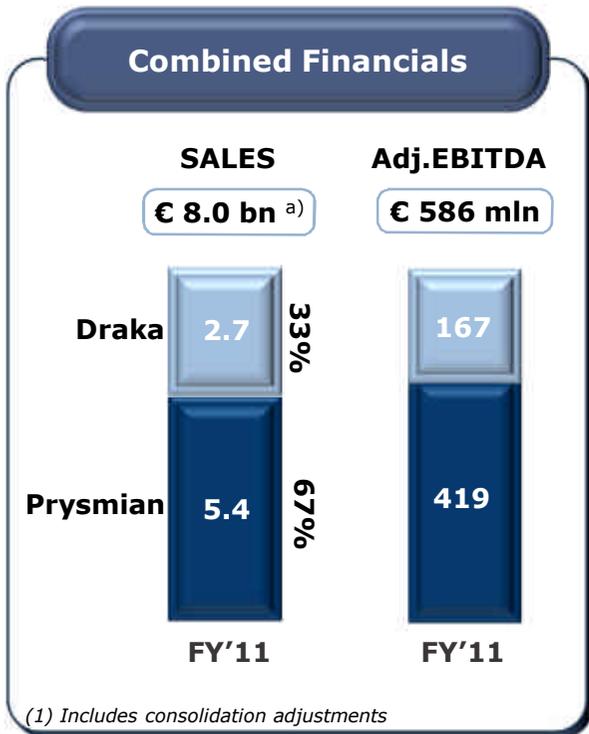
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- **99.0% of Draka ordinary shares tendered (48,257,719 shares)**
  - 90.4% tendered during the Offer Period (06 Jan '11 – 03 Feb '11). Settlement on the 22nd of February
  - 8.6% tendered during the Post Closing Acceptance Period (09 Feb '11 – 22 Feb '11). Settlement on the 8th of March
- **Prysmian capital increase of 31,824,570 shares**
  - 29,059,677 on the first settlement (22nd of February)
  - 2,764,893 on the second settlement (8th of March)
- **New Prysmian total share capital of 214,430,972<sup>a)</sup> shares**
- **First consolidation of Draka since 1st March 2011**
- **Delisting of Draka shares from NYSE Euronext Amsterdam on 7 April 2011**
- **Squeeze-out procedure successfully completed in February 2012**



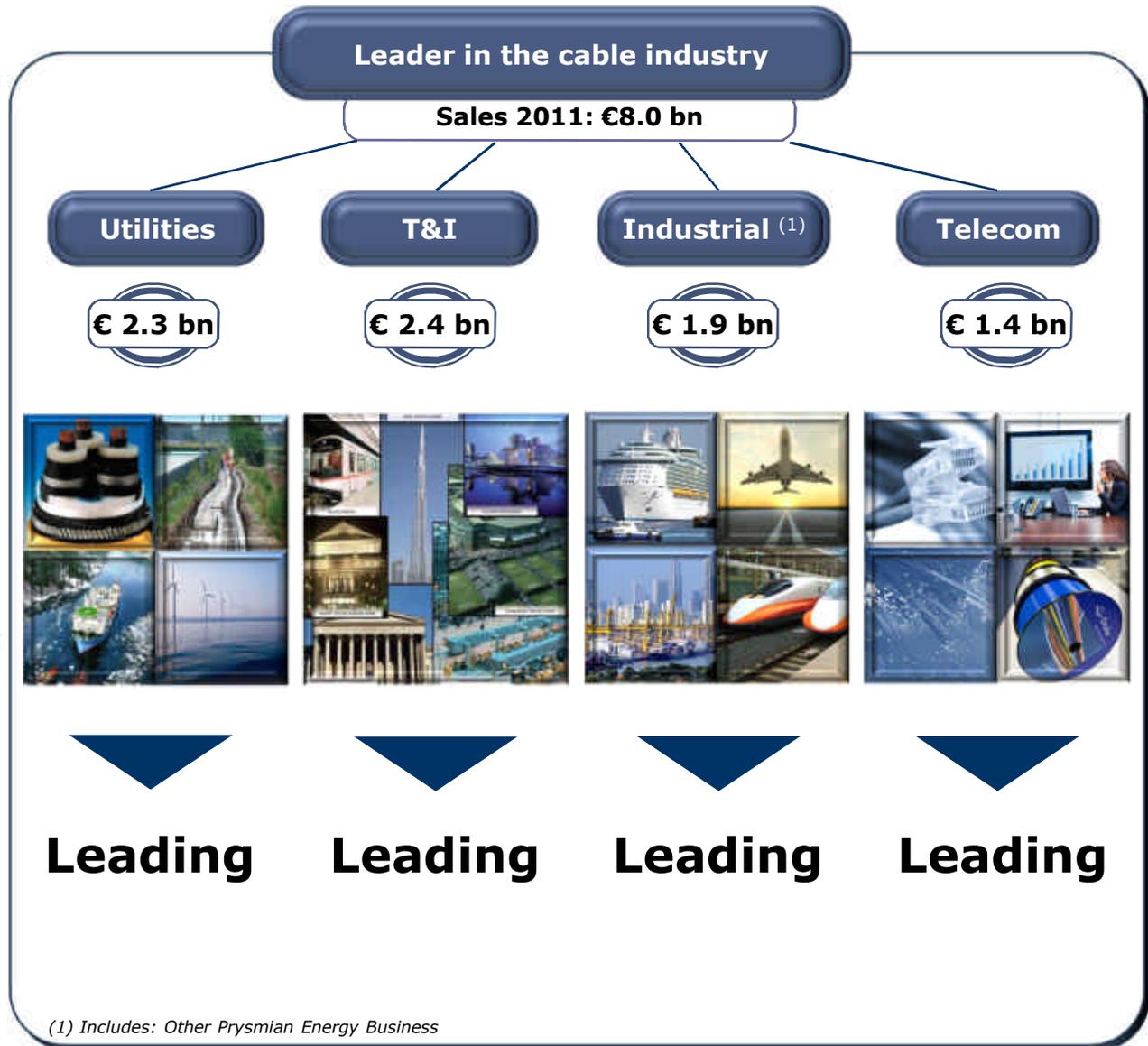
*a) As of June 2012, including treasury shares (3,039,169)*

# The new global market leader



**Global presence:**

- 50 countries
- 97 plants
- 22,000 people
- 17 R&D centres



# Transaction Rationale

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**Creation of a World's Leading Cables & Systems Company**

**Unique and Highly Complementary Combination, with Increased Coverage of Emerging Markets**

**Strengthened Leadership in All Value Added Market Segments**

**Significant Synergy Potential**

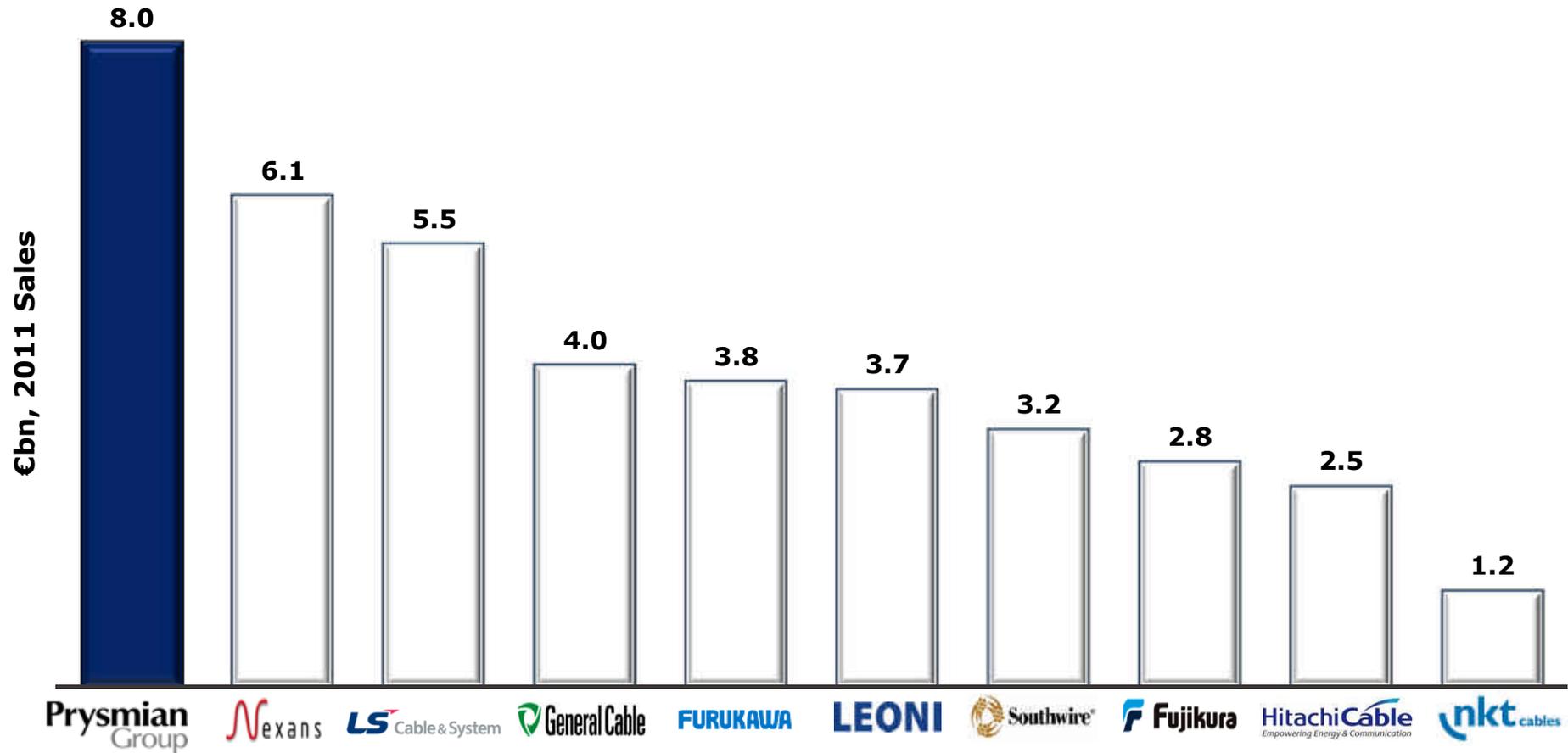
**Strong Platform for Future Organic Growth and Industry Consolidation**



**Significant Value for All Stakeholders**

# Creation of a World's Leading Cables & Systems Company

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



Source: Companies' public documents.

Note: Prysmian 2011 Combined figure; Nexans excluding Electrical Wire Segment; General Cable excluding Rod Mill Products; Furukawa considering only Telecommunications and Energy & Industrial Products segments, LTM figures as of 31-Dec-2011; Southwire as of December 2010; Furjikura considering only Telecommunications and Metal Cable & Systems segments, LTM figures as of 31-Dec-2011; 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-2011. All figures are expressed in € based on the average exchange rate of the reference period

# AGENDA

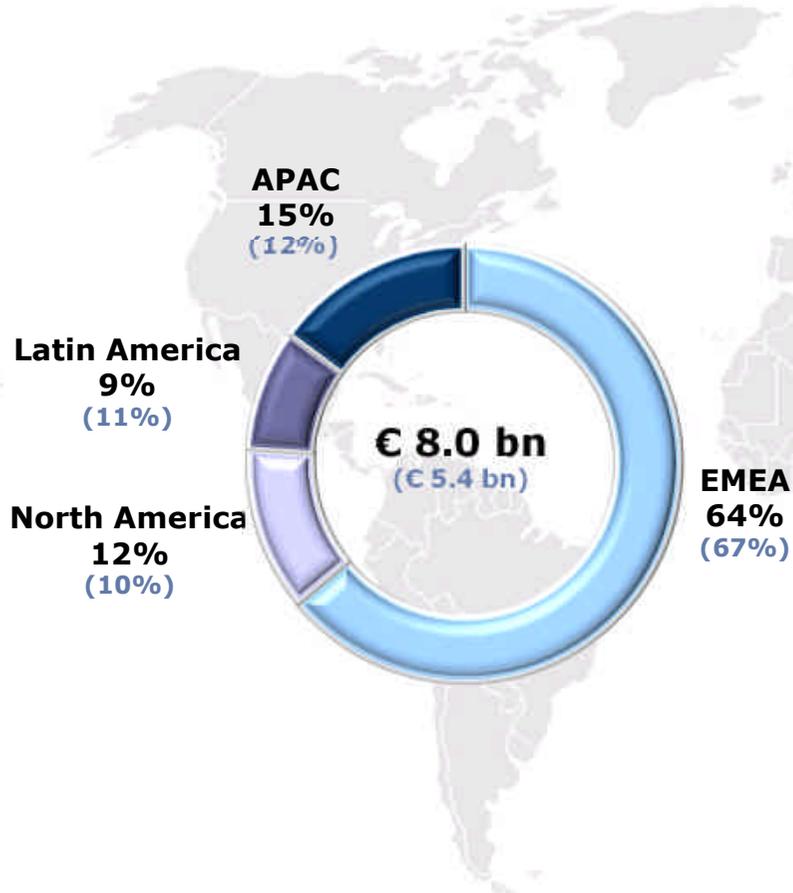
- Group Overview & 2012 Outlook
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- Appendix – Prysmian at a Glance

# Leading player in all market segments

Sales breakdown

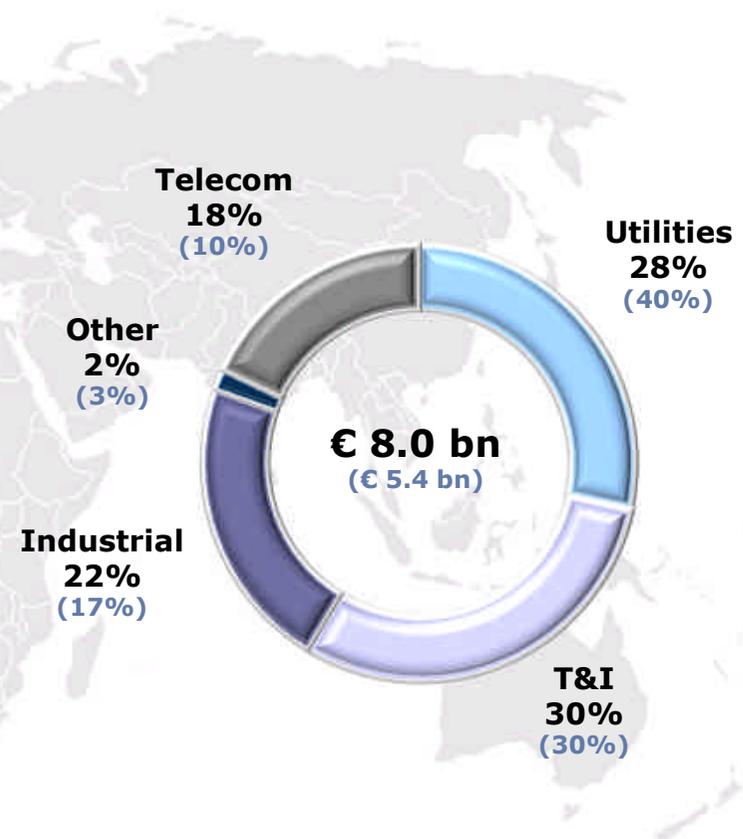
## Sales breakdown by geographical area

FY 2011 combined  
(FY 2011 Prysmian excl. Draka)



## Sales breakdown by business area

FY 2011 combined  
(FY 2011 Prysmian excl. Draka)

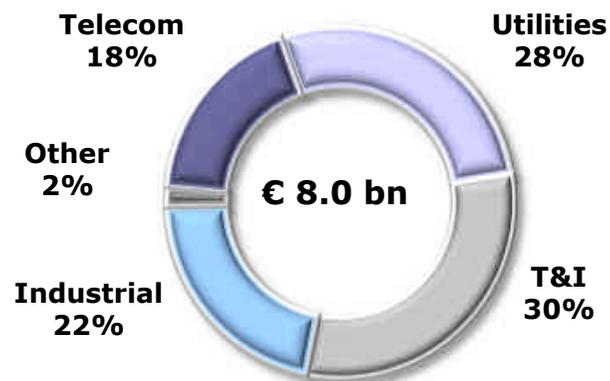


# Profitability recovery across all segments

Euro Millions, % on Sales

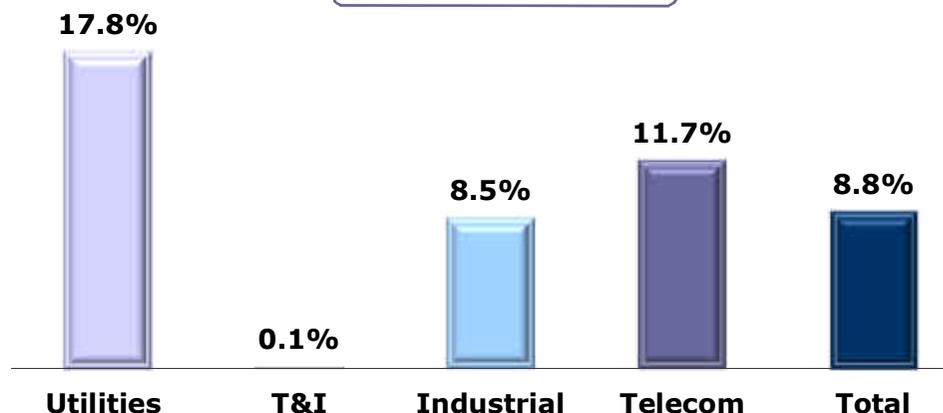
## Sales breakdown by business

FY 2011 combined



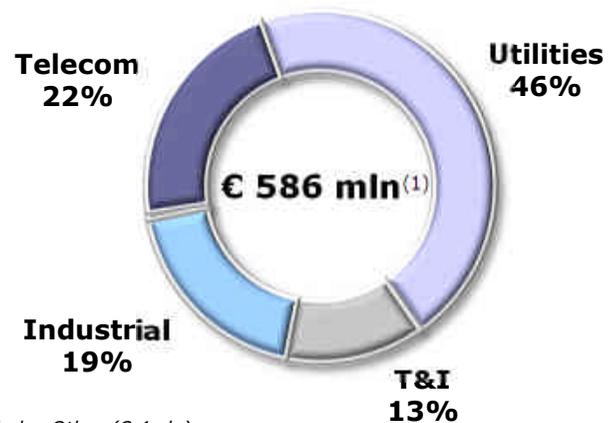
## Organic Growth

FY 2011 combined



## Adj. EBITDA breakdown by business

FY 2011 combined

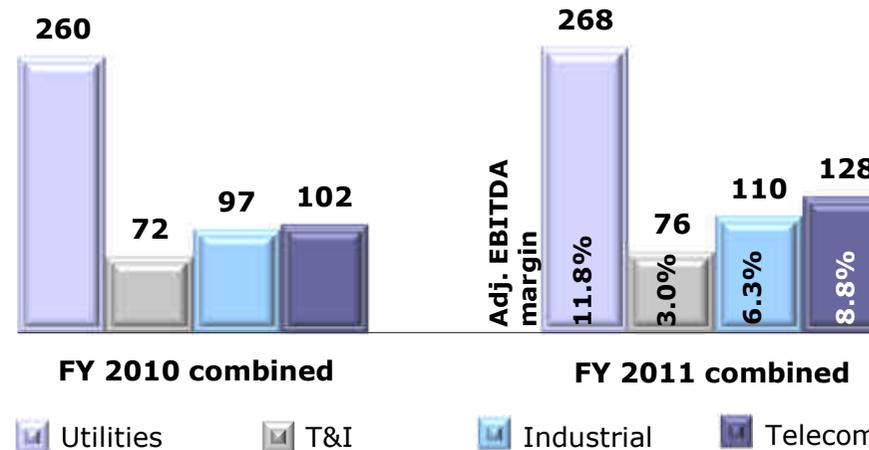


(1) Includes Other (€ 4mln)

