



H1 2015 Financial Results

Milan – July 30th 2015

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

- **H1 2015 Highlights**
 - **Group overview**
 - Results by business
 - Outlook
- Financial results
- Appendix

H1 2015 Highlights

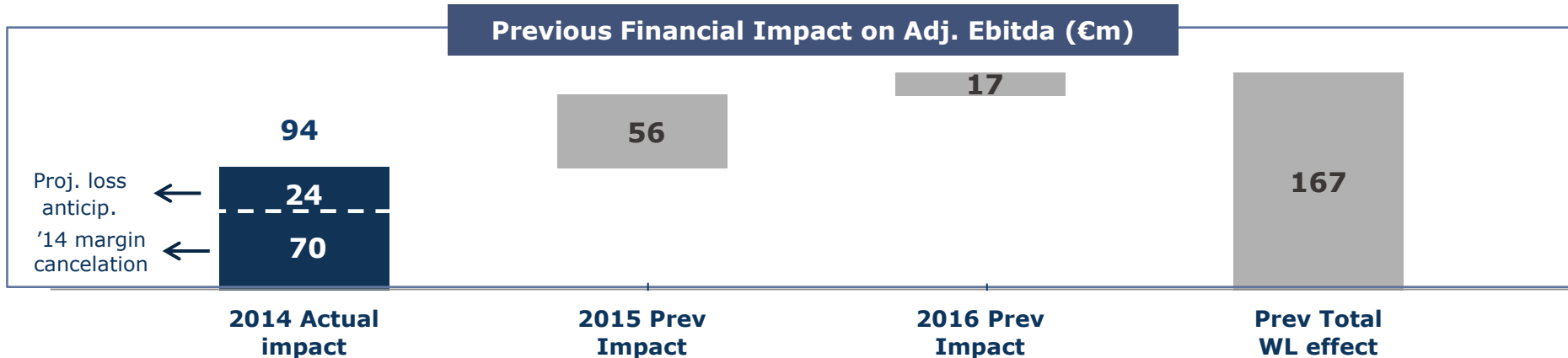
- H1 **organic growth** excl. WL impact **at 7.0%** (7.6% incl. WL impact) enhanced by a 8.0% Q2 organic growth (9.1% incl. WL impact)
- **Adj. EBITDA at € 315m excl. WL** (8.3% of sales; € 314m incl. WL at 8.4% of sales) driven by:
 - Continued solid growth in the Projects (+17.4% organically excl. WL; +21.7% incl. WL) and in Telecom business (+13.1% organically)
 - Consolidation of recovery in the E&I business in selected countries
 - Weak performance in Oil & Gas and Automotive businesses
- **Reduced negative impact** from Western Link project
- **NFP at € 979m** better than expected
New Euro Bond transaction further strenghtens the Group's financial structure
- Award of the NSN Link (Norway-UK) project, the longest HVDC subsea cable interconnection ever awarded, worth around € 550 millions for Prysmian
- Inclusion in the FTSE4Good Global Index



FTSE4Good

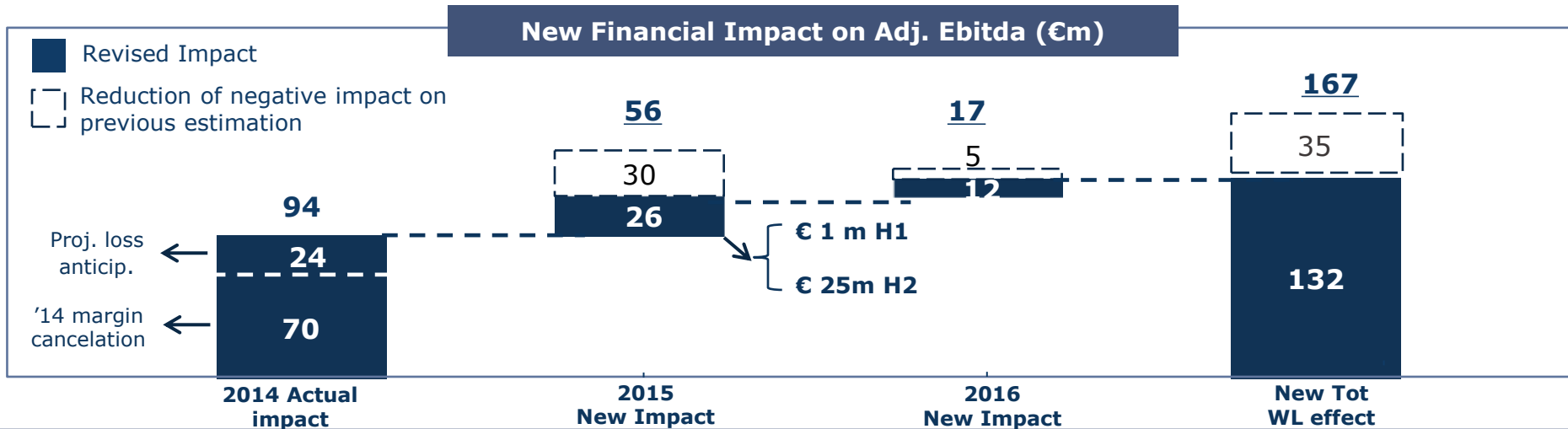
Western Link effect: new financial impact 2015-2016

Euro 35 Millions project's result improvement



Highlights and Actions

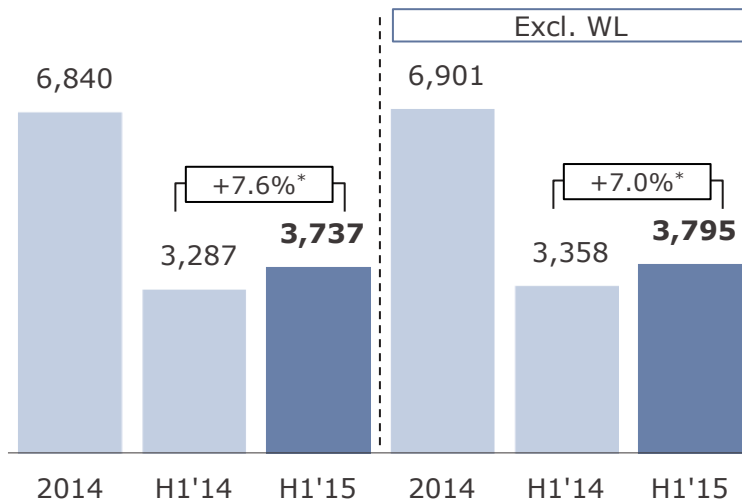
- Improved efficiency of the manufacturing process
- Project execution accelerated thanks to recovery of full capacity
- Enhanced warranty and extended project timing agreed between the parties



