

H1 2013 Financial Results

Milan – August 1st, 2013



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

Prysmian
Group



- H1 2013 Highlights & FY 2013 Outlook

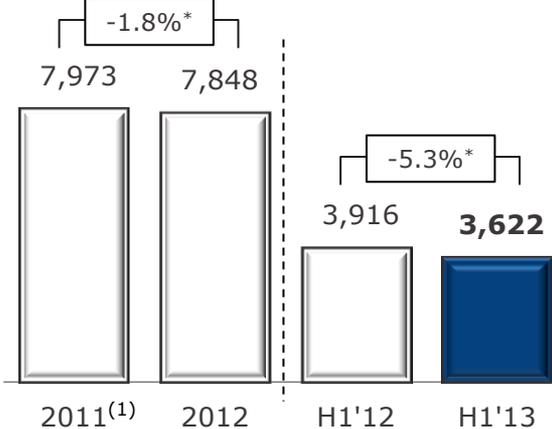
- Financial Results

- Appendix

H1 2013 Key Financials

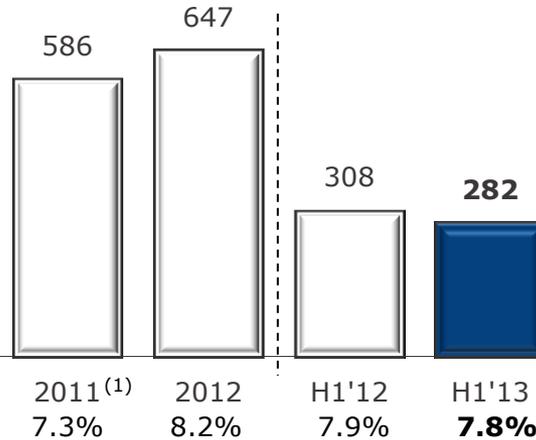
Euro Millions, % on Sales

Sales

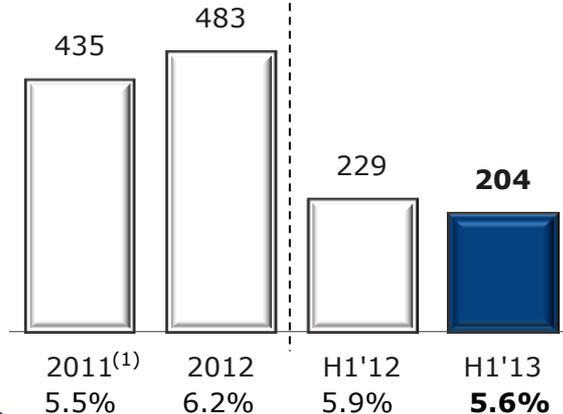


* Org. Growth

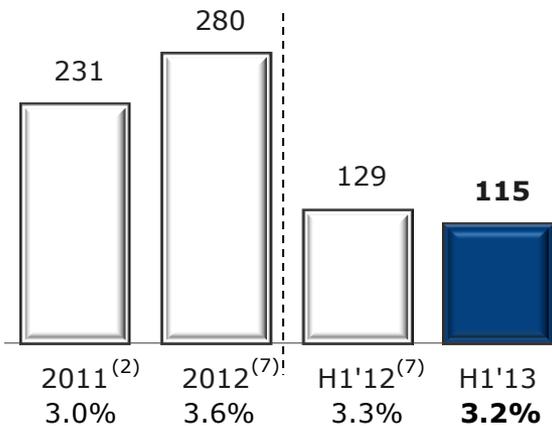
Adjusted EBITDA ⁽³⁾



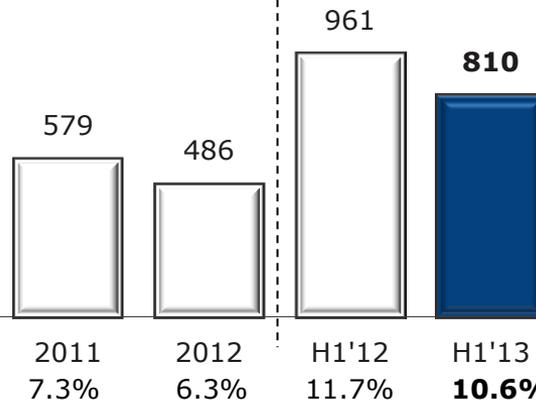
Adjusted EBIT ⁽⁴⁾



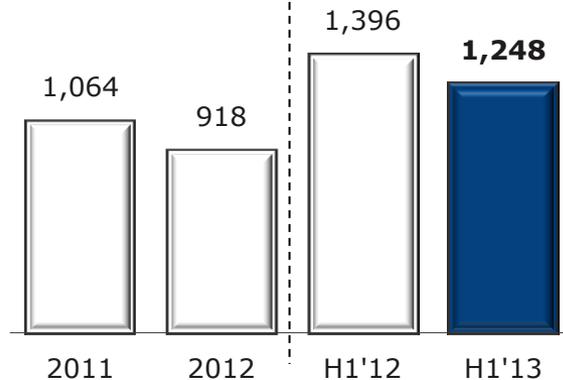
Adjusted Net Income ⁽⁵⁾



Operative Net Working Capital ⁽⁶⁾



Net Financial Position



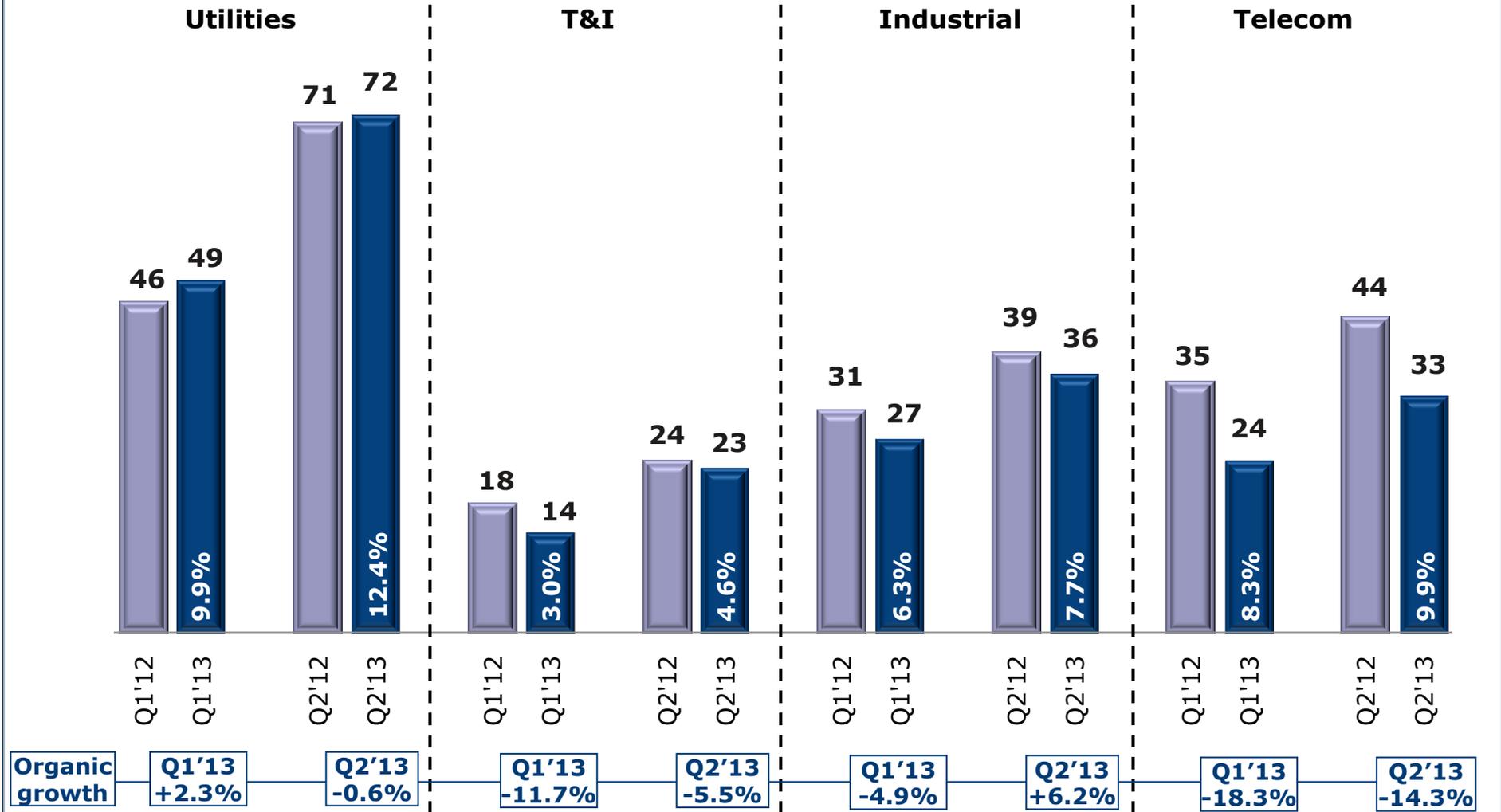