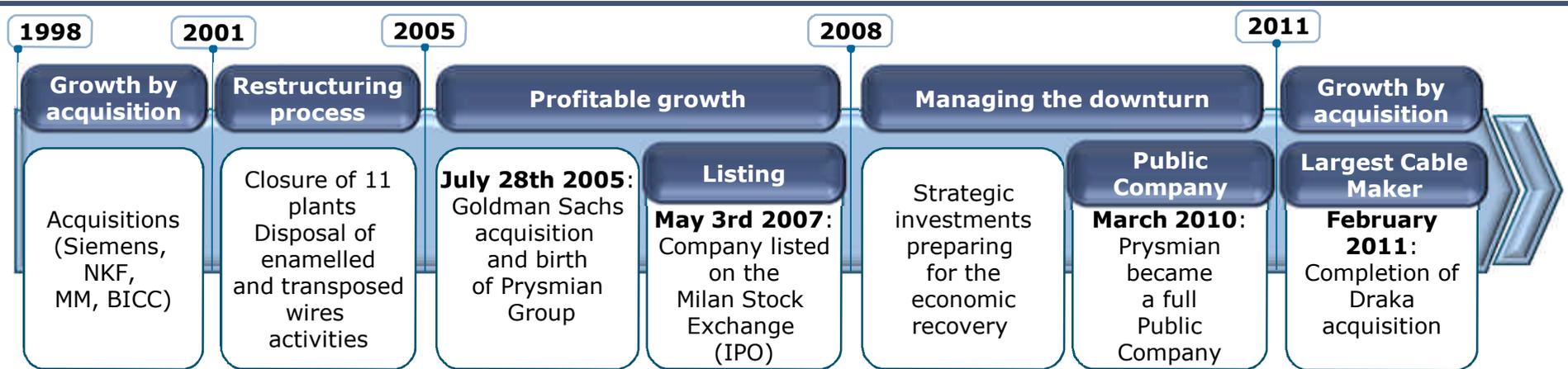
## Adj. EBITDA evolution by business

€ 535 mln (1)

€ 586 mln (1)



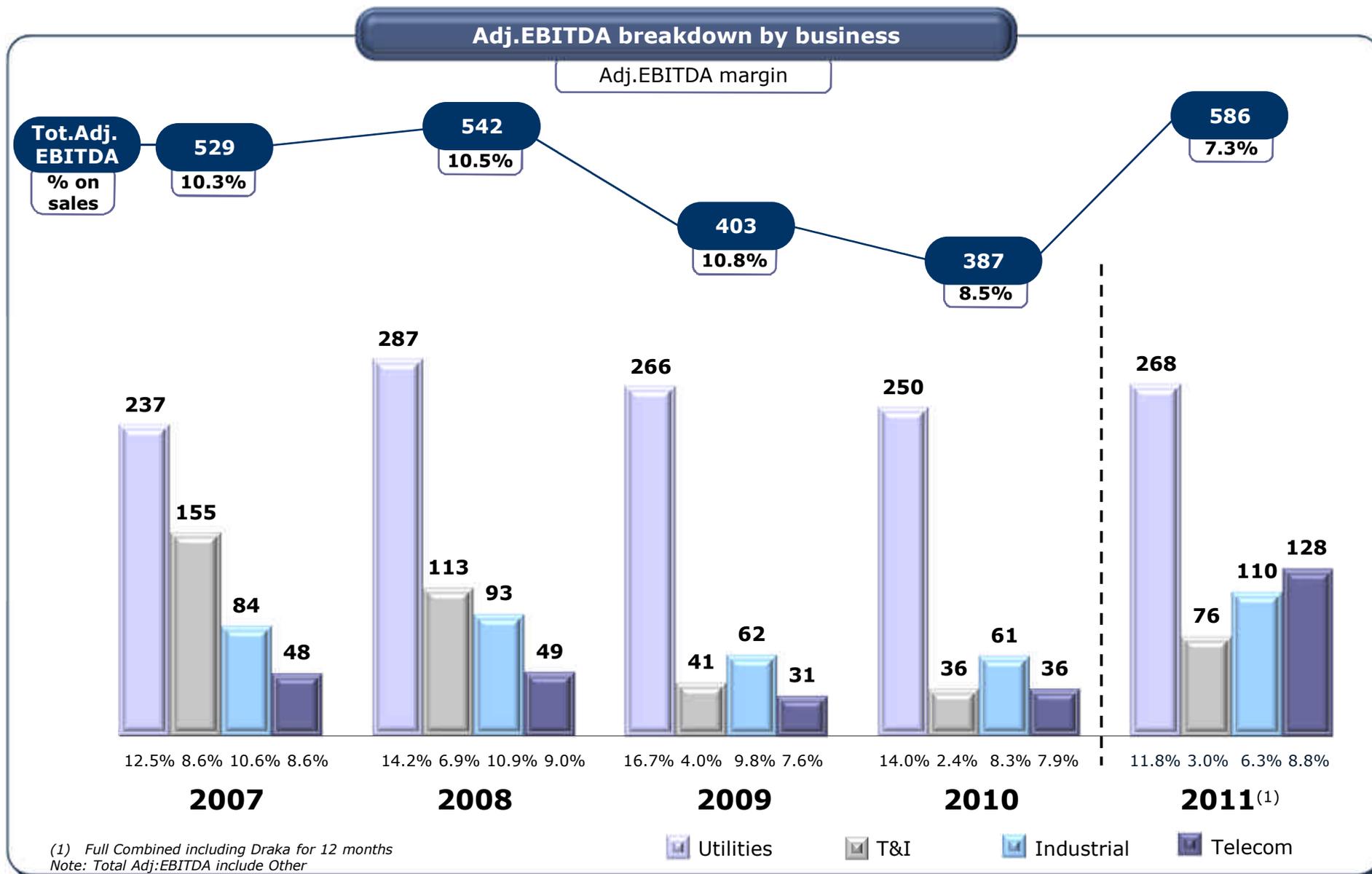
# Key Milestones



Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2011 Prysmian accounts, data reported under IFRS.

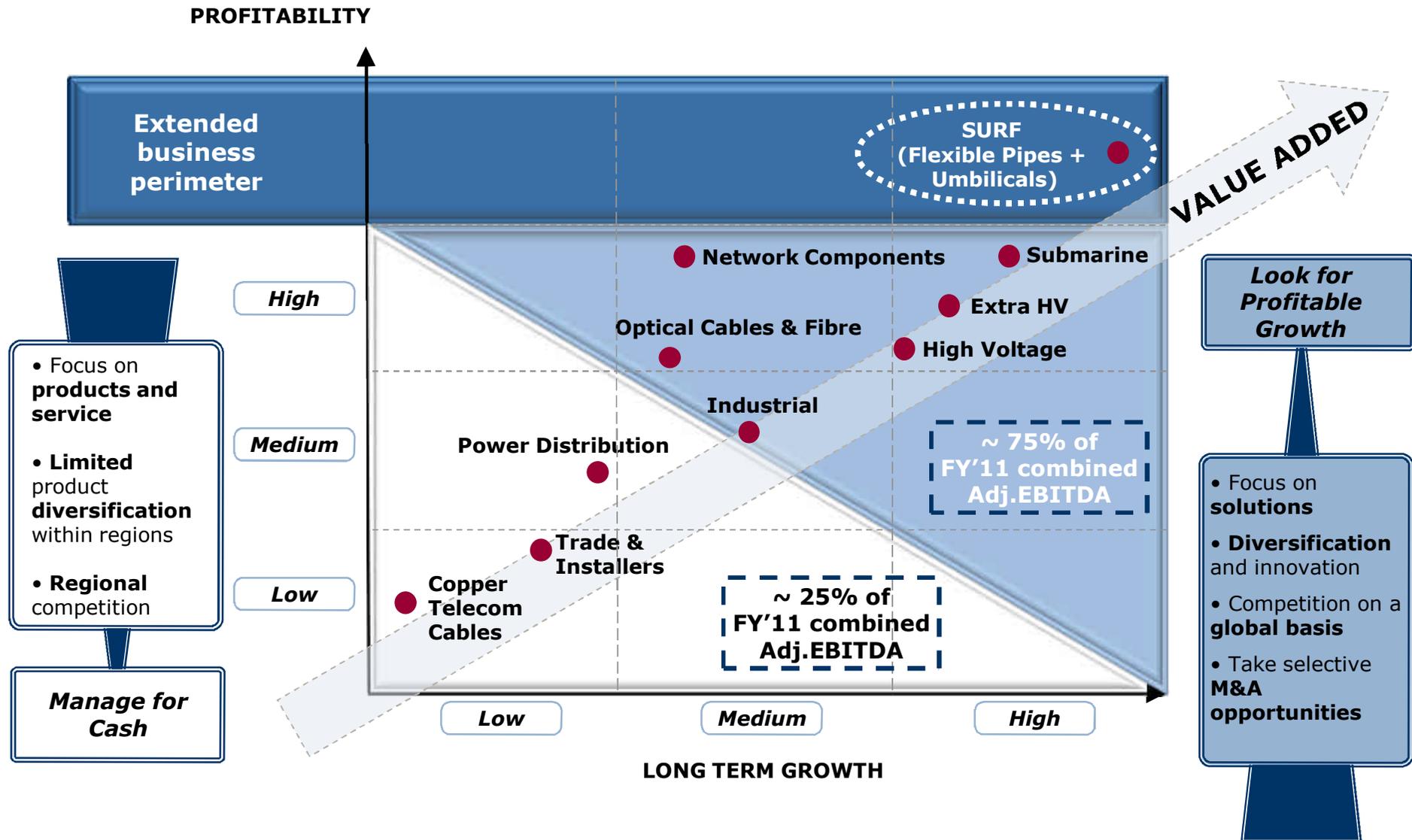
# A unique portfolio driving sustainable margin growth

Euro millions and % on Sales



# Prysmian Group business portfolio

Focus on high value added segments



# Increasing exposure to Emerging markets (30% of 2011 sales)

Selective growth in High value added businesses to protect ROCE

## 2011 Combined Sales breakdown by geographical area

	% on tot	€ bn
EMEA	64%	5.1
<i>Of which Eastern Europe</i>	10%	0.8
North America	12%	1.0
Latin America	9%	0.7
Asia Pacific	15%	1.2
<i>Of which APAC excl. Australia</i>	11%	0.9
<b>Total</b>	<b>100%</b>	<b>8.0</b>

### Growth drivers:

- Industrial OGP Off-shore
- Telecom Optical
- Other Industrial (Renewables, Automotive)
- Utilities HV

**Latin America**  
9%

**Eastern Europe\***  
10%

### Growth drivers:

- Telecom (Optical, MMS)
- Utilities HV
- Industrials (Renewables, Mining, Railway, OGP, Automotive)

**Asia Pacific**  
(excl. Australia)  
11%

### Growth drivers:

- Telecom Optical
- Utilities HV
- Industrials (e.g. Renewables, Elevators, OGP)

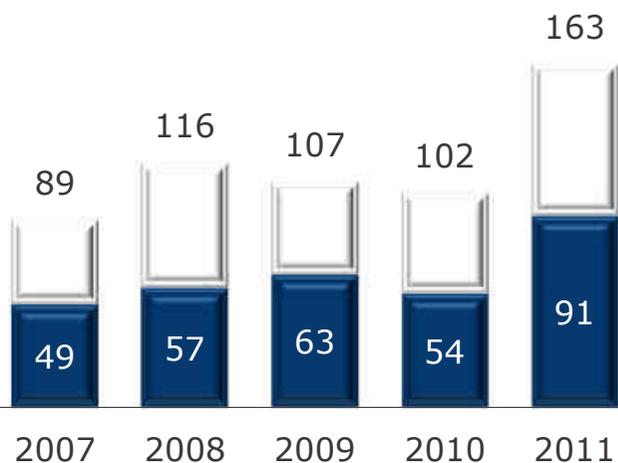
\* Eastern Europe includes Austria, Czech Rep, Slovakia, Hungary, Romania, Turkey, Russia

# Targeting High-tech segments and profitable extra-EU markets

CAPEX evolution in the last 5 years

### Capacity Increase & Product mix <sup>(1)</sup> (€m)

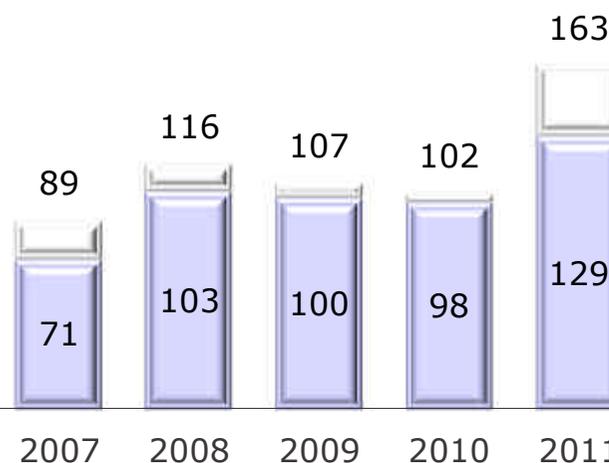
■ Maintenance, Efficiency, IT and R&D  
■ Capacity Increase & Product mix



Utilities	<b>73%</b>	<b>72%</b>	<b>43%</b>	<b>22%</b>	<b>59%</b>
Industrial	14%	9%	6%	2%	7%
Surf	-	4%	<b>43%</b>	<b>65%</b>	<b>21%</b>
T&I	10%	2%	-	-	2%
Telecom	3%	13%	8%	11%	11%
<b>Total <sup>(2)</sup></b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Capex by Geographical area (€m)

■ Capex Submarine  
■ Capex (excl. Submarine)



APAC	20%	10%	8%	7%	15%
Latin Am.	8%	18%	34%	39%	26%
North Am.	3%	20%	15%	13%	5%
EMEA	69%	52%	43%	41%	54%
<b>Total <sup>(3)</sup></b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

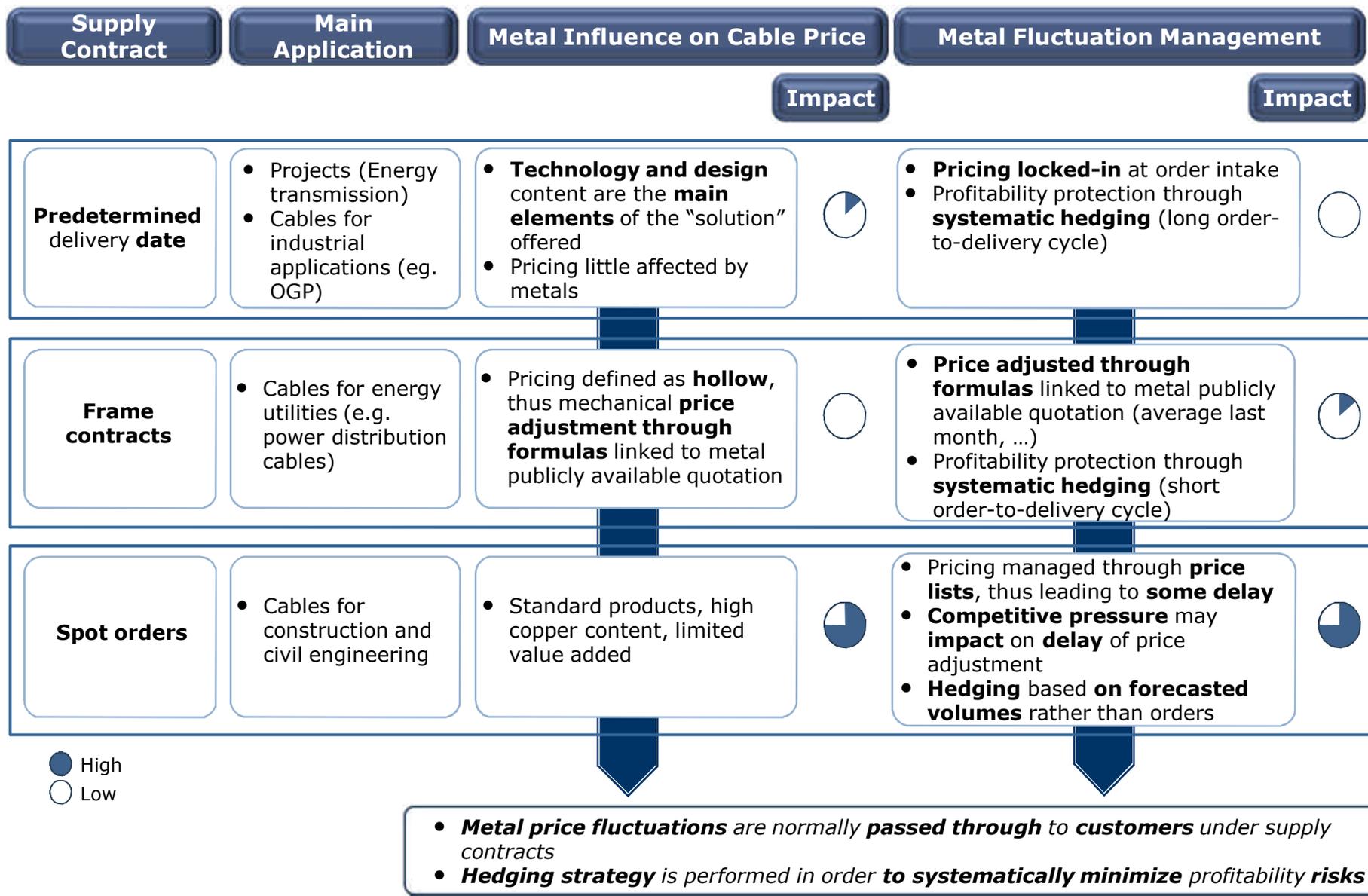
<sup>(1)</sup> Total Capex includes Capacity increase & Product mix, Maintenance, Efficiency, IT and R&D

<sup>(2)</sup> % of Capacity Increase & Product mix

Note: 2011 figures include Draka for 12 months

<sup>(3)</sup> % of Total Capex excluding Submarine

# Metal Price Impact on Profitability

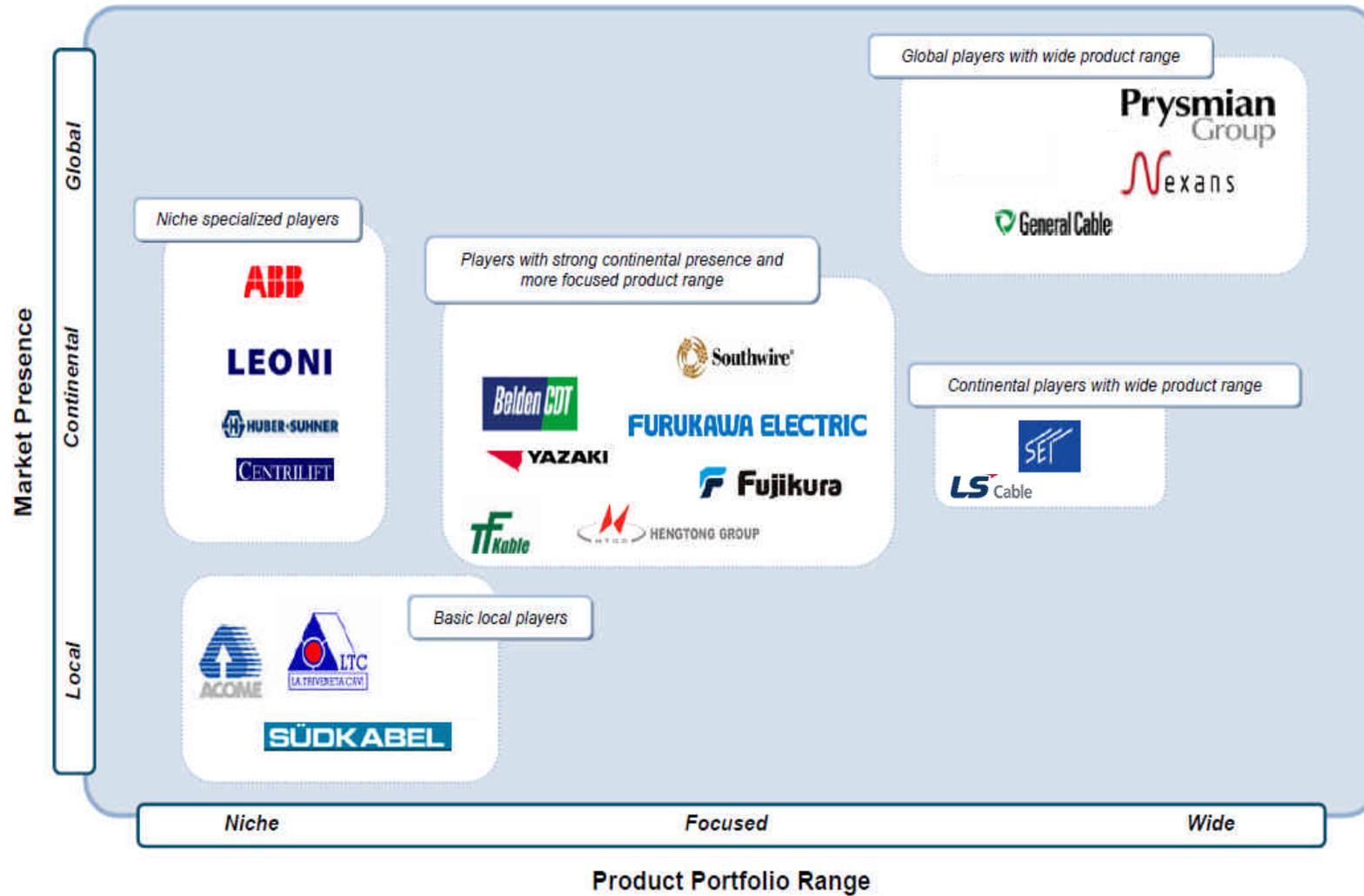


# AGENDA

- Group Overview & 2012 Outlook
- 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



