

H1 2012 Financial Results

Milan, 7th August 2012



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

Prysmian
Group



AGENDA

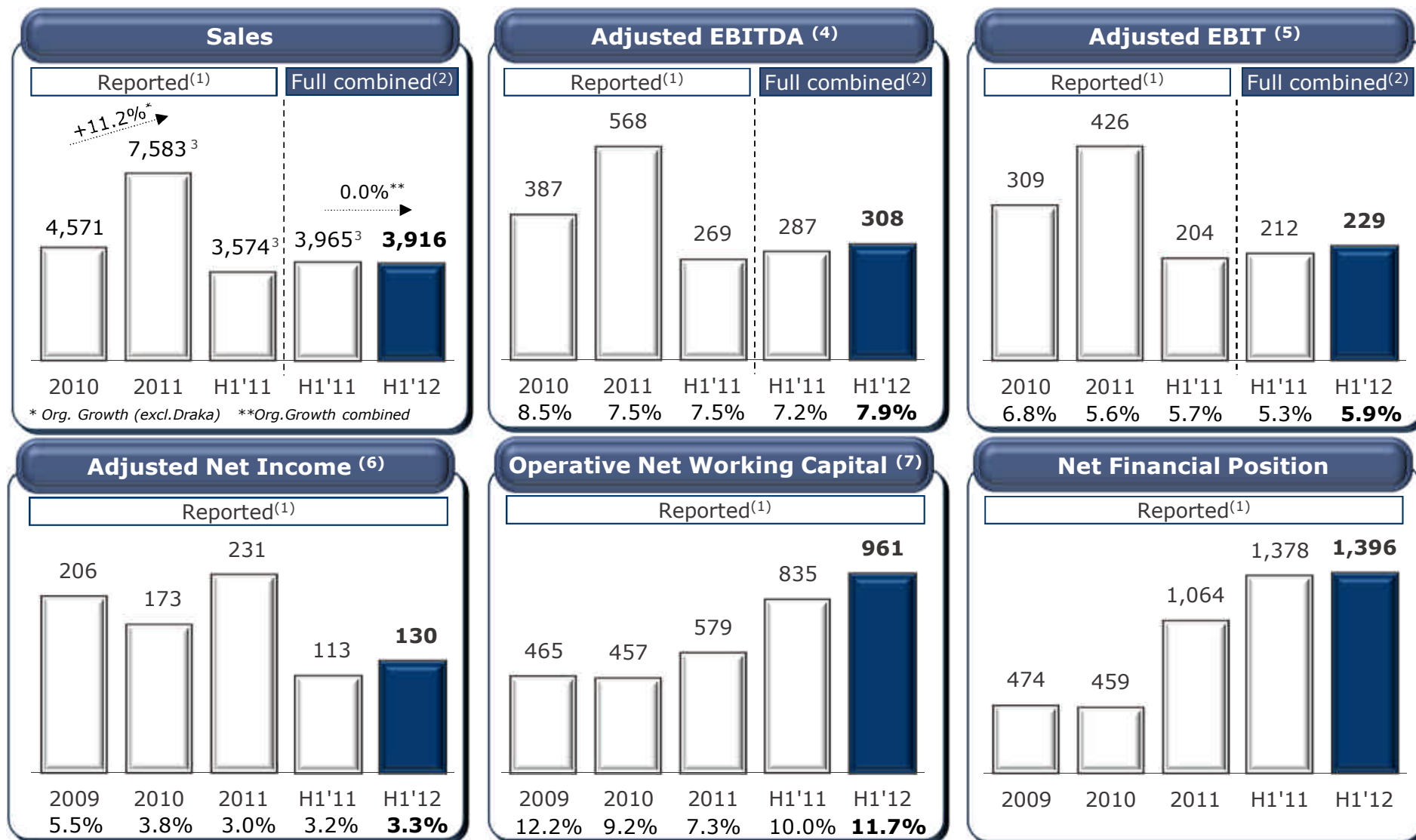
- H1 2012 Highlights & 2012 Outlook

- Financial Results

- Appendix

H1 2012 Key Financials

Euro Millions, % on Sales

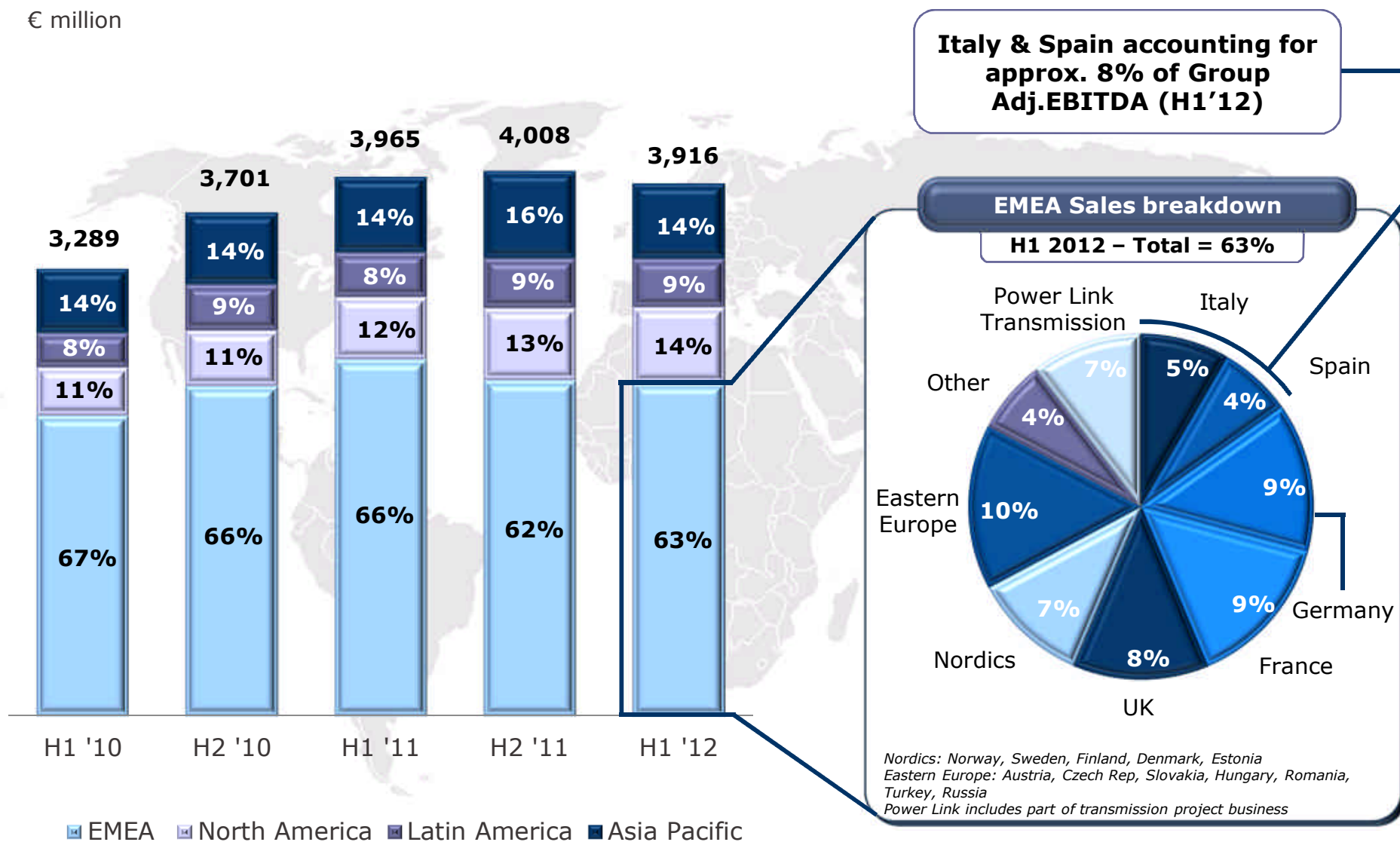


(1) Reported figures include Draka Group's results since 1 March 2011; (2) Full combined figures include Draka Group's results for the period 1 January - 30 June; (3) Includes consolidation adjustments; (4) Adjusted excluding non-recurring income/expenses; (5) Adjusted excluding non-recurring income/(expenses) 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