H1 2015 Key Financials

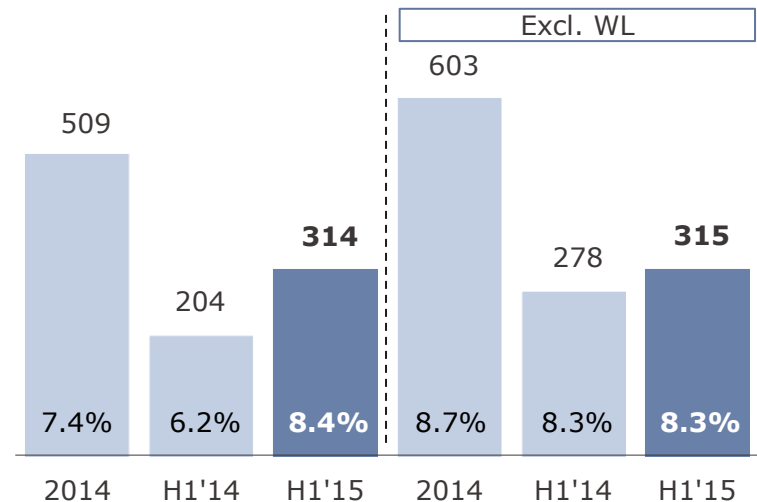
Euro Millions, % on Sales

Sales

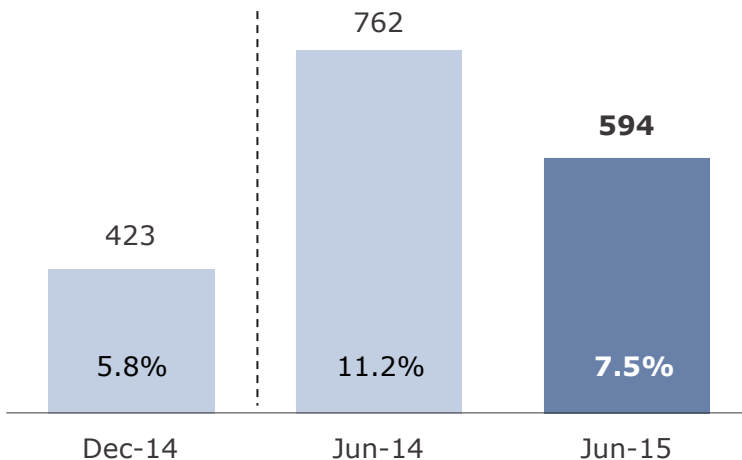


* Org. Growth

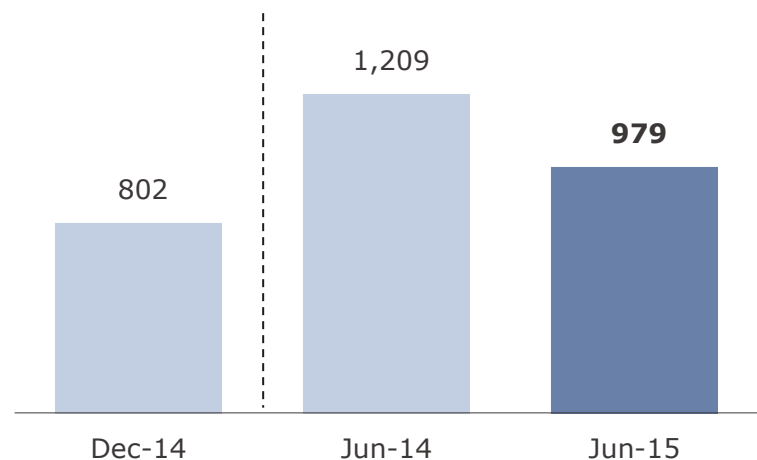
Adjusted EBITDA ⁽¹⁾



Operative Net Working Capital ⁽²⁾



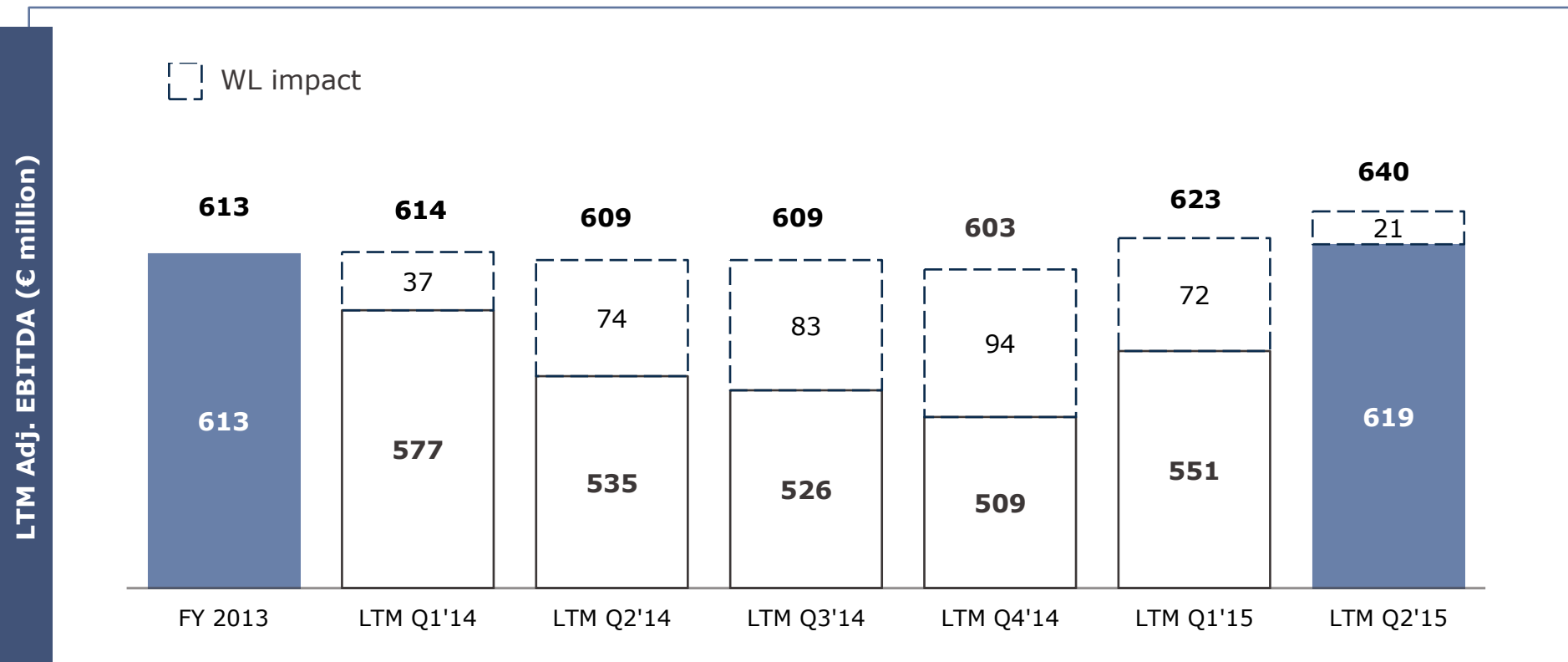
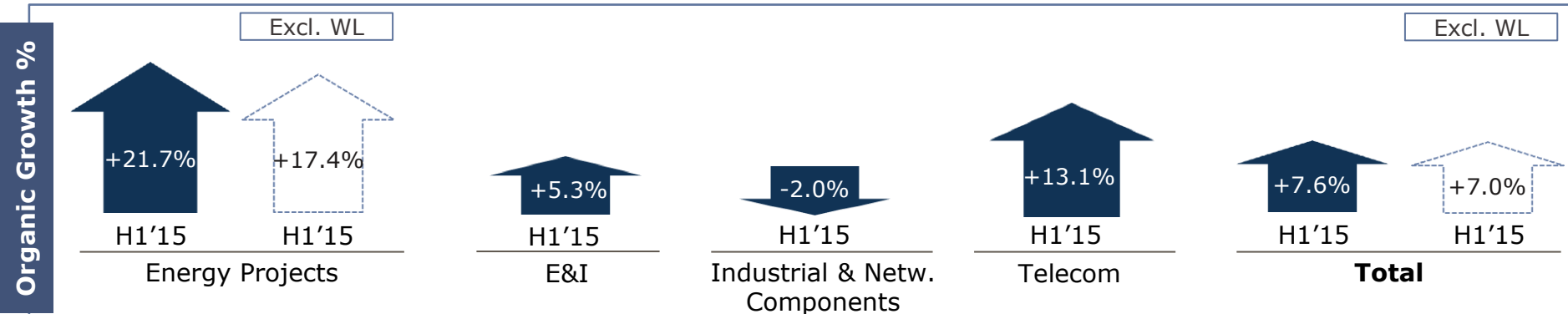
Net Financial Position