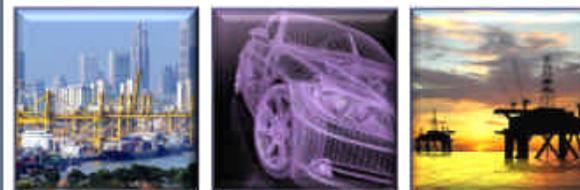
## Trade & Installers

- **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 distribution networks

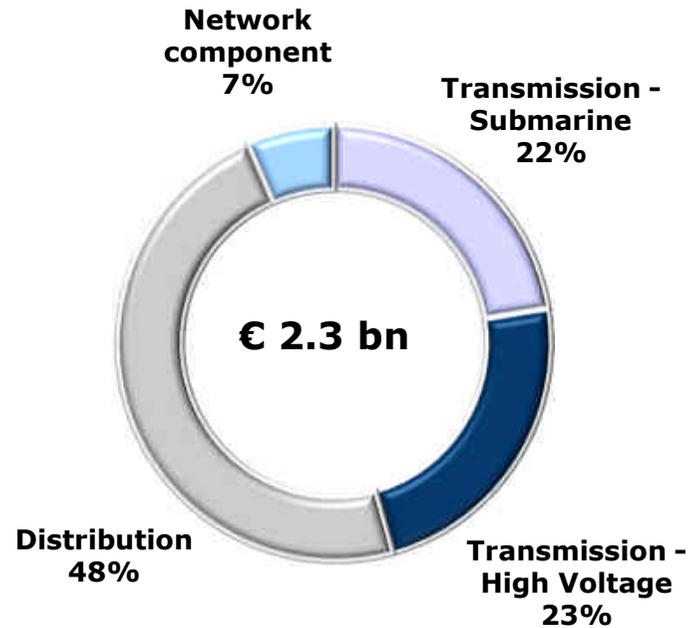


# Utilities – Power Transmission

Long term drivers supporting orders backlog at peak level

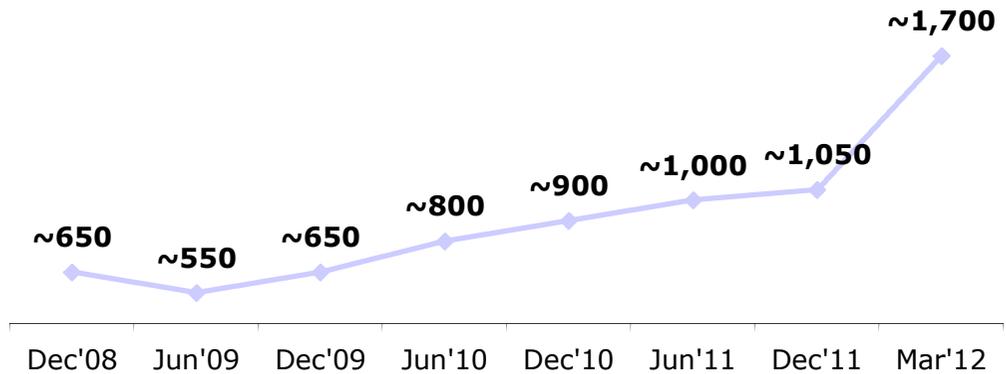
## Utilities – Sales breakdown

FY 2011 combined



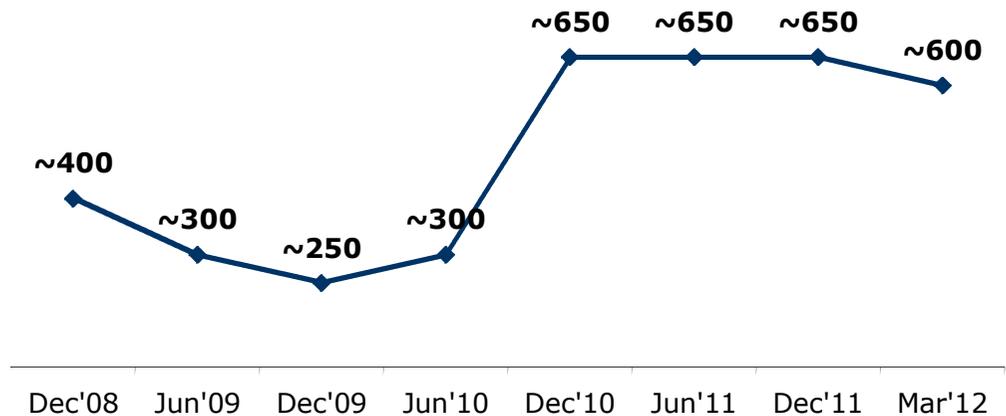
## Submarine (€ million)

Orders Backlog evolution



## High Voltage (€ million)

Orders Backlog evolution



# 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

Capacity expansion completed in Pikkala. Capacity increase planned 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

## Key Projects

## Customer

## Period

## €m<sup>(1)</sup>

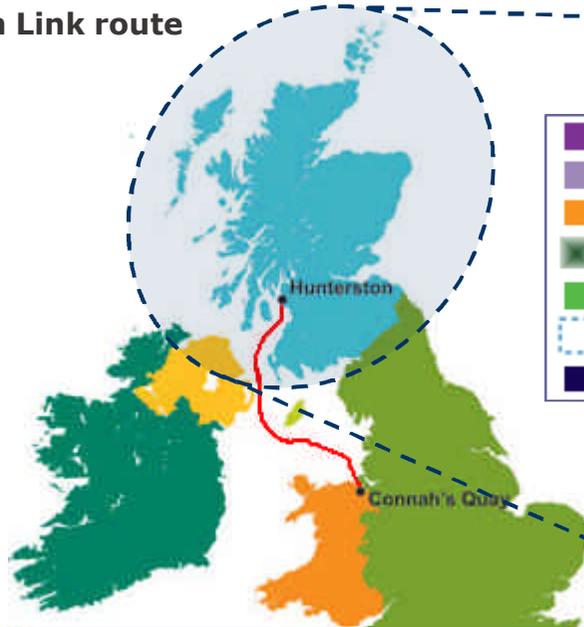
Key Projects	Customer	Period	€m <sup>(1)</sup>
Phu Quoc (Vietnam)	EVNSPC	2012-14	67
Western Link	NGET/SPT Upgrades Ltd	2012-15	800
HelWin2	TenneT	2012-15	200
Hudson Project	Hudson Transmission Partners LLC	2012-13	\$175m
SylWin1	TenneT	2012-14	280
HelWin1	TenneT	2011-13	150
BorWin2	TenneT	2010-13	250
Messina	Terna	2010-13	300
Kahramaa	Qatar General Electricity	2009-10	140
Greater Gabbard	Fluor Ltd	2009-10	93
Cometa	RED Electrica 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 Cooperation Council Interconn.Authority	2006-10	132
Angel development	Woodside		
Rathlin Island	Northern 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

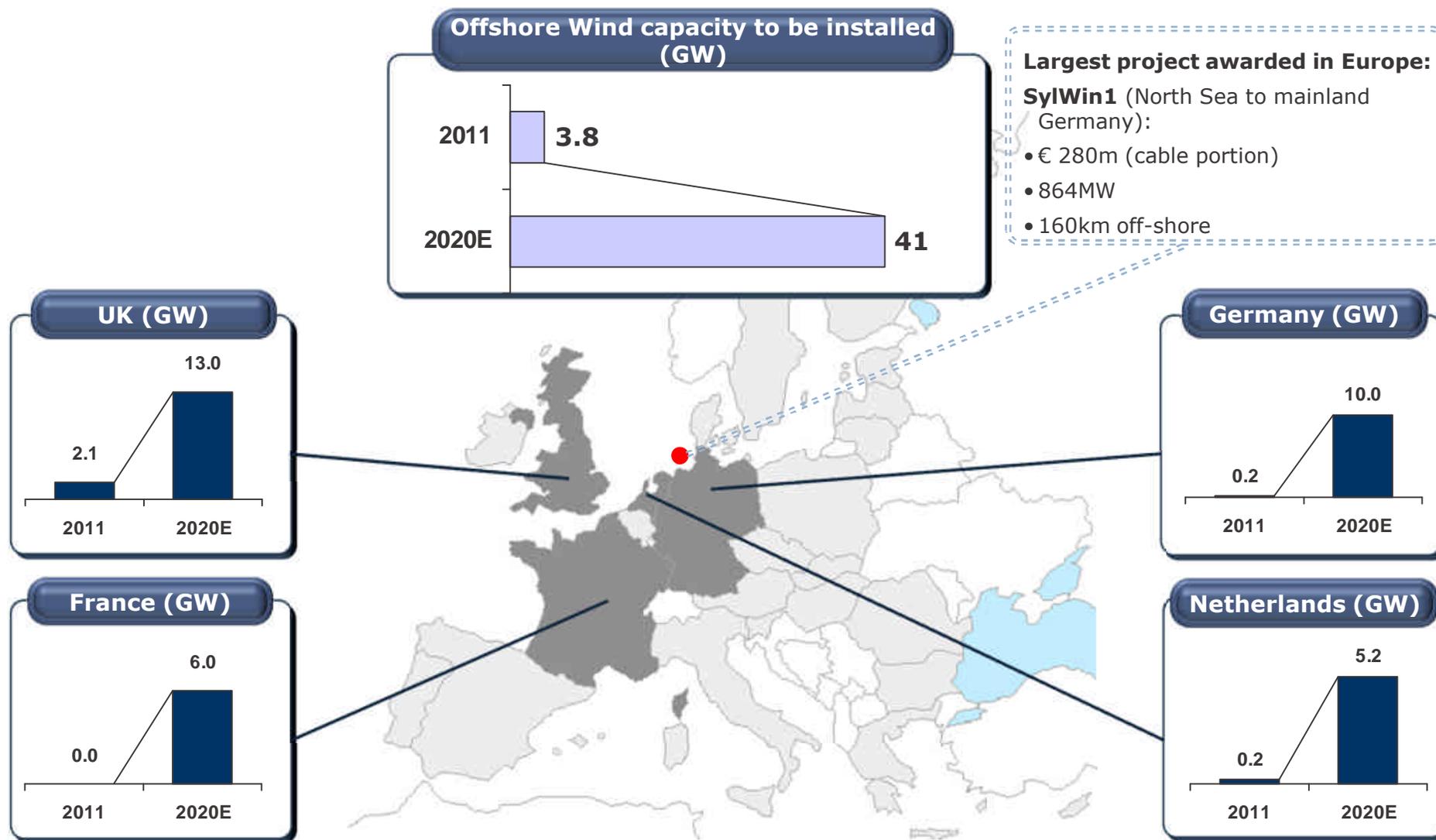
## Large Off-shore Wind investments planned in Scotland



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

# Utilities – 37GW of new Offshore Wind by 2020 to achieve EU Target

Four major countries accounting for about 85% of total new capacity



Source: 2011: EWEA (Jan 2012); 2020: Targets as from National Renewable Energy Action Plans (June 2010)

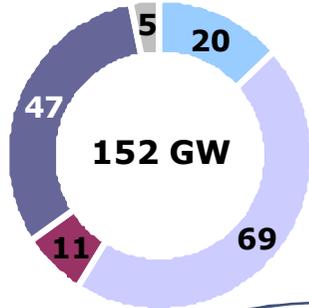
Note: includes EU-27 countries

# Utilities – Nuclear decrease as new driver for Renewables

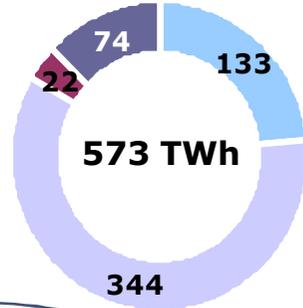
Germany exit from nuclear to potentially lower nuclear investments in other countries

## German electricity system highly dependent on nuclear

Installed capacity 2010



Net production 2010



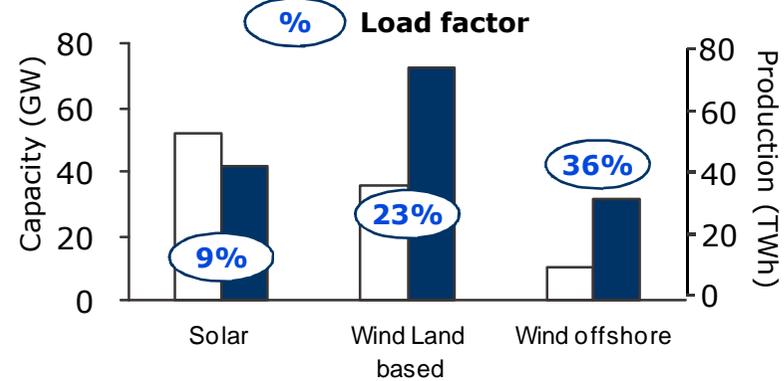
Load factor\*



\* Load factor is defined as net production on theoretic maximum production [calculated as Net production GWh / (Installed capacity GW \* 8760h)]  
Source: ENTSO-E Memo 2010

## Renewables load factor at run rate capacity utilization (2020)

Installed capacity Net Production

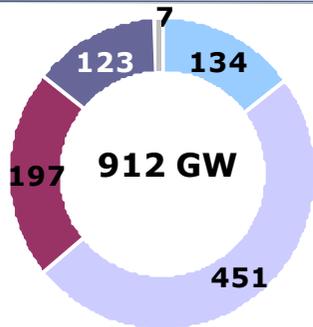


Wind off-shore the renewable energy with higher conversion in energy produced

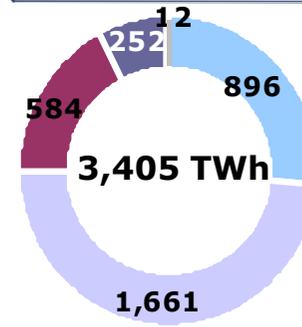
Source: National Renewable Energy Action Plans (June 2010)

## Total European electricity system

Installed capacity 2010



Net production 2010



Nuclear covers over 25% of energy produced in Europe while Renewables account for less than 10%

Source: ENTSO-E Memo 2010

# 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



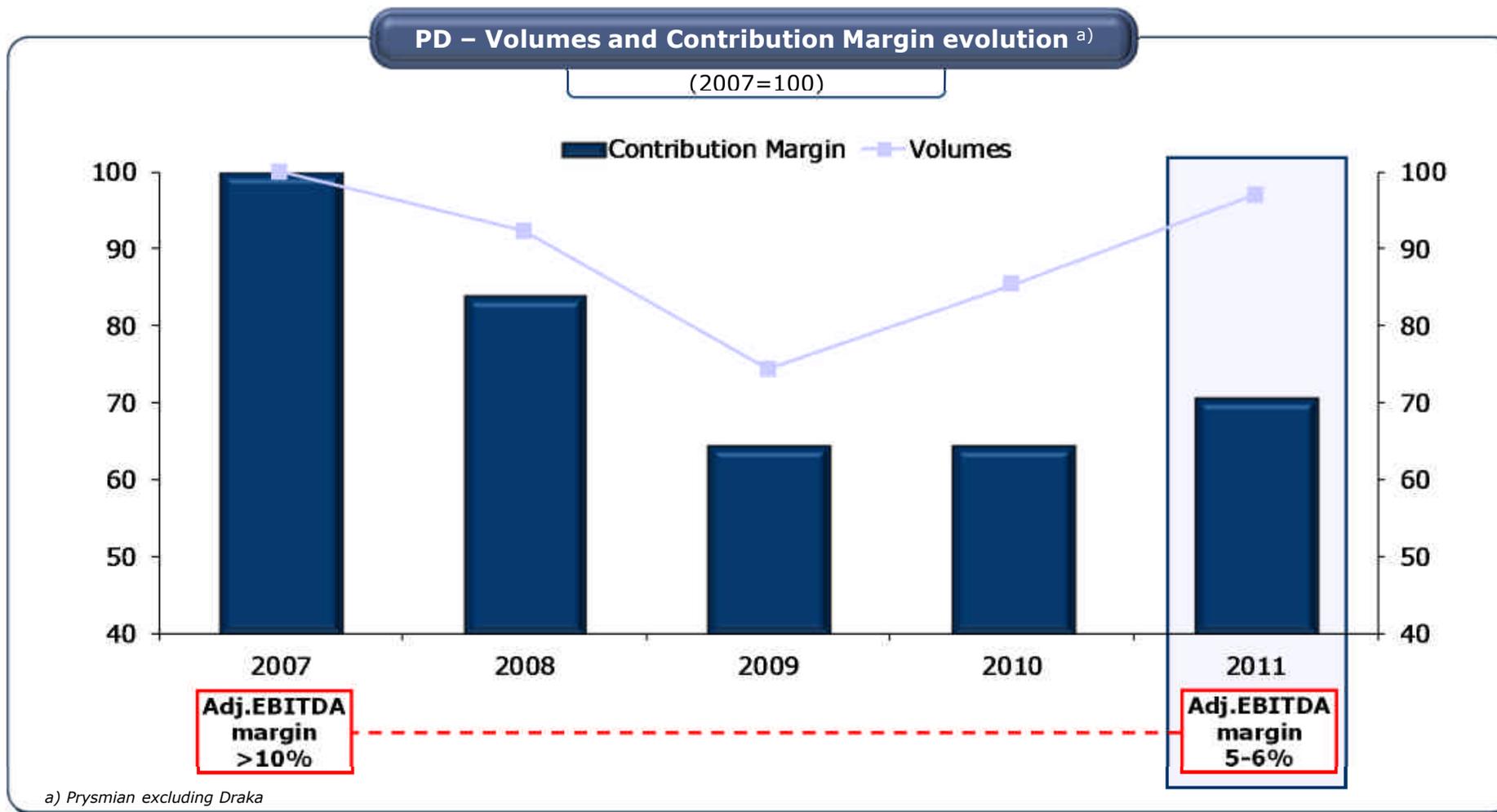
## Action plan

- 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

# Limited downside for cyclical businesses on current profitability

The Power Distribution case

- Minor profitability improvement in 2011 despite volume recovery
- Low downside risk on current ebitda margin level (5-6%)



# Trade & Installers

## Business description

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

## Key customers

- Key customers include major:
  - Specialized distributors



- General distributors



- Wholesalers



- Installers

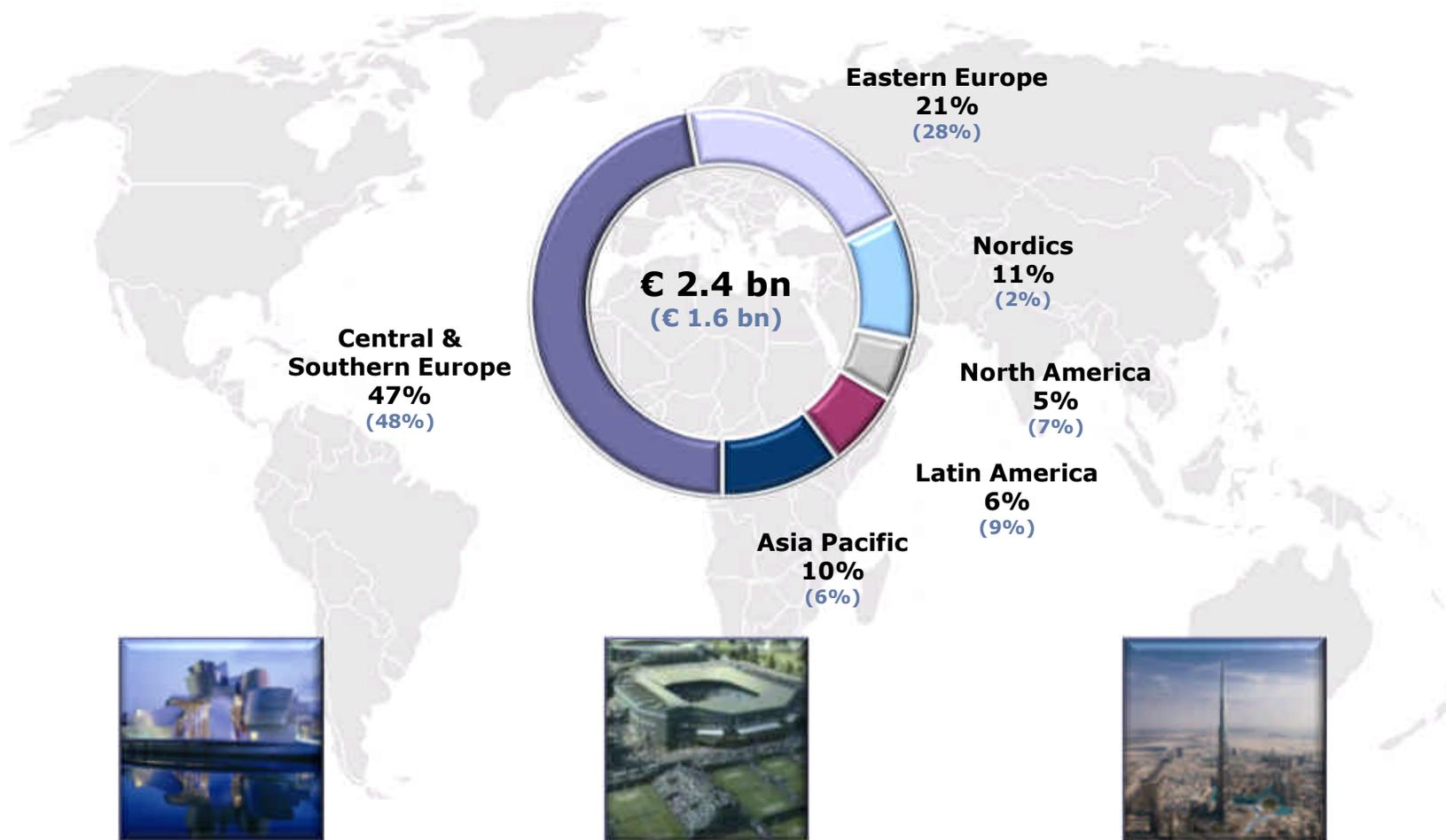


# Trade & Installers

Improving geographical mix with higher exposure to Nordics and APAC (excl.China)

