FY 2014 Financial Results

Milan – February 25th, 2015

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

Prysmian Group

PRYSMIAN

Draka

Agenda

- **FY 2014 Highlights**
  - **Group overview**
  - Results by business
- Financial results
- Appendix

FY 2014 Highlights

- Adj. EBITDA at **€ 509m** (€ 603m excl. Western Link): guidance achieved
  - Still weak market demand in cyclical businesses
  - Strong growth in the Submarine business, solid recovery in Telecom's volumes and profitability
  - Weaker than expected development in OEMs and Oil & Gas

- Net Financial Position at **€ 802m** much better than expected (also considering the € 20m buy-back)
  Free Cash Flow at € 98m[1)]

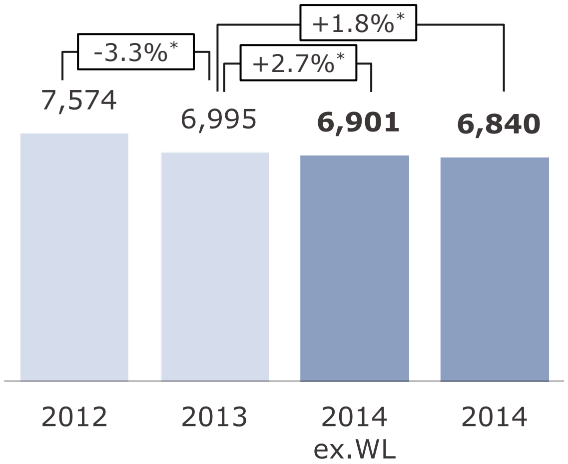
- Dividend proposed to the forthcoming Shareholders' Meeting at **€ 0.42 per share,** in line with previous year (total pay-out € 90m)

- Acceleration of industrial footprint restructuring in Europe: 2 plants closed, 1 closure ongoing

1) Free Cash Flow levered excluding acquisitions, dividends paid and other equity movements

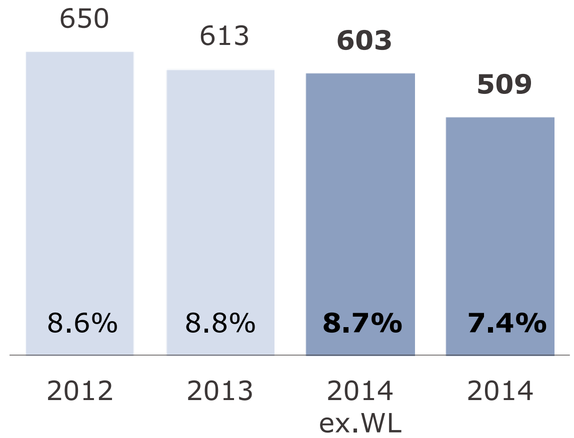
FY 2014 Key Financials
Euro Millions, % on Sales

Sales

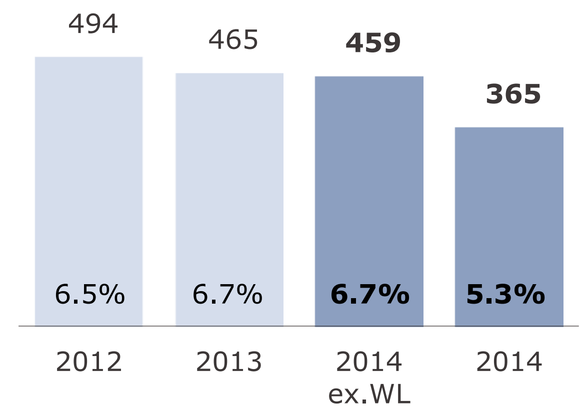


* *Org. Growth*

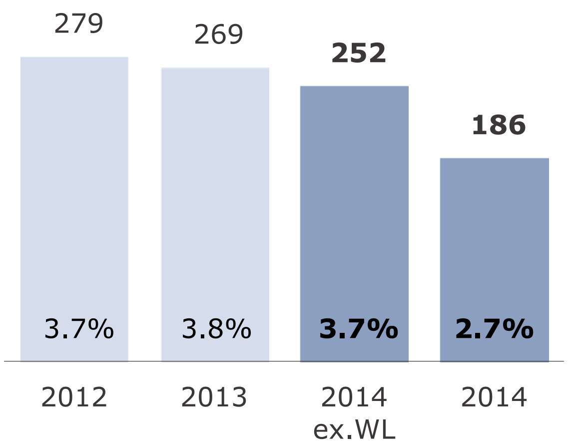
Adjusted EBITDA (1)



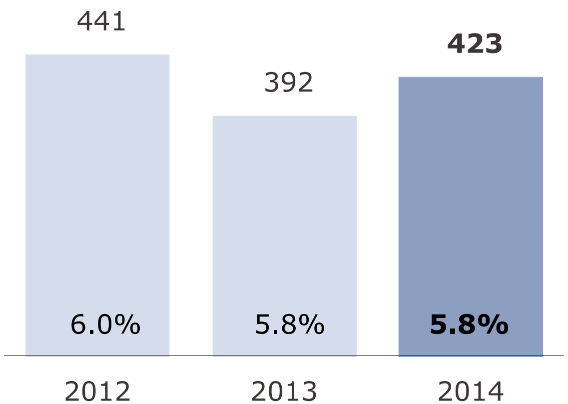
Adjusted EBIT (2)



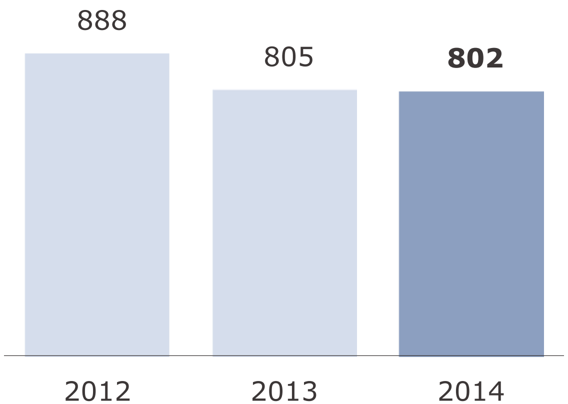
Adjusted Net Income (3)



Operative Net Working Capital (4)



Net Financial Position

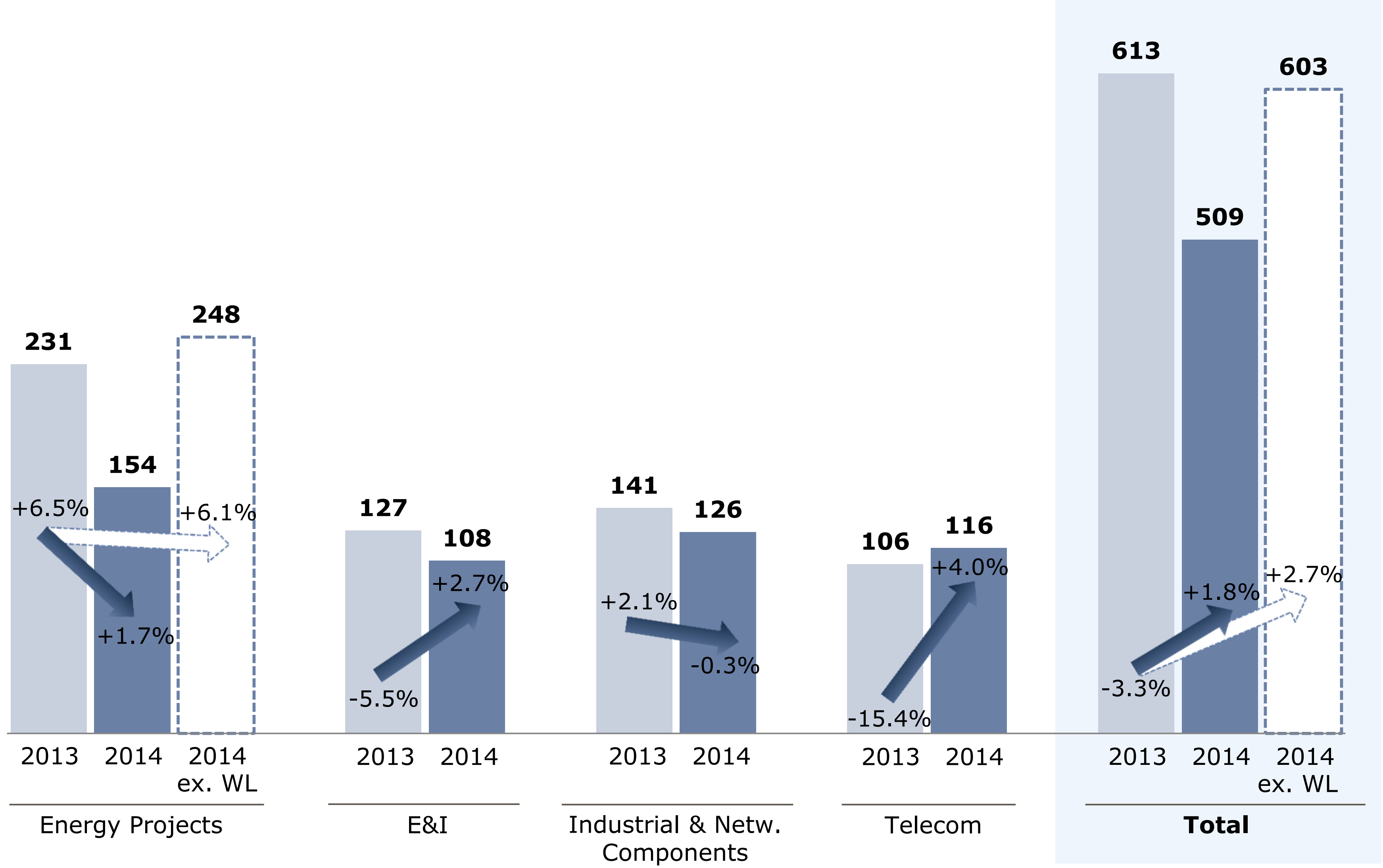


Note: 2012 and 2013 restated in application of IFRS 10-11 and reclassification of share of net income
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the effect of derivatives and of other fair value items, exchange rate differences, non-monetary interest on the convertible bond and the related tax effects; (4) Defined as NWC excluding derivatives; % on sales is defined as Operative NWC on annualized last quarter sales

Adj.EBITDA and Organic Growth by business

Profitability decline mainly due to WL issue. Sound recovery in Telecom, E&I at the bottom