(1) Includes Draka Group's results for the period 1 January - 31 December; (2) Includes Draka Group's results for the period 1 March - 31 December (3) Adjusted excluding non-recurring income/expenses; (4) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (5) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (6) Operative NWC defined as NWC excluding the effect of derivatives; % of sales is defined as Operative NWC on annualized last quarter sales; (7) Restated to include effects of IAS 19 rev.(negative effect of €2mln in FY2012, € 1mln in H1'12)

Adj. EBITDA evolution by business

Organic growth improvement across all businesses and synergies driving margins recovery

Adj. EBITDA by business

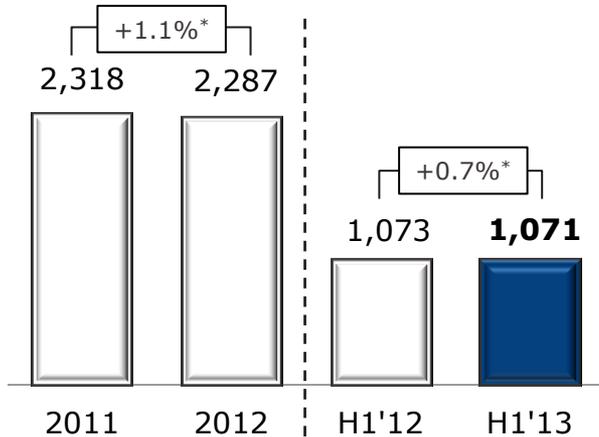
Euro million and % on Sales



Utilities

Euro Millions, % on Sales

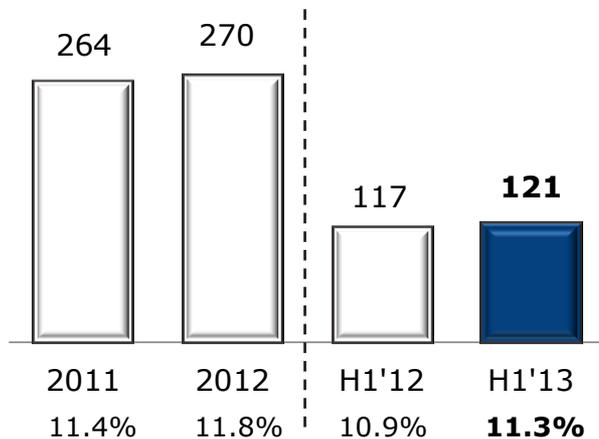
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