## Sales breakdown by geographical area

**FY 2011 combined**  
(FY 2011 Prysmian excl.Draka)



Nordics: Norway, Sweden, Finland, Denmark, Estonia

Eastern Europe: Austria, Czech Rep, Slovakia, Hungary, Romania, Turkey, Russia

# Trade & Installers

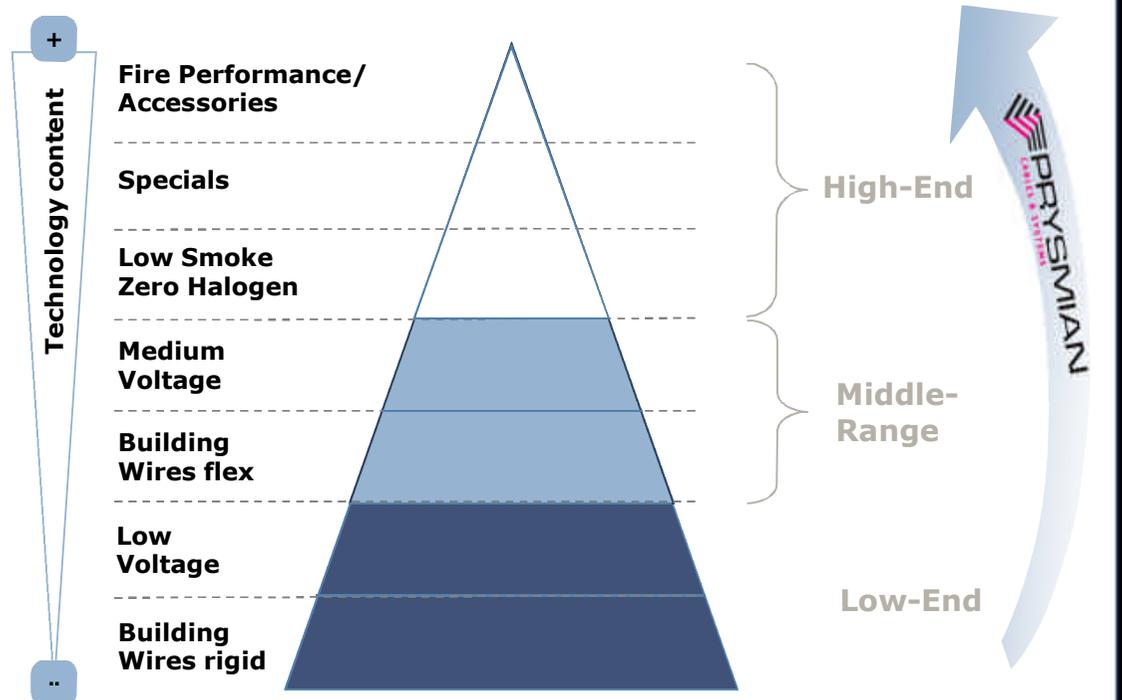
## Key success factors

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

## Action plan

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

## Product overview



# Industrial

## Business description

*Integrated cable solutions highly customized to our industrial customers worldwide*

### Oil & Gas

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



### Renewable

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



### Surf (Subsea umbilical, riser and flowline)

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



### Elevator

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



### Auto & Transport

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



### Specialties & OEM

Products for mining, crane and other niches

## Key customers

Large and differentiated customer base generally served through direct sales

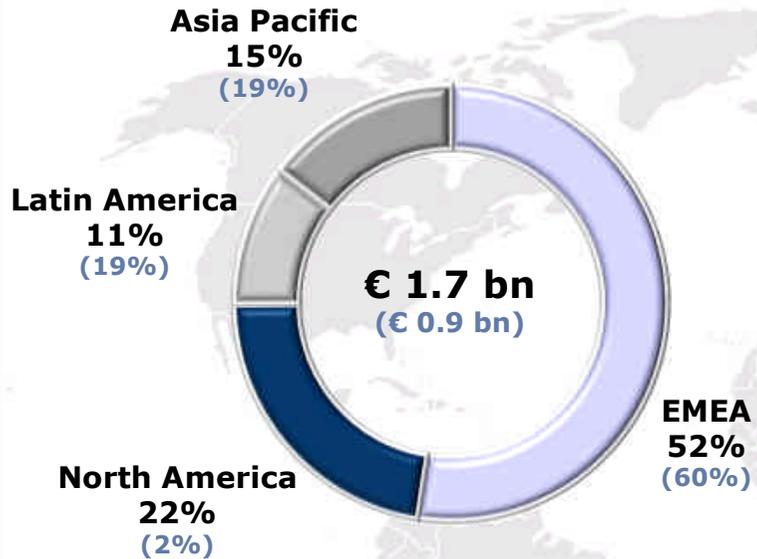


# Industrial

A leading presence worldwide

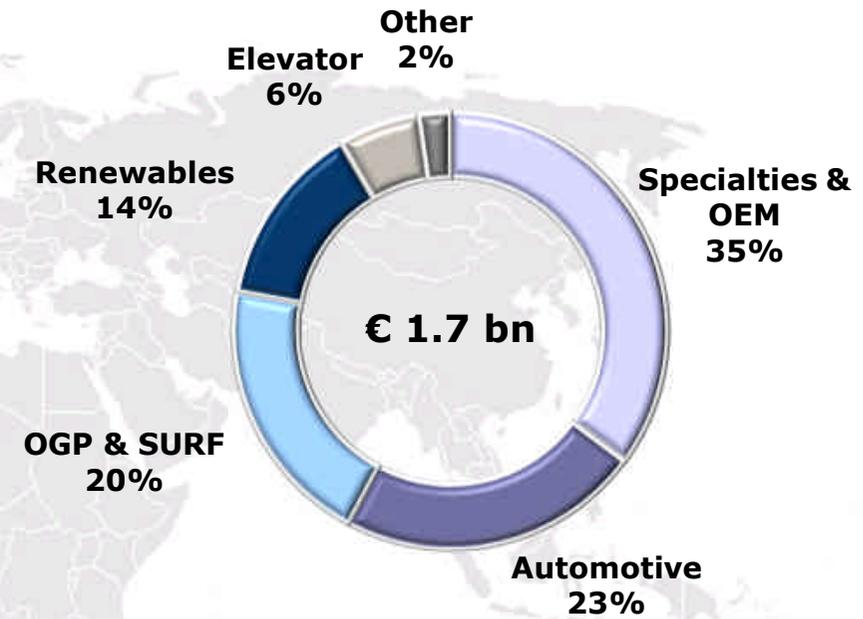
## Sales breakdown by geographical area

FY 2011 combined  
(FY 2011 Prysmian excl. Draka)



## Sales breakdown by business segment

FY2011 combined



Increased exposure to North America

Wider presence in all the market segments



# Industrial – Investing in the high value added off-shore oil business

New flexible pipes plant in Brazil and acquired downhole technology from Draka

**Vila Velha (BRA): new flexible pipes plant built next to the pre-existing umbilical plant**



**Over US\$ 100m sales in FY2011**



**Flexible Pipes**

Production line and chemical injection



**Umbilical Control/Injection**

Controlling valves on the sea bed. Can use thermoplastic hoses or steel tubes (STU)



**Umbilical for Power**

Connecting platforms to platforms to transmit power or feed pumps for upstream exploration

**Bridgewater (USA): plant contributed by Draka specialized in downhole technology (DHT)**



**Approx. US\$ 40m sales in FY2011**

Sales breakdown: N.A.(50%)-Europe(20%)-S.A.(20%)-MiddleEast/Apac(10%)



**Hybrid Electro-Optical**

Monitoring in real time the performance of the well. Tube of SS, Inconel, Duplex, etc



**Electrical**

Supplying power to the sensors or to the well



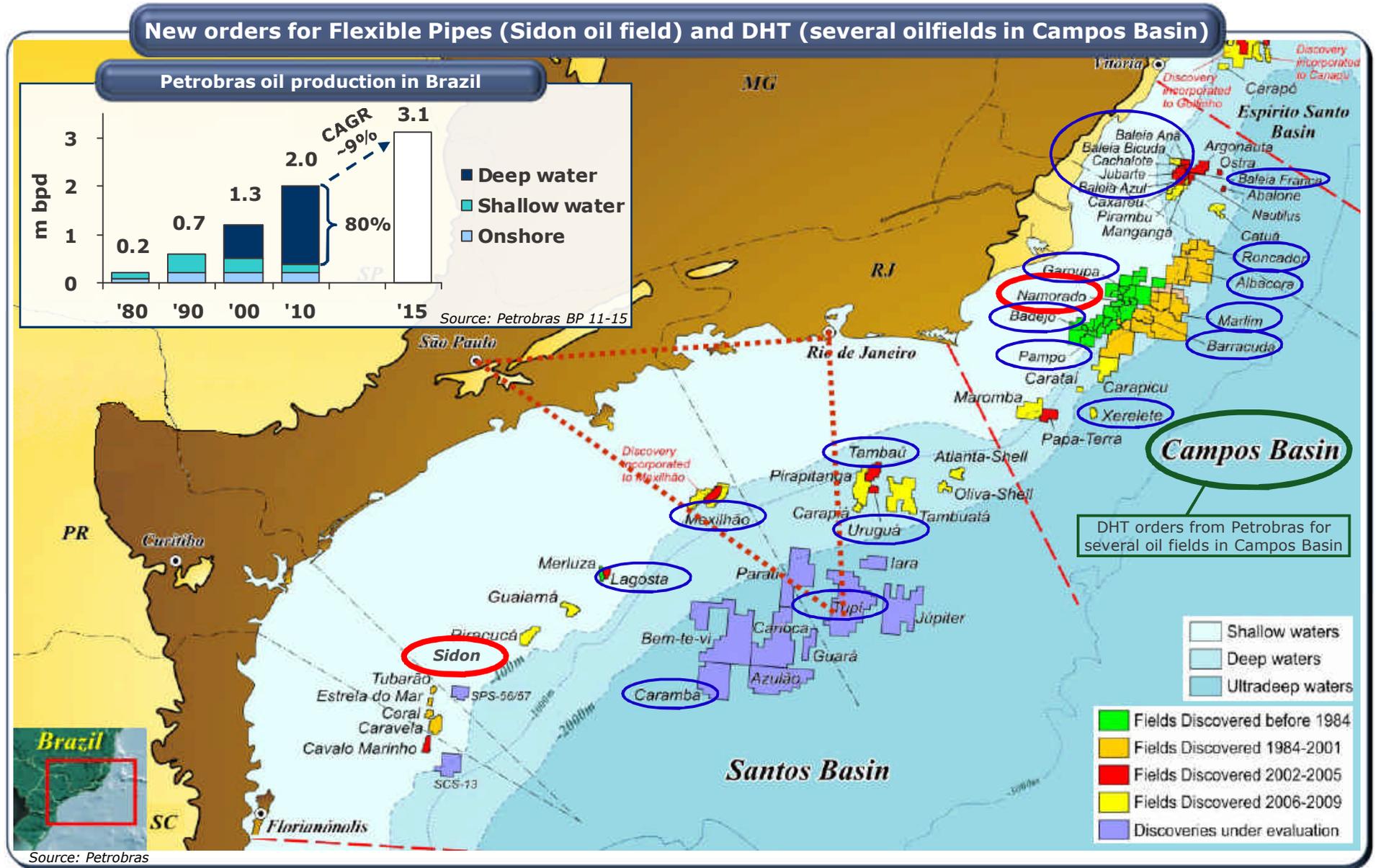
**Packaged Gas & Fluid**

For chemical/hydraulic injection, fiber sensing

Main customers: Schlumberger, Baker-Hughes, BJ Services, GCDT

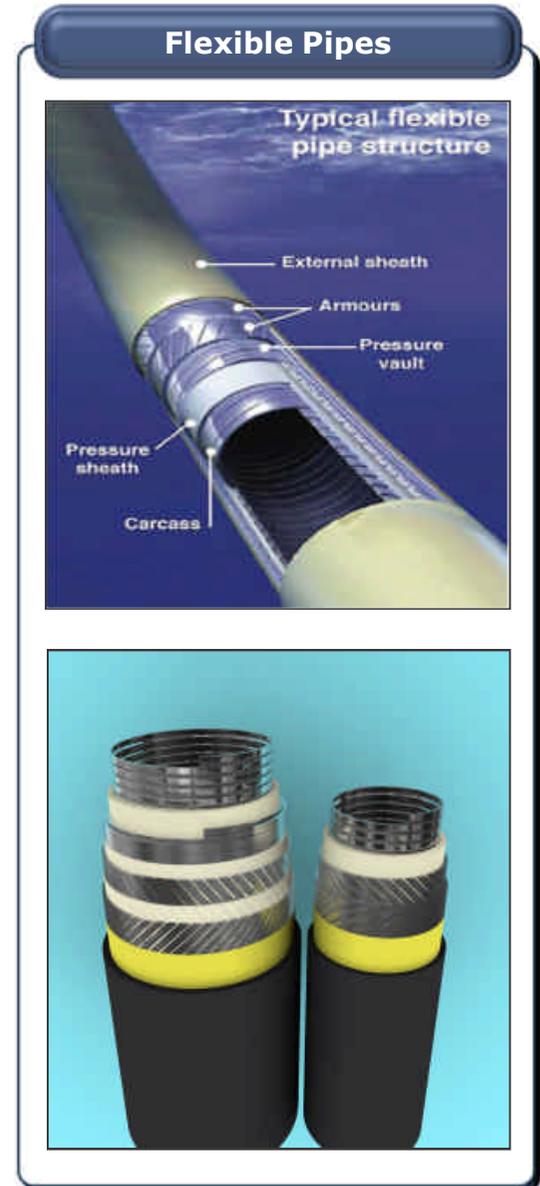
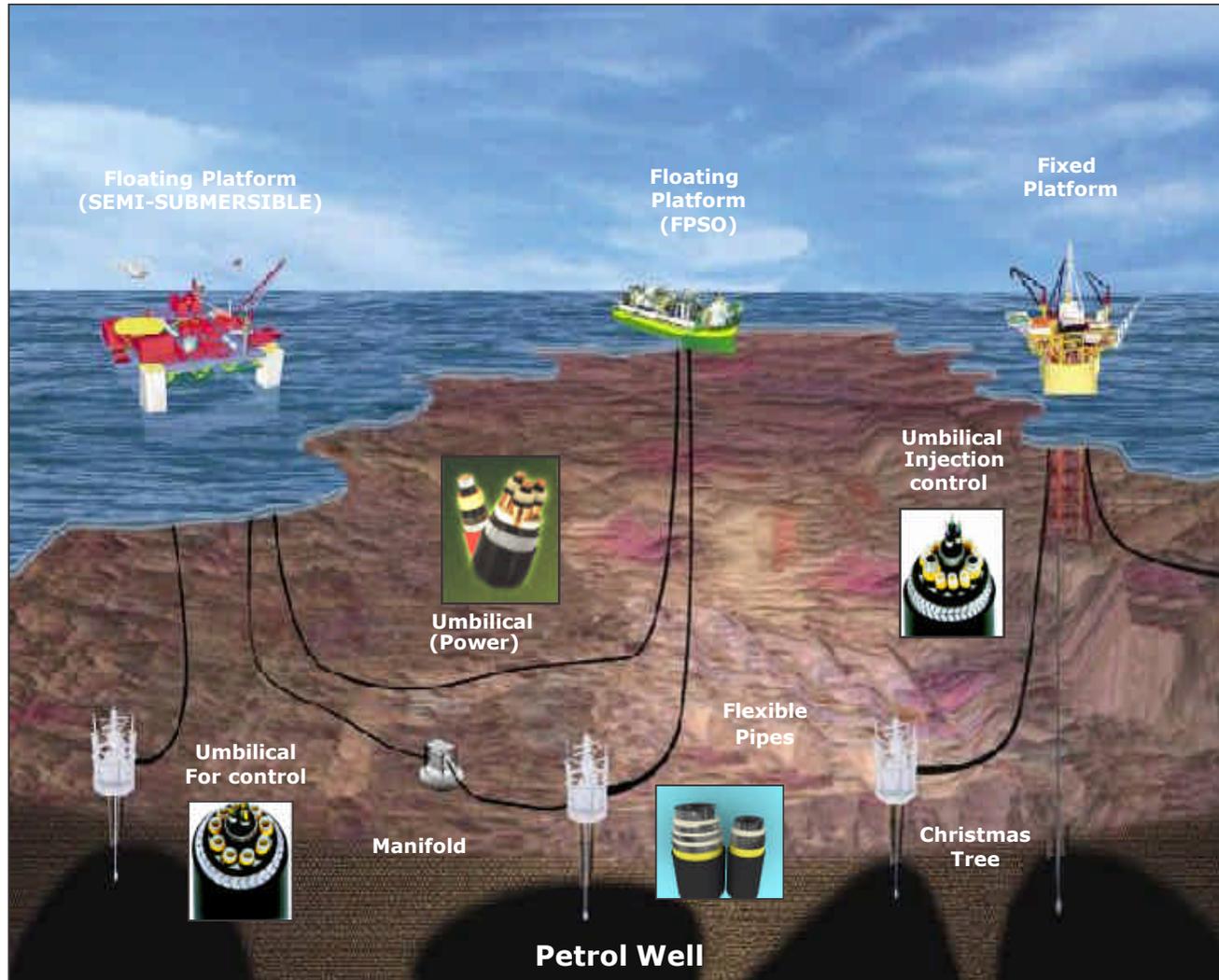
# Industrial – Strengthening presence in the key Brazilian market

First flexible Pipes delivered (Namorado field) and new orders for both Flexible Pipes and DHT (several oilfields in Campos Basin)