Sales evolution by geographical area

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

€ million

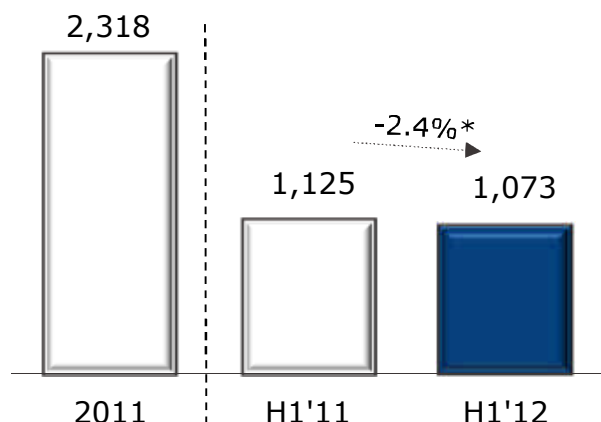


Note: Sales Combined Prysmian + Draka

Utilities

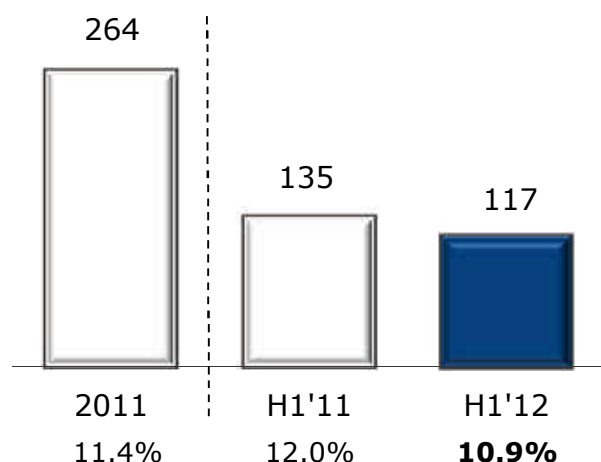
Euro Millions, % of Sales – Full Combined Results

Sales to Third Parties



* Organic Growth

Adjusted EBITDA ⁽¹⁾



(1) Adjusted excluding non-recurring income/expenses

Highlights

DISTRIBUTION

- Seasonality increase in Q2'12 vs Q1'12 but still lower volumes vs H1'11. Volume stabilizing at H1'12 level with no recovery expected in H2
 - Continuous weak demand in central and south of Europe (e.g. Germany and Italy)
 - North and South America keeping a positive trend in volume and profitability
- Lower non-metal raw material prices expected to sustain margins in H2
- Introduction of new high-tech solutions for smart grid to improve grid's reliability and efficiency

TRANSMISSION – HV

- Stable pricing in high-end projects but 2012 margins impacted by projects awarded in 2009/10 at low prices
- FY 2012 results already in the order-book. Major profitability contribution expected in H2
- First signs of recovery in US demand with new projects awarded in H1 (e.g. Chicago)
- Better capacity saturation (US and Europe) and focus on high-end projects to sustain profitability

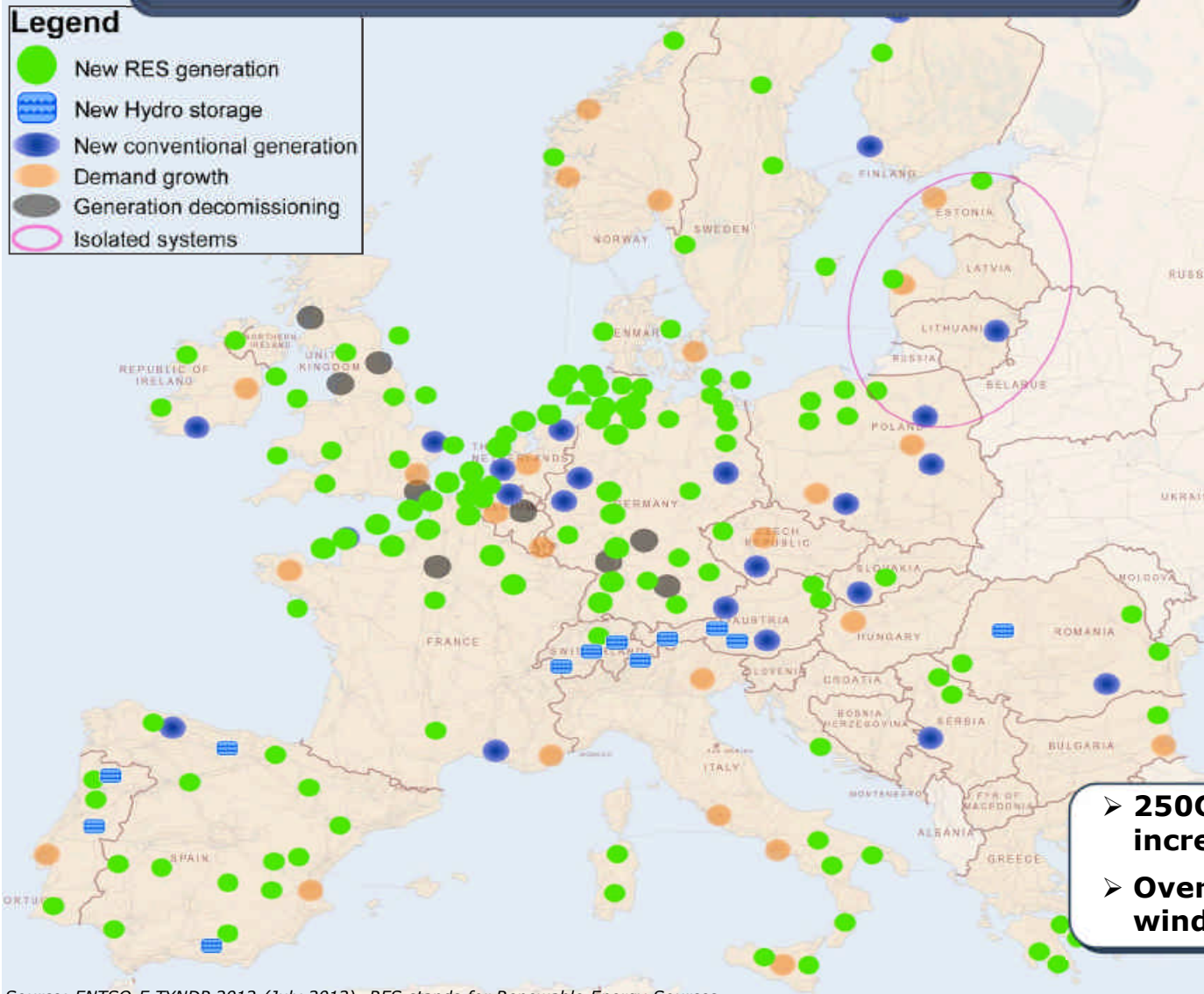
TRANSMISSION – Submarine

- Sound tendering activity to strengthen next quarters order-book
- Off-shore wind-farms achieved almost 50% of submarine backlog
- Growing grids investments in Asean region (e.g. first project awarded in Vietnam)
- High double digit sales growth in inter-array. Norwegian plant running at full capacity
- Execution as key asset to strengthen long term leadership and track record

Utilities – Transmission

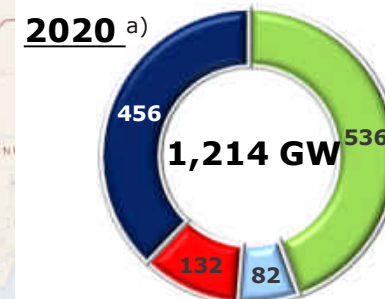
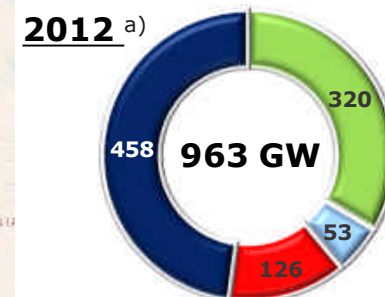
Changing Energy generation mix implies a re-engineering of transmission grids

Main primary drivers for grid development in Europe toward 2020



Evolution of the generation mix

Scenario EU2020



- Renewable Energy Sources
- Hydro (non RES)
- Nuclear
- Fossil fuels

- **250GW total capacity increase in 2012-20**
- **Over 200GW come from wind and solar development**