DISTRIBUTION

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

TRANSMISSION – HV

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

TRANSMISSION – Submarine

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

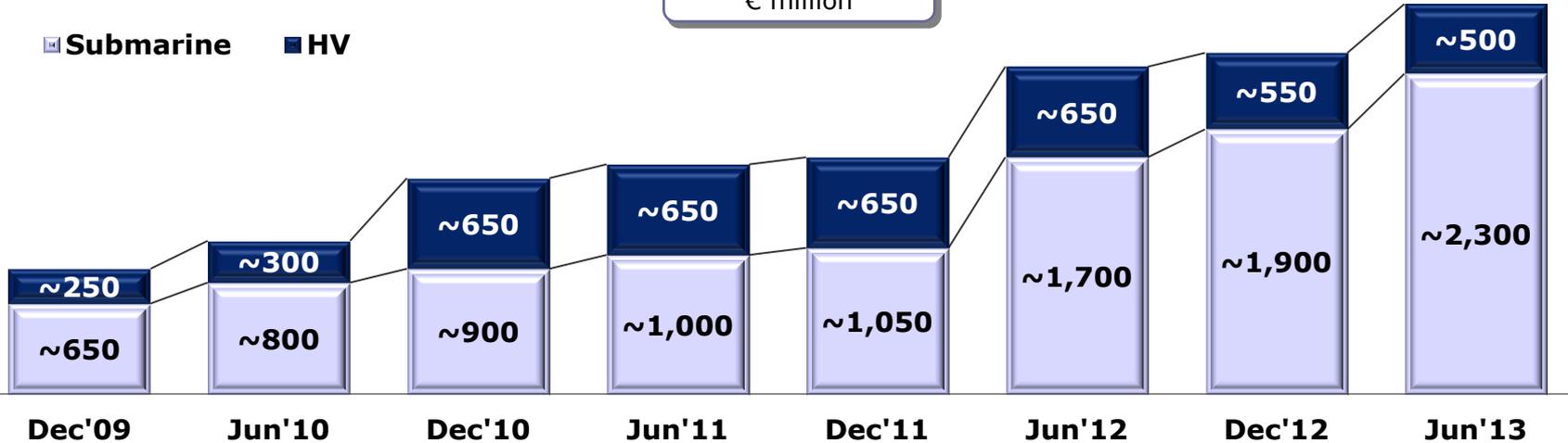
Utilities – Transmission

Record orders backlog with high technology projects to enhance profitability

Orders Backlog evolution

€ million

■ Submarine ■ HV

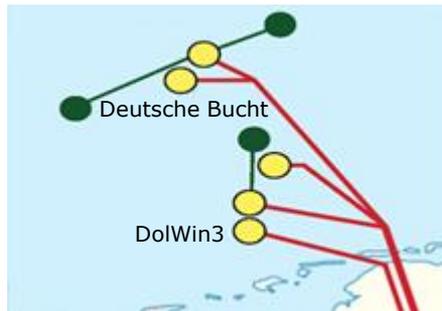


Strengthening leadership in the submarine business

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



Normandier 3
€45m



DolWin3 €350m &
Deutsche Bucht €50m



Mallorca - Ibiza
€85m



ExxonMobil's oil offshore
platforms
\$100m

Utilities – Strong increase in H2 profitability driven by transmission

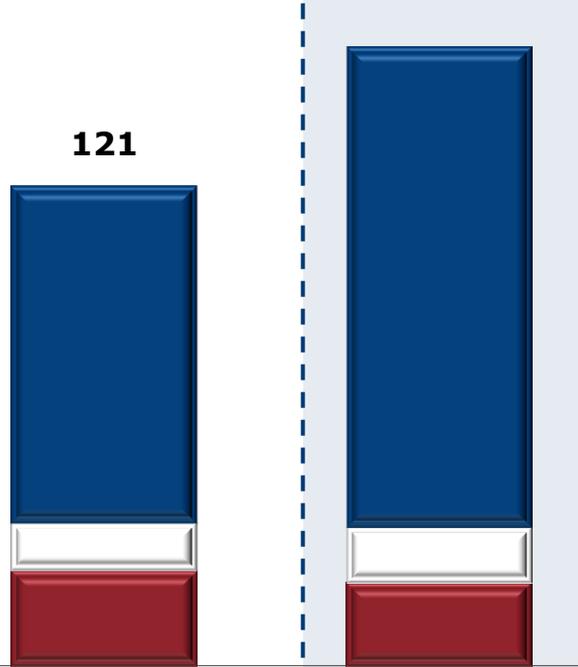
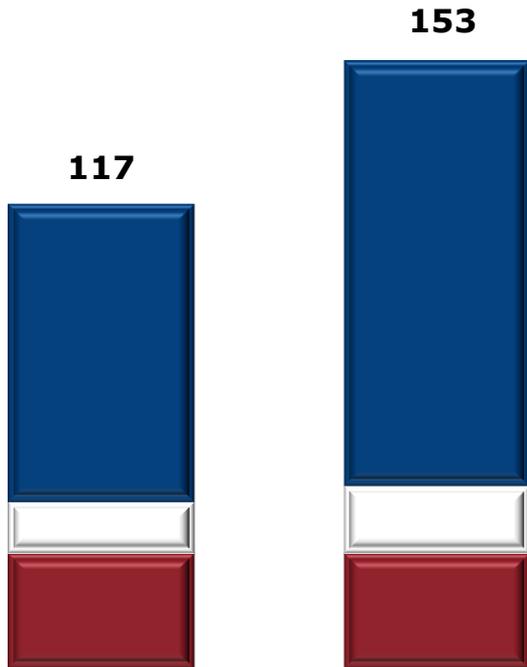
Adj.EBITDA increase in H2 covered by Transmission order book

Utilities – Adj.EBITDA

€ million

2012

2013E



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

H1 2012

H2 2012

H1 2013

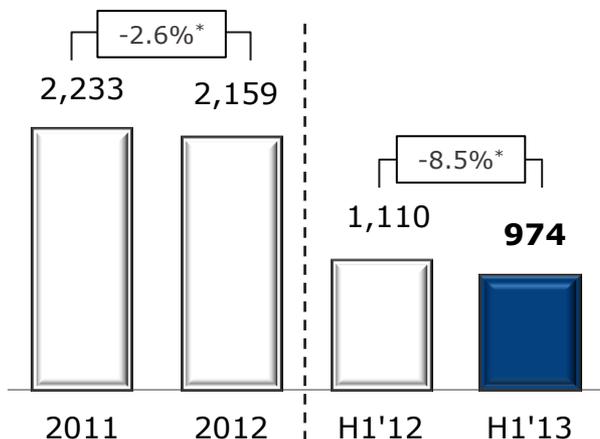
H2 2013E

■ Distribution ■ Network Components ■ Transmission

Trade & Installers

Euro Millions, % on Sales

Sales to Third Parties



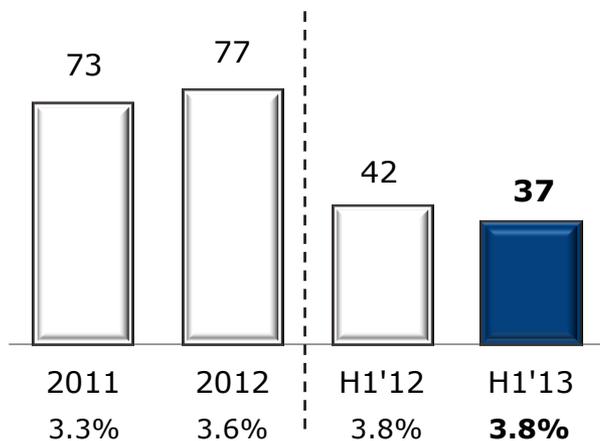
* Organic Growth

Note: FY2011 combined including Draka for 12 months

Highlights

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

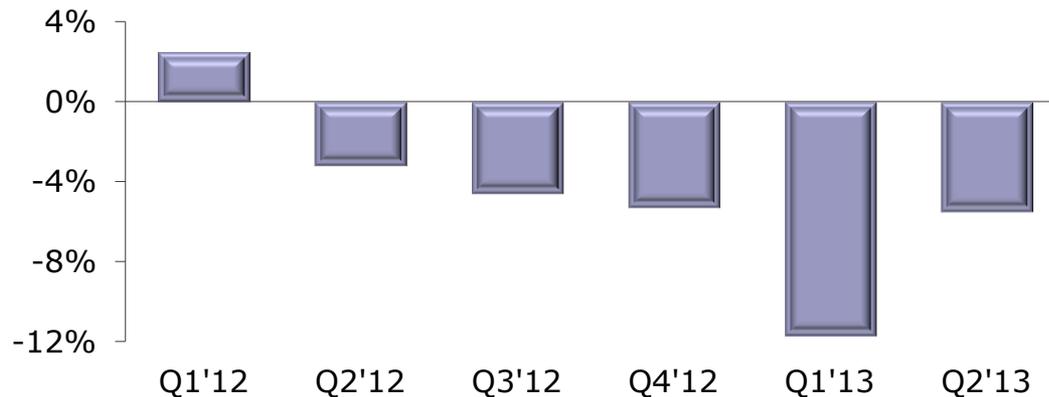
Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Organic Growth