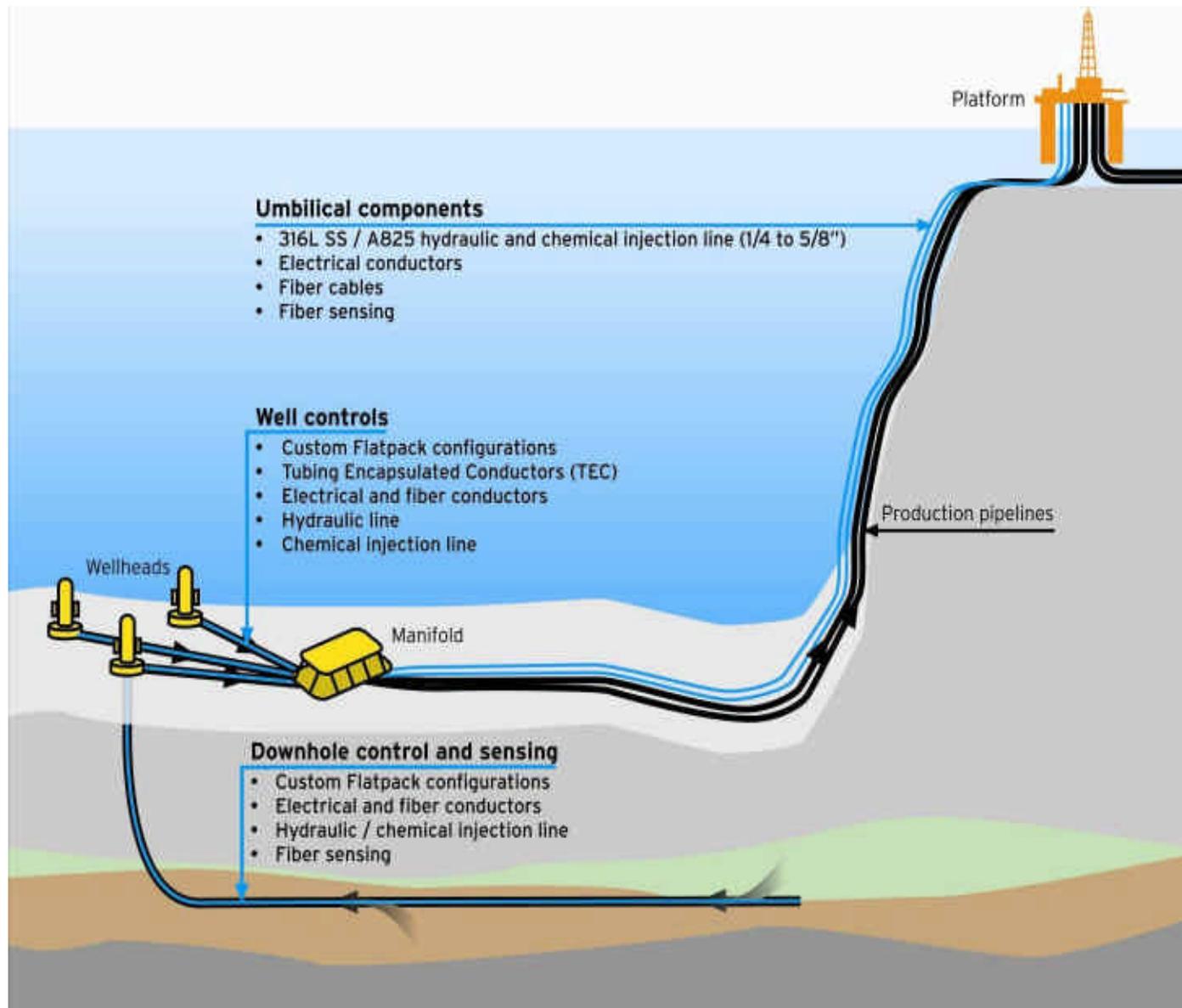
# Industrial – Off-shore oil exploration

## Oilfield structure

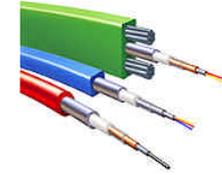


# Industrial – Off-shore oil exploration

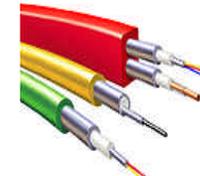
Cross selling opportunities driven by the new Downhole technology business contributed by Draka



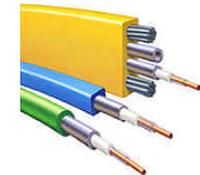
## Downhole Technology (DHT)



HYBRID ELECTRO-OPTIC



FIBER OPTIC



ELECTRICAL



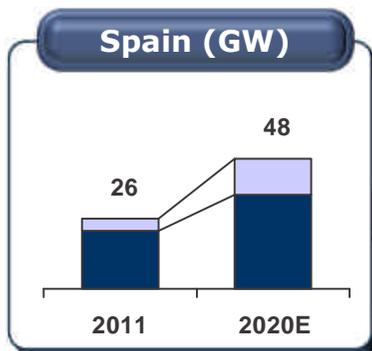
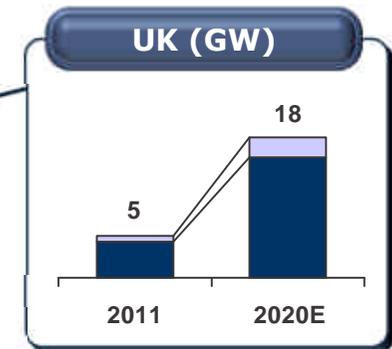
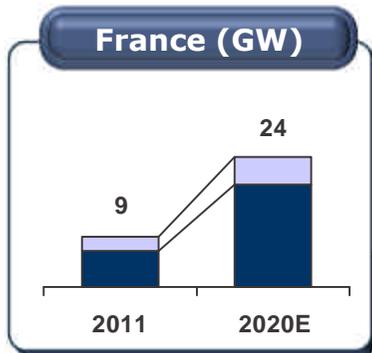
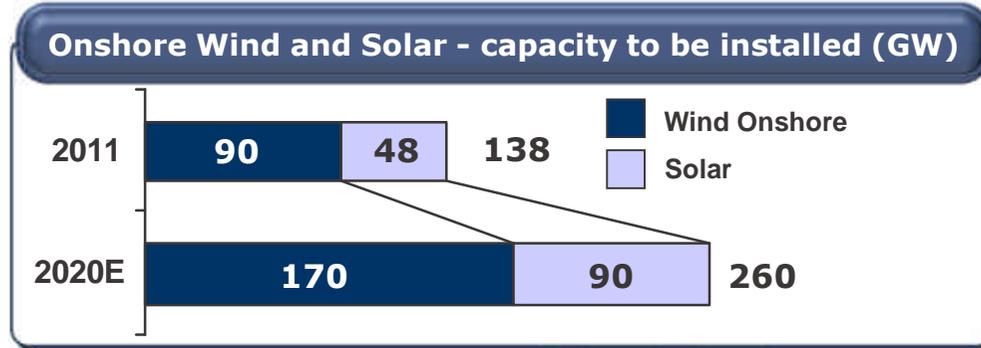
GAS & FLUID TUBING



PACKAGED GAS & FLUID TUBING

# Industrial – 120GW of new Solar and Onshore Wind capacity by 2020

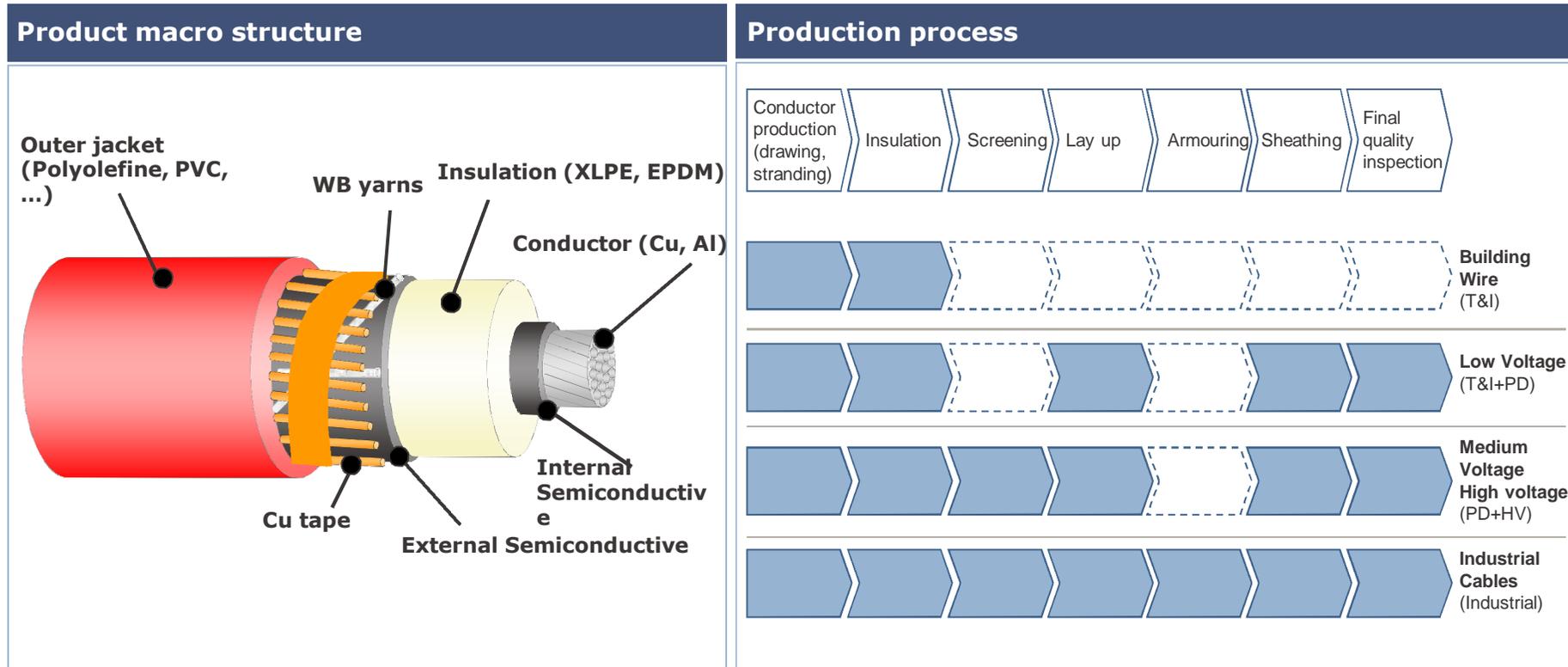
Four major countries accounting for about 70% of total new capacity



Source: 2011: EPIA and EWEA (Jan 2012); 2020: Targets as from National Renewable Energy Action Plans (June 2010)

Note: includes EU-27 countries

# Macro-structure of Energy Cables

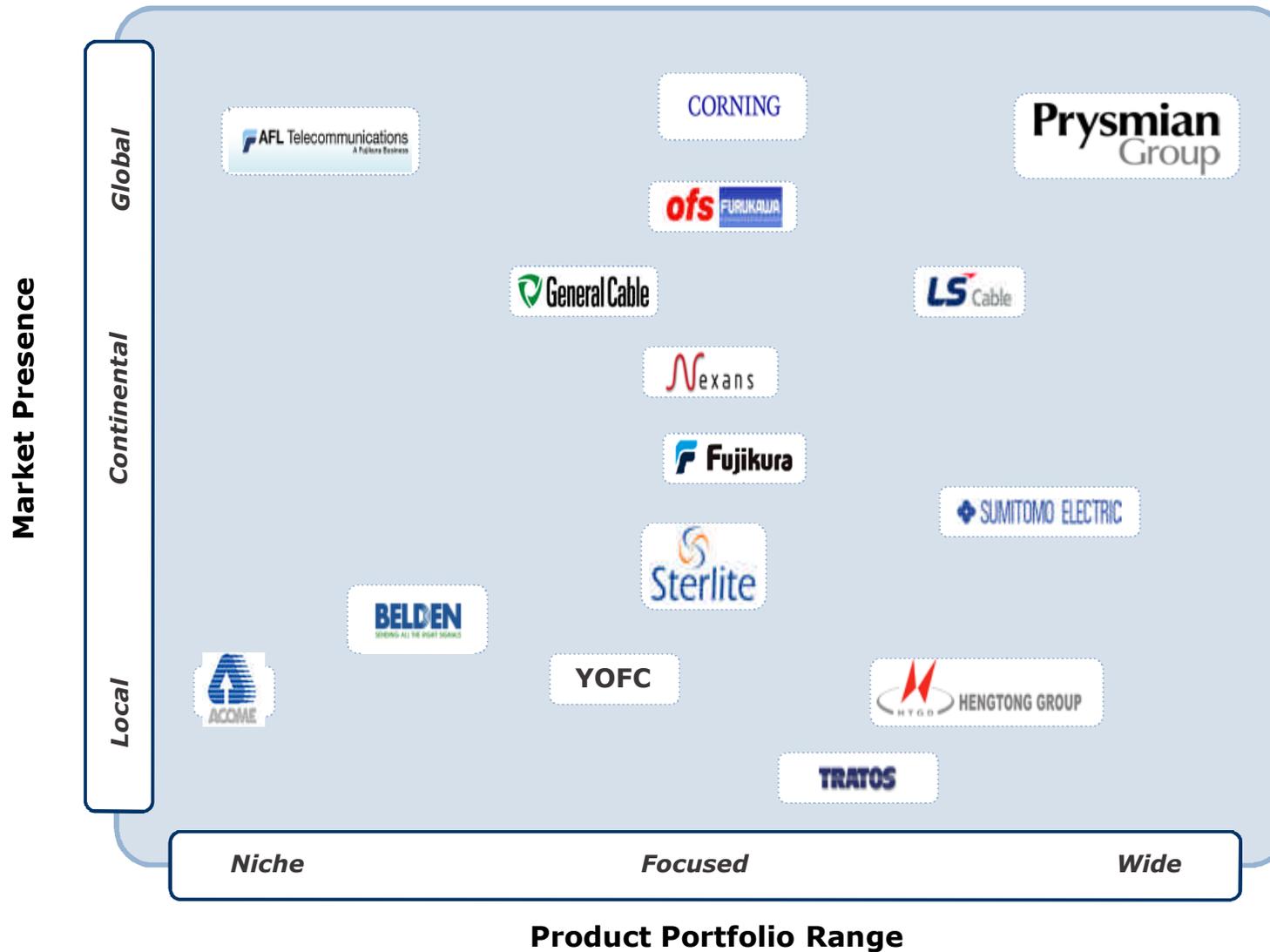


# AGENDA

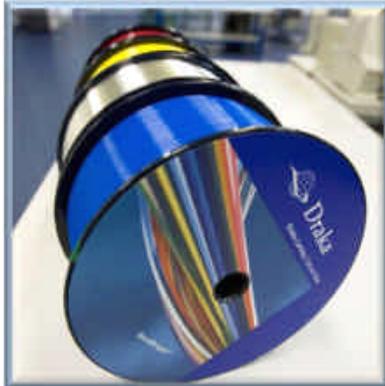
- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Telecom

# Major Players within the Telecom Industry

Competitive scenario

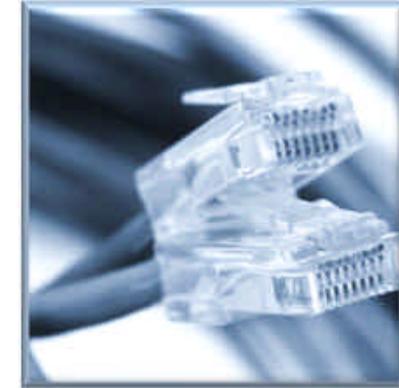


# All cable solutions for Telecom Business



## Telecom

- **Optical Cables**
- **Connectivity/FTTx passive systems**
- **Optical Fiber**
- **Copper Cables**
- **Multimedia Solutions**
- **Telecom Solutions**



# 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

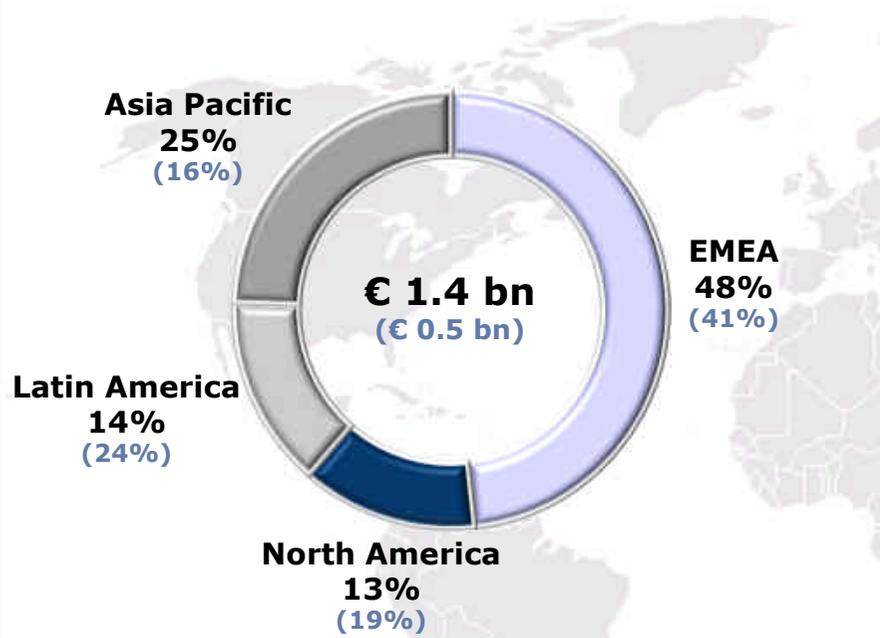


# Telecom

A more diversified portfolio to strengthen market presence worldwide

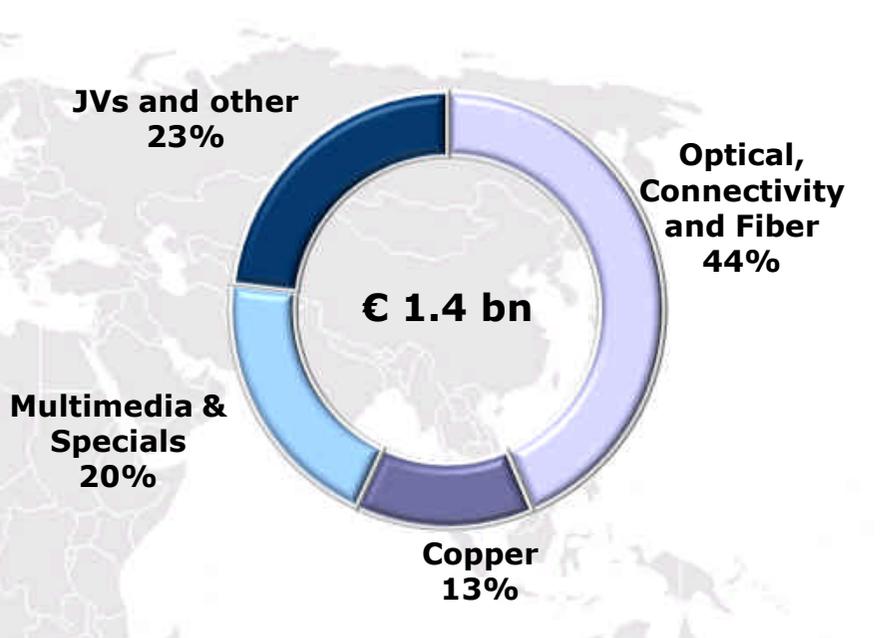
## Sales breakdown by geographical area

FY 2011 combined  
(FY 2011 Prysmian excl. Draka)



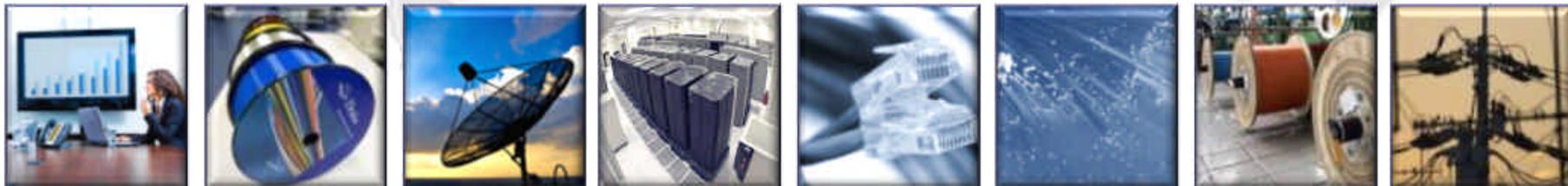
## Sales breakdown by business segment

FY2011 combined



Increased exposure to Asia Pacific

New leader in optical fibre cables



# 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
  - Diffusion of broadband services / other high-tech services (i.e. IPTV)

### Key success factors

- Continuous innovation and development of new cable & fibre products
- Cable design innovation with special focus on installation cost reduction
- Relentless activity to maintain the highest quality and service level
- Focus on costs to remain competitive in a highly price sensitive environment