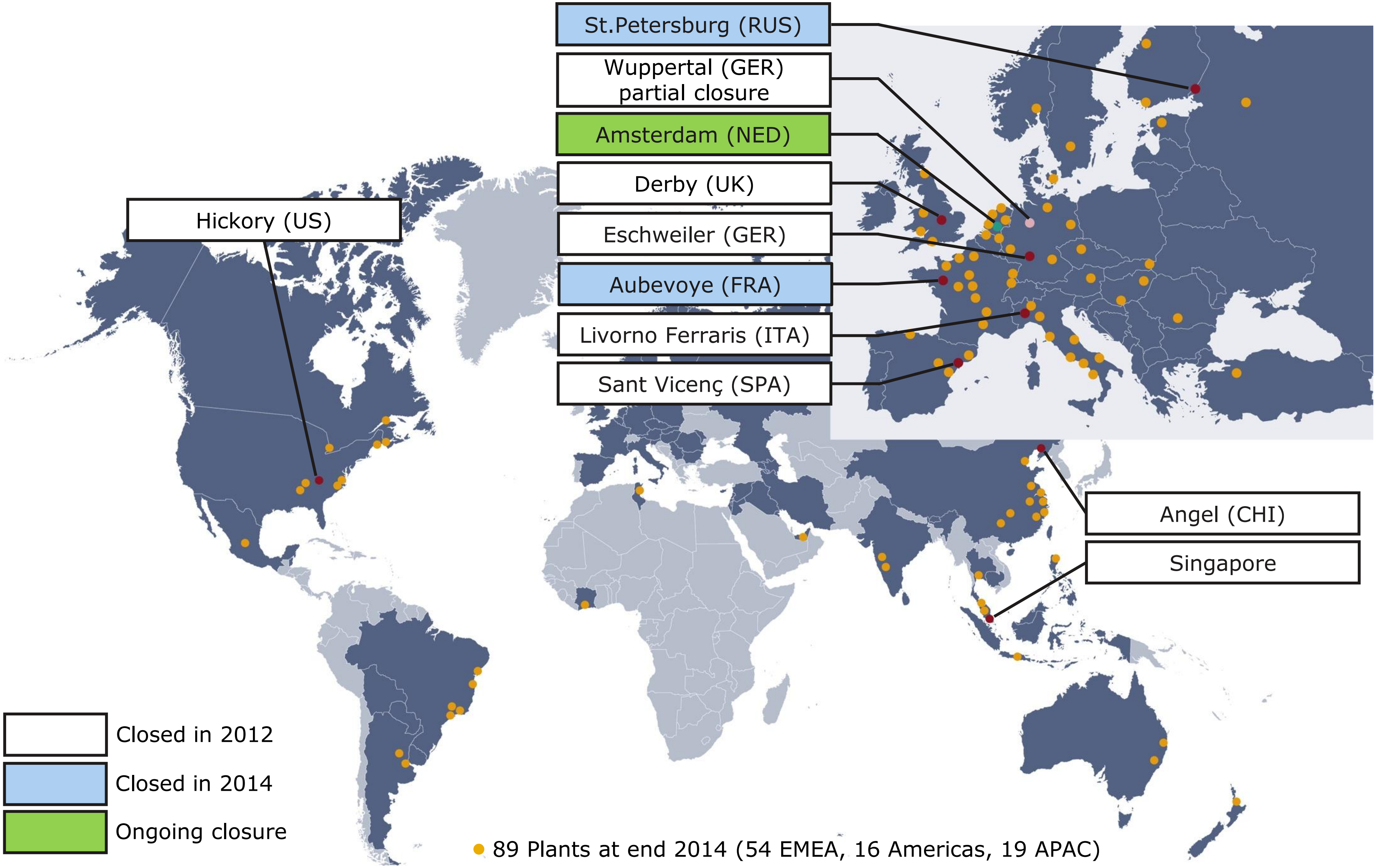
Adj. EBITDA (€ million) and Organic Growth (% change vs. previous year)



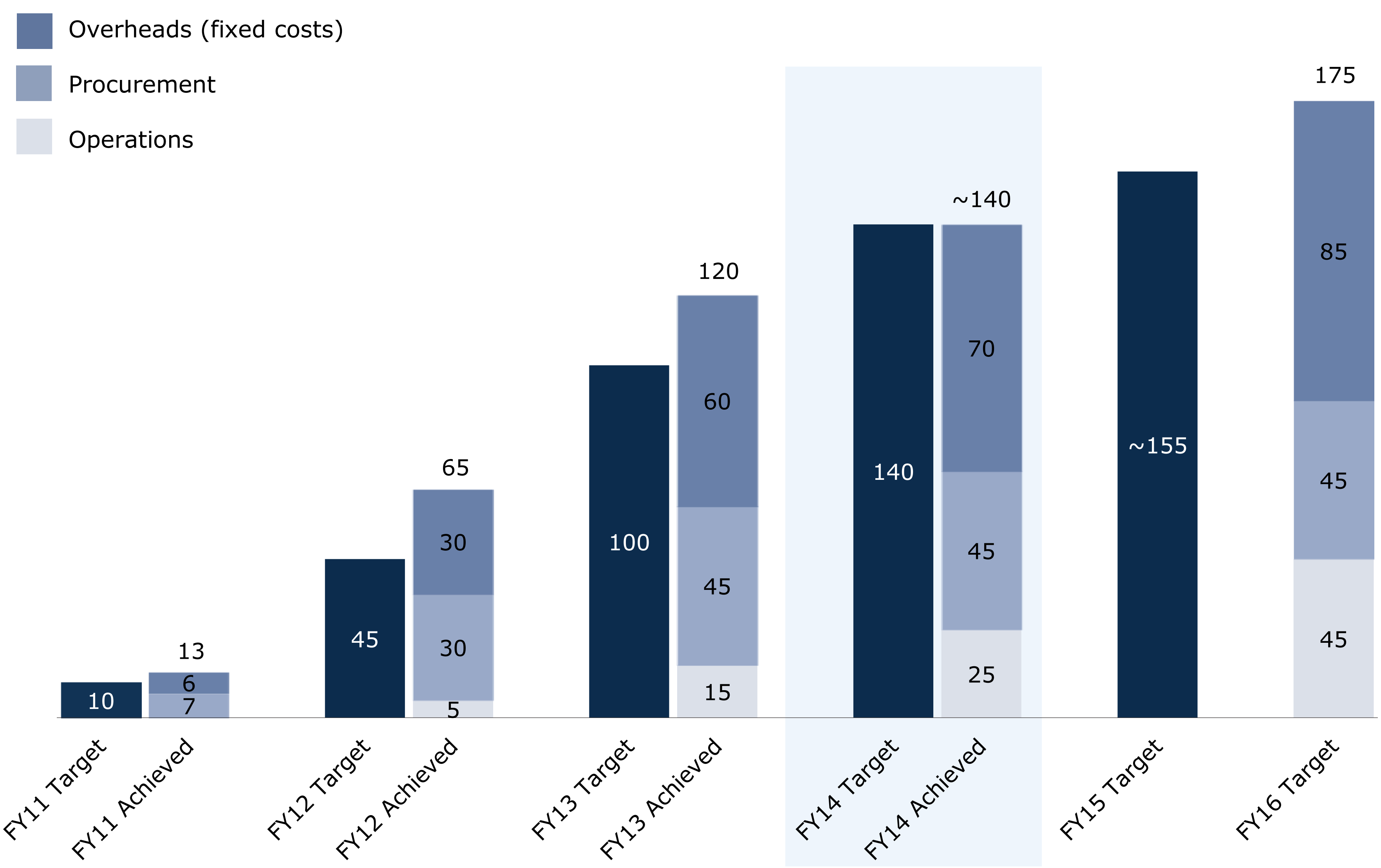
Note: Total includes Other business (Energy Products)

Production capacity rationalization restarted

2 plants closed in 2014, 1 closure ongoing: improve saturation in Europe



Synergies Plan update



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

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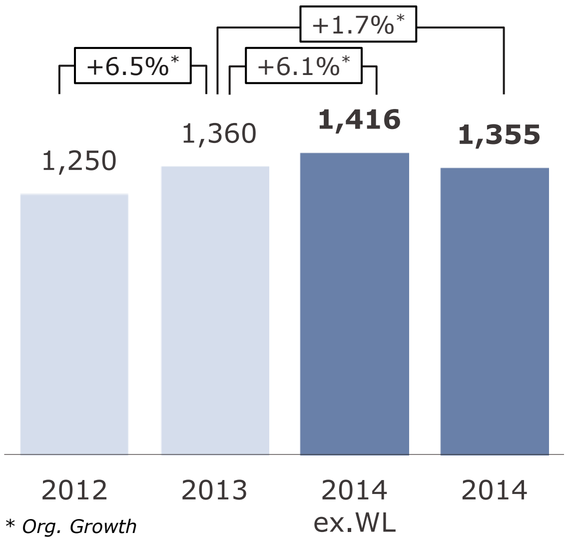
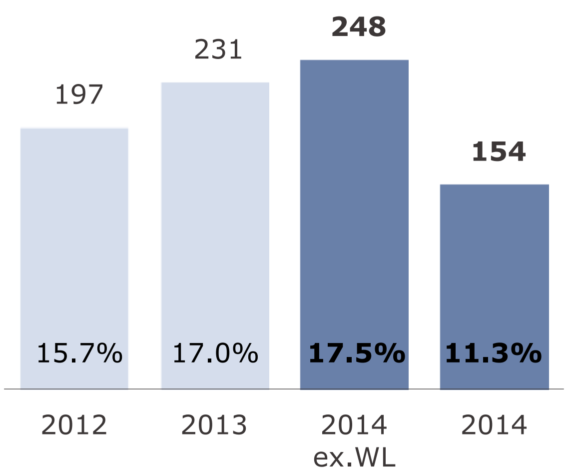
Energy Projects
Euro Millions, % on Sales

Sales



Adj. EBITDA



Highlights

Submarine

- Double digit organic growth in FY'14 excl. Western Link
- Increase in profitability excl. Western Link; WL total financial impact confirmed, recovery program on track, restored full production
- Cable Enterprise upgrade completed: strengthening of installation assets

Underground High Voltage

- FY'14 top line stable vs. FY'13. Profitability impacted by geography mix
- Weak demand in some important European markets (Italy, Nordics/Russia)
- HV plant in China fully saturated to serve increasing local market and APAC countries and Middle East