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

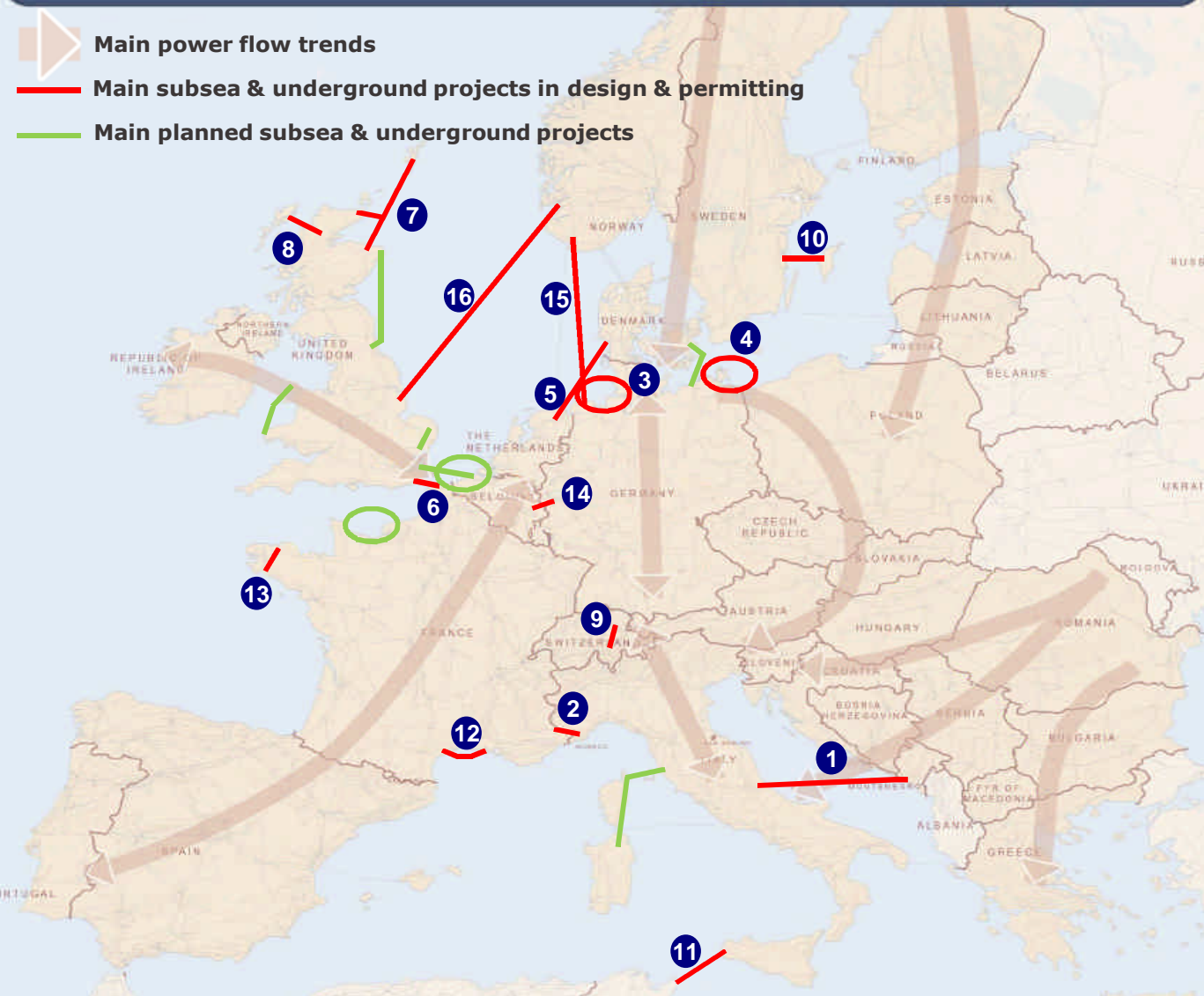
Source: ENTSO-E TYNDP 2012 (July 2012). RES stands for Renewable Energy Sources

Utilities – Transmission

First round of investments to increase wind off-shore and interconnections to main consumption centers

Main subsea and underground projects of pan-European significance

List of main projects



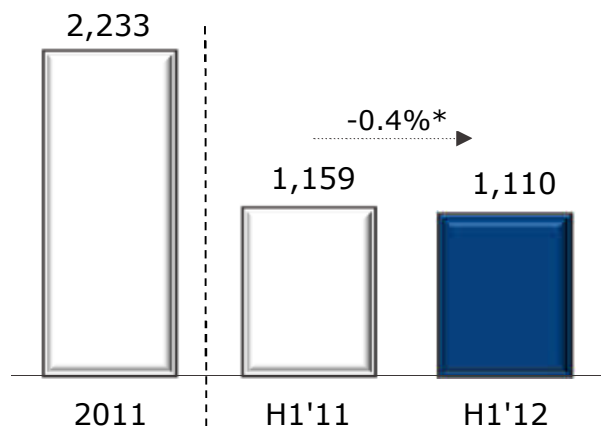
1. Italy – Montenegro
2. Italy – France
3. Germany (Dolwin III, Borwin III & IV, Sylwin II)
4. Germany (Baltic Sea East & West)
5. Cobra (NL-DK)
6. France – UK (Eurotunnel)
7. UK Caithness
8. Western Isles Link
9. Schwanden-Limmern (CH)
10. Västervik – Gotland
11. Tunisia – Italy
12. Marseille – Languedoc
13. Calan – Plaine-Haute
14. Belgium – Germany
15. Norway – Germany
16. Norway – UK

Source: ENTSO-E TYNDP 2012 (July 2012)

Trade & Installers

Euro Millions, % of Sales – Full Combined Results

Sales to Third Parties

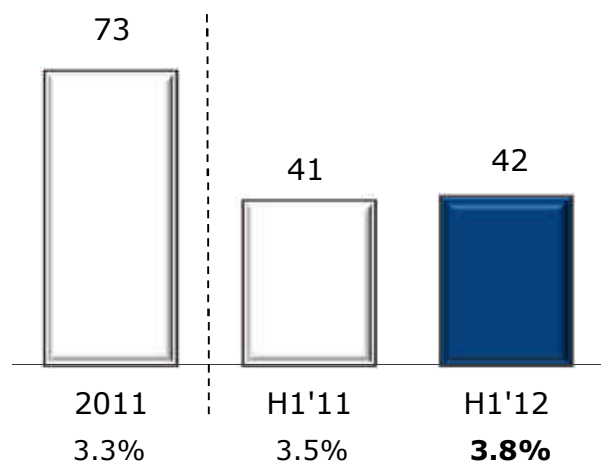


* Organic Growth

Highlights

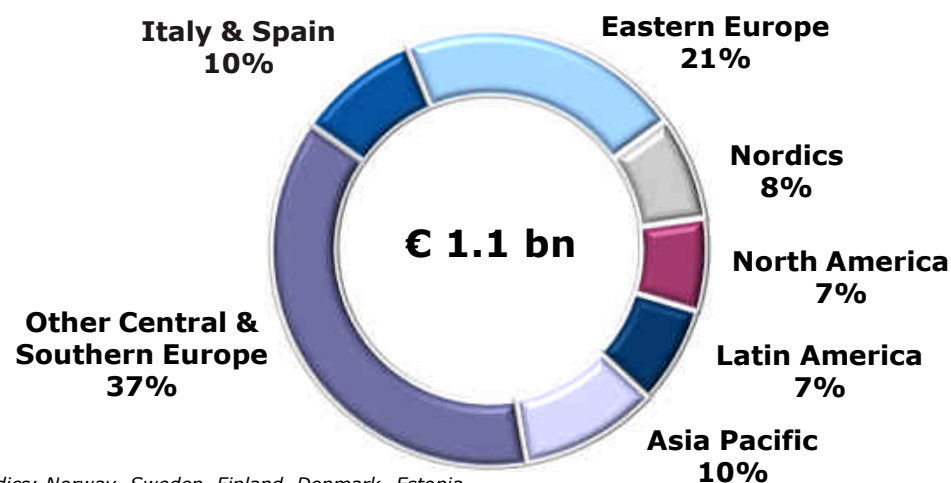
- Continuous weak demand in Europe partially offset by extra-European countries
 - Europe: further deterioration in Central and South Europe (e.g. Italy and Spain) not expected to recover through the year. Slight improvement in UK and Eastern Europe
 - Ongoing volume recovery in North America driving better price
 - Positive volume trend in South America and Asia (e.g. Australia and HK)
- Production capacity rationalization in Europe already started

Adjusted EBITDA ⁽¹⁾



(1) Adjusted excluding non-recurring income/expenses

Sales breakdown



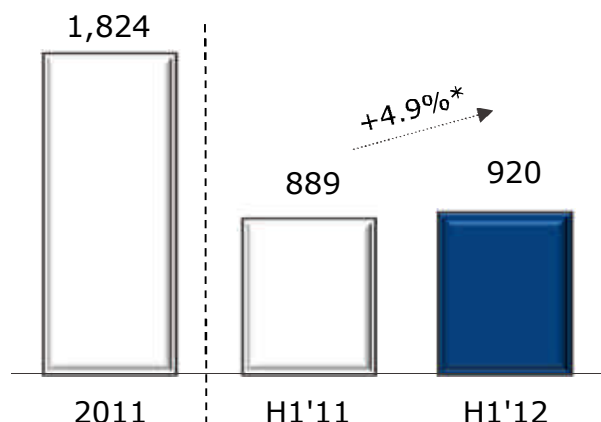
Nordics: Norway, Sweden, Finland, Denmark, Estonia