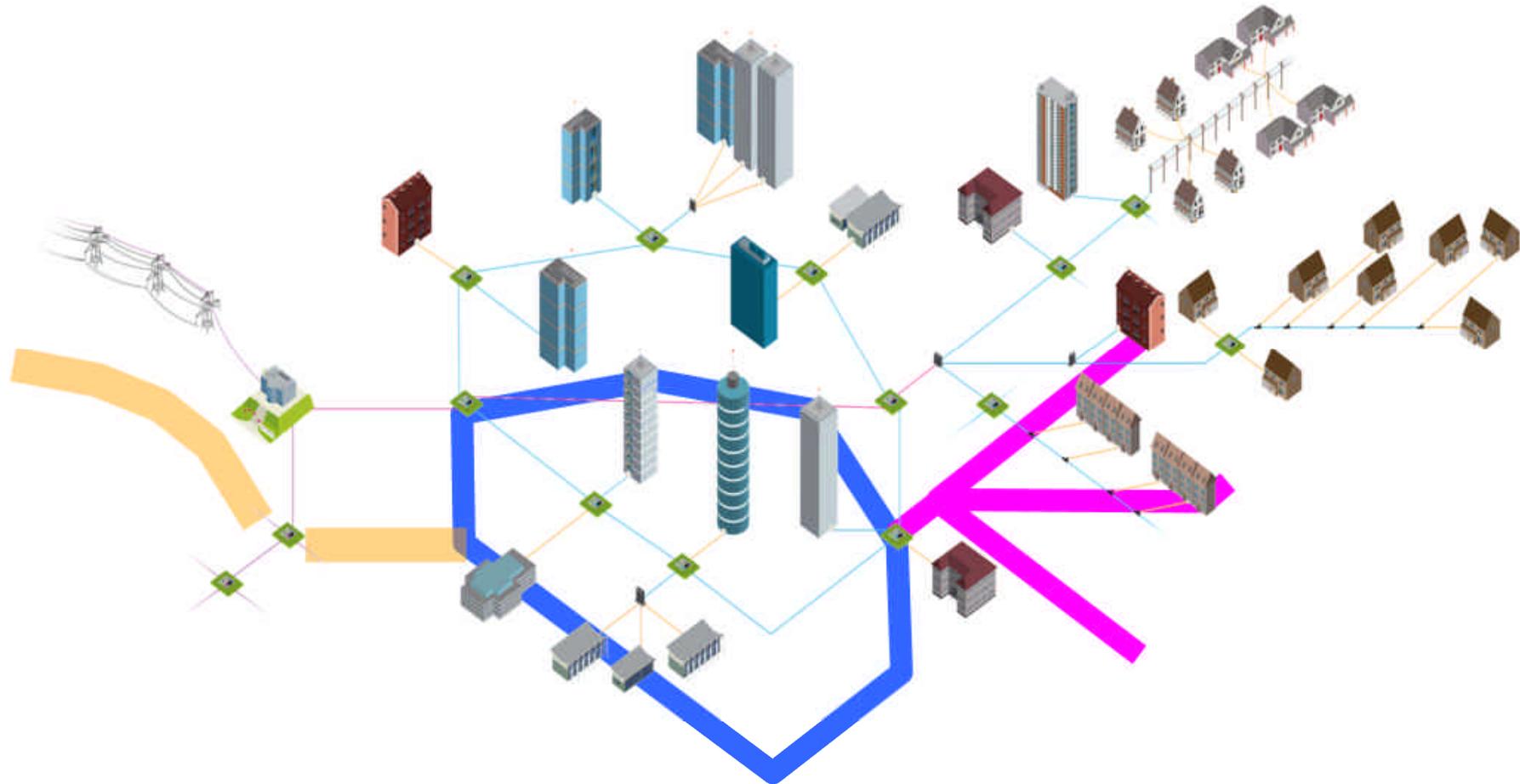
### Strategic value of fibre

- Fibre optic represents the major single component cost of optical cables
- Fibre optic production has high entry barriers:
  - Proprietary technology or licenses difficult to obtain
  - Long time to develop know-how
  - Capital intensity
- When fibre optic is short, vertically integrated cable manufacturers leverage on a strong competitive advantage

### Action plan

- Maintain & reinforce position with key established clients
- Further penetration of large incumbents in emerging regions
- Optimize utilization of low cost manufacturing units
- Expand distribution model in Domestic & Export
- Streamline the inter-company process
- Fully integrated products sales
- Refocus on export activities
- Increase level and effectiveness of agents

# Telecom Cables Main Applications



**BACKBONE**

**METROPOLITAN RING**

**ACCESS NETWORK**

# Telecom - Europe as major opportunity in optical cables development

FTTH investments continue to grow but still at 3% of total subscribers in Europe

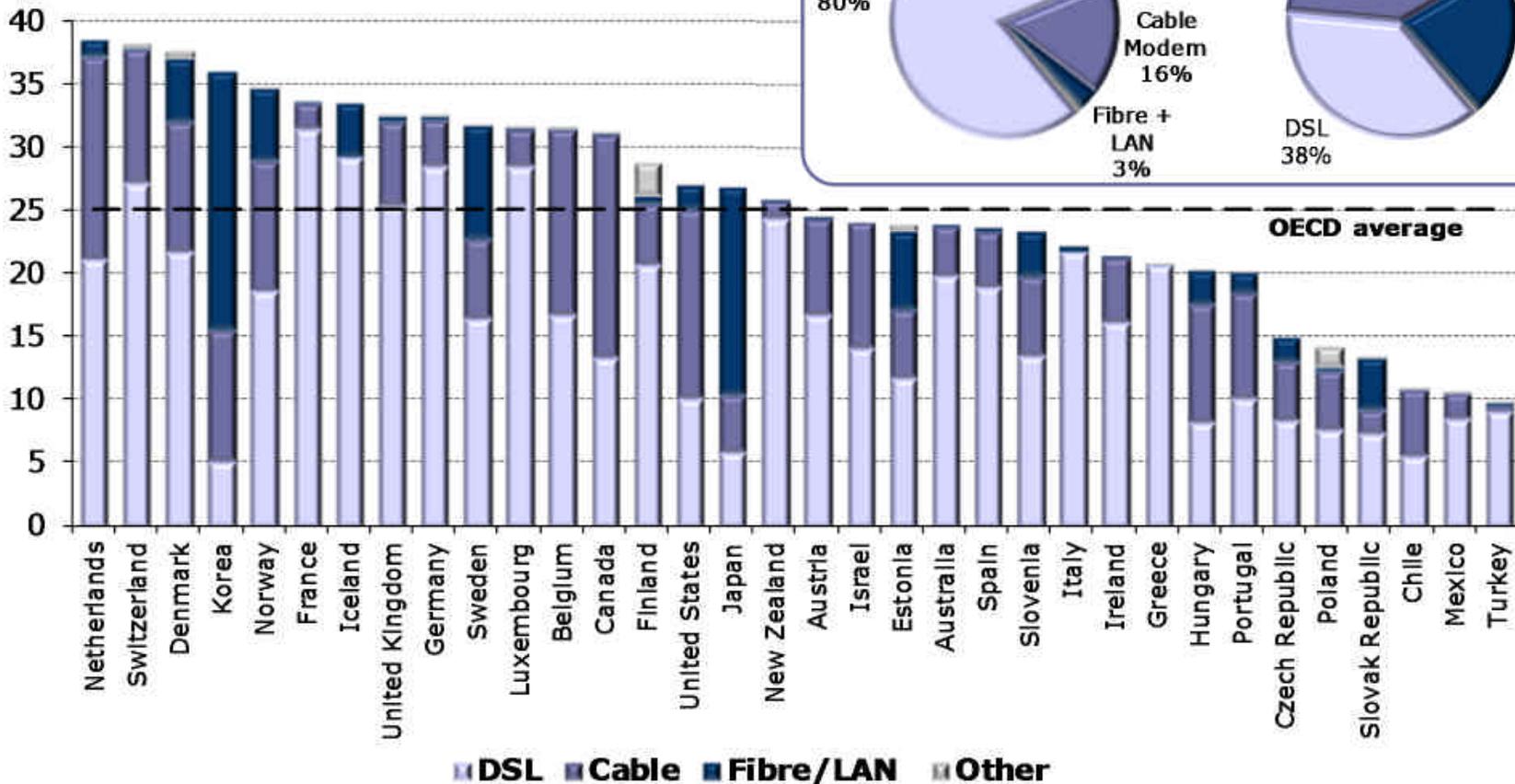
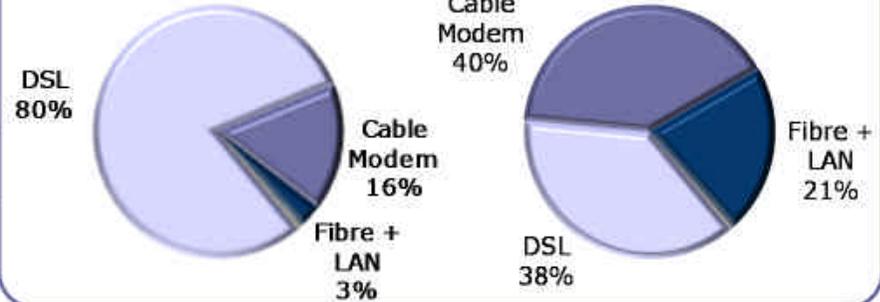
## OECD fixed (wired) broadband subscribers by country

**Prysmian Group Leader in most of the European countries**

### OECD Total subscribers (309mln) by technology

**Europe: 140 mln**

**Non-Europe: 169 mln**



Source: OECD, June 2011

# Consolidated leadership in Australia to benefit from new NBN project

Start-up of National broadband network in 2011

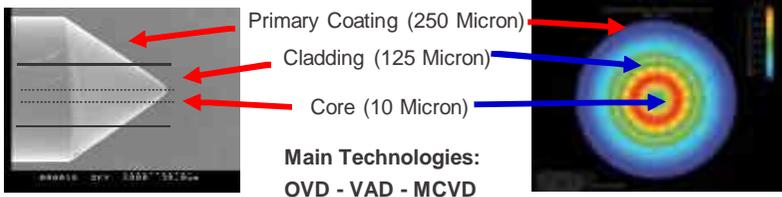
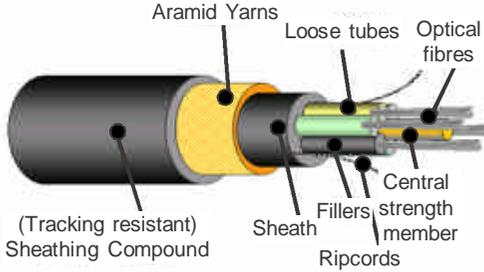
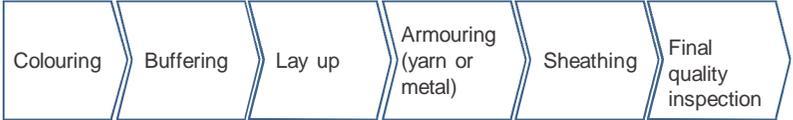
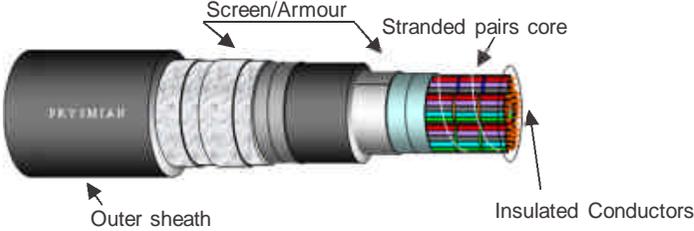
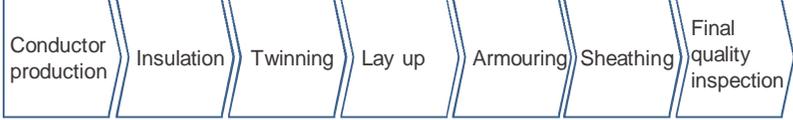


-  Priority locations
-  First release sites
-  Second release sites
-  Cities/Towns

## 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

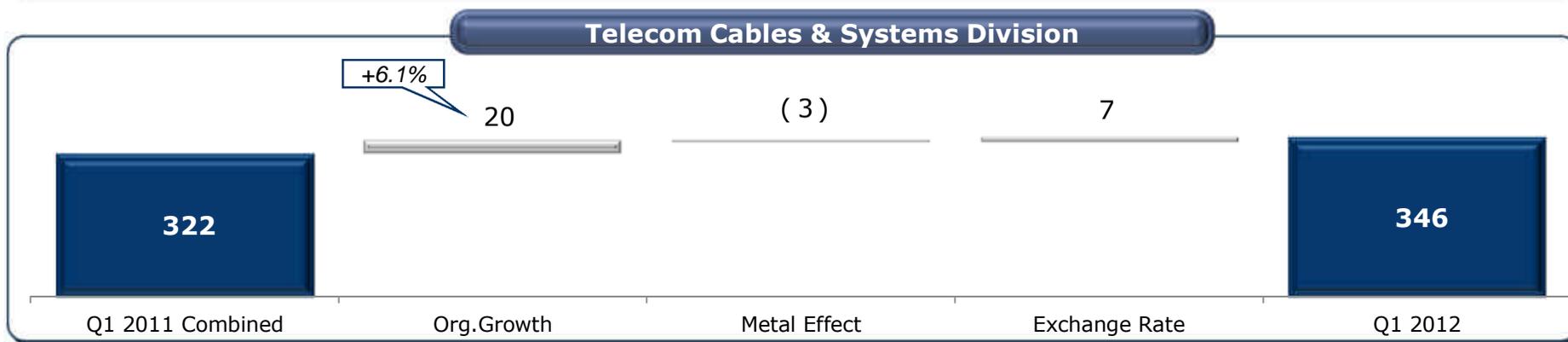
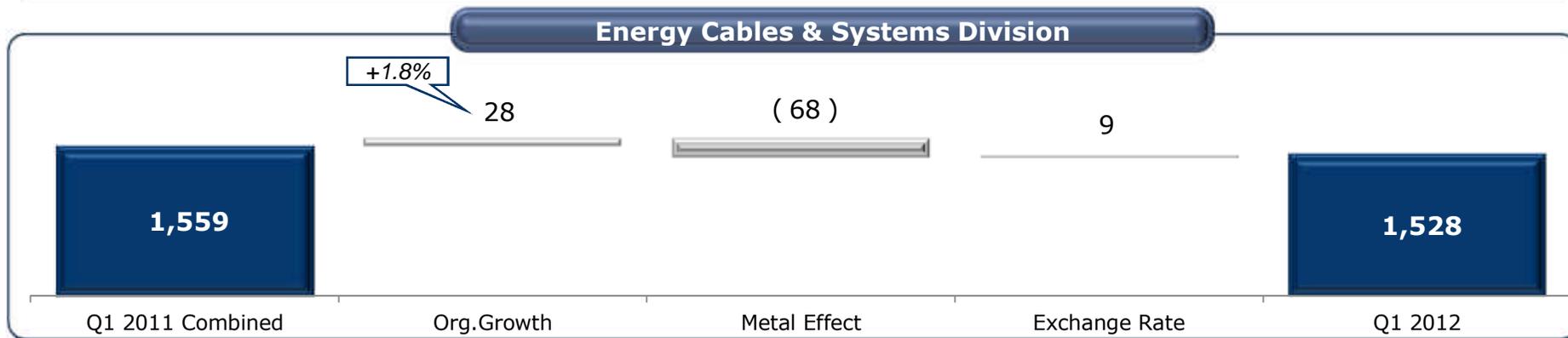
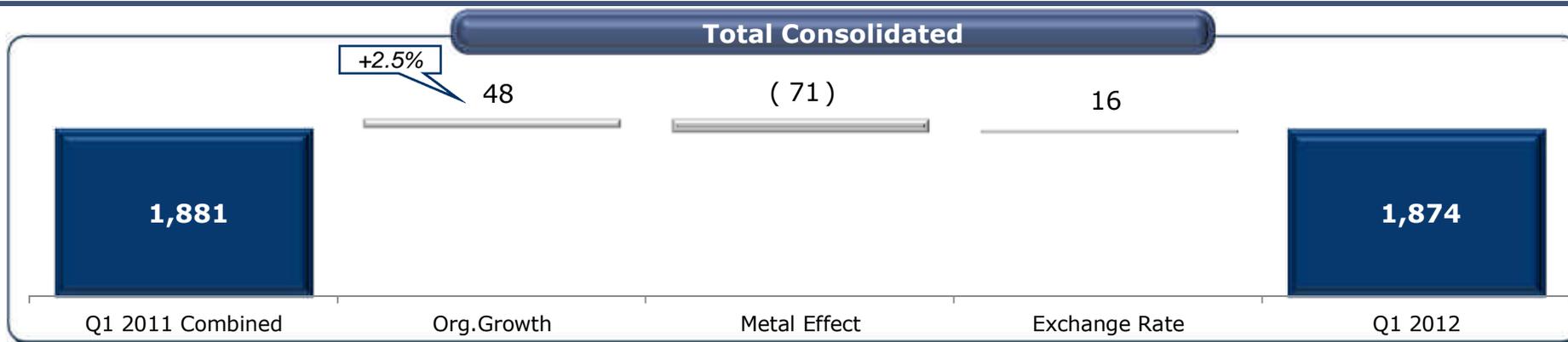
	Product macro structure	Production process
<b>Fibre optic</b>	 <p>Primary Coating (250 Micron) Cladding (125 Micron) Core (10 Micron)</p> <p>Main Technologies: OVD - VAD - MCVD</p>	 <p>Pre form deposition - Consolidation - Drawing - Final quality inspection</p>
<b>Optical cables</b>	 <p>(Tracking resistant)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

# AGENDA

- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Financials

# Bridge Consolidated Sales

Euro Millions – Full Combined



# Energy Segment – Profit and Loss Statement

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Sales to Third Parties</b>	<b>1,528</b>	<b>1,284</b>	<b>1,559</b>
<i>YoY total growth</i>	-2.0% <sup>c)</sup>		
<i>YoY organic growth</i>	1.8% <sup>c)</sup>		
<b>Adj. EBITDA</b>	<b>95</b>	<b>84</b>	<b>94</b>
<i>% on sales</i>	6.2%	6.5%	5.9%
<b>Adj. EBIT</b>	<b>68</b>	<b>64</b>	<b>68</b>
<i>% on sales</i>	4.5%	4.9%	4.3%

a) Includes Draka Group's results since 1 March 2011  
 b) Includes Draka Group's results since 1 January 2011  
 c) Variation calculated on Q1 2011 Combined

# Energy Segment – Sales and Profitability by business area

Euro Millions, % of Sales Growth – Q1 combined

	Q1 2012	Q1 2011 Comb.	Total growth	Organic growth	
<b>Sales to Third Parties</b>	Utilities	489	-4.8%	-3.8%	
	Trade & Installers	541	-4.6%	2.5%	
	Industrial	464	413	12.4%	15.2%
	Others	34	65	n.m.	n.m.
	<b>Total Energy</b>	<b>1,528</b>	<b>1,559</b>	<b>-2.0%</b>	<b>1.8%</b>
			<b>Q1'12 % on Sales</b>	<b>Q1'11 % on Sales</b>	
<b>Adj. EBITDA</b>	Utilities	46	9.4%	11.1%	
	Trade & Installers	18	3.3%	3.1%	
	Industrial	31	18	6.7%	4.2%
	Others	0	1	n.m.	n.m.
	<b>Total Energy</b>	<b>95</b>	<b>94</b>	<b>6.2%</b>	<b>5.9%</b>
<b>Adj. EBIT</b>	Utilities	38	7.7%	9.3%	
	Trade & Installers	10	1.9%	2.0%	
	Industrial	21	10	4.6%	2.3%
	Others	-1	0	n.m.	n.m.
	<b>Total Energy</b>	<b>68</b>	<b>68</b>	<b>4.5%</b>	<b>4.3%</b>

# Telecom Segment – Profit and Loss Statement

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Sales to Third Parties</b>	<b>346</b>	<b>206</b>	<b>322</b>
<i>YoY total growth</i>	7.4% <sup>c)</sup>		
<i>YoY organic growth</i>	6.1% <sup>c)</sup>		
<b>Adj. EBITDA</b>	<b>35</b>	<b>17</b>	<b>25</b>
<i>% on sales</i>	10.0%	8.1%	7.4%
<b>Adj. EBIT</b>	<b>23</b>	<b>12</b>	<b>16</b>
<i>% on sales</i>	6.5%	5.7%	4.9%

a) Includes Draka Group's results since 1 March 2011  
 b) Includes Draka Group's results since 1 January 2011  
 c) Variation calculated on Q1 2011 Combined

# Net Working Capital

Euro Millions

	31 March '12	31 March '11	31 December '11
Inventories	1,116	1,185	929
Trade accounts receivables	1,340	1,340	1,197
Trade accounts payables	(1,528)	(1,492)	(1,421)
Other receivables/(payables)	(109)	(105)	(126)
<b>Operative Net working capital</b>	<b>819</b>	<b>928</b>	<b>579</b>
Derivatives assets/(liabilities)	(5)	42	(27)
<b>Net working capital</b>	<b>814</b>	<b>970</b>	<b>552</b>
<b>% Operative NWC on sales <sup>(1)</sup></b>	<b>10.9%</b>	<b>12.3%</b>	<b>7.3%</b>

## Notes

(1) Defined as Operating NWC on annualized last quarter sales

# Financial Structure

Euro Millions

	Debt structure (€m)		31.03.2012 (€m)		
	31.03.12	31.12.11	Used	Available Funds <sup>(2)</sup>	Maturity
Term Loan	672	674	672	-	12/2014
Eurobond	417	412	417	-	04/2015
Revolving Credit Facility	-	-	-	395	12/2014
Securitization	105	111	105	245	07/2012
Term Loan 2011	400	400	400	-	03/2016
Revolving 2011	-	-	-	400	03/2016
Other Debt	327	325	327	-	-
<b>Total Gross Debt</b>	<b>1,921</b>	<b>1,922</b>	<b>1,921</b>	<b>1,040</b>	<b>2.7 y <sup>(1)</sup></b>
Cash & Cash equivalents	(537)	(727)	(537)	537	
Other Financial Assets	(84)	(103)	(84)	65	
<b>NFP Vs third parties</b>	<b>1,300</b>	<b>1,092</b>	<b>1,300</b>	<b>1,642</b>	
Bank Fees	(27)	(28)			
<b>NFP</b>	<b>1,273</b>	<b>1,064</b>			