SURF

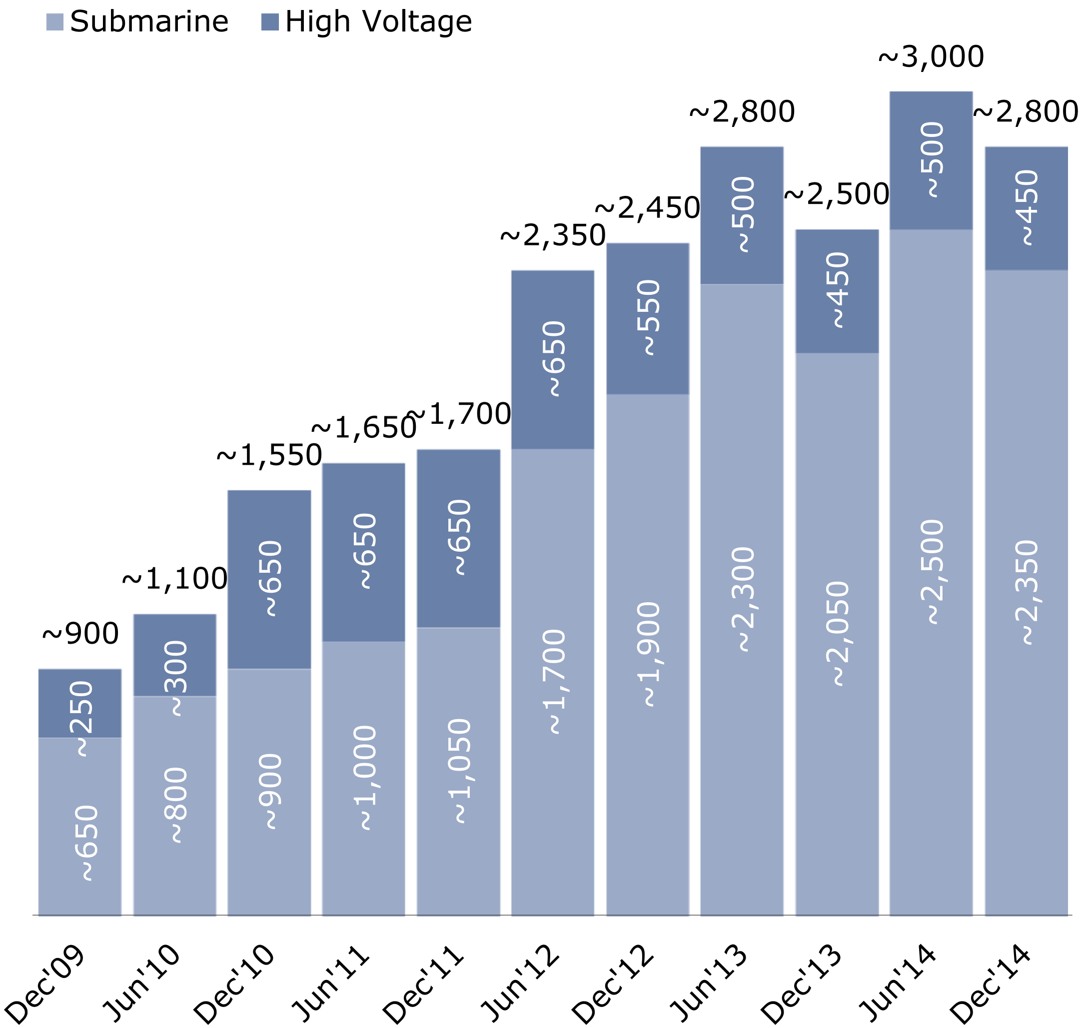
- FY'14 sales and profitability in line with previous year
- Strong performance of DHT in North America, still weak sales of flexible pipes in Brazil. Umbilical cables stable, growing backlog
- Commitment to expand international presence through active tendering in the Group's Houston Head Quarter

Note: 2012 and 2013 restated in application of IFRS 10-11 and reclassification of share of net income

Leadership in submarine reconfirmed by projects awarded in 2014

Record visibility in Submarine

Transmission – Orders Backlog (€m)



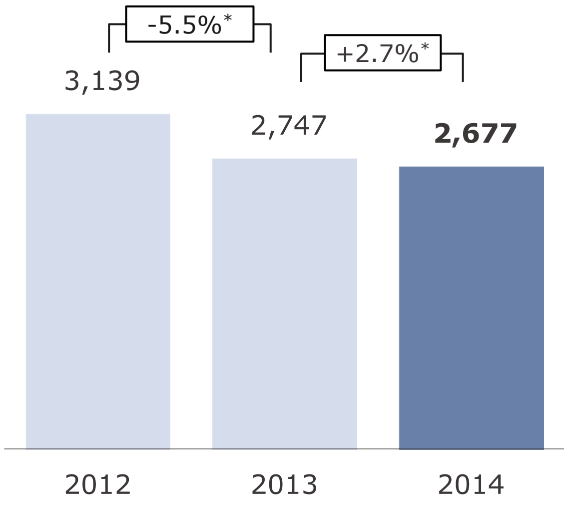
> € 1bn submarine projects awarded in 2014

1.	Borwin3, Germany	€ 250m
2.	Zakum, Abu Dhabi	€ 30m
3.	Shannon River Crossing, Ireland	€ 40m
4.	West of Adlergrund (50 Hertz), Germany	€ 480m*
5.	Cyclades Islands, Greece	€ 95m
6.	Dardanelles 2, Turkey	€ 64m
7.	CNP-1 , Philippines	€ 90m

**Excluding options for grid connections in value of approx. € 250m*

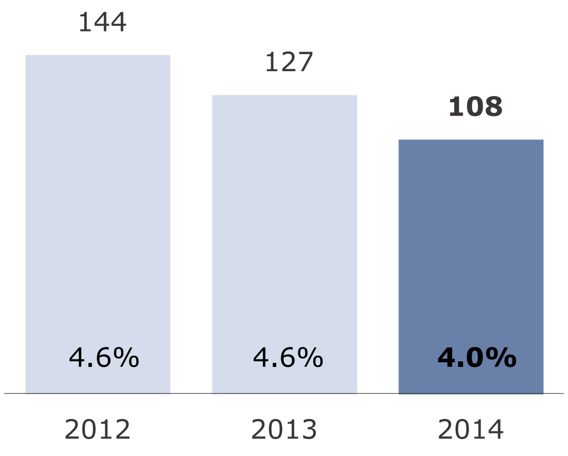
Energy & Infrastructure
Euro Millions, % on Sales

Sales



** Org. Growth*

Adj. EBITDA



Highlights

Trade & Installers

- Mid single digit organic growth in FY, softening from Q2, driven by volume recovery in Europe partly offset by lower pricing
- Profitability decrease attributable to price pressure, weak construction activity in Brazil and FX effect
- Stabilization of prices during second half of the year in most markets

Power Distribution

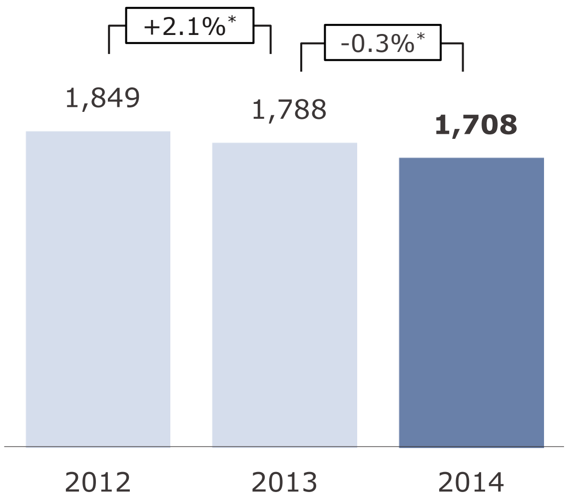
- Low single digit organic decline in FY due to lower utilities capex in Europe and South America
- Profitability impacted by lower prices and volumes, despite additional cost efficiencies
- Gradual stabilization of prices and demand in H2

Note: 2012 and 2013 restated in application of IFRS 10-11 and reclassification of share of net income

Industrial & Network Components

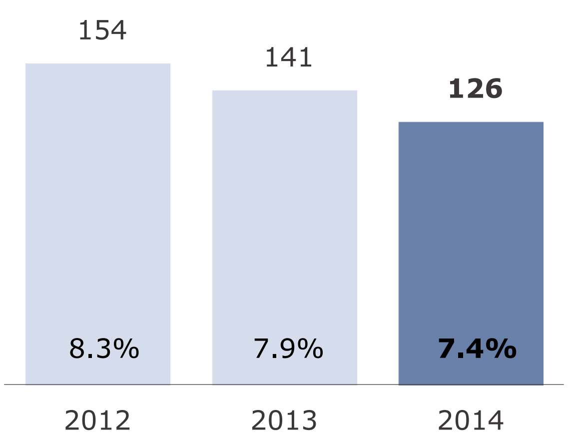
Euro Millions, % on Sales

Sales



** Org. Growth*

Adj. EBITDA



Highlights

Specialties & OEMs

- Weak FY'14 performance due to Europe and Americas; good trend in APAC. Lower contribution from Mining, Nuclear, Infrastructure partially offset by Renewables, Rolling Stock and Marine

Oil & Gas

- FY'14 flat vs. previous year mainly thanks to a recovery in H2 in offshore and despite a slowdown in MRO business after the fall in oil price

Elevator

- FY'14 double digit growth driven by product development, increased high value-added services and penetration in new and consolidated markets. Solid performance in the US, growth in Europe and Asia

Automotive

- Reduction in activity in FY'14 due to a tough market in Europe and Brazil and to increasing competition in North America

Network Components

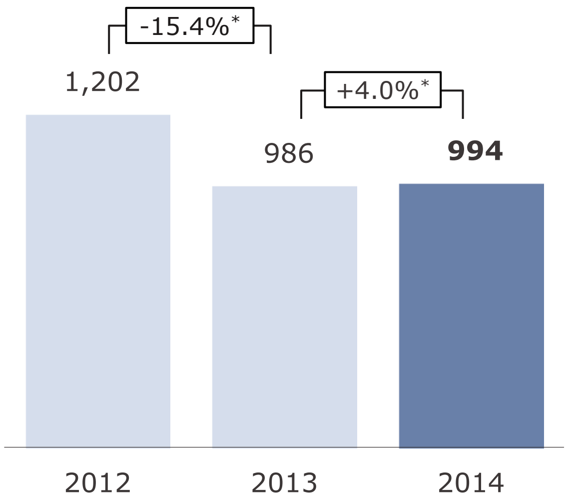
- Positive FY'14 performance thanks to enlargement of services/products portfolio and expansion in APAC. Weak demand for HV accessories in North America and Medium Voltage in Europe

Note: 2012 and 2013 restated in application of IFRS 10-11 and reclassification of share of net income

Telecom

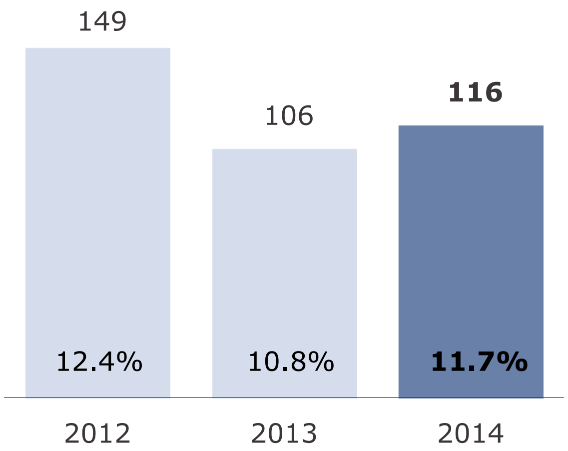
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA



Highlights

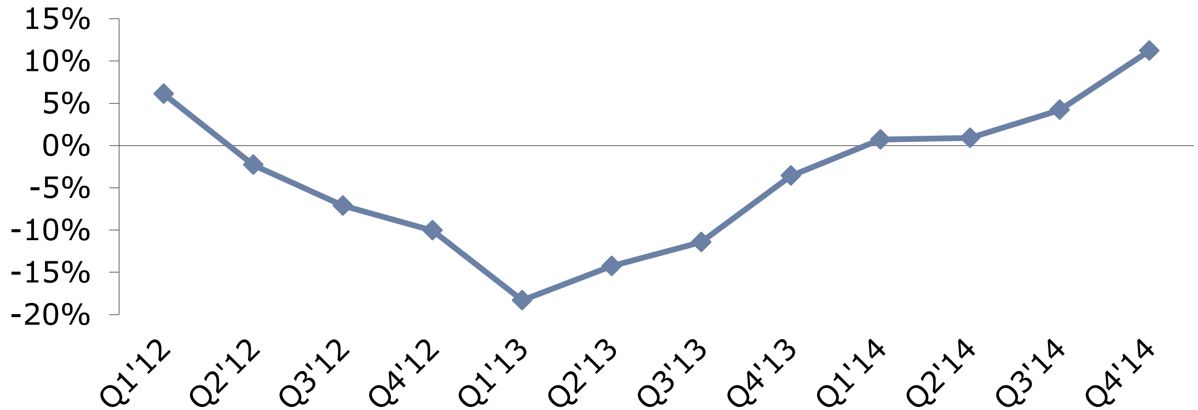
Optical, Connectivity & Fiber

- Strong volume recovery in optical (FTTH/FTTA development and backbone investments) with stabilization of prices in H2. Profitability also supported by YOFC contribution
- Sound demand in the US and Europe (France, UK, Italy and Spain). Disappointing impact of stimulus packages in Brazil. Positive performance in Australia (NBN project) and Singapore