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

Industrial

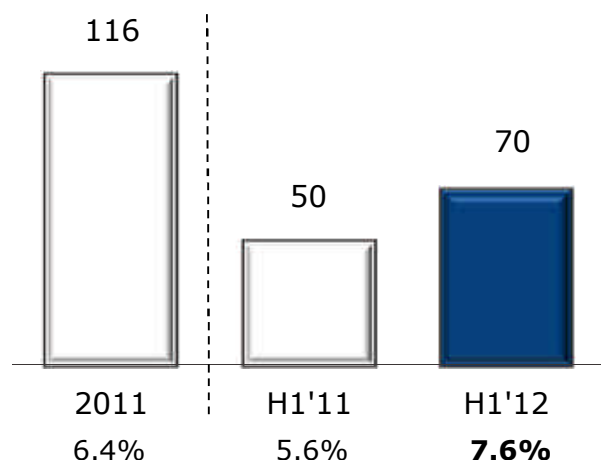
Euro Millions, % of Sales – Full Combined Results

Sales to Third Parties



* Organic Growth

Adjusted EBITDA ⁽¹⁾



(1) Adjusted excluding non-recurring income/expenses

Highlights

OGP

- Sales and profitability increase in H1. Growing order-book in Offshore driven by North Sea, Middle East and Australia to sustain positive sales trend in H2

SURF

- H1 results in line with targets. Order-book mainly loaded in H2
 - Flexible pipes:** higher deliveries expected in H2 extending coverage on Petrobras oilfields (5 new oilfields). Growing order-book expected during the year also driven by 6.0" qualification
 - Umbilicals:** low volume in H1 due to Petrobras installation backlog; higher contribution expected in H2. Growing exposure to West Africa with first delivery in H2 (Nigeria)
 - Growing sales in **DHT** expected to continue based on higher order-book

Renewable

- Keeping a positive trend in sales thanks to North America and Germany. Growing demand in South America and Australia

Automotive

- Weak demand in Europe offset by growing volume in Apac, North and South America. Stable sales and profitability

Elevator

- Growing sales and profitability supported by strong order-book in US. Increasing exposure to the large Asian and European markets

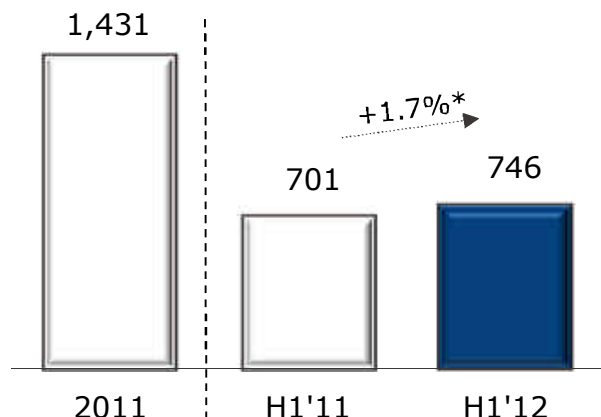
Specialties & OEM

- Slight increase in volume in all regions except Central and South of Europe

Telecom

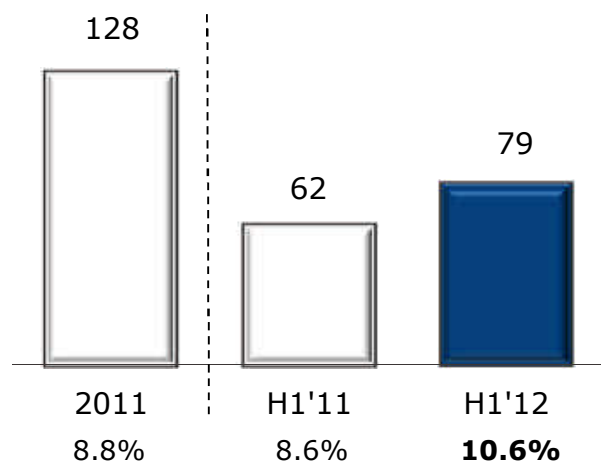
Euro Millions, % of Sales – Full Combined Results

Sales to Third Parties



* Organic Growth

Adjusted EBITDA ⁽¹⁾



(1) Adjusted excluding non-recurring income/expenses

Highlights

Optical / Fiber

- Continuous positive trend in global demand driven by extra-European markets
 - Europe:** growing volume only in UK and Eastern Europe, stable for most of the other countries. No major investments expected in the region through the year
 - North America:** higher sales with better profitability thanks to operating leverage and industrial efficiencies
 - Australia:** NBN deliveries restarted end of Q2. Demand expected to grow in H2
 - Brazil:** becoming major contributor in profitability. Large investments planned for next years also supported by stimulus packages
 - China:** strong demand driven by new backbone and metropolitan ring
- Higher capacity utilization and lower production costs supporting profitability improvement

Multimedia & Specials

- Better pricing and profitability
- Sound demand for new data centres expected to continue in all regions. Leadership position in main European countries (e.g. Germany, France, UK and Nordics) but still limited presence out of Europe.