(1) Adjusted excluding non-recurring income/expenses; (2) Defined as NWC excluding derivatives; % on sales is defined as Operative NWC on annualized last quarter sales

H1 Organic Growth by business and LTM Adj. EBITDA evolution

Profitability increase driven by Energy Projects, Telecom & E&I. Forex impact still positive



➤ **H1 2015 Highlights**

- Group overview
- **Results by business**
- Outlook

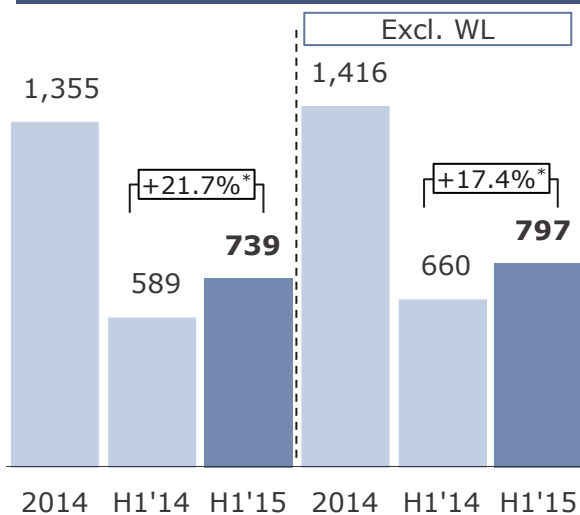
➤ Financial results

➤ Appendix

Energy Projects

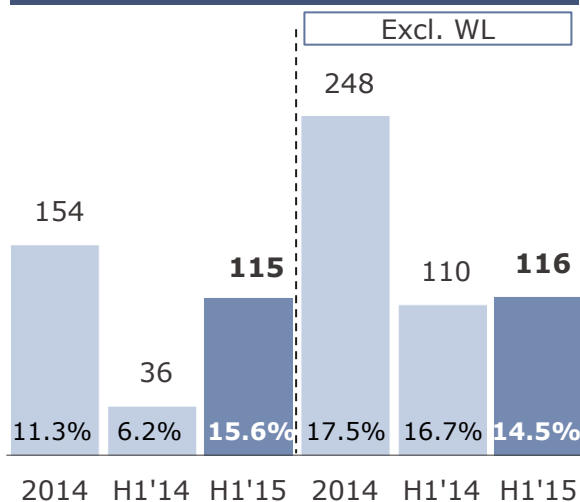
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA



Highlights

Submarine

- Market remains solid in Europe, mainly driven by Interconnections projects.
- Order book at peak levels.
- Recovery of the WL project ahead of expectations:
 - Improved efficiency of the manufacturing process
 - Project execution accelerated thanks to recovery of full capacity
- Enhanced warranty and extended project timing agreed between the parties

Underground High Voltage

- H1 performance in line with previous year: positive results in the UK, opposed to some weakness in France, Italy and the Nordics. Positive trend in China.

SURF

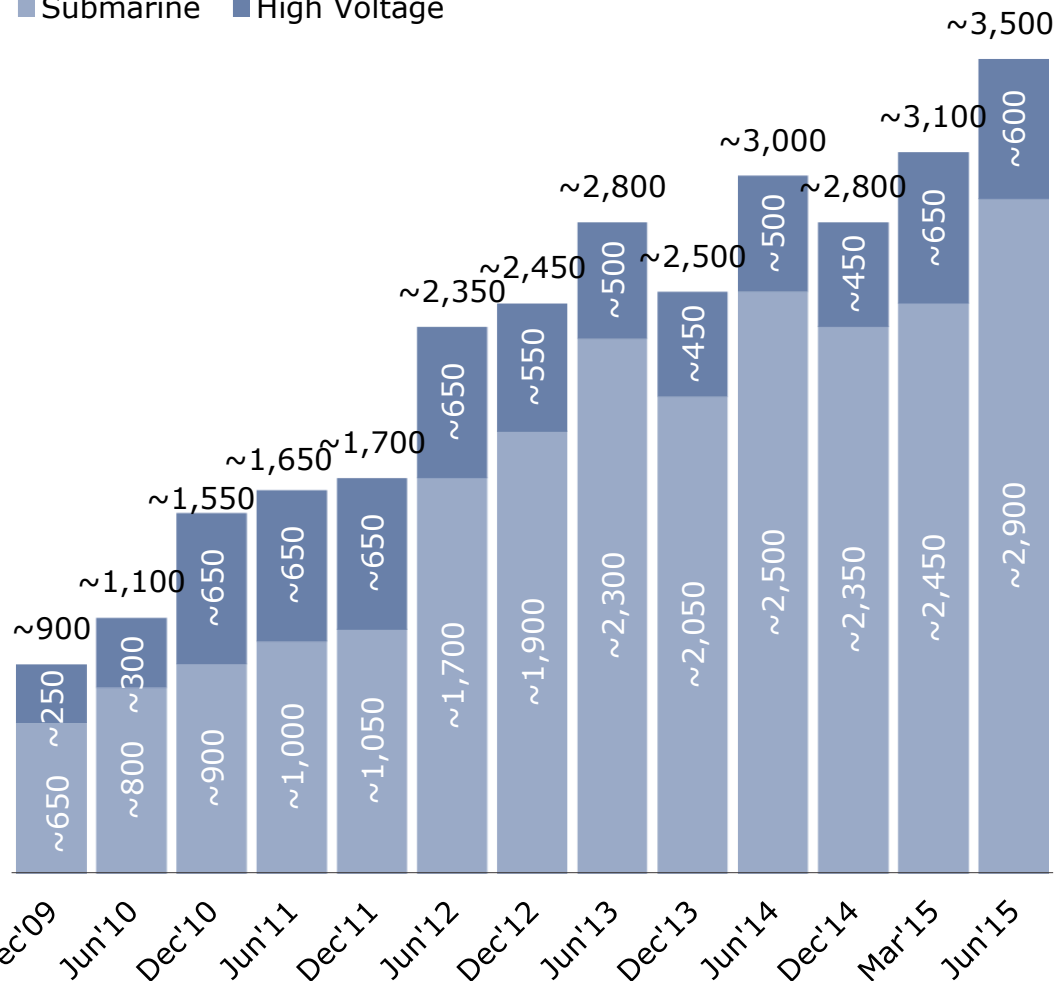
- Positive contribution from the Umbilicals business (Brazil) and continued growth of DHT (North America and outside), despite oil price decline, due to the execution of long term projects

Transmission backlog at peak level

Strong tendering activity in H1

Transmission – Orders Backlog (€m)

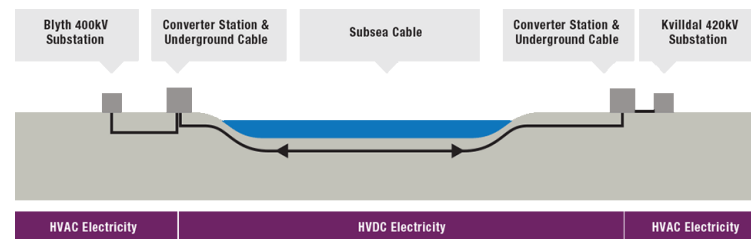
■ Submarine ■ High Voltage



Major transmission projects awarded in H1

- Kuwait, underground € 50m
- Italy-France, underground € 200m
- 50 Hertz option (GER), submarine € 230m
- NSN Link (Norway-UK), submarine € 550m