Multimedia & Specials

- Profitability improvement thanks to product mix and cost efficiencies. Development of high margin products and improvement of customer service level (logistics, quality and plants' performance)

Organic growth (% change vs. same quarter of previous year)

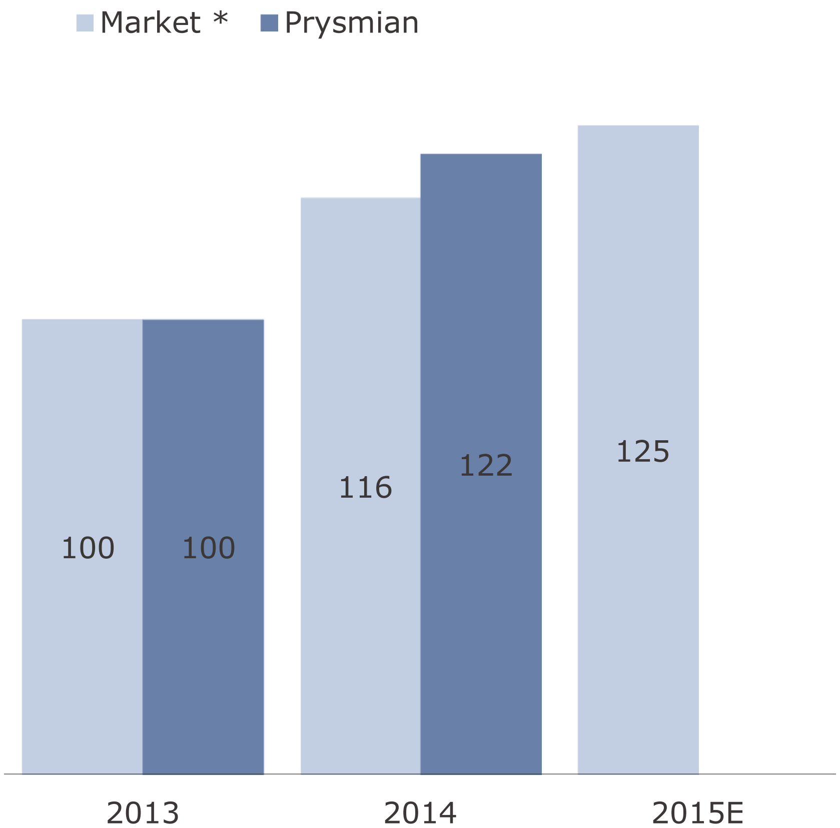


Note: 2012 and 2013 restated in application of IFRS 10-11 and reclassification of share of net income
Org.growth from Q1'12 to Q4'13 calculated according to previous accounting criteria

Telecom

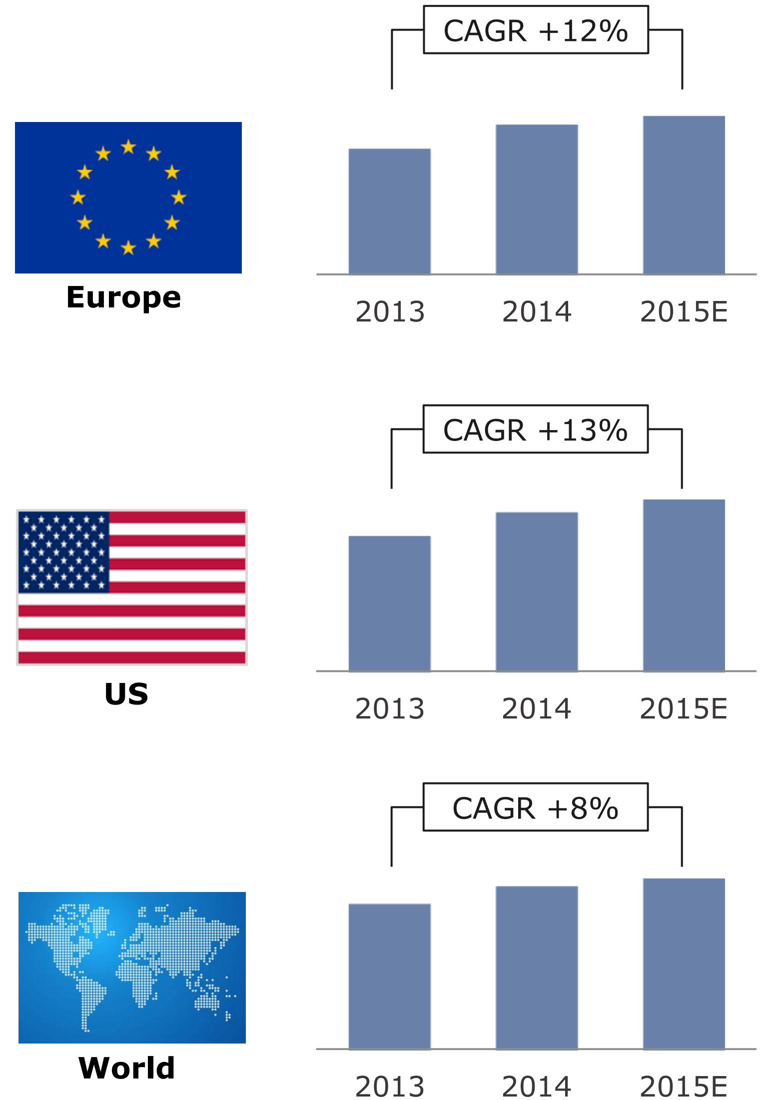
Positive expectations for 2015 in Europe and US

Telecom optical volumes (2013=100)



- Optical fiber consumption increased by 16% in 2014*
- Prysmian outperformed the market, growing by 22%
- Global market expected to expand by 8% also in 2015*

Consumption of fiber optic cable (fkm, CRU)



** Excluding China. Source: CRU, January 2015*

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Profit and Loss Statement
Euro Millions

	FY 2014 excl. WL submarine project effect	WL Submarine project effect	FY 2014	FY 2013 [1)]
Sales	**6,901**	**(61)**	**6,840**	**6,995**
YoY total growth	*(1.3%)*		*(2.2%)*	
YoY organic growth	*2.7%*		*1.8%*	
Adj.EBITDA	**603**	**(94)**	**509**	**613**
% on sales	*8.7%*		*7.4%*	*8.8%*
Non recurring items	(13)	-	(13)	(50)
EBITDA	**590**	**(94)**	**496**	**563**
% on sales	*8.5%*		*7.2%*	*8.1%*
Adj.EBIT	**459**	**(94)**	**365**	**465**
% on sales	*6.7%*		*5.3%*	*6.7%*
Non recurring items	(13)	-	(13)	(50)
Special items	(40)	-	(40)	(47)
EBIT	**406**	**(94)**	**312**	**368**
% on sales	*5.9%*		*4.5%*	*5.3%*
Financial charges	(140)	-	(140)	(150)
EBT	**266**	**(94)**	**172**	**218**
% on sales	*3.9%*		*2.5%*	*3.1%*
Taxes	(85)	28	(57)	(65)
% on EBT	*32.0%*		*33.0%*	*29.9%*
Net income	**181**	**(66)**	**115**	**153**
Extraordinary items (after tax)	(71)	-	(71)	(116)
Adj.Net income	**252**	**(66)**	**186**	**269**

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Extraordinary Effects
Euro Millions

	FY 2014	FY 2013 [2]
Antitrust investigation	31	6
Restructuring	(48)	(50)
Price adjustments	22	-
Other	(18)	(6)
EBITDA adjustments	**(13)**	**(50)**
Special items	(40)	(47)
Gain/(loss) on metal derivatives	*7*	*(8)*
Assets impairment	*(44)*	*(25)*
Other	*(3)*	*(14)*
EBIT adjustments	**(53)**	**(97)**
Gain/(Loss) on ex.rates/derivat.[1]	(36)	(35)
Other extr. financial Income/exp.	(18)	(13)
EBT adjustments	**(107)**	**(145)**
Tax	36	29
Net Income adjustments	**(71)**	**(116)**

1) Includes currency and interest rate derivatives
2) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Financial Charges
Euro Millions

	FY 2014	FY 2013 [2]
Net interest expenses	**(87)**	**(100)**
of which non cash Conv.Bond interest exp.	*(8)*	*(6)*
Bank fees amortization	(7)	(8)
Gain/(loss) on exchange rates	(20)	(27)
Gain/(loss) on derivatives [1]	(16)	(8)
Non recurring effects	(10)	(7)
Net financial charges	**(140)**	**(150)**

1) Includes currency and interest rate derivatives
2) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Statement of financial position (Balance Sheet)
Euro Millions

	31 December 2014	31 December 2013 [1)]
Net fixed assets	2,219	2,207
of which: intangible assets	*561*	*588*
of which: property, plants & equipment	*1,414*	*1,390*
Net working capital	407	386
of which: derivatives assets/(liabilities)	*(16)*	*(6)*
of which: Operative Net working capital	*423*	*392*
Provisions & deferred taxes	(281)	(297)
Net Capital Employed	**2,345**	**2,296**
Employee provisions	360	308
Shareholders' equity	1,183	1,183
of which: attributable to minority interest	33	36
Net financial position	802	805
Total Financing and Equity	**2,345**	**2,296**

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Cash Flow
Euro Millions

	FY 2014	FY 2013 [1)]
Adj.EBITDA	**509**	**613**
Non recurring items	(13)	(50)
EBITDA	**496**	**563**
Net Change in provisions & others	(53)	(76)
Share of income from investments in op.activities	(43)	(35)
Cash flow from operations (before WC changes)	**400**	**452**
Working Capital changes	(1)	(6)
Dividends received	36	16
Paid Income Taxes	(72)	(60)
Cash flow from operations	**363**	**402**
Acquisitions	9	-
Net Operative CAPEX	(155)	(107)
Free Cash Flow (unlevered)	**217**	**295**
Financial charges	(110)	(124)
Free Cash Flow (levered)	**107**	**171**
Free Cash Flow (levered) excl. acquisitions	***98***	***171***
Dividends	(90)	(92)
Treasury shares buy-back	(20)	-
Net Cash Flow	**(3)**	**79**
NFP beginning of the period	**(805)**	**(888)**
Net cash flow	(3)	79
Other variations	6	4
NFP end of the period	**(802)**	**(805)**

Δ NFP 2010PF -2014	
NFP Pro-forma 2010*	(1,214)
NFP 2014	(802)
Δ NFP	**412**
Of which:	*Cumulated 2011-14*
FCF lev. excl. acquisitions	***774***
Dividends & Buyback	*(283)*
Acquisitions	*(77)*
*Other***	*(2)*
Δ NFP	**412**

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income
** Includes debt originated by Transaction costs (€ 19m) and Refinancing costs (€ 7m) related to Draka acquisition in 2011*
*** Includes Other Equity movements and Other variations*

Dividend proposal

Dividend proposed to the forthcoming Shareholders' Meeting

- **Dividend Per Share € 0.42**
  - Total payout: € 90 millions
  - Ex-dividend date: 20 April 2015
  - Payment date: 22 April 2015