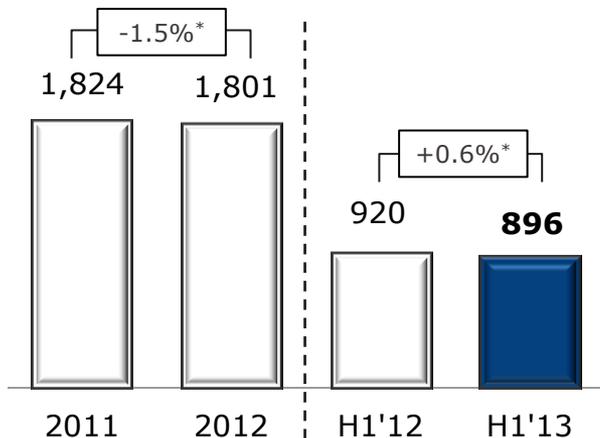
On the same quarter of previous year



Industrial

Euro Millions, % on Sales

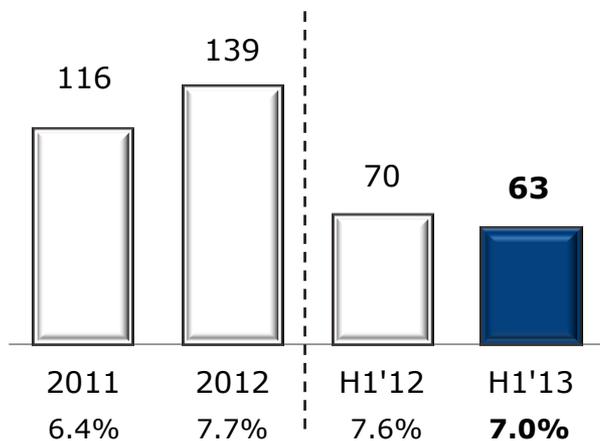
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

OGP

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

SURF

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

Elevator

- Steady increase supported by North America and APAC

Renewable

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

Automotive

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

Specialties & OEM

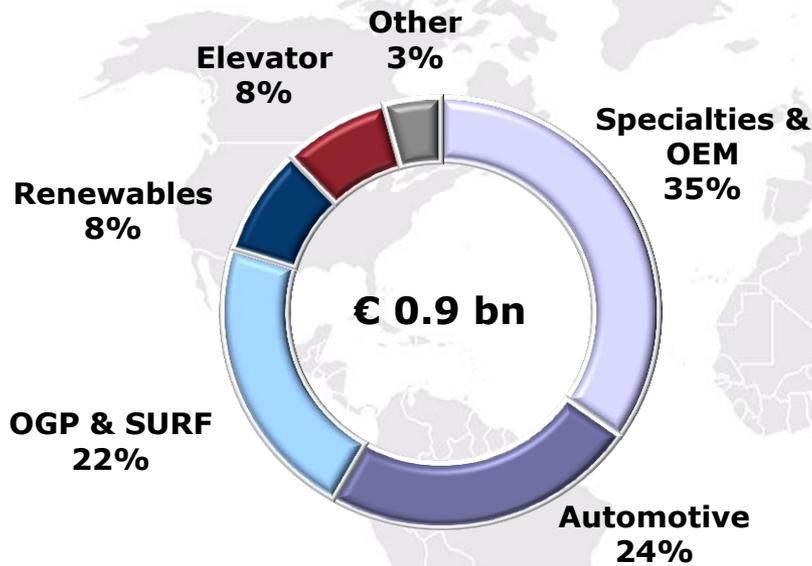
- Growing sales and profitability thanks to Railway/Rolling Stock in Europe, N.America and Australia. Positive trend also in Crane (Germany, China) and Marine (Russia, Nordics & new initiatives in S.America). Demand reduction in Defence, Mining and Infrastructure

Industrial

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

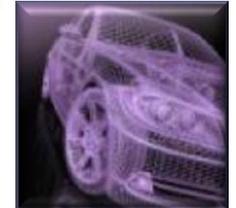
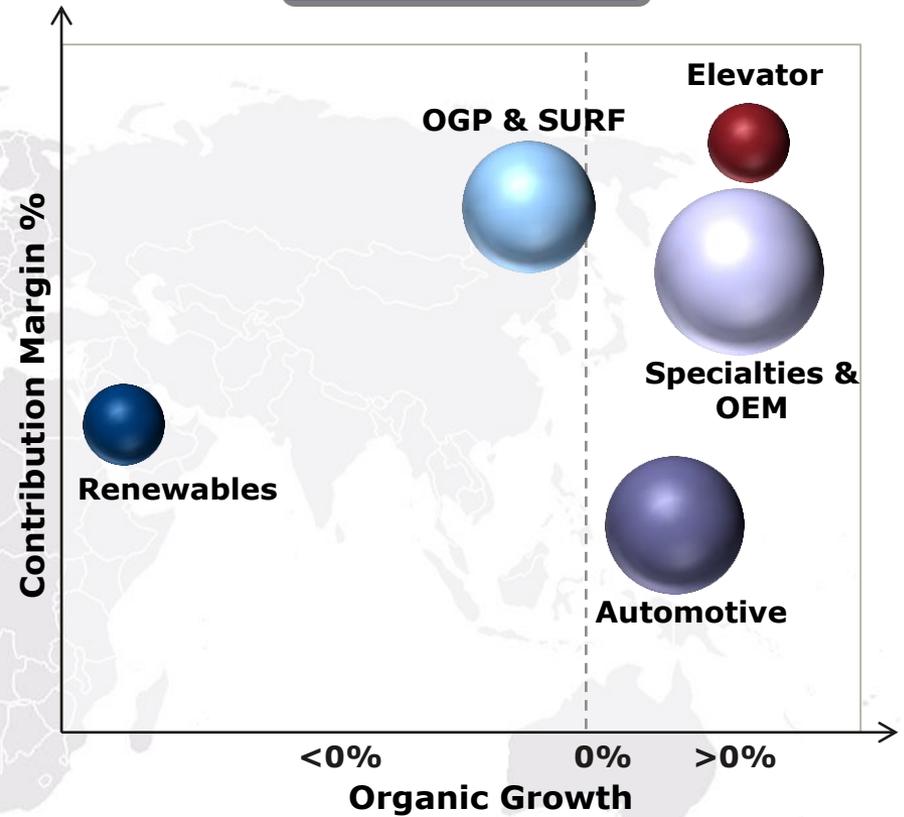
Sales breakdown by business segment