Focus on NSN Link (Norway-UK)

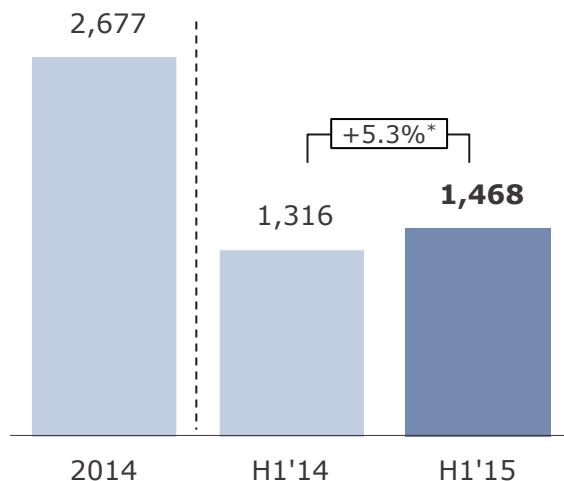


- Approx. 740 km of cable route in land and sea, using an HVDC mass impregnating paper insulation cable operating at a ± 515 kV
- Total project value (cables) just below € 0.9bn, of which Prysmian's share approx. € 550m
- Customers: Statnett SF and National Grid plc

Energy & Infrastructure

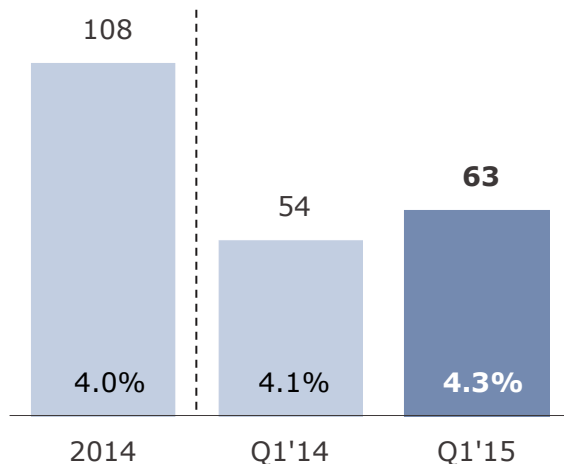
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA



Highlights

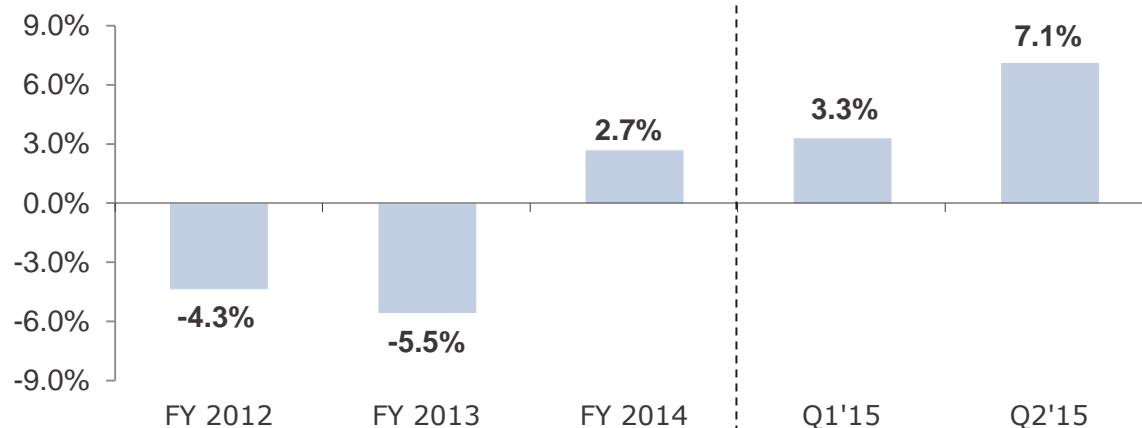
Trade & Installers

- Low single digit organic growth supported by positive trends in some European countries (Spain, UK and Eastern Europe) and robust orders for wind farm in N.A.
- Price pressure in Brazil

Power Distribution

- Stronger than expected organic growth driven by good volume recovery in the Nordics, Germany and Argentina.
- Prices in line with previous quarters

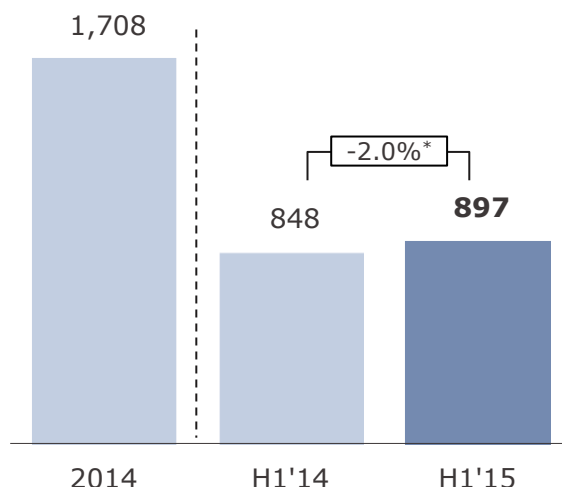
E&I Organic Growths*



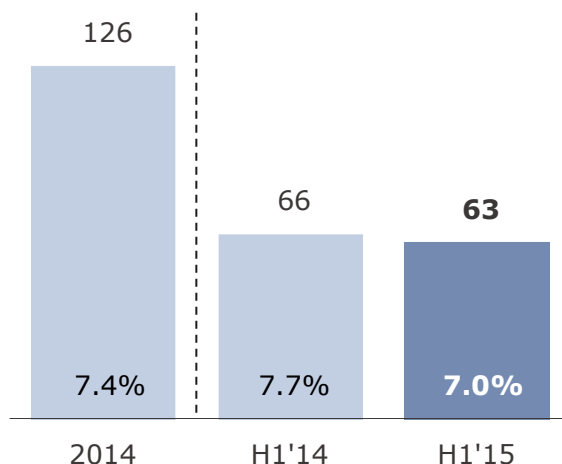
Industrial & Network Components

Euro Millions, % on Sales

Sales



Adj. EBITDA



Highlights

Specialties & OEMs

- Overall positive organic growth in H1
- Positive performance in APAC and in Europe, mainly driven by Nuclear (France) and Railway.

Oil & Gas

- Continued weakness of the MRO business. The projects business (>75% of sales) starting to reflect the effects of the weak oil price environment.

Elevator

- Good improvement in all the geographies (US, Europe and APAC)

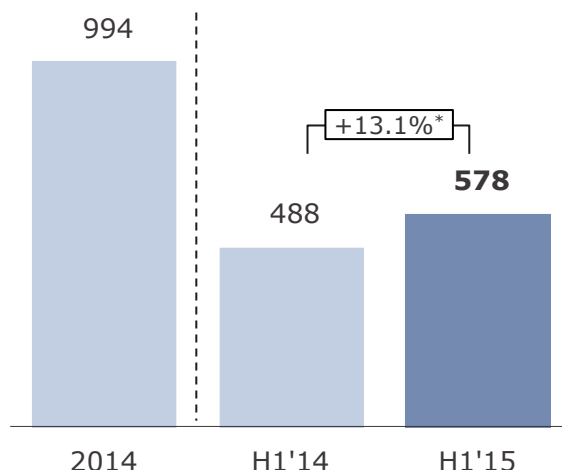
Automotive

- Strong competition on standard products also from Harness Makers still affecting the performance of the business.