Total Shares (1)

216,720,922

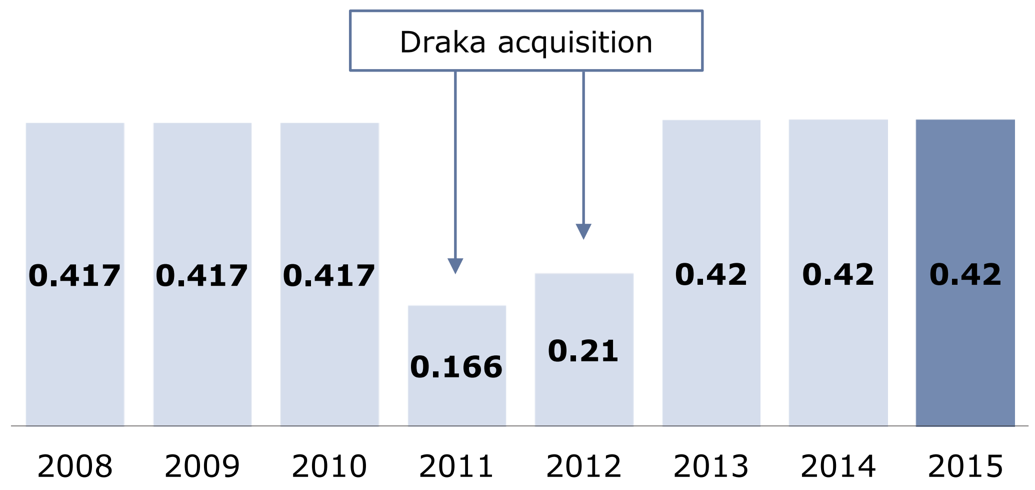
Shares with dividend right (2)

213,906,938

Dividend Yield (3)

2.6%

DPS evolution (Euro per share)



(1) Outstanding as of February 25, 2015
(2) Shares with dividend right: Total shares outstanding (216,720,922) – Treasury shares owned by the Company (2,813,984)
(3) Based on 2014 average price (€ 16.38)

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New segment reporting

SEGMENT	ENERGY PROJECTS	ENERGY PRODUCTS			TELECOM
REPORTED		Energy & Infrastructure	Industrial & Network Components	Other	
BUSINESSES	Submarine	Trade & Installers	OEMs & Specialties	Other	Optical, Connectivity & Fiber
	High Voltage	Power Distribution	Automotive		Multimedia & Specials
	SURF		Elevator		
			Oil & Gas		
			Network Components		

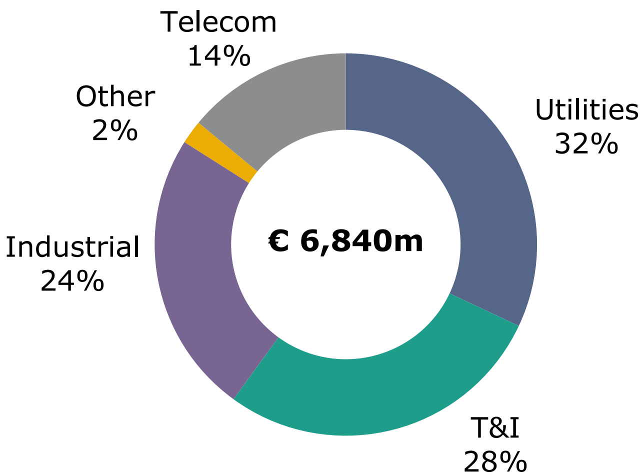
Change in reporting

Prysmian Group

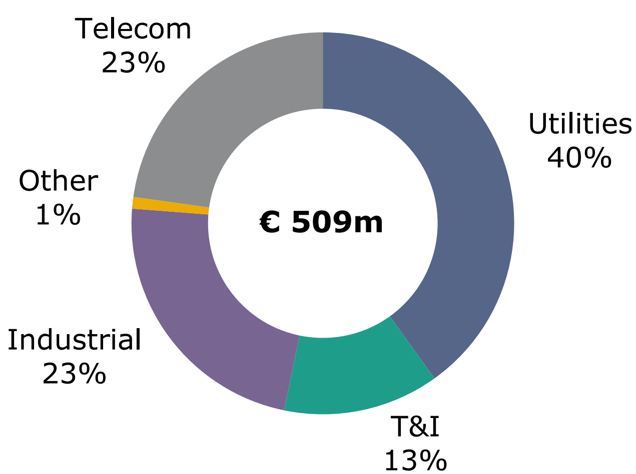
New segment reporting
Sales and Adj.EBITDA breakdowns