H1 2013

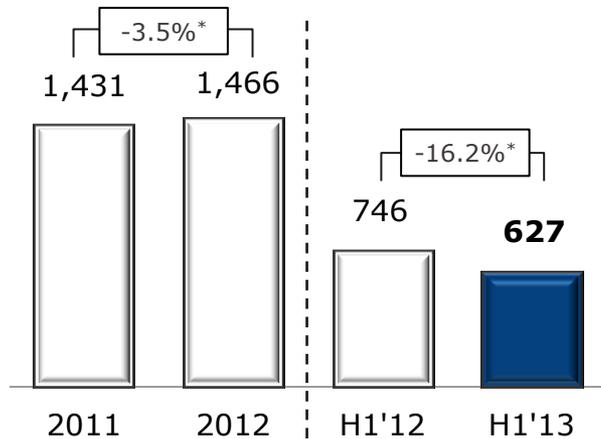


Business segment matrix

H1 2013



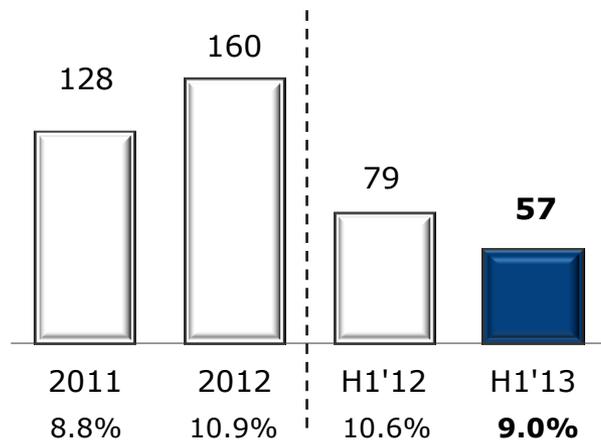
Sales to Third Parties



* Organic Growth

Note: FY2011 combined including Draka for 12 months

Adjusted EBITDA



Note: FY2011 combined including Draka for 12 months

Highlights

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

Optical / Fiber

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

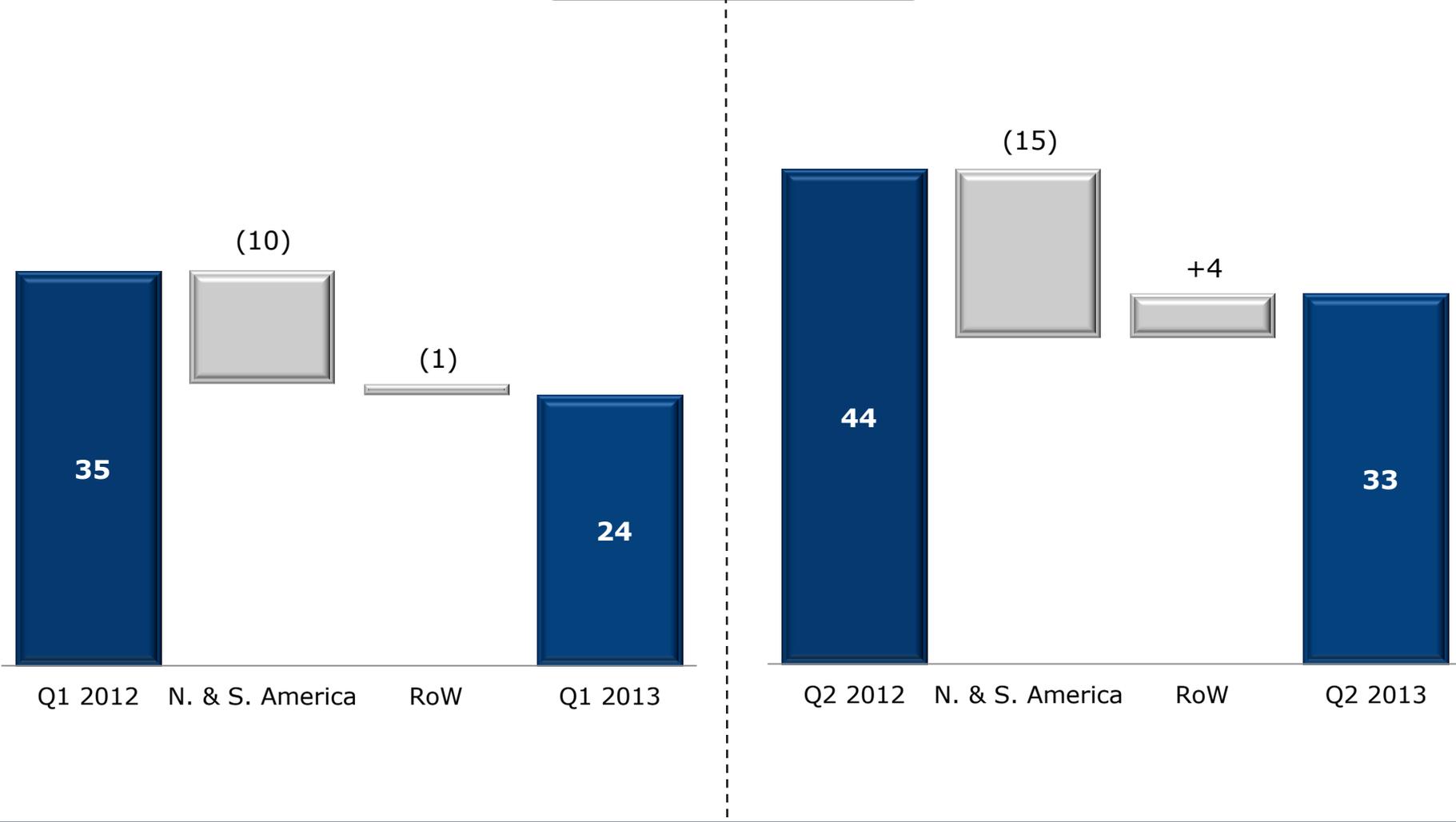
Multimedia & Specials

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

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

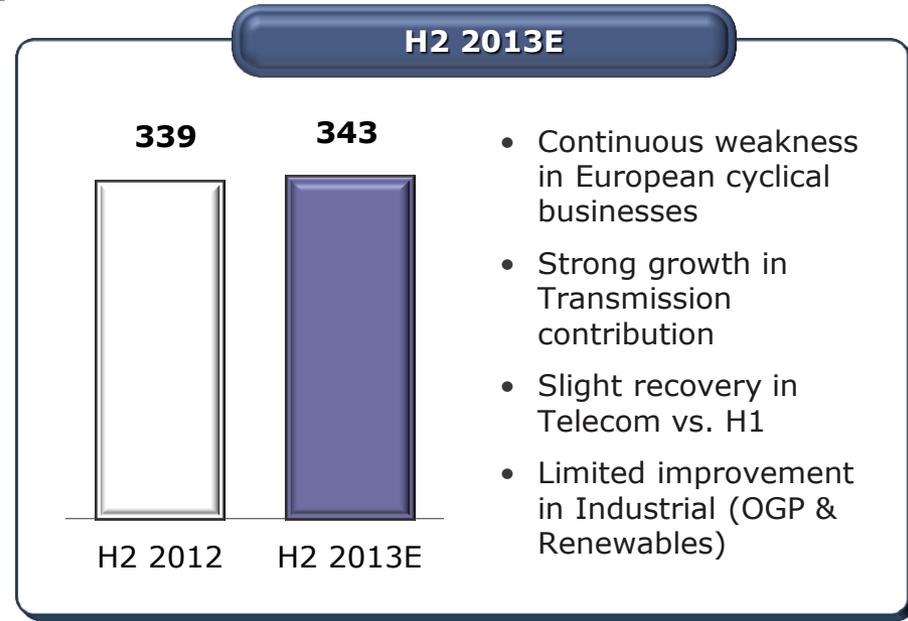
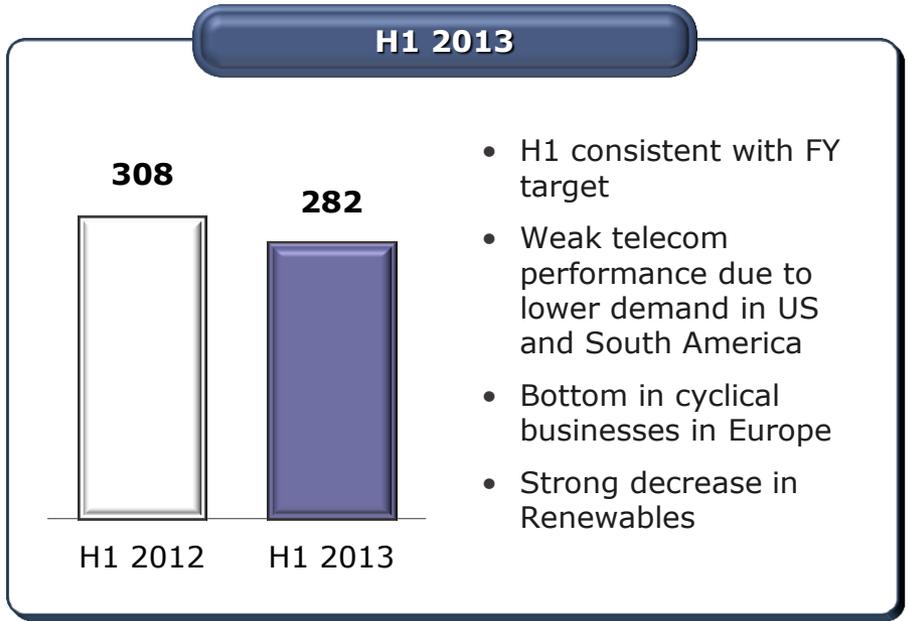
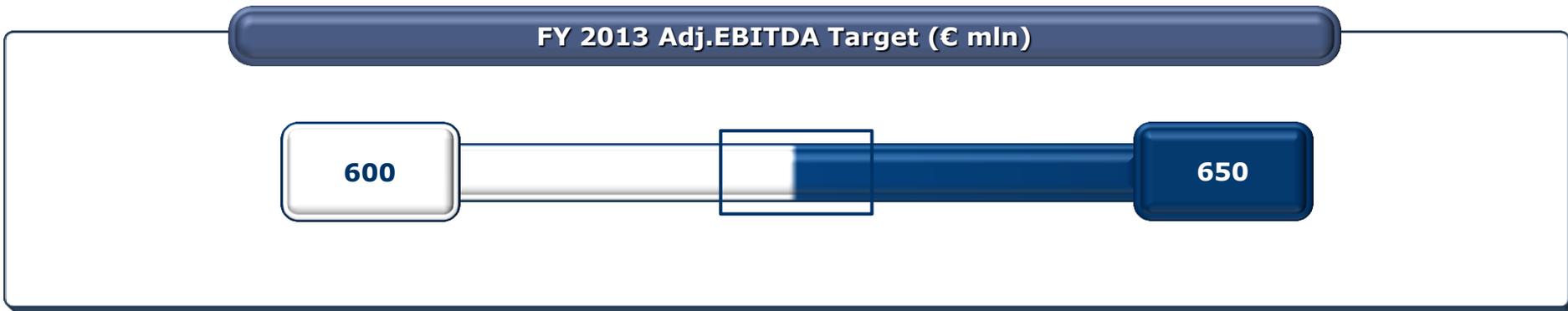
Adj. EBITDA evolution

Euro million



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

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



➤ H1 2013 Highlights & FY 2013 Outlook

➤ **Financial Results**

➤ Appendix

Profit and Loss Statement

Euro Millions

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

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

Extraordinary Effects

Euro Millions

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

Notes

(1) Includes currency and interest rate derivatives

Financial Charges

Euro Millions

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

Notes

(1) Includes currency and interest rate derivatives

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

Statement of financial position (Balance Sheet)