(1) Average maturity as of 31 Mar 2012

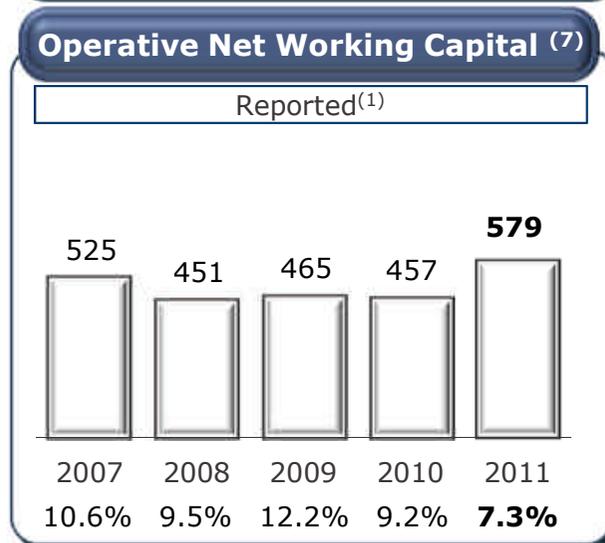
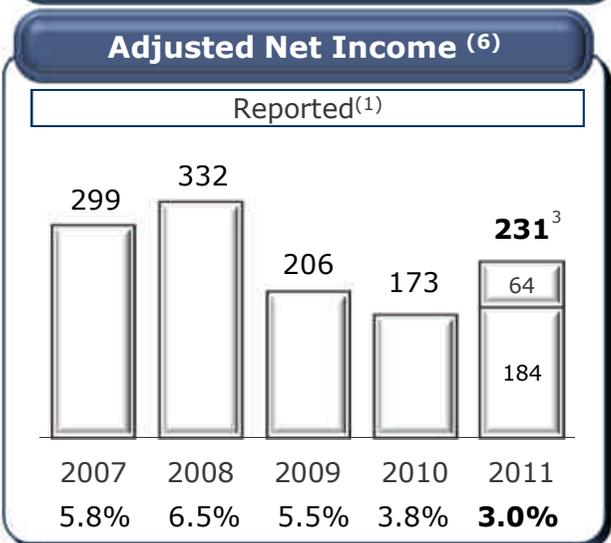
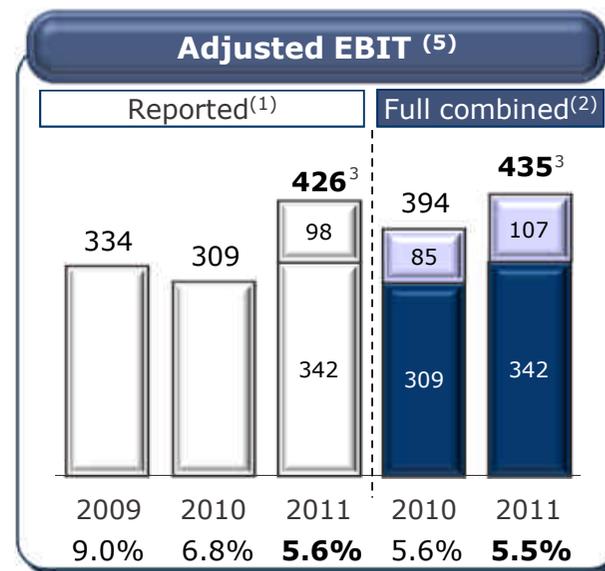
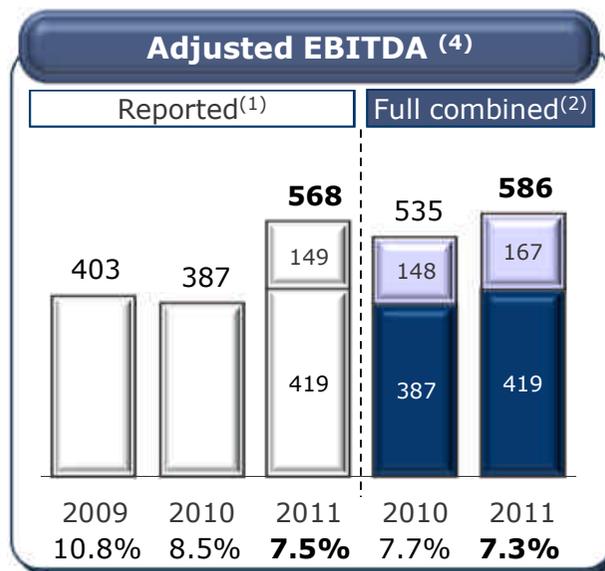
(2) Defined as Cash and Unused committed credit lines

Note: Average spread on utilized credit lines equal to 1.7%

# FY 2011 Key Financials

Euro Millions, % on Sales

Draka  
Prysmian



(1) Draka consolidated for the period 1 March 2011 – 31 December 2011; (2) Draka consolidated for the period 1 January – 31 December; (3) Includes consolidation adjustments; (4) Adjusted excluding non-recurring income/expenses; (5) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (6) 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; (7) 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

# Profit and Loss Statement

Euro Millions

	FY 2011 Reported a)				FY 2010 Combined b)			FY 2011 Combined b)			
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total	PRY	DRAK	Cons. adj.	Total
<b>Sales</b>	<b>5,363</b>	<b>2,279</b>	<b>(59)</b>	<b>7,583</b>	<b>4,571</b>	<b>2,419</b>	<b>6,990</b>	<b>5,363</b>	<b>2,669</b>	<b>(59)</b>	<b>7,973</b>
<i>YoY total growth</i>	17.3%	8.5%		65.9%	22.5%	18.7%		17.3%	10.4%		14.1%
<i>YoY organic growth</i>	11.2%	4.0%			3.2%	3.5%		11.2%	4.2%		8.8%
<b>Adj. EBITDA</b>	<b>419</b>	<b>149</b>	<b>-</b>	<b>568</b>	<b>387</b>	<b>148</b>	<b>535</b>	<b>419</b>	<b>167</b>	<b>-</b>	<b>586</b>
<i>% on sales</i>	7.8%	6.5%		7.5%	8.5%	6.1%	7.7%	7.8%	6.3%		7.3%
<i>Non recurring items</i>	(247)	(38)	(14)	(299)	(22)	(56)	(78)				
<b>EBITDA</b>	<b>172</b>	<b>111</b>	<b>(14)</b>	<b>269</b>	<b>365</b>	<b>92</b>	<b>457</b>				
<i>% on sales</i>	3.2%	4.9%		3.4%	8.0%	3.8%	6.5%				
<b>Adj. EBIT</b>	<b>342</b>	<b>98</b>	<b>(14)</b>	<b>426</b>	<b>309</b>	<b>85</b>	<b>394</b>	<b>342</b>	<b>107</b>	<b>(14)</b>	<b>435</b>
<i>% on sales</i>	6.4%	4.3%		5.6%	6.8%	3.5%	5.6%	6.4%	4.0%		5.5%
<i>Non recurring items</i>	(247)	(38)	(14)	(299)	(22)	(56)	(78)				
<i>Special items</i>	(98)	(10)	-	(108)	20	-	20				
<b>EBIT</b>	<b>(3)</b>	<b>50</b>	<b>(28)</b>	<b>19</b>	<b>307</b>	<b>29</b>	<b>336</b>				
<i>% on sales</i>	0.1%	2.2%		0.3%	6.7%	1.2%	4.8%				
<i>Financial charges</i>	(102)	(13)	(5)	(120)	(94)	(24)	(118)				
<b>EBT</b>	<b>(105)</b>	<b>37</b>	<b>(33)</b>	<b>(101)</b>	<b>213</b>	<b>5</b>	<b>218</b>				
<i>% on sales</i>	-1.8%	1.6%		-1.3%	4.7%	0.2%	3.1%				
<i>Taxes</i>	(32)	(17)	5	(44)	(63)	2	(61)				
<i>% on EBT</i>	n.m.	n.m.		n.m.	29.8%	37.5%	28.0%				
<b>Net income</b>	<b>(137)</b>	<b>20</b>	<b>(28)</b>	<b>(145)</b>	<b>150</b>	<b>7</b>	<b>157</b>				
<i>Extraordinary items (after tax)</i>	(321)	(44)	(11)	(376)	(23)	(57)	(80)				
<b>Adj. Net income</b>	<b>184</b>	<b>64</b>	<b>(17)</b>	<b>231</b>	<b>173</b>	<b>64</b>	<b>237</b>				

a) Includes Draka consolidated 10 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Extraordinary Effects

Euro Millions

	FY 2011 Reported <sup>a)</sup>				FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total
Antitrust investigation	(205)	-	-	(205)	-	-	-
Restructuring	(22)	(34)	-	(56)	(11)	(48)	(59)
Legal costs	-	-	-	-	(5)	-	(5)
Draka transaction costs	(6)	-	-	(6)	(6)	(8)	(14)
Draka integration costs	(10)	(2)	-	(12)	-	-	-
Draka change of control effects	(2)	-	-	(2)	-	-	-
Inventory step-up (PPA)	-	-	(14)	(14)	-	-	-
Other	(2)	(2)	-	(4)	-	-	-
<b>EBITDA adjustments</b>	<b>(247)</b>	<b>(38)</b>	<b>(14)</b>	<b>(299)</b>	<b>(22)</b>	<b>(56)</b>	<b>(78)</b>
Special items	(98)	(10)	-	(108)	20	-	20
Gain/(loss) on metal derivatives	(56)	(6)	-	(62)	28	-	28
Assets impairment	(36)	(2)	-	(38)	(8)	-	(8)
Other	(6)	(2)	-	(8)	-	-	-
<b>EBIT adjustments</b>	<b>(345)</b>	<b>(48)</b>	<b>(14)</b>	<b>(407)</b>	<b>(2)</b>	<b>(56)</b>	<b>(58)</b>
Gain/(Loss) on other derivatives <sup>(1)</sup>	5	2	-	7	(38)	1	(37)
Gain/(Loss) exchange rate	(19)	(2)	-	(21)	7	(3)	4
Other one-off financial income/exp.	-	-	-	-	2	(3)	(1)
<b>EBT adjustments</b>	<b>(359)</b>	<b>(48)</b>	<b>(14)</b>	<b>(421)</b>	<b>(31)</b>	<b>(61)</b>	<b>(92)</b>
Tax	38	4	3	45	8	4	12
<b>Net Income adjustments</b>	<b>(321)</b>	<b>(44)</b>	<b>(11)</b>	<b>(376)</b>	<b>(23)</b>	<b>(57)</b>	<b>(80)</b>

## Notes

<sup>(1)</sup> Includes currency and interest derivatives

a) Includes Draka consolidated 10 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Financial Charges

Euro Millions

	FY 2011 Reported <sup>a)</sup>				FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total
<b>Net interest expenses</b>	<b>(84)</b>	<b>(20)</b>	<b>-</b>	<b>(104)</b>	<b>(61)</b>	<b>(23)</b>	<b>(84)</b>
Bank fees Amortization	(11)	-	-	(11)	(6)	(4)	(10)
Gain/(loss) on exchange rates	(19)	(2)	-	(21)	7	(3)	4
Gain/(loss) on derivatives <sup>(1)</sup>	5	2	-	7	(38)	1	(37)
Non recurring effects	-	-	-	-	2	(3)	(1)
<b>Net financial charges</b>	<b>(109)</b>	<b>(20)</b>	<b>-</b>	<b>(129)</b>	<b>(96)</b>	<b>(32)</b>	<b>(128)</b>
Share in net income of associates	7	7	(5)	9	2	8	10
<b>Total financial charges</b>	<b>(102)</b>	<b>(13)</b>	<b>(5)</b>	<b>(120)</b>	<b>(94)</b>	<b>(24)</b>	<b>(118)</b>

## Notes

<sup>(1)</sup> Includes currency and interest derivatives

a) Includes Draka consolidated 10 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Statement of financial position (Balance Sheet)

Euro Millions

	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
	<b>Total</b>	<b>PRY</b>
Net fixed assets	2,255	1,029
<i>of which: intangible assets</i>	618	59
<i>of which: property, plants &amp; equipment</i>	1,544	958
Net working capital	552	494
<i>of which: derivatives assets/(liabilities)</i>	(27)	37
<i>of which: Operative Net working capital</i>	579	457
Provisions & deferred taxes	(371)	(120)
<b>Net Capital Employed</b>	<b>2,436</b>	<b>1,403</b>
Employee provisions	268	145
Shareholders' equity	1,104	799
<i>of which: attributable to minority interest</i>	62	43
Net financial position	1,064	459
<i>Bank Fees</i>	(28)	(20)
<i>Net financial position vs Third Parties</i>	1,092	479
<b>Total Financing and Equity</b>	<b>2,436</b>	<b>1,403</b>

31 Dec 2010 Combined:  
€ 684 mln

# Cash Flow

Euro Millions

	FY 2011 Comb. <sup>a)</sup>	FY 2011 Rep. <sup>b)</sup>	FY 2010 Rep. <sup>c)</sup>
	Total	Total	PRY
<b>Adj.EBITDA</b>	<b>586</b>	<b>568</b>	<b>387</b>
Non recurring items	(303)	(299)	(22)
<b>EBITDA</b>	<b>283</b>	<b>269</b>	<b>365</b>
Net Change in provisions & others	197	198	(17)
Release of inventory step-up	14	14	-
<b>Cash flow from operations (before WC changes)</b>	<b>494</b>	<b>481</b>	<b>348</b>
Working Capital changes	91	183	(6)
Paid Income Taxes	(98)	(97)	(59)
<b>Cash flow from operations</b>	<b>487</b>	<b>567</b>	<b>283</b>
Acquisitions	(501)	(419) <sup>(1)</sup>	(21)
Net Operative CAPEX	(150)	(145)	(95)
Net Financial CAPEX	4	4	5
<b>Free Cash Flow (unlevered)</b>	<b>(160)</b>	<b>7</b>	<b>172</b>
Financial charges	(132)	(130)	(52)
<b>Free Cash Flow (levered)</b>	<b>(292)</b>	<b>(123)</b>	<b>120</b>
Dividends	(37)	(37)	(75)
Other Equity movements	1	1	13
<b>Net Cash Flow</b>	<b>(328)</b>	<b>(159)</b>	<b>58</b>
<b>NFP beginning of the period</b>	<b>(732)</b>	<b>(459)</b>	<b>(474)</b>
Net cash flow	(328)	(159)	58
Perimeter Change	-	(439) <sup>(2)</sup>	-
Other variations	(4)	(7)	(43)
<b>NFP end of the period</b>	<b>(1,064)</b>	<b>(1,064)</b>	<b>(459)</b>

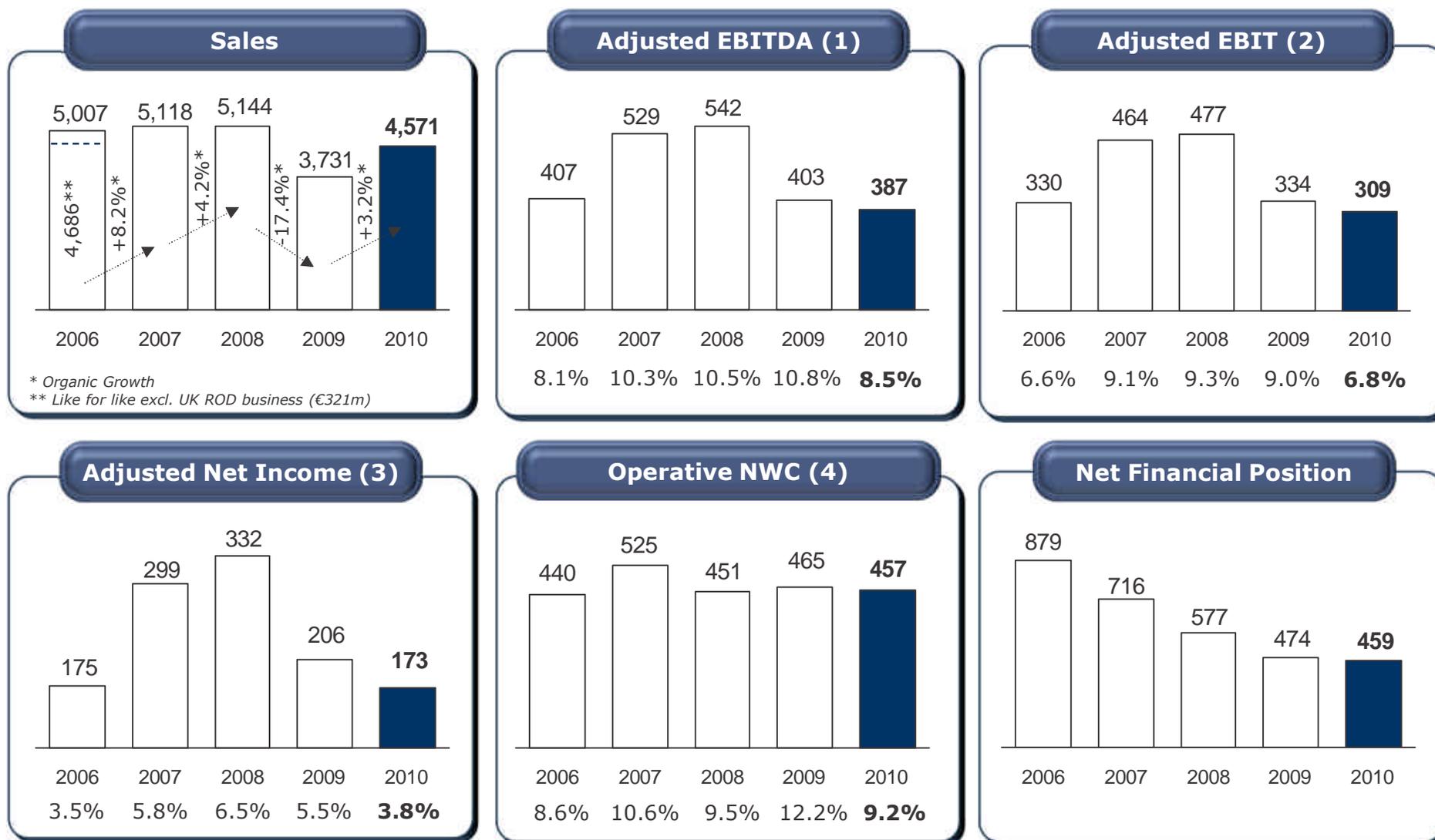
## Notes

(1) Includes € 82m of cash and cash equivalents in Draka consolidated accounts as of 28.02.2011  
 (2) Gross financial debt in Draka consolidated accounts as of 28.02.2011

- a) Includes Draka consolidated all 12 months  
 b) Includes Draka consolidated 10 months from 1 March 2011  
 c) Prysmian only