Previous Segment Reporting

Sales

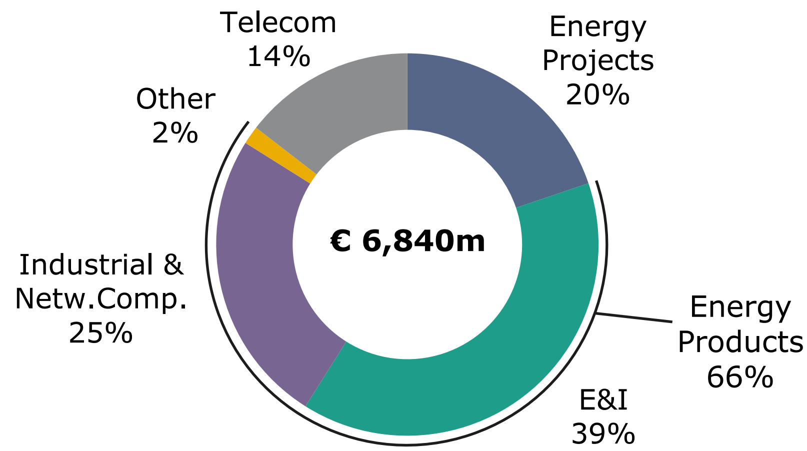


Adj.EBITDA

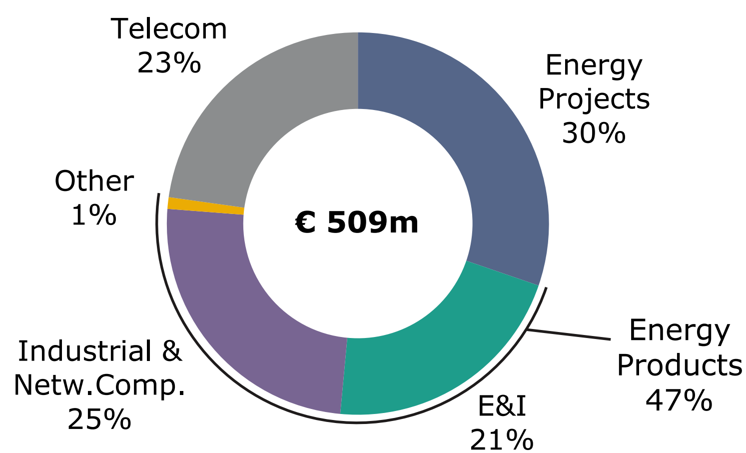


New Segment Reporting

Sales

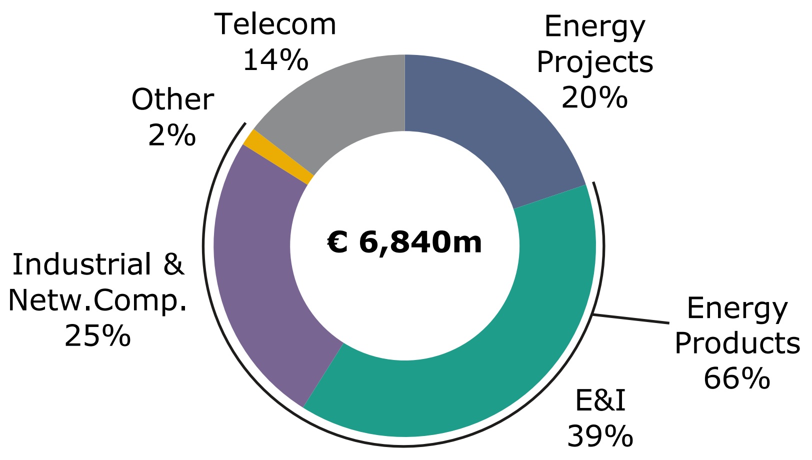


Adj.EBITDA

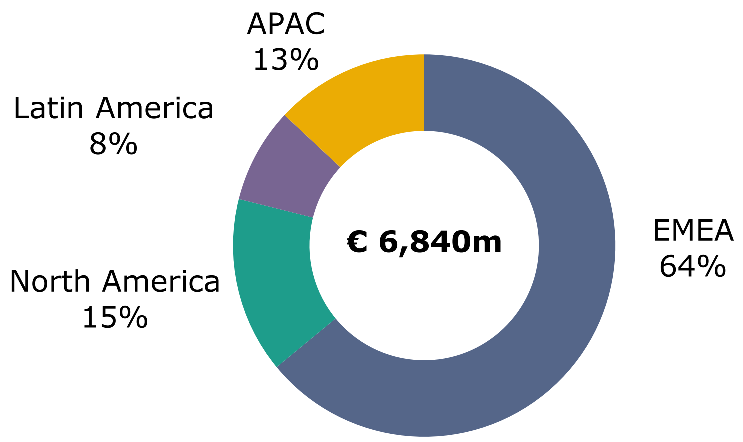


Prysmian group at a glance
FY 2014 Financial Results

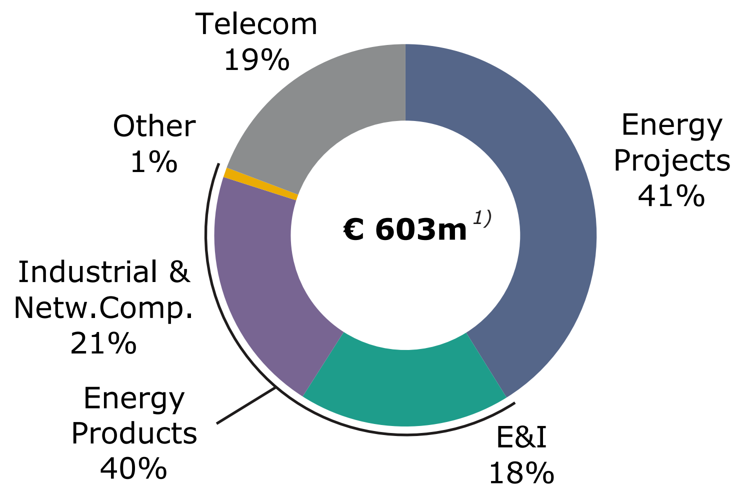
Sales breakdown by business



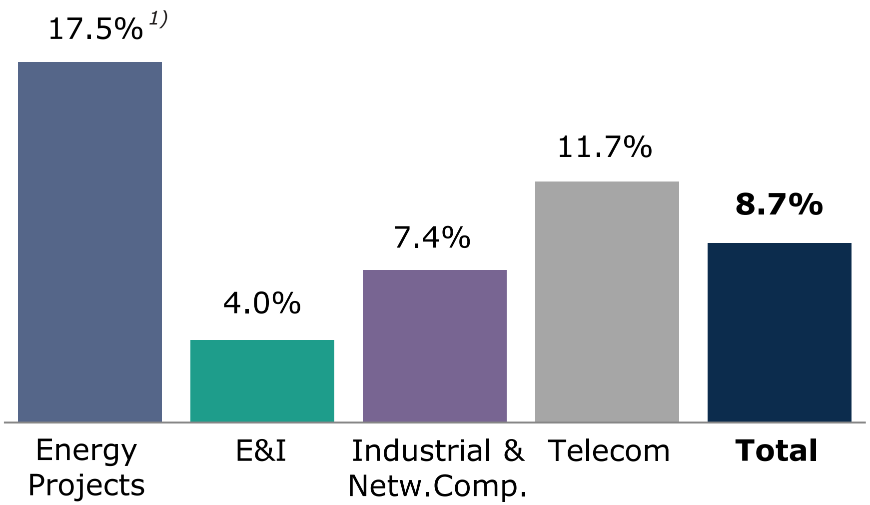
Sales breakdown by geography



Adj. EBITDA by business



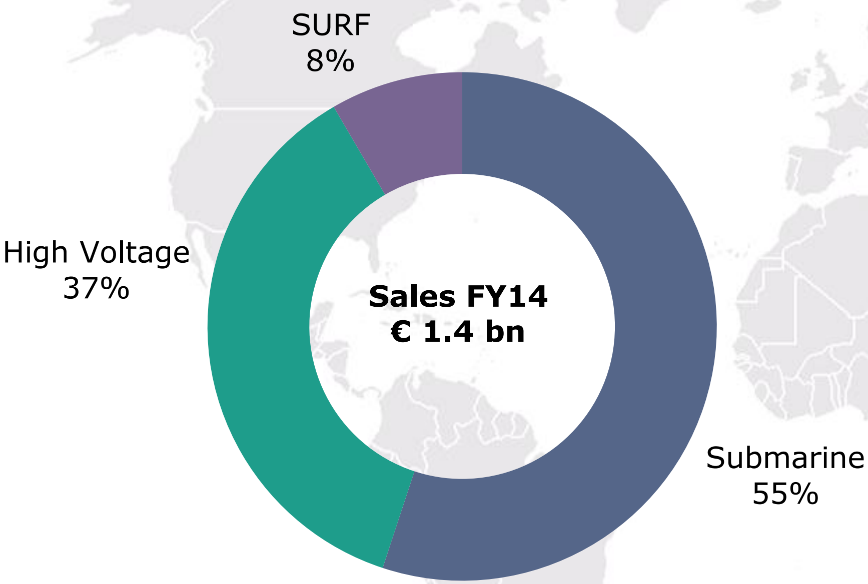
Adj. EBITDA margin



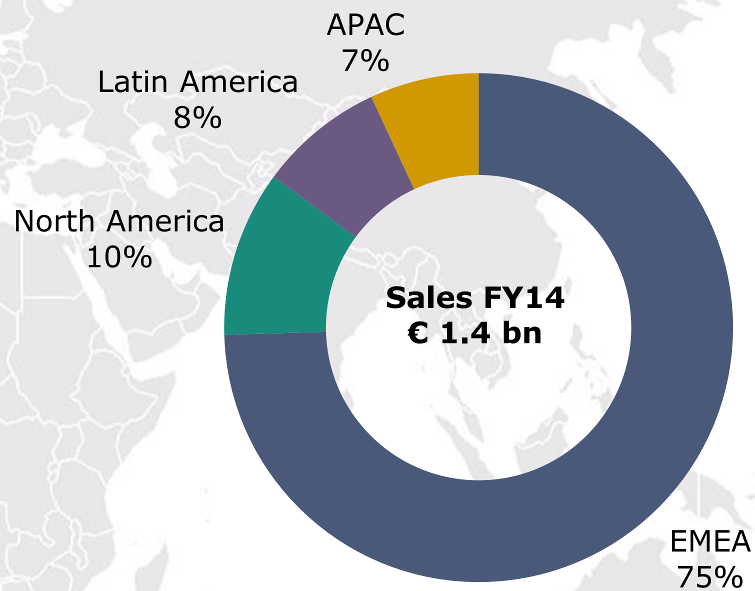
1) Excluding WL submarine project effect