OPGW

- Positive volume development driven by Europe, Middle East and South America

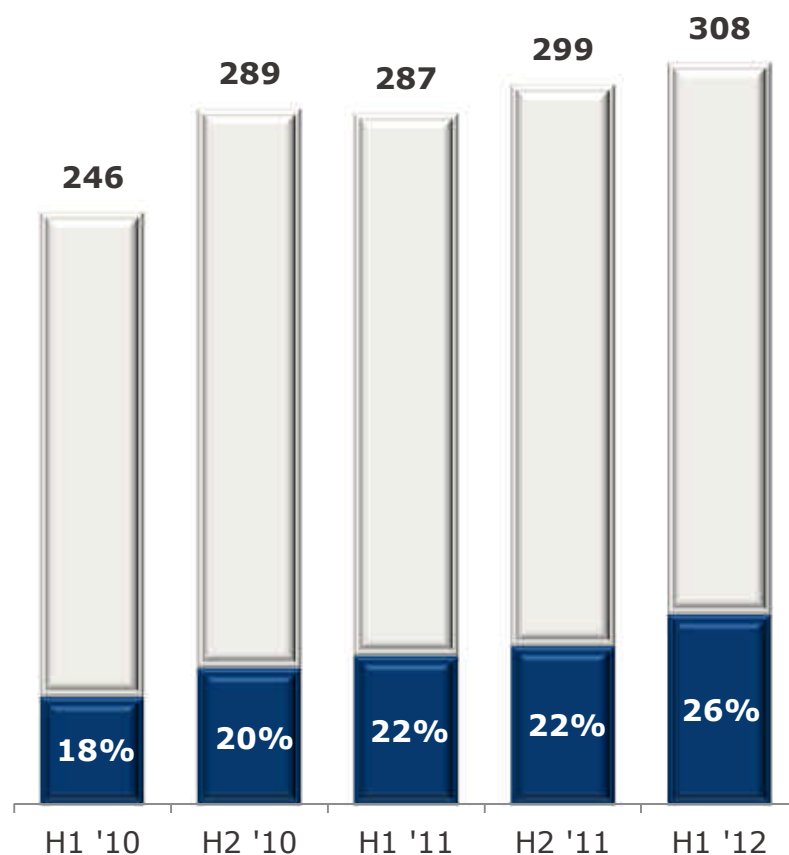
Telecom

Becoming one of major long term drivers thanks to Draka acquisition

Increasing weight on total profitability

Prysmian Group Adj.EBITDA evolution

■ Telecom Adj.EBITDA ■ Energy Adj.EBITDA

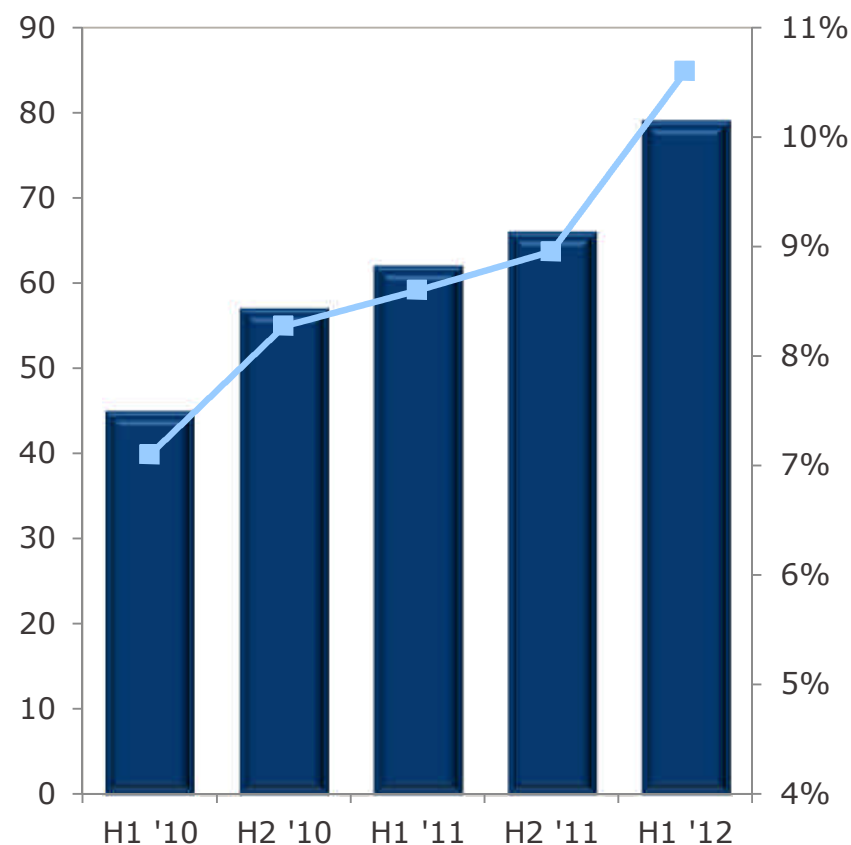


Note: Adj.EBITDA Combined Prysmian + Draka

Steady growth in sales and profitability

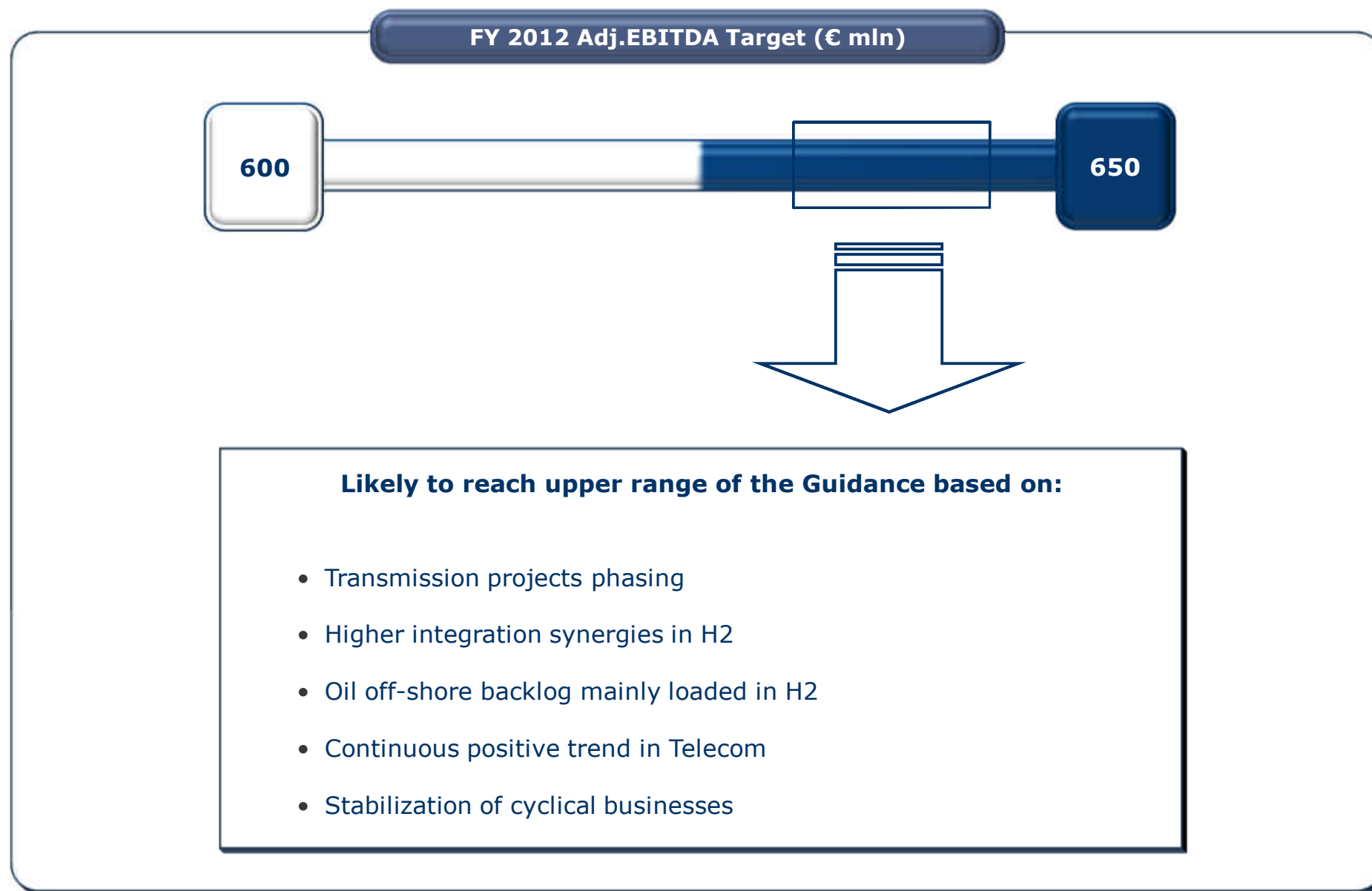
■ Telecom Adj.EBITDA (€ mln - L axis)

—■— Adj.EBITDA margin (R axis)



Note: Adj.EBITDA Combined Prysmian + Draka

2012 Outlook



AGENDA

- H1 2012 Highlights & 2012 Outlook
- Financial Results
- Appendix

Profit and Loss Statement

Euro Millions

	H1 2012	H1 2011 Reported ^{a)}	H1 2011 Combined ^{b)}
Sales	3,916	3,574	3,965
<i>YoY total growth</i>	<i>(1.3%) c)</i>		
<i>YoY organic growth</i>	<i>0.0% c)</i>		
Adj. EBITDA	308	269	287
<i>% on sales</i>	<i>7.9%</i>	<i>7.5%</i>	<i>7.2%</i>
<i>Non recurring items</i>	<i>(42)</i>	<i>(243)</i>	
EBITDA	266	26	
<i>% on sales</i>	<i>6.8%</i>	<i>0.7%</i>	
Adj. EBIT	229	204	212
<i>% on sales</i>	<i>5.9%</i>	<i>5.7%</i>	<i>5.3%</i>
<i>Non recurring items</i>	<i>(42)</i>	<i>(243)</i>	
<i>Special items</i>	<i>(9)</i>	<i>(33)</i>	
EBIT	178	(72)	
<i>% on sales</i>	<i>4.5%</i>	<i>(2.0%)</i>	
<i>Financial charges</i>	<i>(50)</i>	<i>(58)</i>	
EBT	128	(130)	
<i>% on sales</i>	<i>3.3%</i>	<i>(3.7%)</i>	
<i>Taxes</i>	<i>(38)</i>	<i>(26)</i>	
<i>% on EBT</i>	<i>30.0%</i>	<i>n.m.</i>	
Net income	90	(156)	
<i>Extraordinary items (after tax)</i>	<i>(40)</i>	<i>(269)</i>	
Adj. Net income	130	113	

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

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

c) Variation calculated on H1 2011 Combined

Extraordinary Effects

Euro Millions

	H1 2012	H1 2011 Reported ^{a)}
Antitrust investigation	(3)	(200)
Restructuring	(27)	(12)
Draka transaction costs	-	(6)
Draka integration costs	(3)	(6)
Draka change of control effects	-	(2)
Inventory step-up (PPA)	-	(14)
Other	(9)	(3)
EBITDA adjustments	(42)	(243)
Special items	(9)	(33)
Gain/(loss) on metal derivatives	1	(33)
Assets impairment	(1)	-
Other	(9)	-
EBIT adjustments	(51)	(276)
Gain/(Loss) on other derivatives ⁽¹⁾	22	12
Gain/(Loss) exchange rate	(21)	(21)
Other one-off financial Income/exp.	(2)	-
EBT adjustments	(52)	(285)
Tax	12	16
Net Income adjustments	(40)	(269)

Notes

(1) Includes currency and interest derivatives

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

Financial Charges

Euro Millions

	H1 2012	H1 2011 Reported ^{a)}
Net interest expenses	(52)	(47)
Bank fees Amortization	(5)	(6)
Gain/(loss) on exchange rates	(21)	(21)
Gain/(loss) on derivatives ⁽¹⁾	22	12
Non recurring effects	(2)	-
Net financial charges	(58)	(62)
Share in net income of associates	8	4
Total financial charges	(50)	(58)

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

	30 June '12	30 June '11	31 December '11
Net fixed assets	2,264	2,201	2,255
<i>of which: intangible assets</i>	619	593	618
<i>of which: property, plants & equipment</i>	1,549	1,535	1,544
Net working capital	934	865	552
<i>of which: derivatives assets/(liabilities)</i>	(27)	30	(27)
<i>of which: Operative Net working capital</i>	961	835	579
Provisions & deferred taxes	(369)	(357)	(371)
Net Capital Employed	2,829	2,709	2,436
Employee provisions	308	234	268
Shareholders' equity	1,125	1,097	1,104
<i>of which: attributable to minority interest</i>	52	67	62
Net financial position	1,396	1,378	1,064
Total Financing and Equity	2,829	2,709	2,436