Network Components

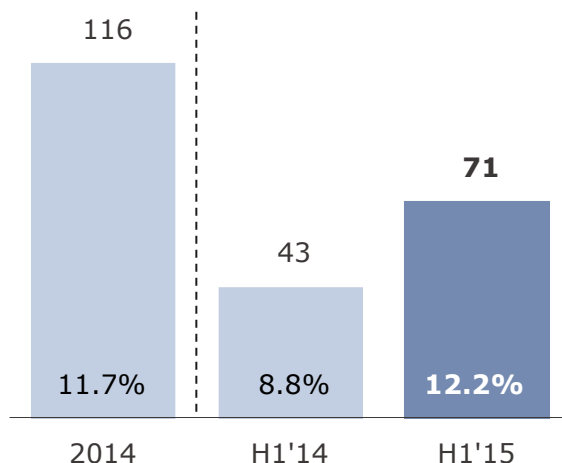
- Weak demand of the European HV (NL) affected the first half growth of the business. Positive performance in China.

Sales



* Org. Growth

Adj. EBITDA



Highlights

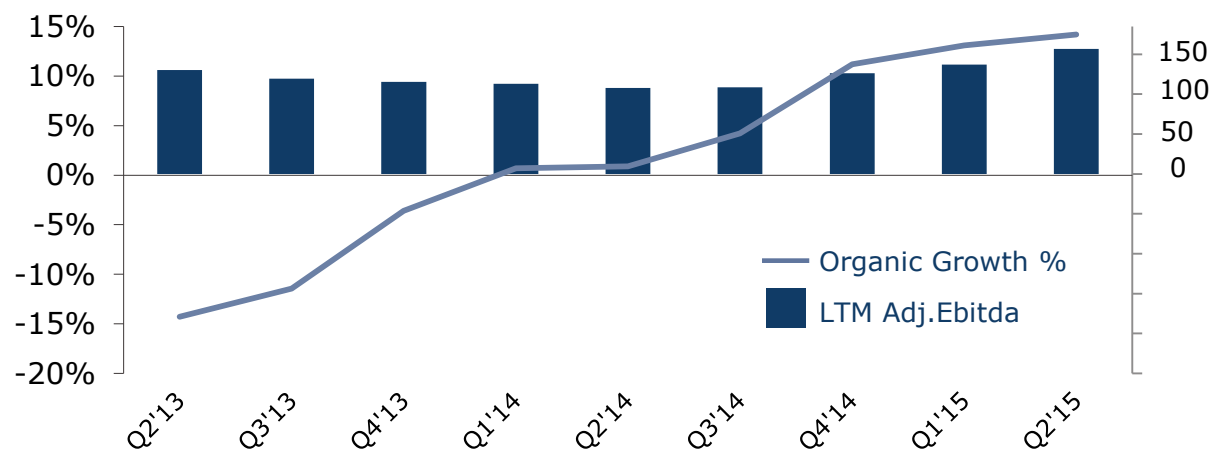
Optical, Connectivity & Fiber

- Strong organic growth in almost all geographies thanks to FTTH/FTTA national plans and backhaul investments, with prices stable vs. previous year.
- Sound demand in the US, Europe (mainly France, Italy and the UK) and Australia (NBN project expected to temporarily slow down in the second half). Latam (Brazil) still below expectations.
- The fiber cost reduction plan is delivering the expected results

Multimedia & Specials

- Solid growth trend in APAC and Brazil. Europe stable on previous year.

Quarter organic growth* and LTM Adj. Ebitda evolution



* % change vs. same quarter of previous year

➤ **H1 2015 Highlights**

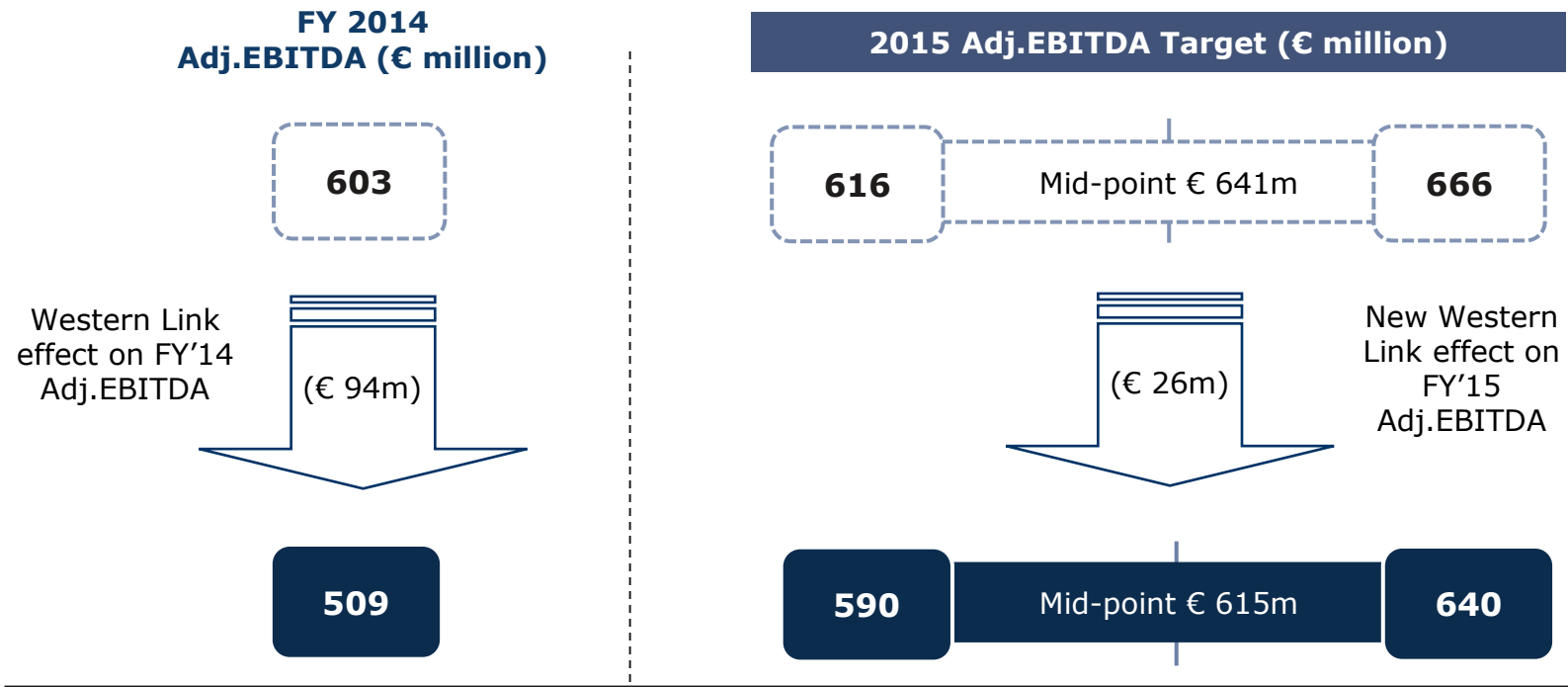
- Group overview
- Results by business
- **Outlook**

➤ Financial results

➤ Appendix

FY 2015 Outlook

New guidance for 2015



Assuming current business trends and fx,

the target is to reach the upper part of the guidance range

- H1 2015 Highlights
 - Group overview
 - Results by business
 - Outlook
- **Financial results**
- Appendix