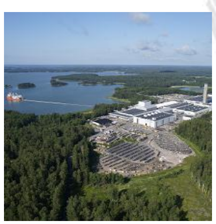
Energy Projects
Sales breakdown

Sales by business

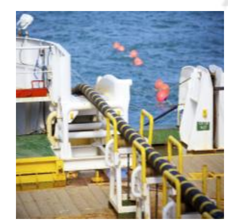


Sales by geographical area



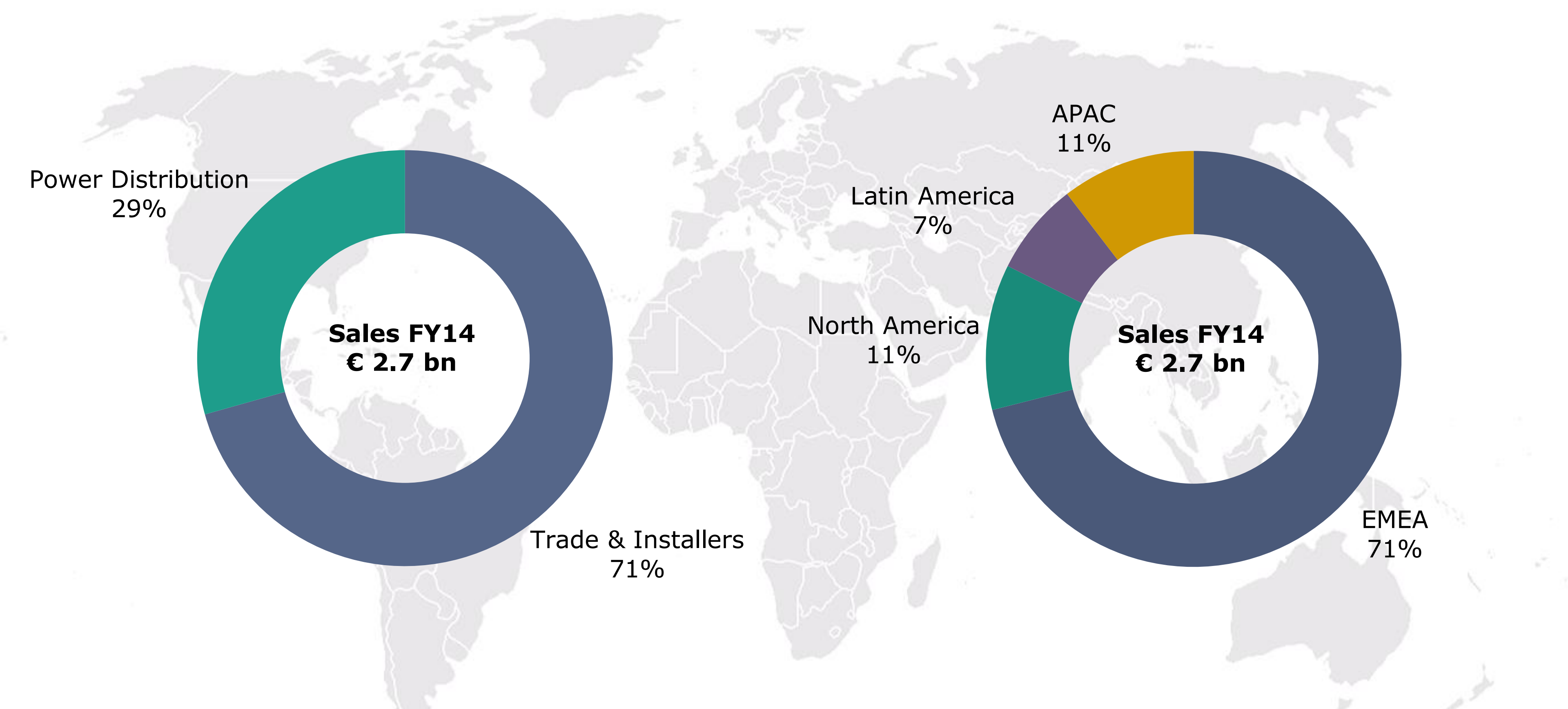







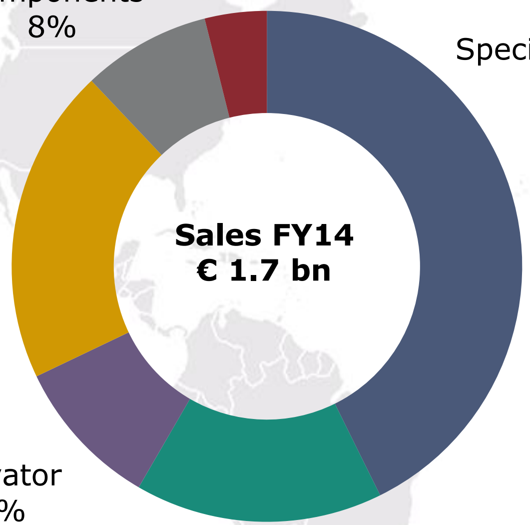

Energy & Infrastructure
Sales breakdown

Sales by business	Sales by geographical area

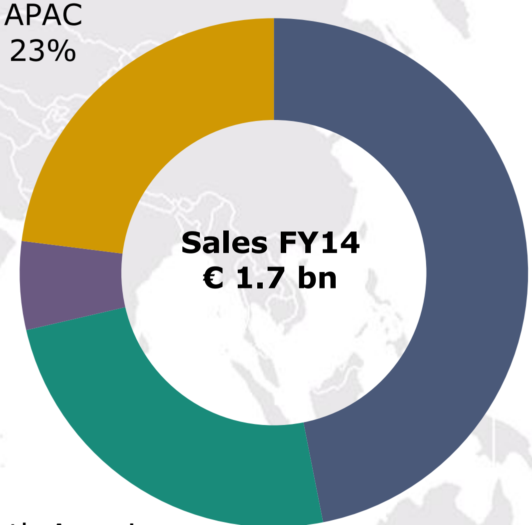


Industrial & Network Components
Sales breakdown

Sales by business



Sales by geographical area





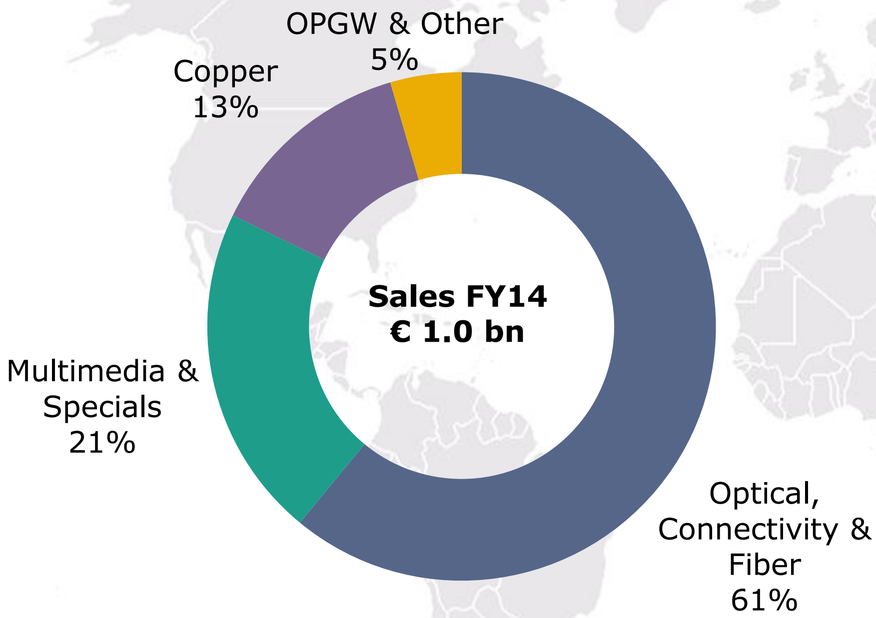




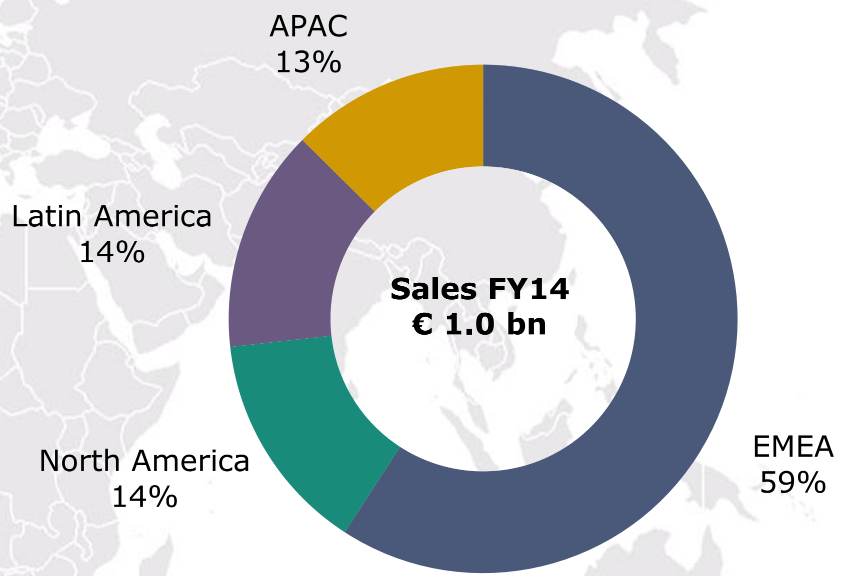

1) Includes Renewables business

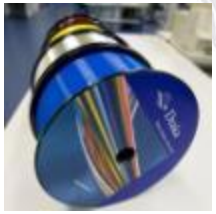
Telecom
Sales breakdown

Sales by business



Sales by geographical area



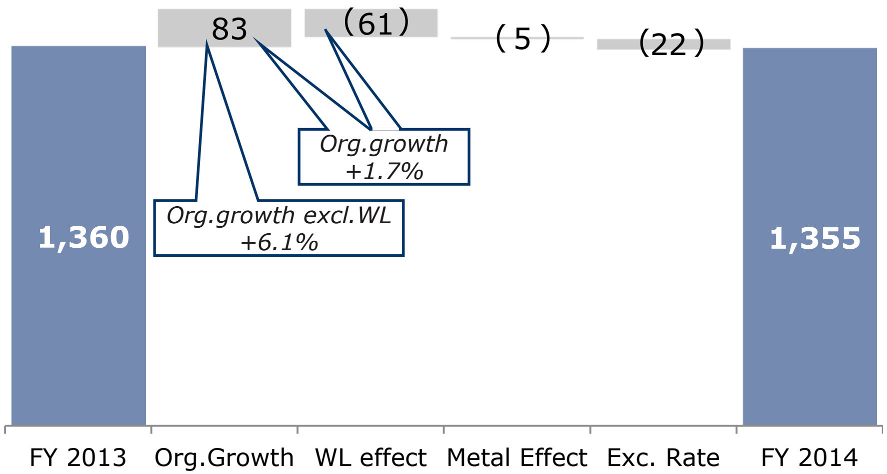





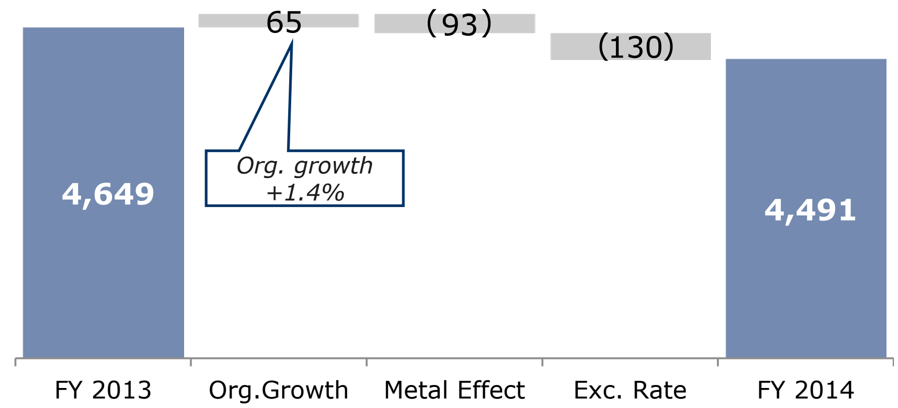


Bridge Consolidated Sales
Euro Millions

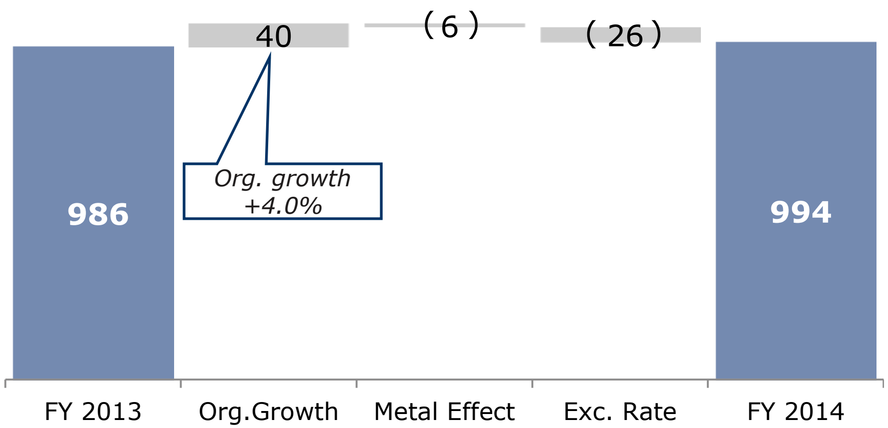
Energy Projects



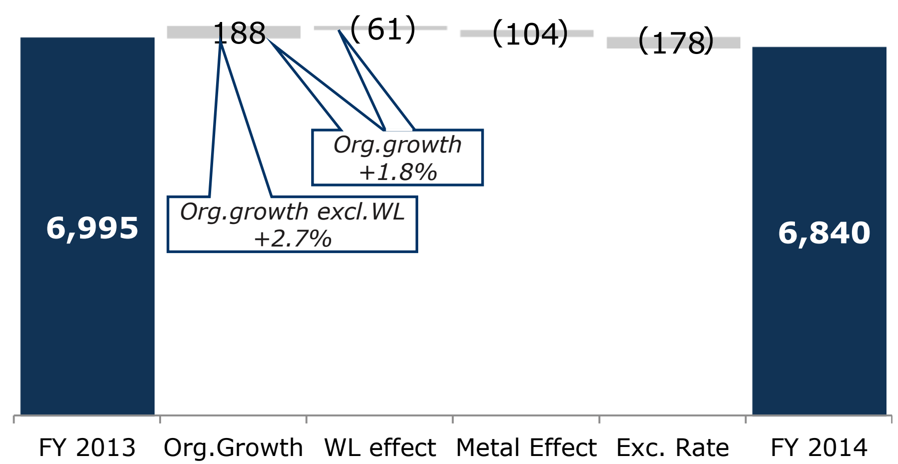
Energy Products



Telecom



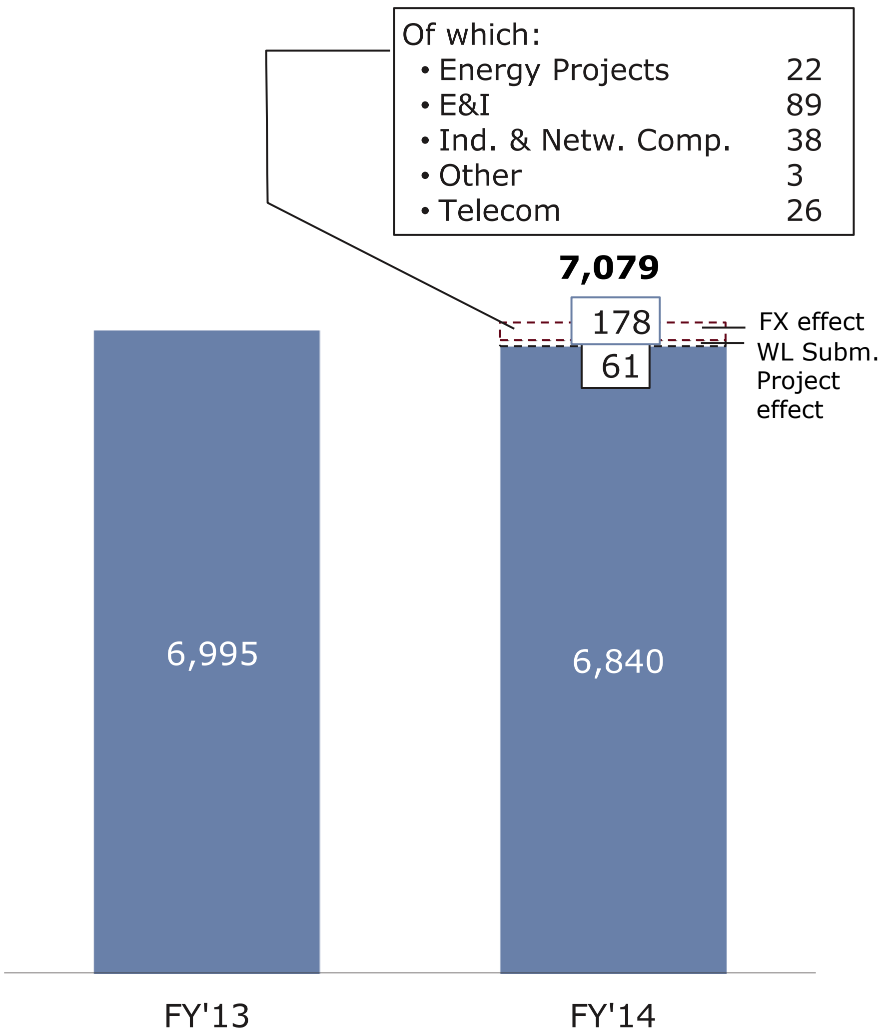
Total Consolidated



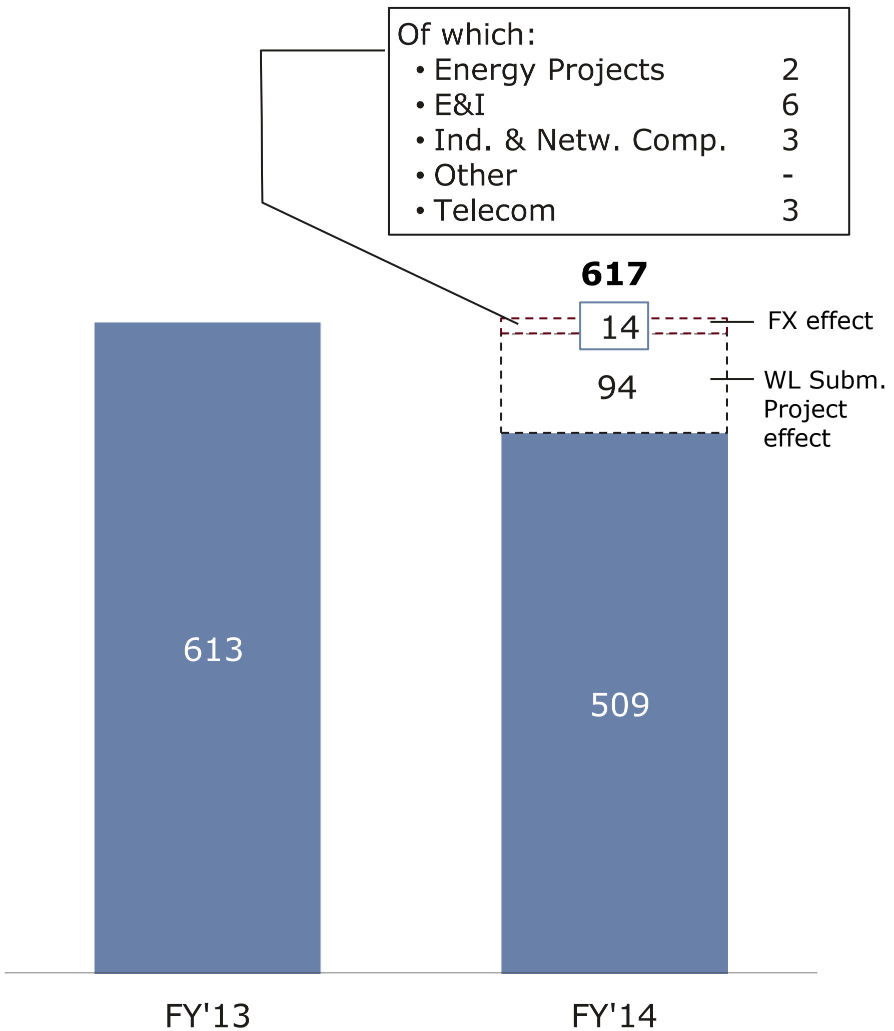
Impact of currencies and WL project on Sales and Adj.EBITDA

Profitability decrease fully attributable to WL project and negative currency translation effect

Sales



Adj. EBITDA



Energy Projects Segment – Profit and Loss Statement
Euro Millions

	FY 2014 excl. WL submarine project effect	WL Submarine project effect	FY 2014	FY 2013 1)
Sales to Third Parties	**1,416**	**(61)**	**1,355**	**1,360**
YoY total growth	*4.2%*		*(0.3%)*	
YoY organic growth	*6.1%*		*1.7%*	
Adj. EBITDA	**248**	**(94)**	**154**	**231**
% on sales	*17.5%*		*11.3%*	*17.0%*
Adj. EBIT	**208**	**(94)**	**114**	**192**
% on sales	*14.7%*		*8.4%*	*14.1%*

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Energy Products Segment – Profit and Loss Statement
Euro Millions

		FY 2014	FY 2013 [1)]
Sales to Third Parties	**E&I**	**2,677**	**2,747**
	YoY total growth	*(2.6%)*	
	YoY organic growth	*2.7%*	
	Industrial & Netw. Comp.	**1,708**	**1,788**
	YoY total growth	*(4.4%)*	
	YoY organic growth	*(0.3%)*	
	Other	**106**	**114**
	YoY total growth	*(7.6%)*	
	YoY organic growth	*(4.8%)*	
	ENERGY PRODUCTS	**4,491**	**4,649**
	YoY total growth	*(3.4%)*	
	YoY organic growth	*1.4%*	
Adj. EBITDA	**E&I**	**108**	**127**
	% on sales	*4.0%*	*4.6%*
	Industrial & Netw. Comp.	**126**	**141**
	% on sales	*7.4%*	*7.9%*
	Other	**5**	**8**
	% on sales	*4.6%*	*7.0%*
	ENERGY PRODUCTS	**239**	**276**
	% on sales	*5.3%*	*5.9%*
Adj. EBIT	**E&I**	**74**	**90**
	% on sales	*2.8%*	*3.3%*
	Industrial & Netw. Comp.	**100**	**116**