# Prysmian Historical Key Financials

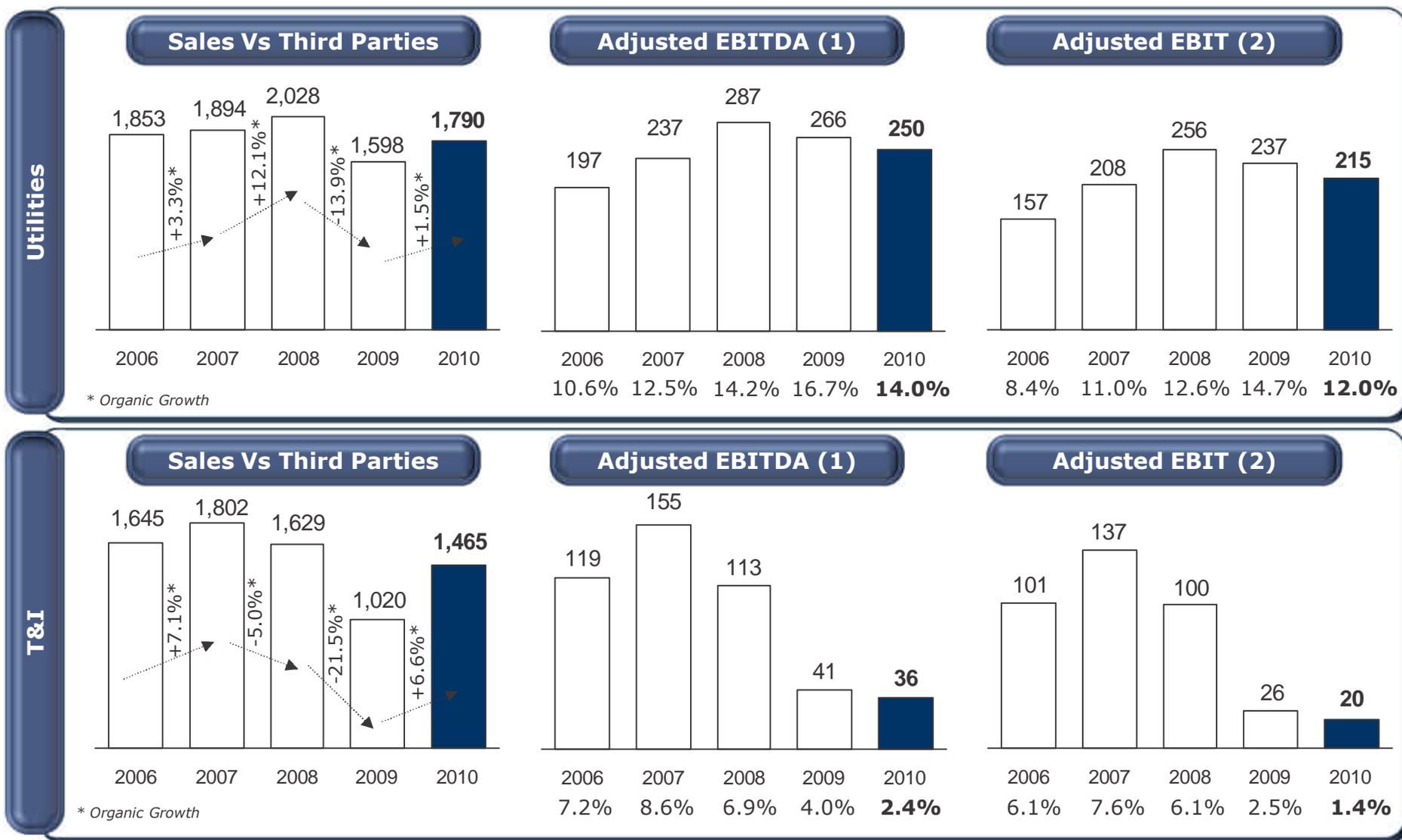
Euro Millions, % of Sales – Pre Draka acquisition



(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (4) Operative Net Working Capital defined as Net Working Capital excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

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

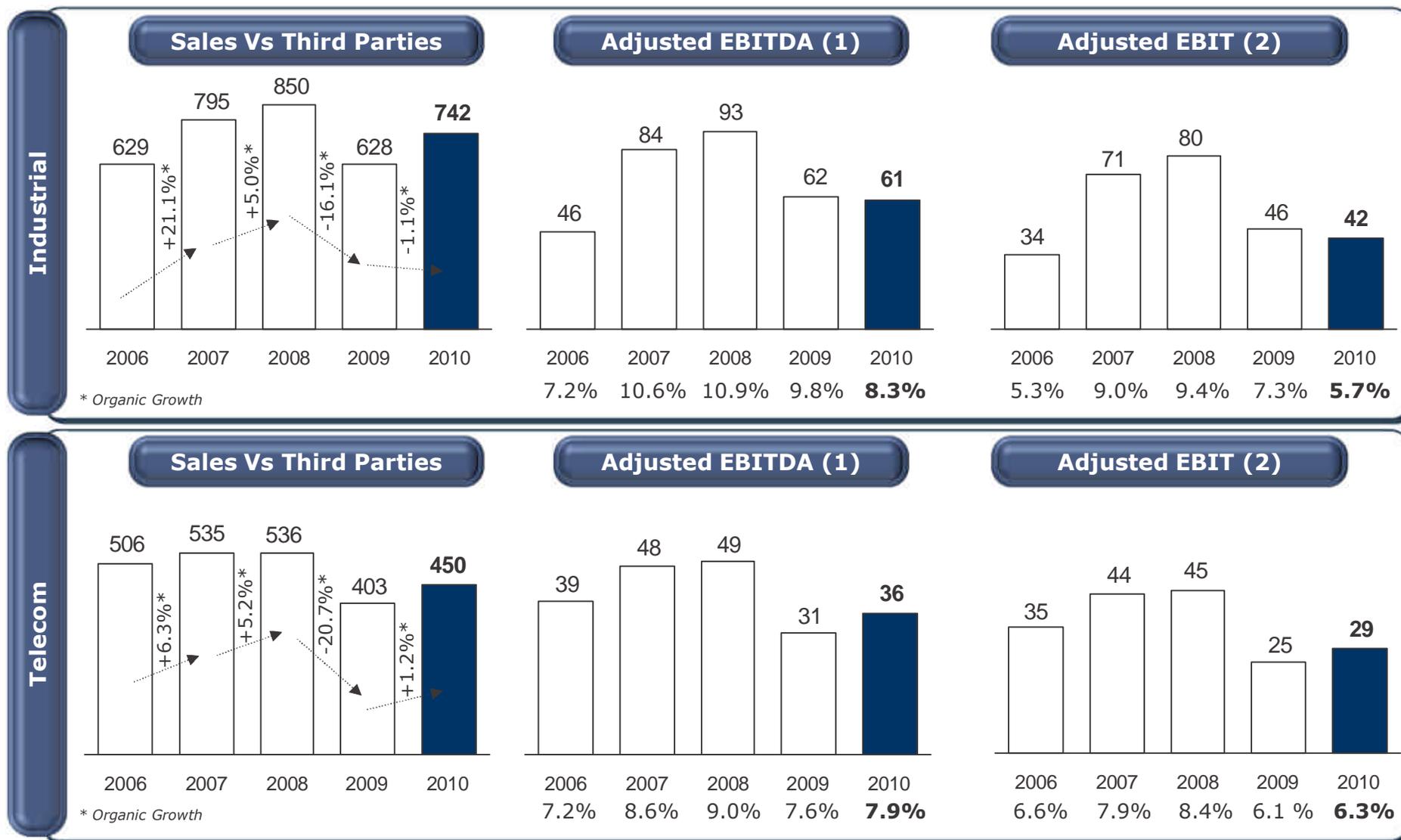
Euro Millions, % of Sales – Pre Draka acquisition



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

# Historical Key Financials by Business Area – Industrial and Telecom

Euro Millions, % of Sales – Pre Draka acquisition



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

# AGENDA

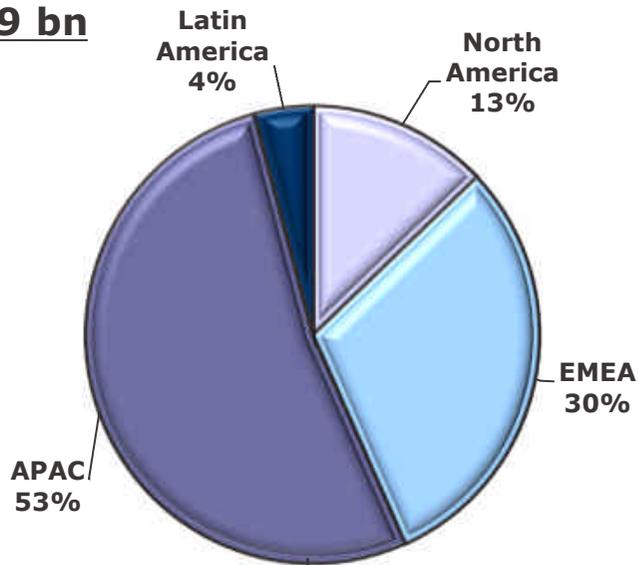
- Group Overview & 2012 Outlook
- Draka integration
- Financial Results
- Appendix – Cable Industry Reference Market

# The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2011

## Global Cables Reference Market

€ 99 bn



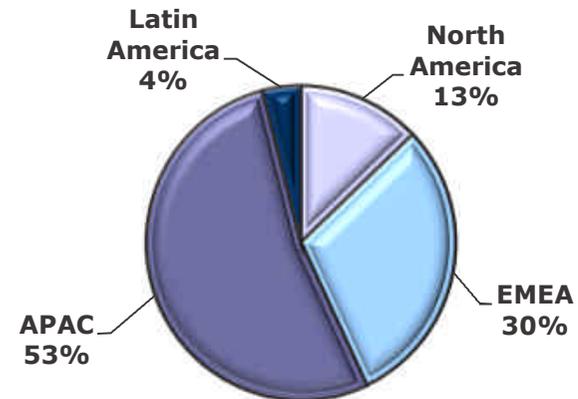
**Energy Cables Reference Market**  
~€89bn

- Trade and Installers
- Utilities
- Industrial

**Telecom Cables Reference Market**  
~€10bn

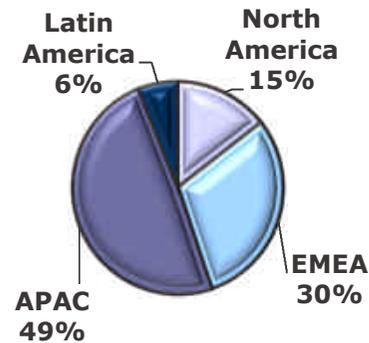
- Fibre Optical Cables
- Copper Cables

## Energy Cables Reference Market (~€89bn)

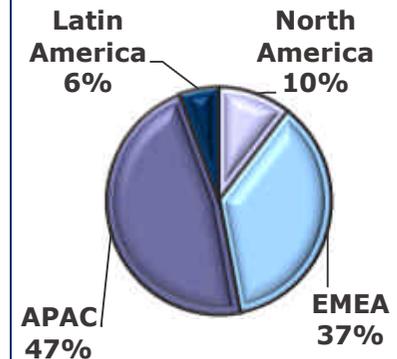


## Telecom Cables Reference Market (~€10bn)

**Optical Cables**  
€6.0bn



**Copper Cables**  
€3.9bn

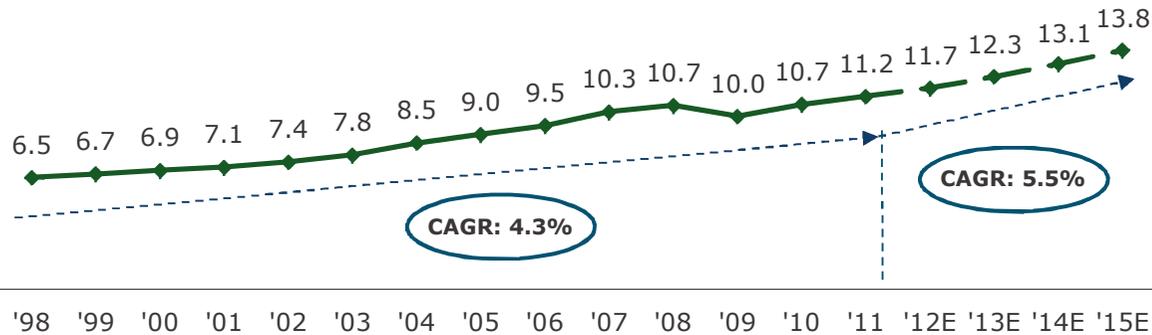


Source: Company analysis based on CRU data- Wire and Cable Quarterly April 2012. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for the energy sector and internal telecom data and copper LAN cables for the telecom sector). Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic

# Market Volumes Trend

## Energy Cables Reference Market

Million Tons  
Conductor

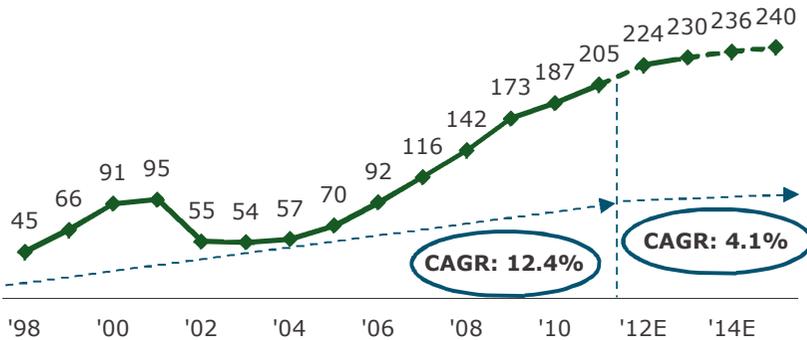


- Long term growth driven by:
  - Energy consumption
  - Investments in power grid interconnections
  - Investments in power transmission and distribution
  - Infrastructure investments
  - Renewable energy

## Telecom Cables Reference Market

### Optical Fiber Cables

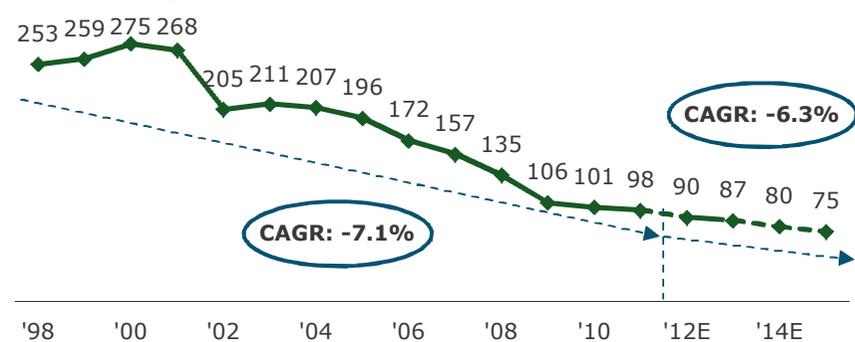
Million Km Fibre



Market growth driven by increased investment in fibre access networks (FTTx) and Next Generation Networks

### Copper Cables

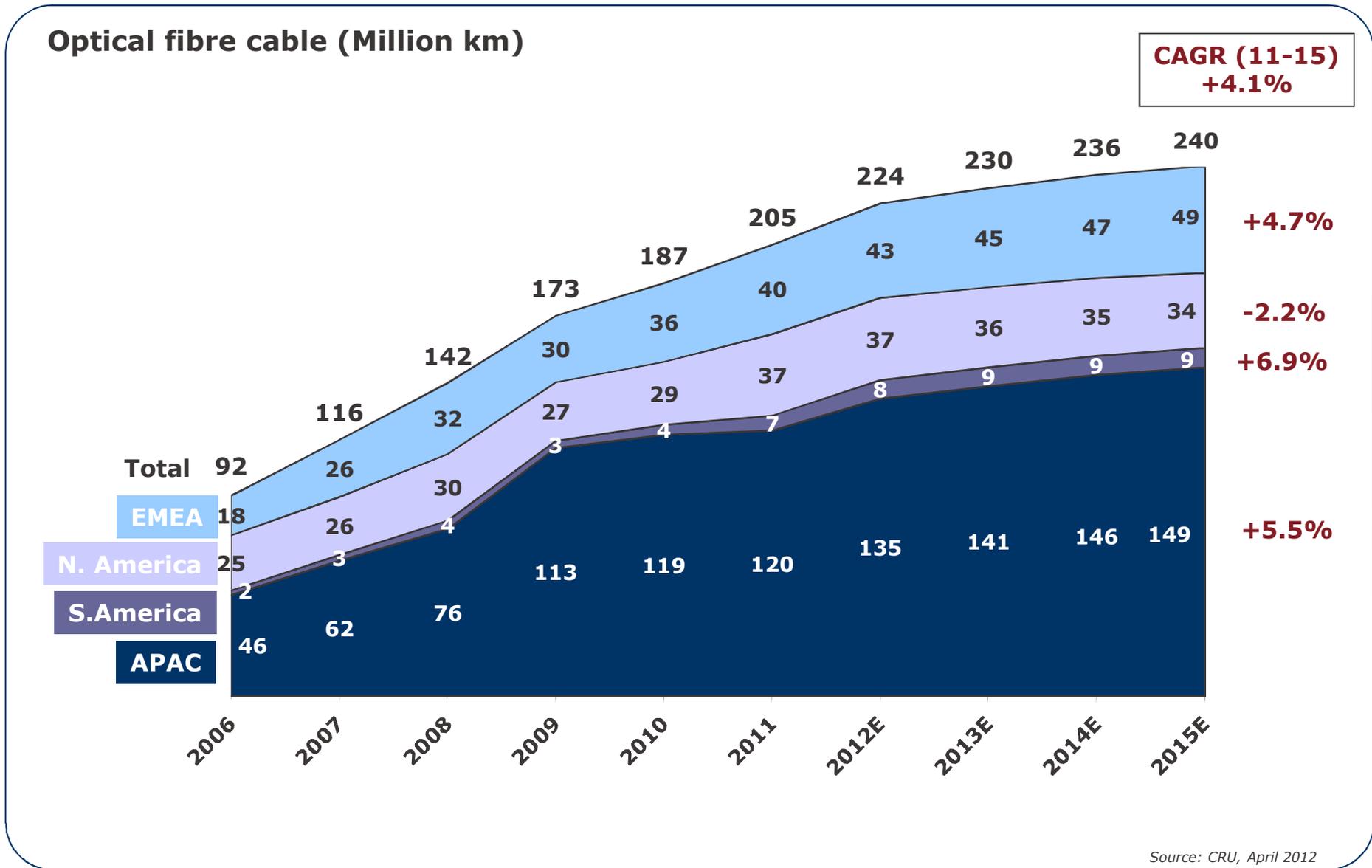
Million Km Pair



Declining historical development in copper cables expected to continue

Source: Company analysis based on April 2012 CRU data. Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic.

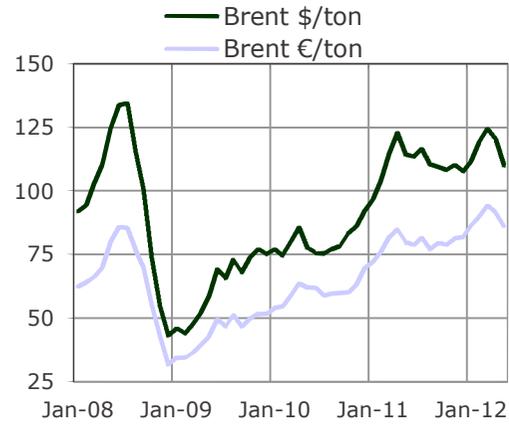
# Telecom – Demand evolution by geographical area



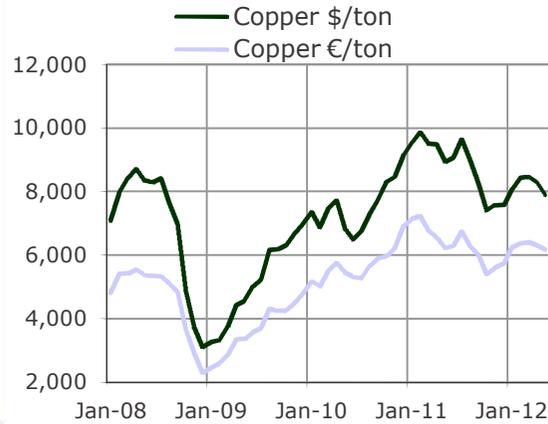
# Reference Scenario

## Commodities & Forex

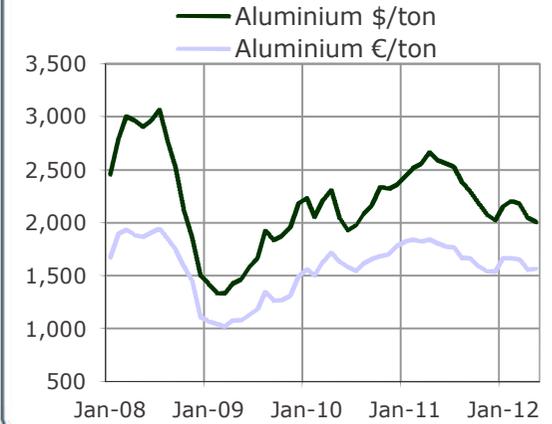
**Brent**



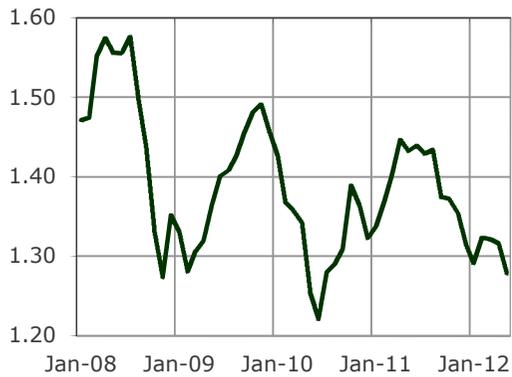
**Copper**



**Aluminium**



**EUR / USD**



**EUR / GBP**



**EUR / BRL**



Based on monthly average data  
Source: Thomson Reuters

# Disclaimer

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