Profit and Loss Statement

Euro Millions

	H1 2015	H1 2014	WL effect H1'15 vs. H1'14
Sales	3,737	3,287	13
<i>YoY total growth</i>	13.7%		
<i>YoY organic growth</i>	7.6%		
<i>YoY organic growth excl. WL</i>	7.0%		
Adj.EBITDA	314	204	73
<i>% on sales</i>	8.4%	6.2%	
Adj.EBITDA excl. WL	315	278	-
<i>% on sales</i>	8.3%	8.3%	
Non recurring items	(53)	40	-
EBITDA	261	244	73
<i>% on sales</i>	7.0%	7.4%	
Adj.EBIT	242	133	73
<i>% on sales</i>	6.5%	4.0%	
Non recurring items	(53)	40	-
Special items	(16)	3	-
EBIT	173	176	73
<i>% on sales</i>	4.6%	5.4%	
Financial charges	(53)	(74)	-
EBT	120	102	73
<i>% on sales</i>	3.2%	3.1%	
Taxes	(42)	(22)	(22)
<i>% on EBT</i>	35.0%	21.6%	
Net income	78	80	51
<i>% on sales</i>	2.1%	2.4%	
Net income excl. WL	79	132	-
<i>% on sales</i>	2.1%	3.9%	

(1) in H1'15
(74) in H1'14

(1) in H1'15
(52) in H1'14

Non Recurring and Special Items on EBIT

Euro Millions

	H1 2015	H1 2014
Antitrust	(20)	32
Restructuring	(33)	(7)
Price adjustments	-	22
Other	-	(7)
EBITDA adjustments	(53)	40
Special items	(16)	3
<i>Gain/(loss) on metal derivatives</i>	(1)	6
<i>Assets impairment</i>	(7)	-
<i>Other</i>	(8)	(3)
EBIT adjustments	(69)	43

Financial Charges

Euro Millions

	H1 2015	H1 2014
Net interest expenses	(40)	(42)
<i>of which non-cash conv.bond interest exp.</i>	<i>(4)</i>	<i>(4)</i>
Bank fees amortization	(2)	(4)
Gain/(loss) on exchange rates	(16)	(4)
Gain/(loss) on derivatives ¹⁾	8	(15)
Non recurring effects	(3)	(9)
Net financial charges	(53)	(74)

1) Includes currency and interest rate derivatives

Statement of financial position (Balance Sheet)

Euro Millions

	30 Jun 2015	30 Jun 2014	31 Dec 2014
Net fixed assets	2,268	2,232	2,219
<i>of which: intangible assets</i>	555	587	561
<i>of which: property, plants & equipment</i>	1,447	1,415	1,414
Net working capital	580	751	407
<i>of which: derivatives assets/(liabilities)</i>	(14)	(11)	(16)
<i>of which: Operative Net working capital</i>	594	762	423
Provisions & deferred taxes	(294)	(268)	(281)
Net Capital Employed	2,554	2,715	2,345
Employee provisions	362	329	360
Shareholders' equity	1,213	1,177	1,183
<i>of which: attributable to minority interest</i>	33	35	33
Net financial position	979	1,209	802
Total Financing and Equity	2,554	2,715	2,345

Cash Flow

Euro Millions

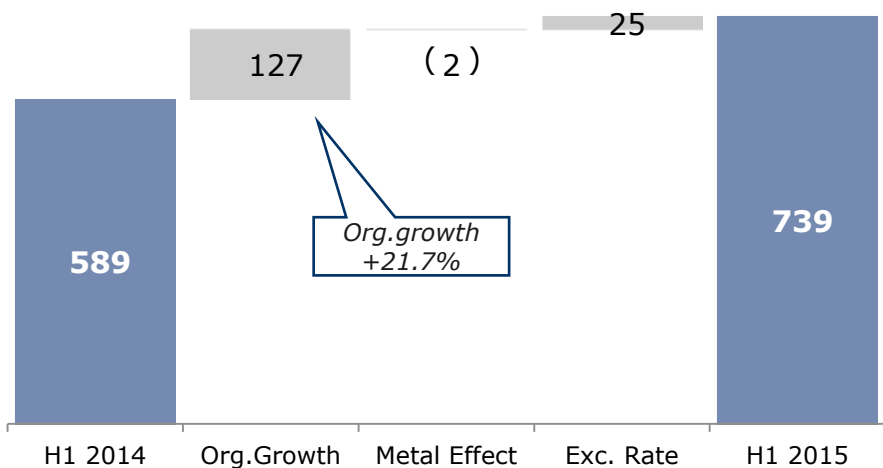
	H1 2015	H1 2014	FY 2014
Adj.EBITDA	314	204	509
Non recurring items	(53)	40	(13)
EBITDA	261	244	496
Net Change in provisions & others	8	(75)	(53)
Share of income from investments in op.activities	(18)	(15)	(43)
Cash Flow from operations (bef. WC changes)	251	154	400
Working Capital changes	(198)	(341)	(1)
Dividends received	11	8	36
Paid Income Taxes	(25)	(29)	(72)
Cash flow from operations	39	(208)	363
Acquisitions	-	15	9
Net Operative CAPEX	(72)	(69)	(155)
Free Cash Flow (unlevered)	(33)	(262)	217
Financial charges	(64)	(54)	(110)
Free Cash Flow (levered)	(97)	(316)	107
Free Cash Flow (levered) excl. acquisitions	(97)	(331)	98
Dividends	(91)	(90)	(90)
Treasury shares buy-back & other equity movements	2	-	(20)
Net Cash Flow	(186)	(406)	(3)
NFP beginning of the period	(802)	(805)	(805)
Net cash flow	(186)	(406)	(3)
Other variations	9	2	6
NFP end of the period	(979)	(1,209)	(802)

- H1 2015 Highlights
 - Group overview
 - Results by business
 - Outlook
- Financial results
- **Appendix**