Euro Millions

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

Cash Flow

Euro Millions

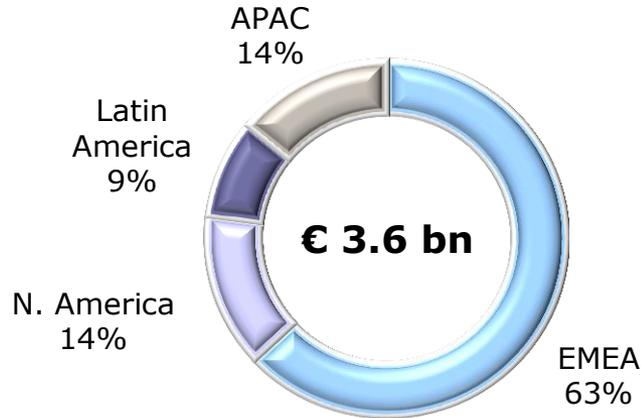
	H1 2013	H1 2012	FY 2012
Adj.EBITDA	282	308	647
Non recurring items	(26)	(42)	(101)
EBITDA	256	266	546
Net Change in provisions & others	(41)	(8)	(1)
Cash flow from operations (before WC changes)	215	258	545
Working Capital changes	(367)	(359)	75
Paid Income Taxes	(28)	(32)	(74)
Cash flow from operations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

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- **Appendix**

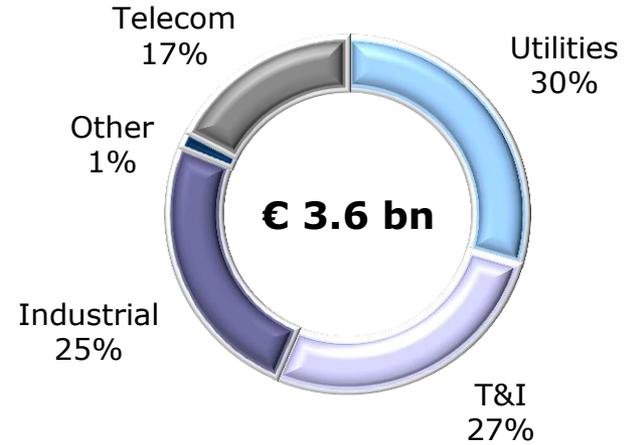
Prysmian Group at a glance

H1 2013 Results

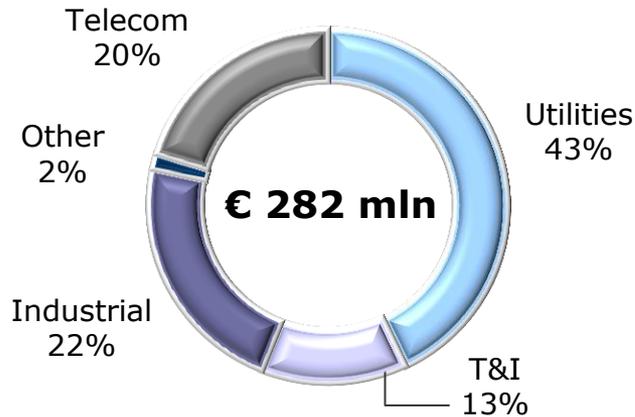
Sales breakdown by geography



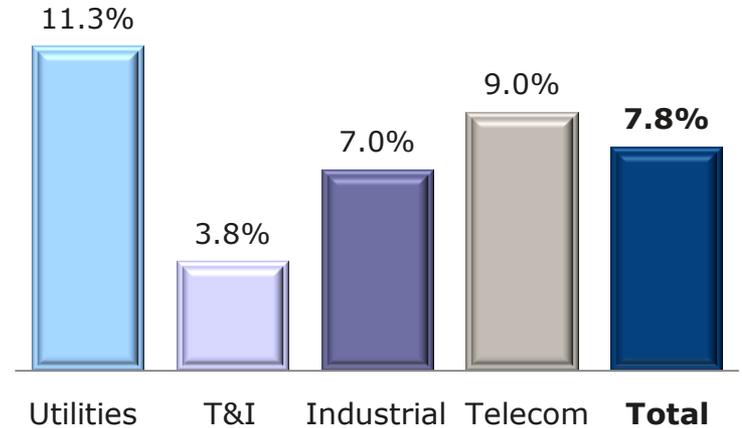
Sales breakdown by business



Adj. EBITDA by business

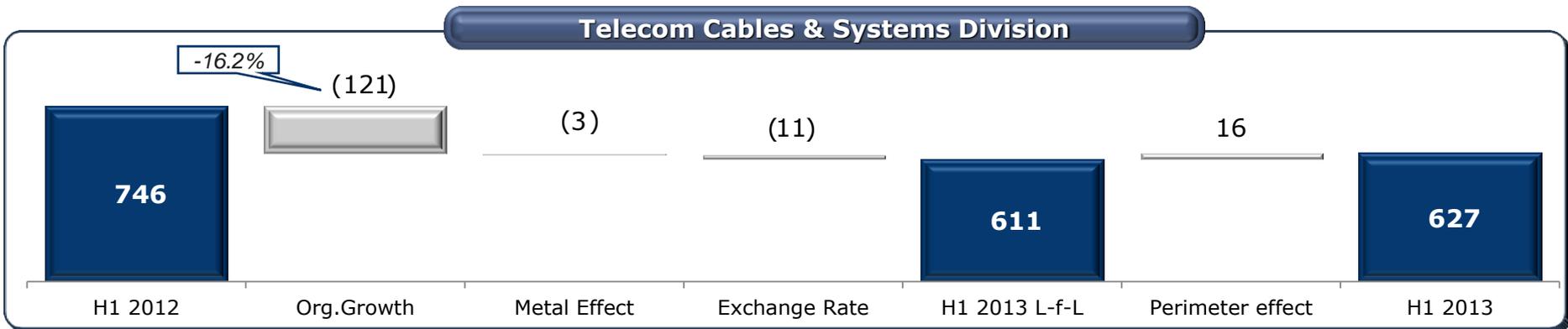
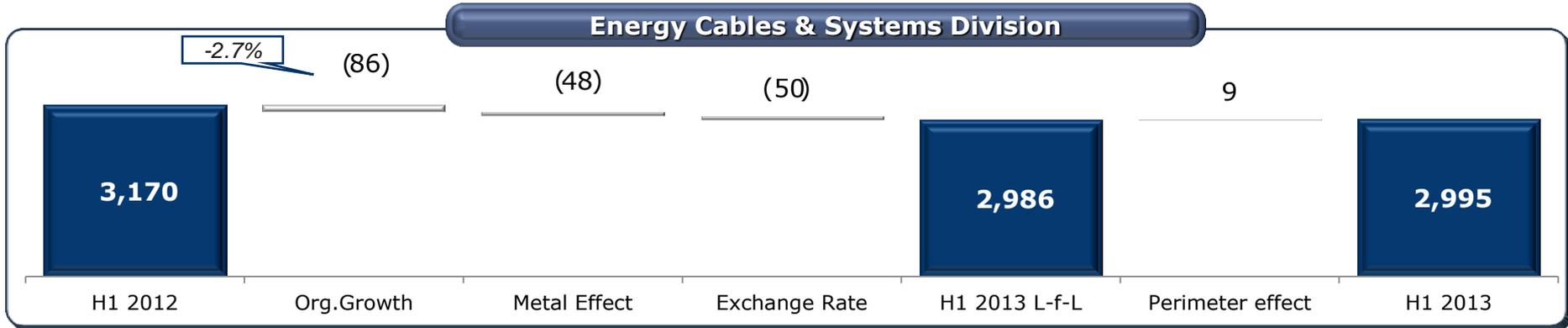
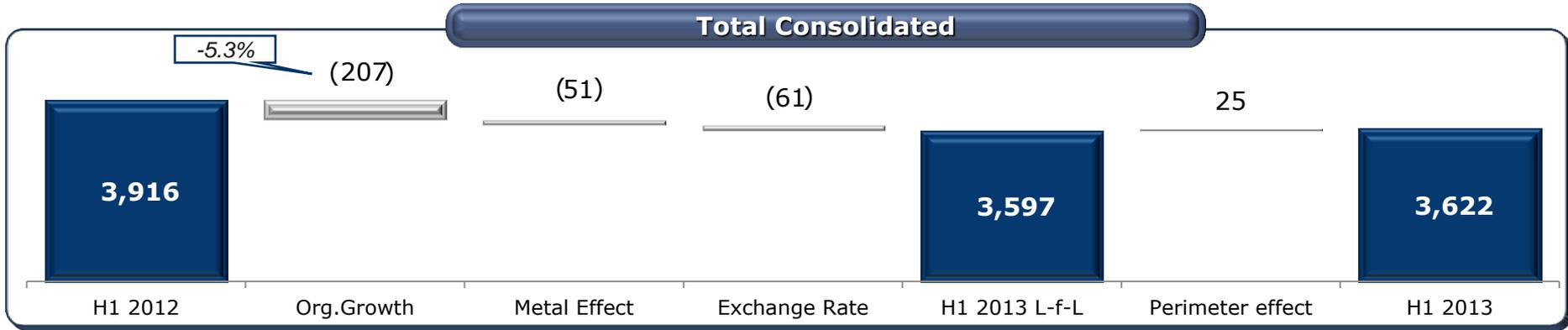