	% on sales	*5.9%*	*6.5%*
	Other	**3**	**4**
	% on sales	*3.2%*	*3.8%*
	ENERGY PRODUCTS	**177**	**210**
	% on sales	*3.9%*	*4.5%*

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

Telecom Segment – Profit and Loss Statement
Euro Millions

	FY 2014	FY 2013 [1)]
Sales to Third Parties	**994**	**986**
YoY total growth	*0.8%*	
YoY organic growth	*4.0%*	
Adj. EBITDA	**116**	**106**
% on sales	*11.7%*	*10.8%*
Adj. EBIT	**74**	**63**
% on sales	*7.4%*	*6.4%*

1) Final restated figures in application of IFRS 10-11 and reclassification of share of net income

New segment reporting: 2013-14 by quarter

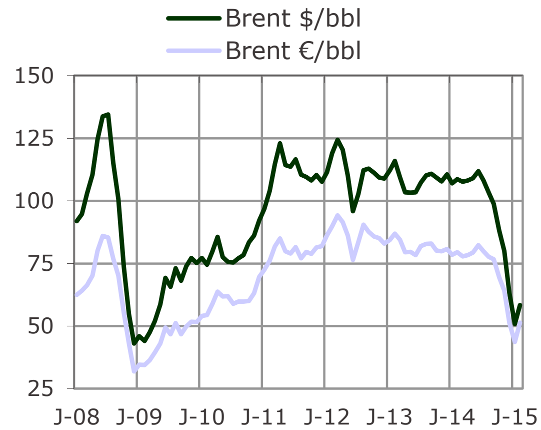
Euro Millions

SALES and ORGANIC GROWTH	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14
ENERGY PROJECTS	**278**	**324**	**368**	**390**	**268** 2.3%	**321** 1.4%	**326** -10.8%	**440** 13.4%
E&I	**676**	**746**	**711**	**614**	**638** 4.7%	**678** -0.8%	**699** 0.9%	**662** 6.9%
INDUSTRIAL & NET.COMP.	**434**	**478**	**438**	**438**	**414** 3.7%	**434** -1.8%	**419** -2.0%	**441** -0.9%
OTHER	28	26	27	33	23	23	26	34
ENERGY PRODUCTS	**1,138**	**1,250**	**1,176**	**1,085**	**1,075** 3.9%	**1,135** -1.3%	**1,144** -0.3%	**1,137** 3.7%
TELECOM	**253**	**261**	**249**	**223**	**236** 0.7%	**252** 0.9%	**257** 4.2%	**249** 11.2%
TOTAL	**1,669**	**1,835**	**1,793**	**1,698**	**1,579** 3.2%	**1,708** -0.4%	**1,727** -1.9%	**1,826** 6.8%

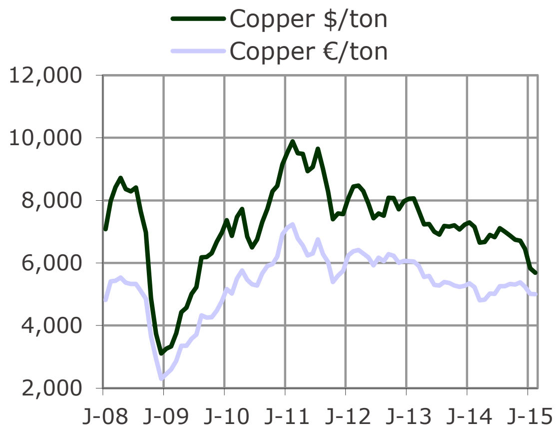
ADJ.EBITDA and % on SALES	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14
ENERGY PROJECTS	**40** 14.2%	**51** 15.9%	**58** 15.8%	**82** 21.1%	**8** 3.1%	**28** 8.7%	**54** 16.6%	**64** 14.6%
E&I	**25** 3.8%	**43** 5.8%	**36** 5.0%	**23** 3.8%	**21** 3.3%	**33** 4.9%	**31** 4.4%	**23** 3.5%
INDUSTRIAL & NET.COMP.	**28** 6.5%	**41** 8.6%	**35** 7.9%	**37** 8.4%	**29** 7.0%	**37** 8.4%	**32** 7.6%	**28** 6.4%
OTHER	1	3	0	4	2	3	2	-2
ENERGY PRODUCTS	**54** 4.8%	**87** 7.0%	**71** 6.0%	**64** 5.9%	**52** 4.8%	**73** 6.4%	**65** 5.7%	**49** 4.3%
TELECOM	**20** 8.0%	**30** 11.5%	**31** 12.4%	**25** 11.2%	**18** 7.6%	**25** 9.9%	**32** 12.5%	**41** 16.4%
TOTAL	**114** 6.8%	**168** 9.2%	**160** 8.9%	**171** 10.1%	**78** 4.9%	**126** 7.4%	**151** 8.7%	**154** 8.4%

Reference Scenario
Commodities & Forex

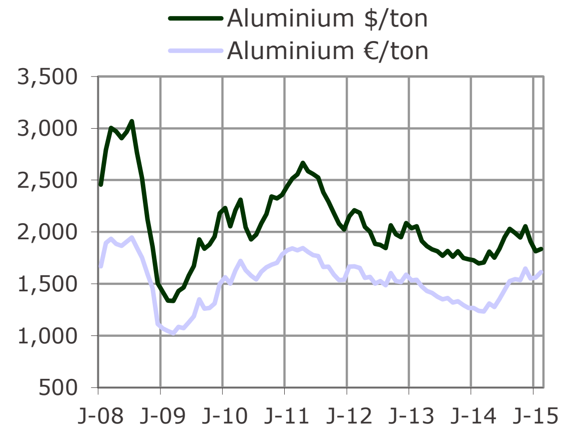
Brent



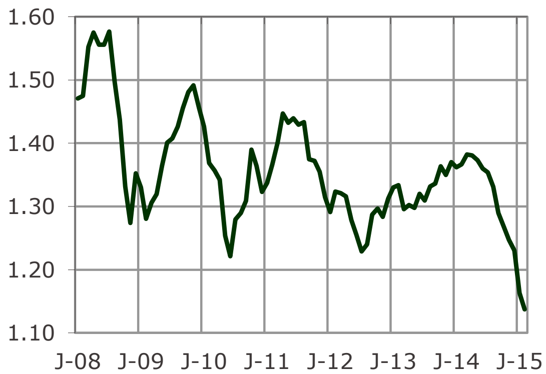
Copper



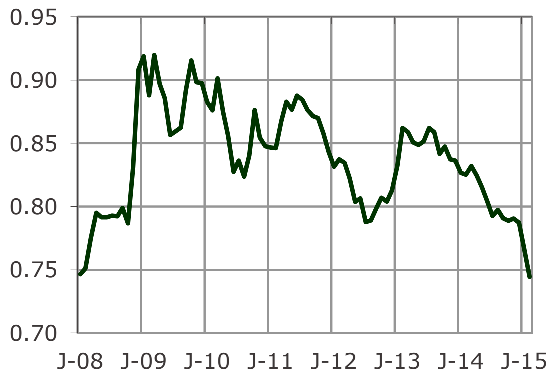
Aluminium



EUR / USD



EUR / GBP



EUR / BRL

Based on monthly average data
Source: Nasdaq OMX

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