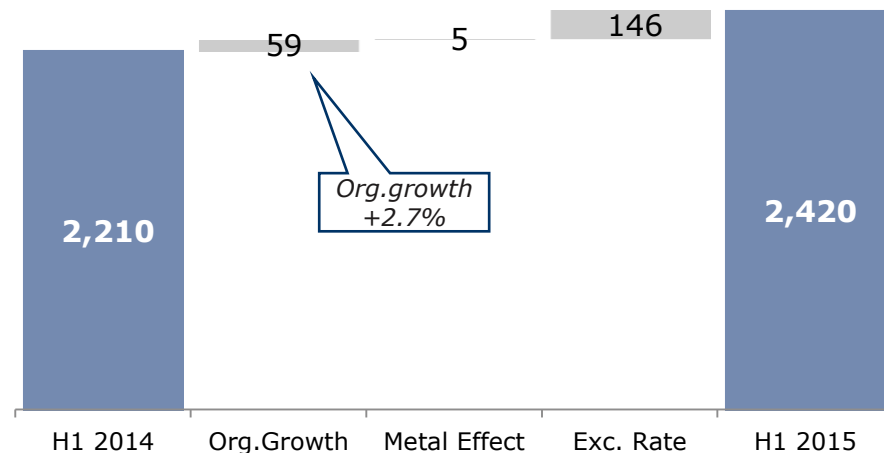
Bridge Consolidated Sales

Euro Millions

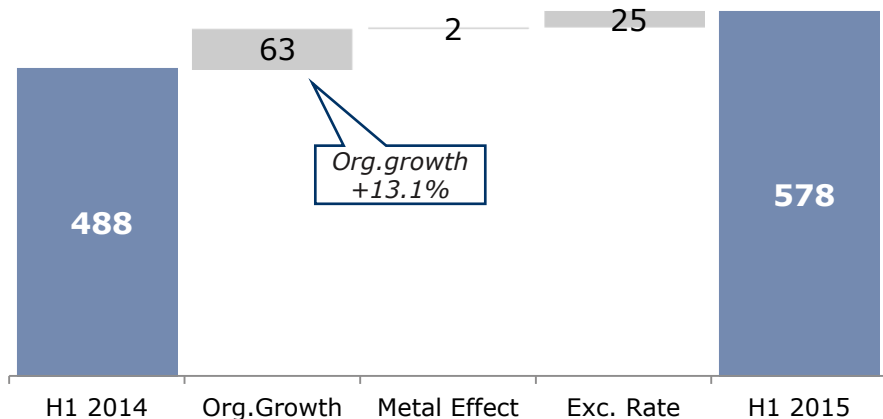
Energy Projects



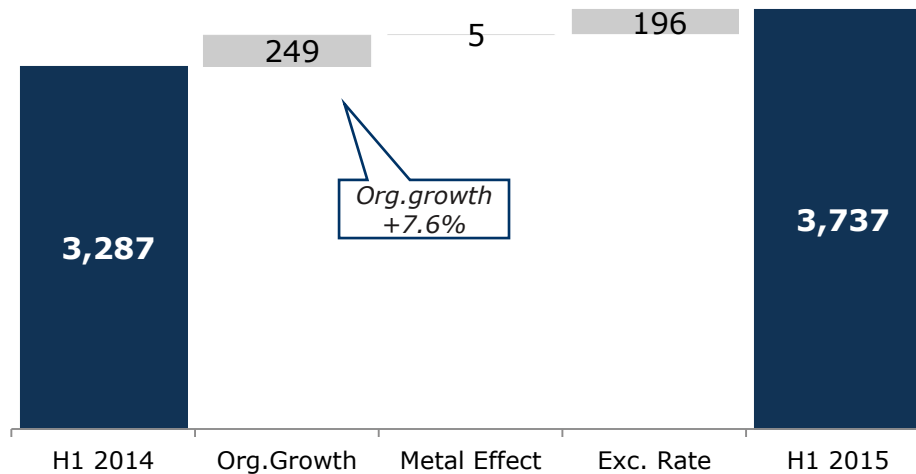
Energy Products



Telecom



Total Consolidated



Profit and Loss Statement

Euro Millions

	H1 2015 excl. WL submarine project effect	H1 2015 WL submarine project effect	H1 2015	H1 2014 excl. WL submarine project effect	H1 2014 WL submarine project effect	H1 2014
Sales	3,795	(58)	3,737	3,358	(71)	3,287
<i>YoY total growth</i>	13.0%		13.7%			
<i>YoY organic growth</i>	7.0%		7.6%			
Adj.EBITDA	315	(1)	314	278	(74)	204
<i>% on sales</i>	8.3%		8.4%	8.3%		6.2%
Non recurring items	(53)	-	(53)	40	-	40
EBITDA	262	(1)	261	318	(74)	244
<i>% on sales</i>	6.9%		7.0%	9.5%		7.4%
Adj.EBIT	243	(1)	242	207	(74)	133
<i>% on sales</i>	6.4%		6.5%	6.2%		4.0%
Non recurring items	(53)	-	(53)	40	-	40
Special items	(16)	-	(16)	3	-	3
EBIT	174	(1)	173	250	(74)	176
<i>% on sales</i>	4.6%		4.6%	7.4%		5.4%
Financial charges	(53)	-	(53)	(74)	-	(74)
EBT	121	(1)	120	176	(74)	102
<i>% on sales</i>	3.2%		3.2%	5.2%		3.1%
Taxes	(42)	-	(42)	(44)	22	(22)
<i>% on EBT</i>	34.8%		35.0%	25.0%		21.6%
Net income	79	(1)	78	132	(52)	80
<i>% on sales</i>	2.1%		2.1%	3.9%		2.4%

Energy Projects Segment – Profit and Loss Statement

Euro Millions

	H1 2015 excl. WL submarine project effect	H1 2015 WL submarine project effect	H1 2015	H1 2014 excl. WL submarine project effect	H1 2014 WL submarine project effect	H1 2014
Sales to Third Parties	797	(58)	739	660	(71)	589
<i>YoY total growth</i>	20.9%		25.6%			
<i>YoY organic growth</i>	17.4%		21.7%			
Adj. EBITDA	116	(1)	115	110	(74)	36
<i>% on sales</i>	14.5%		15.6%	16.7%		6.2%
Adj. EBIT	96	(1)	96	90	(74)	16
<i>% on sales</i>	12.1%		13.0%	13.7%		2.8%

Energy Products Segment – Profit and Loss Statement

Euro Millions

		H1 2015	H1 2014
Sales to Third Parties	E&I	1,468	1,316
	<i>YoY total growth</i>	<i>11.6%</i>	
	<i>YoY organic growth</i>	<i>5.3%</i>	
	Industrial & Netw. Comp.	897	848
	<i>YoY total growth</i>	<i>5.7%</i>	
	<i>YoY organic growth</i>	<i>(2.0%)</i>	
	Other	55	46
	<i>YoY total growth</i>	<i>19.0%</i>	
	<i>YoY organic growth</i>	<i>14.0%</i>	
	ENERGY PRODUCTS	2,420	2,210
	<i>YoY total growth</i>	<i>9.5%</i>	
	<i>YoY organic growth</i>	<i>2.7%</i>	
Adj. EBITDA	E&I	63	54
	<i>% on sales</i>	<i>4.3%</i>	<i>4.1%</i>
	Industrial & Netw. Comp.	63	66
	<i>% on sales</i>	<i>7.1%</i>	<i>7.7%</i>
	Other	2	5
	<i>% on sales</i>	<i>3.2%</i>	<i>10.9%</i>
	ENERGY PRODUCTS	128	125
	<i>% on sales</i>	<i>5.3%</i>	<i>5.6%</i>
Adj. EBIT	E&I	46	38
	<i>% on sales</i>	<i>3.1%</i>	<i>2.9%</i>
	Industrial & Netw. Comp.	50	54
	<i>% on sales</i>	<i>5.6%</i>	<i>6.3%</i>
	Other	1	3
	<i>% on sales</i>	<i>1.3%</i>	<i>7.3%</i>
	ENERGY PRODUCTS	97	95
	<i>% on sales</i>	<i>4.0%</i>	<i>4.3%</i>

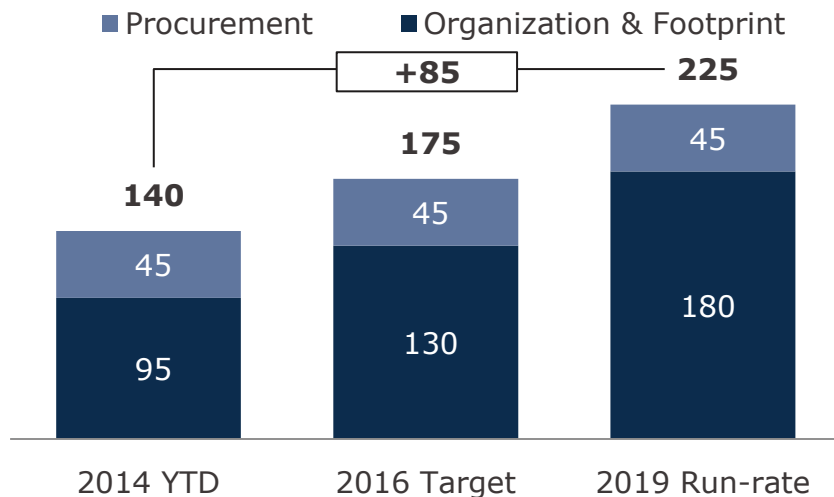
Telecom Segment – Profit and Loss Statement