Cash Flow

Euro Millions

	H1 2012	H1 2011 Combined ^{a)}
Adj.EBITDA	308	287
Non recurring items	(42)	(248)
EBITDA	266	39
Net Change in provisions & others	(8)	175
Release of inventory step-up	-	14
Cash flow from operations (before WC changes)	258	228
Working Capital changes	(359)	(199)
Paid Income Taxes	(32)	(38)
Cash flow from operations	(133)	(9)
Acquisitions	(35)	(501)
Net Operative CAPEX	(63)	(51)
Net Financial CAPEX	6	4
Free Cash Flow (unlevered)	(225)	(557)
Financial charges	(76)	(91)
Free Cash Flow (levered)	(301)	(648)
Free Cash Flow (levered) excl. acquisitions	(266)	(147)
Dividends	(45)	(36)
Other Equity movements	-	1
Net Cash Flow	(346)	(683)
NFP beginning of the period	(1,064)	(732)
Net cash flow	(346)	(683)
Other variations	14	37
NFP end of the period	(1,396)	(1,378)

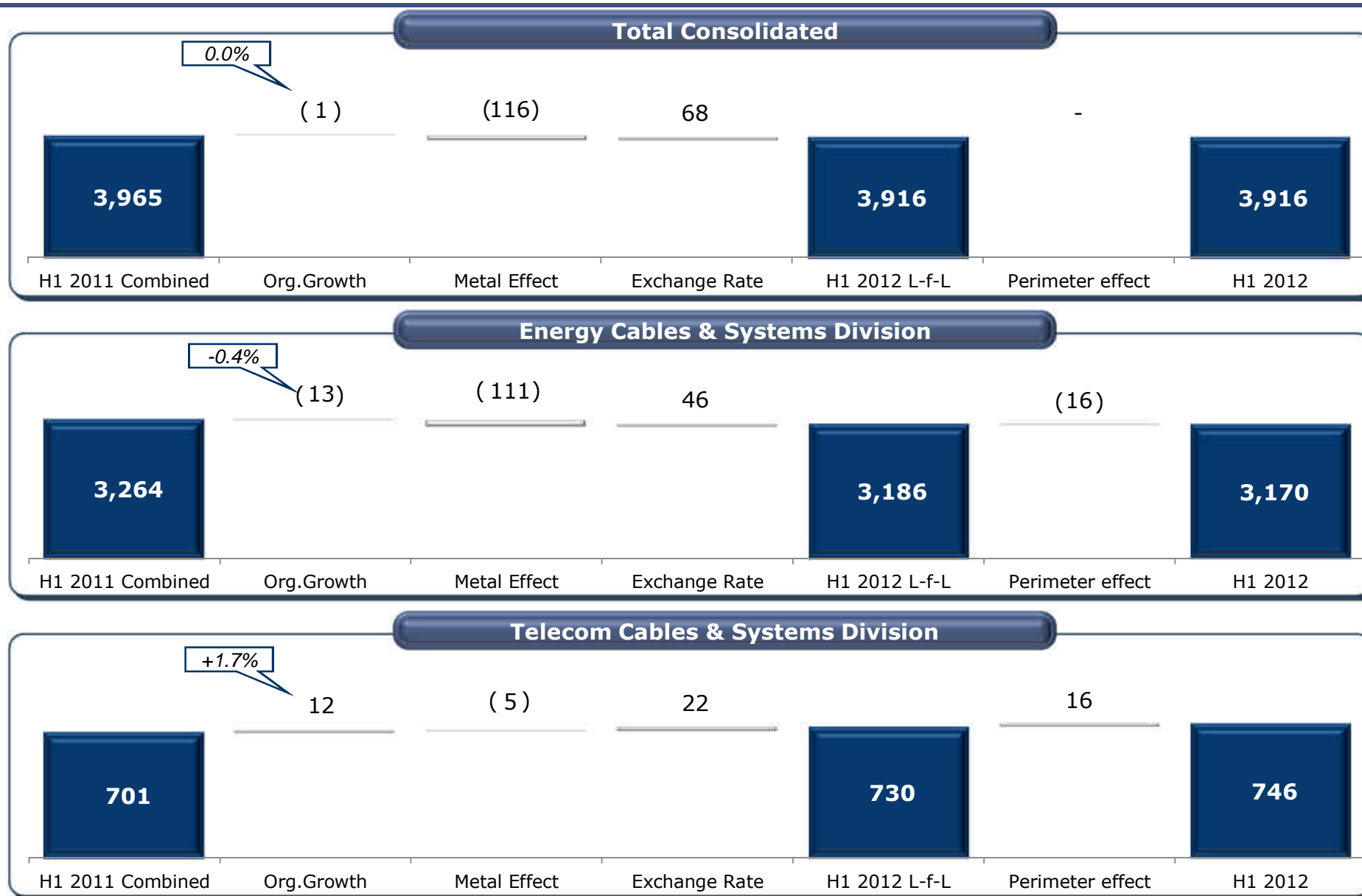
a) Includes Draka Group's results since 1 January 2011

AGENDA

- H1 2012 Highlights & 2012 Outlook
- Financial Results
- Appendix

Bridge Consolidated Sales

Euro Millions – Full Combined



Energy Segment – Profit and Loss Statement

Euro Millions

	H1 2012	H1 2011 Reported ^{a)}	H1 2011 Combined ^{b)}
Sales to Third Parties	3,170	2,989	3,264
<i>YoY total growth</i>	<i>-2.9% ^{c)}</i>		
<i>YoY organic growth</i>	<i>-0.4% ^{c)}</i>		
Adj. EBITDA	229	215	225
<i>% on sales</i>	<i>7.2%</i>	<i>7.1%</i>	<i>6.9%</i>
Adj. EBIT	175	168	173
<i>% on sales</i>	<i>5.5%</i>	<i>5.6%</i>	<i>5.3%</i>

a) Includes Draka Group's results since 1 March 2011
b) Includes Draka Group's results since 1 January 2011
c) Variation calculated on H1 2011 Combined

Energy Segment – Sales and Profitability by business area

Euro Millions, % of Sales Growth – H1 combined

		H1 2012	H1 2011 Comb.	Total growth	Organic growth
Sales to Third Parties	Utilities	1,073	1,125	-4.7%	-2.4%
	Trade & Installers	1,110	1,159	-4.2%	-0.4%
	Industrial	920	889	3.6%	4.9%
	Others	67	91	n.m.	n.m.
	Total Energy	3,170	3,264	-2.9%	-0.4%
Adj. EBITDA	Utilities	117	135	10.9%	12.0%
	Trade & Installers	42	41	3.8%	3.5%
	Industrial	70	50	7.6%	5.6%
	Others	-	(1)	n.m.	n.m.
	Total Energy	229	225	7.2%	6.9%
Adj. EBIT	Utilities	100	115	9.3%	10.3%
	Trade & Installers	28	26	2.5%	2.4%
	Industrial	49	34	5.4%	3.8%
	Others	(2)	(2)	n.m.	n.m.
	Total Energy	175	173	5.5%	5.3%

Telecom Segment – Profit and Loss Statement

Euro Millions

	H1 2012	H1 2011 Reported ^{a)}	H1 2011 Combined ^{b)}
Sales to Third Parties	746	585	701
<i>YoY total growth</i>	<i>6.4% ^{c)}</i>		
<i>YoY organic growth</i>	<i>1.7% ^{c)}</i>		
Adj. EBITDA	79	54	62
<i>% on sales</i>	<i>10.6%</i>	<i>9.0%</i>	<i>8.6%</i>
Adj. EBIT	54	36	39
<i>% on sales</i>	<i>7.3%</i>	<i>6.0%</i>	<i>5.4%</i>

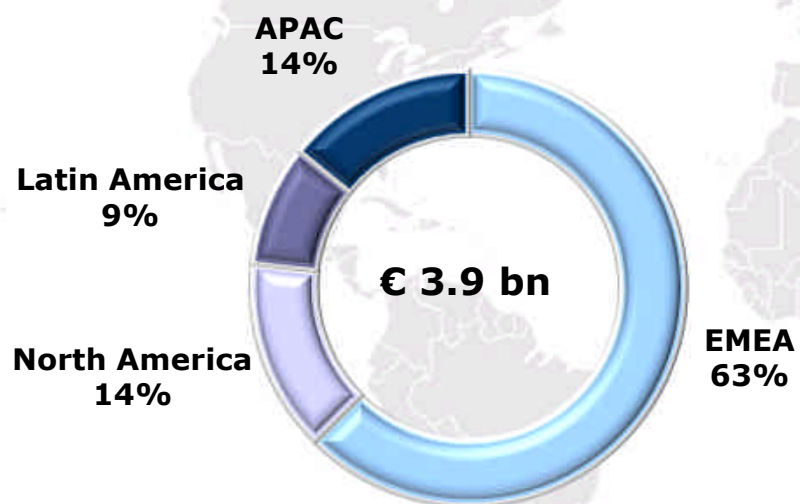
^{a)} Includes Draka Group's results since 1 March 2011
^{b)} Includes Draka Group's results since 1 January 2011
^{c)} Variation calculated on H1 2011 Combined