Adj. EBITDA margin by business



Bridge Consolidated Sales

Euro Millions



Energy Segment – Profit and Loss Statement

Euro Millions

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

Energy Segment – Sales and Profitability by business area

Euro Millions, % on Sales

	H1 2013	H1 2012	Total growth	Organic growth	
Sales to Third Parties	Utilities	1,071	1,073	(0.2%)	0.7%
	Trade & Installers	974	1,110	(12.3%)	(8.5%)
	Industrial	896	920	(2.7%)	0.6%
	Others	54	67	n.m.	n.m.
	Total Energy	2,995	3,170	(5.5%)	(2.7%)
Adj. EBITDA	Utilities	121	117	11.3%	10.9%
	Trade & Installers	37	42	3.8%	3.8%
	Industrial	63	70	7.0%	7.6%
	Others	4	-	n.m.	n.m.
	Total Energy	225	229	7.5%	7.2%
Adj. EBIT	Utilities	101	100	9.4%	9.3%
	Trade & Installers	24	28	2.5%	2.5%
	Industrial	45	49	5.0%	5.4%
	Others	2	(2)	n.m.	n.m.
	Total Energy	172	175	5.8%	5.5%

Telecom Segment – Profit and Loss Statement

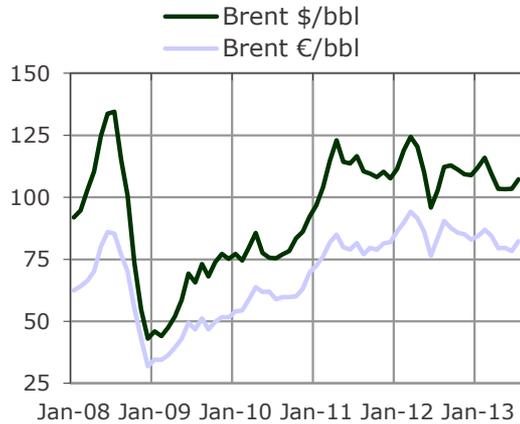
Euro Millions

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

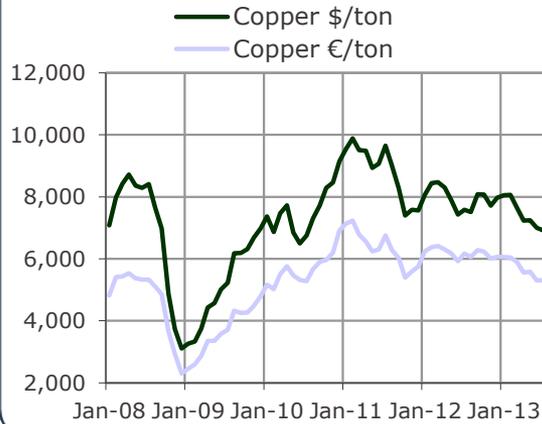
Reference Scenario

Commodities & Forex

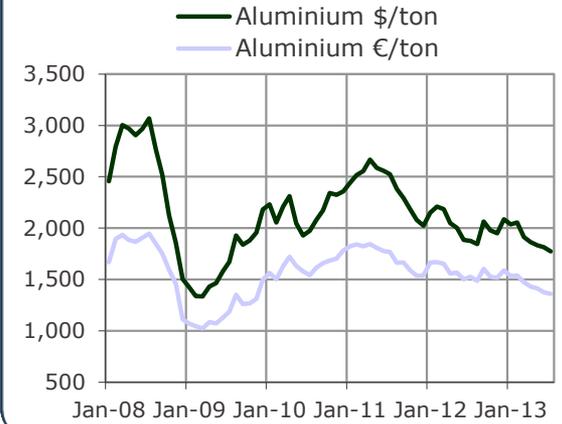
Brent



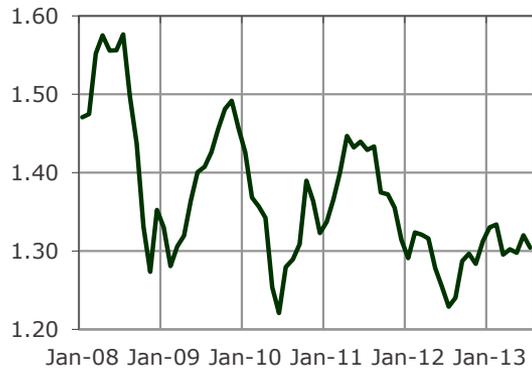
Copper



Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Thomson Reuters

Disclaimer

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