Euro Millions

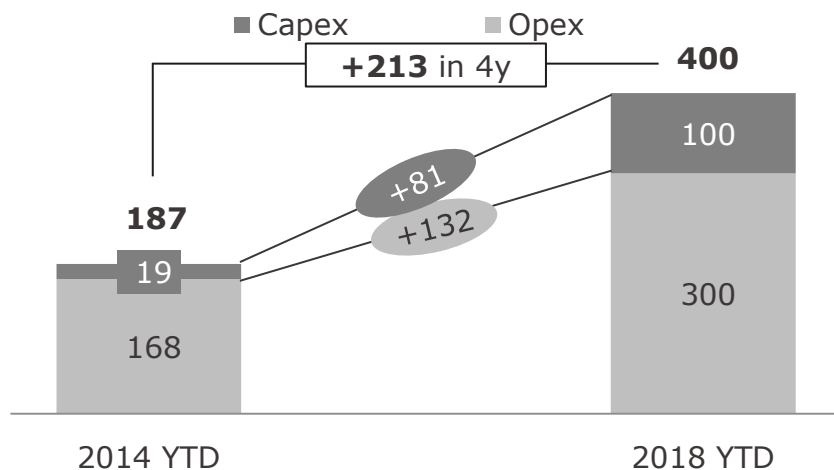
	H1 2015	H1 2014
Sales to Third Parties	578	488
<i>YoY total growth</i>	18.6%	
<i>YoY organic growth</i>	13.1%	
Adj. EBITDA	71	43
<i>% on sales</i>	12.2%	8.8%
Adj. EBIT	49	22
<i>% on sales</i>	8.5%	4.5%

Cost Efficiency plan

Cumulated Cost Savings (€ million)



Cumulated Costs (€ million)



Additional cash-in from disposals of land & building ~€ 30-40m

Organization & Footprint



Optimization of European organization & footprint

- ✓ Creation of Centers of Operational Excellence and Service Centers
- ✓ Regional scope and scale effectiveness
- ✓ Networking streamlining and lean structures
- ✓ Service performance and flexibility vs. market dynamics

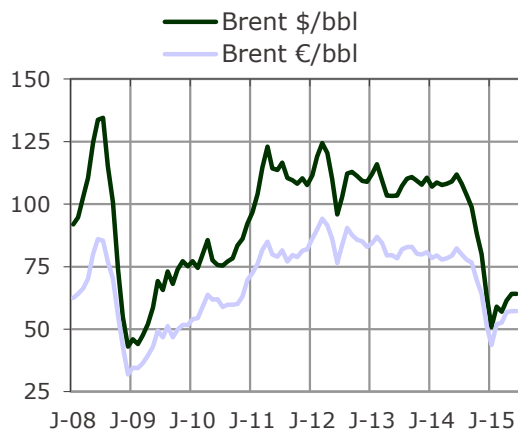
□ **€ 85 million** additional cost efficiencies by 2019

□ **€ 30-40 million** future cash-in from disposals of land & building

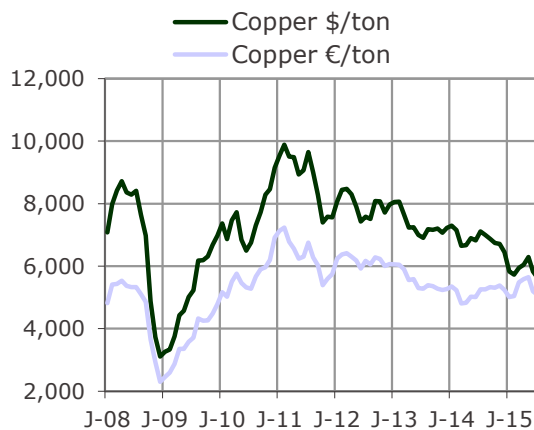
Reference Scenario

Commodities & Forex

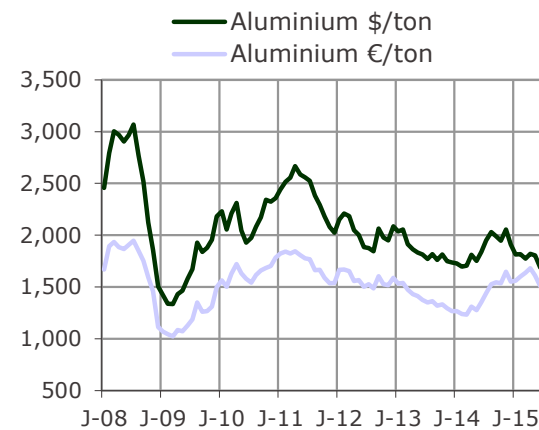
Brent



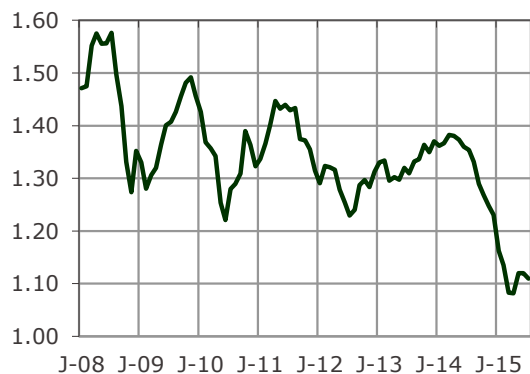
Copper



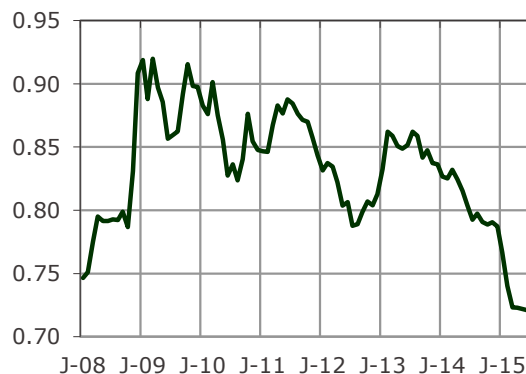
Aluminium



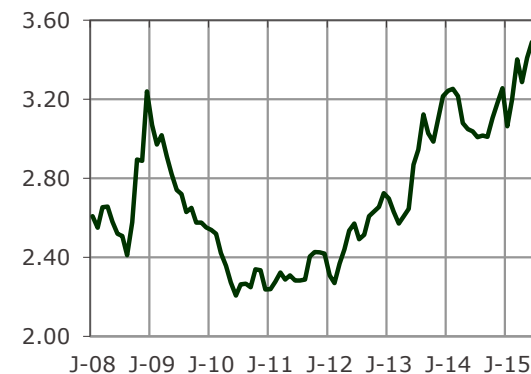
EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Nasdaq OMX

- The managers responsible for preparing the company's financial reports, A.Bott 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.
- Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The Company's businesses include its Energy Projects, Energy Products and Telecom Operating Segments, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses.
- Any estimates or forward-looking statements contained in this document are referred to the current date and, therefore, any of the assumptions underlying this document or any of the circumstances or data mentioned in this document may change. Prysmian S.p.A. expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these estimates or forward-looking statements or in connection with any use by any third party of such estimates or forward-looking statements. This document does not represent investment advice or a recommendation for the purchase or sale of financial products and/or of any kind of financial services. Finally, this document does not represent an investment solicitation in Italy, pursuant to Section 1, letter (t) of Legislative Decree no. 58 of February 24, 1998, or in any other country or state.
- In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.