Leading player in all market segments

Consolidated Sales breakdown

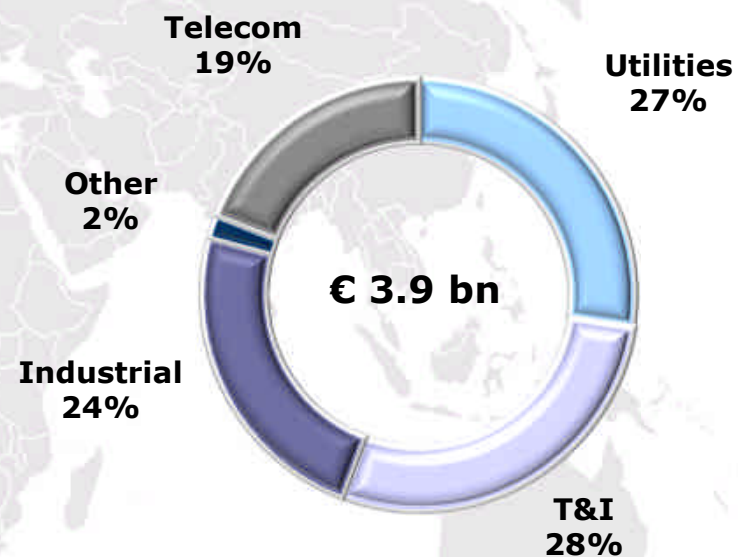
Sales breakdown by geographical area

H1 2012



Sales breakdown by business

H1 2012

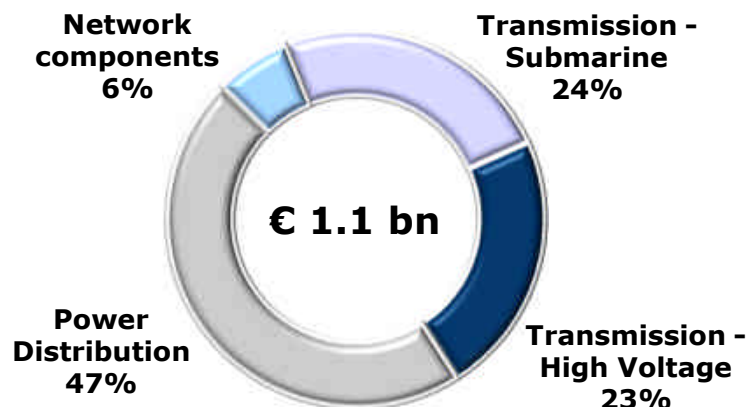


Utilities – Transmission

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

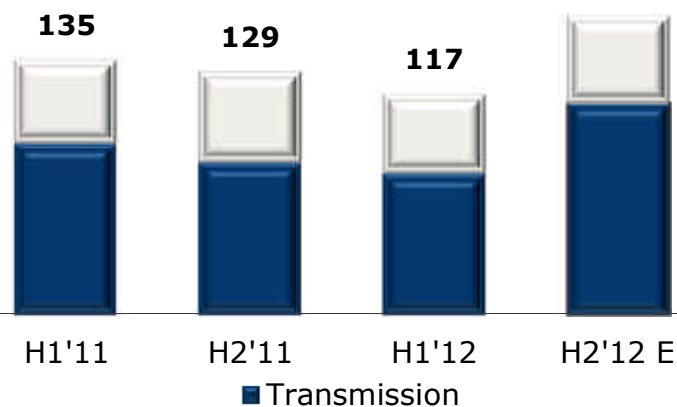
Sales breakdown

H1 2012



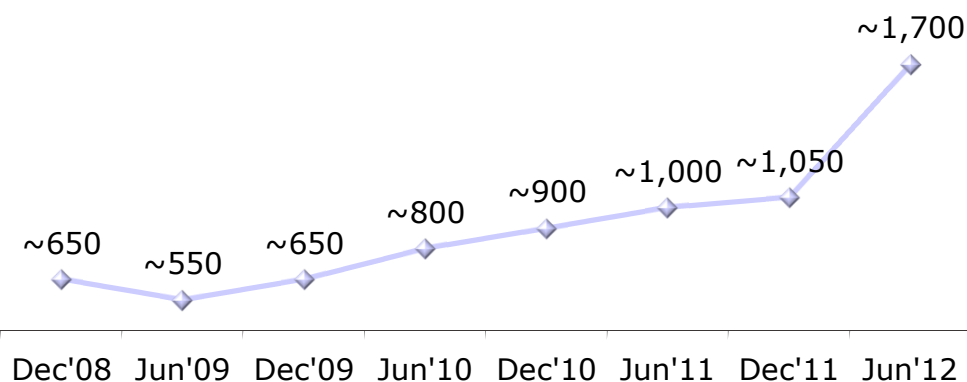
Utilities Adj.EBITDA (€ mln)

Transmission recovery in H2



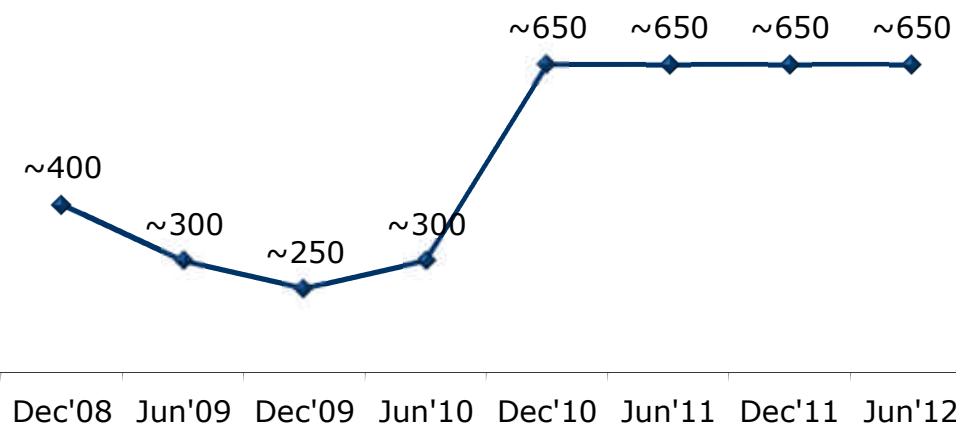
Orders Backlog Evolution

Submarine (€ million)



Orders Backlog Evolution

High Voltage (€ million)

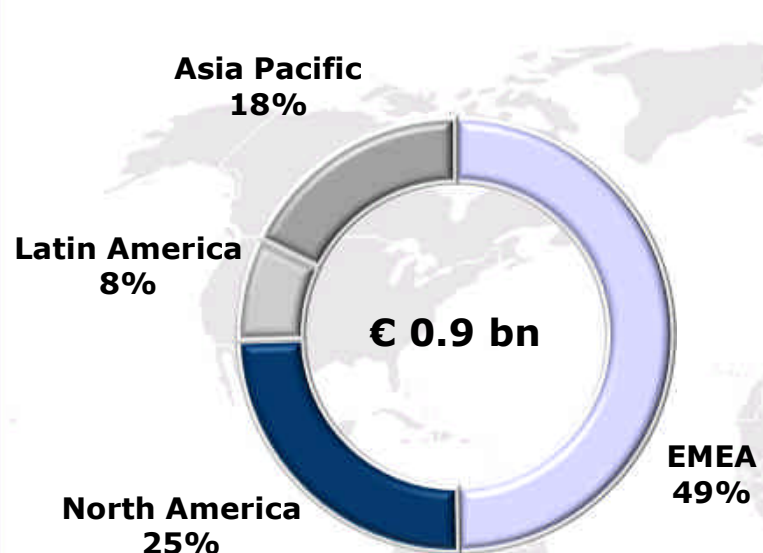


Industrial

Sales breakdown

Sales breakdown by geographical area

H1 2012

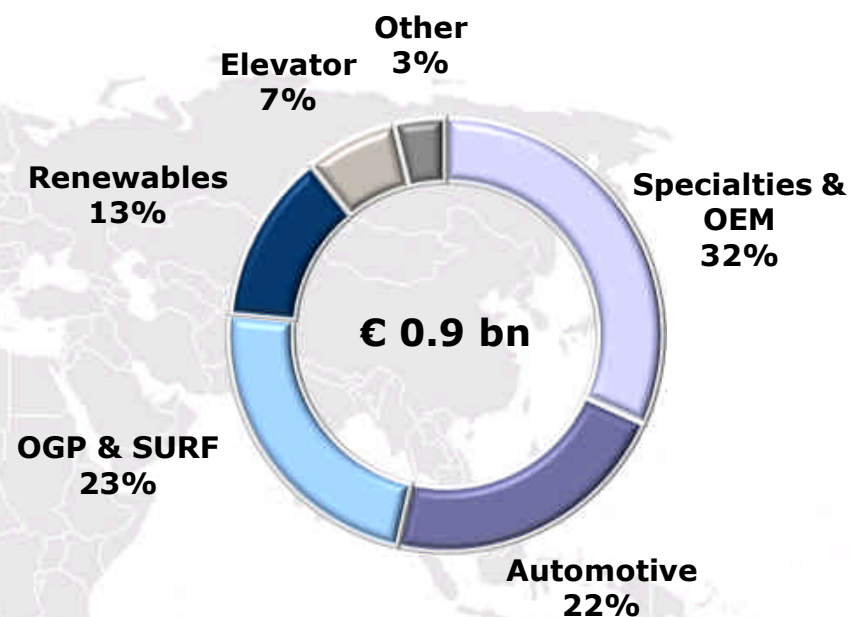


Sound geographical diversification

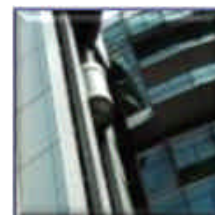


Sales breakdown by business segment

H1 2012



Strong presence in all market segments

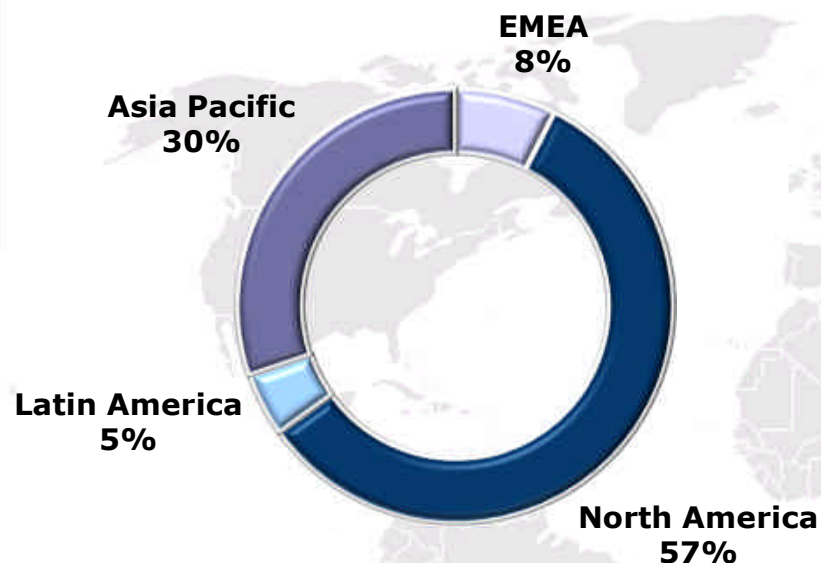


Industrial – Focus on Elevator business

Leveraging on best-in-class technology to improve geographical reach

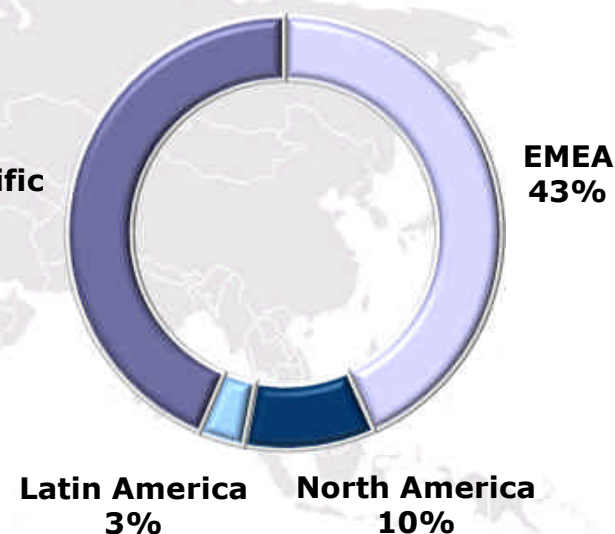
Prysmian Group Sales breakdown

H1 2012

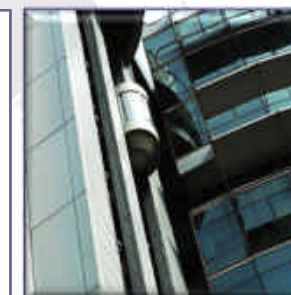


Elevator Market breakdown

FY 2011



- Leadership in the North American market
- Limited exposure to Europe and Asia as key growing driver
- Strong potential growth in Brazil
- High margins and ROCE in all geographical areas (incl. emerging markets)



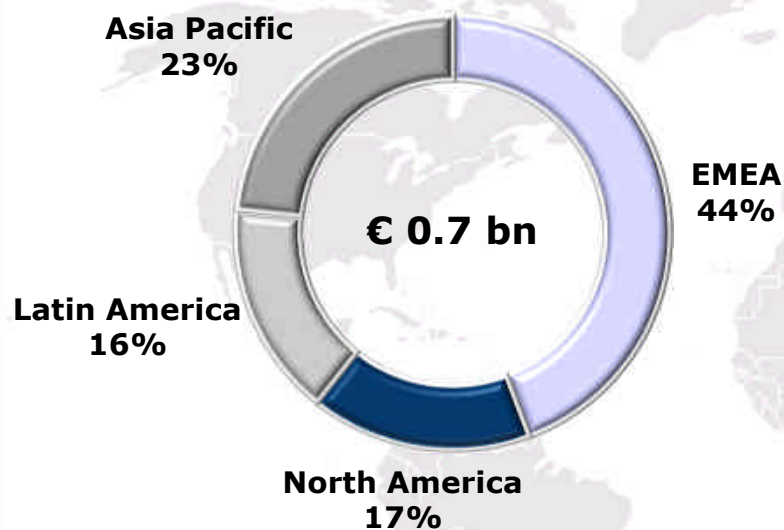
Source: Freedonia

Telecom

Sales breakdown

Sales breakdown by geographical area

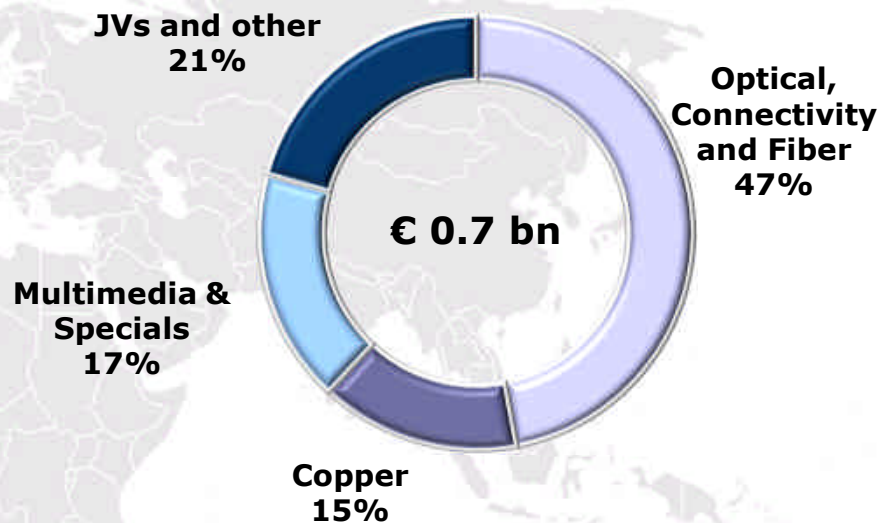
H1 2012



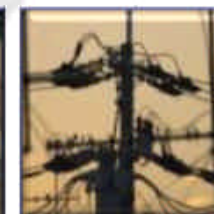
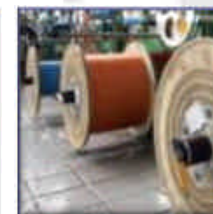
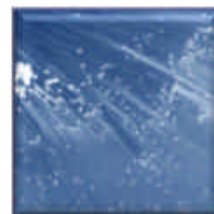
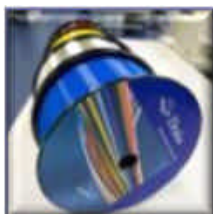
Increased exposure to Asia Pacific

Sales breakdown by business segment

H1 2012

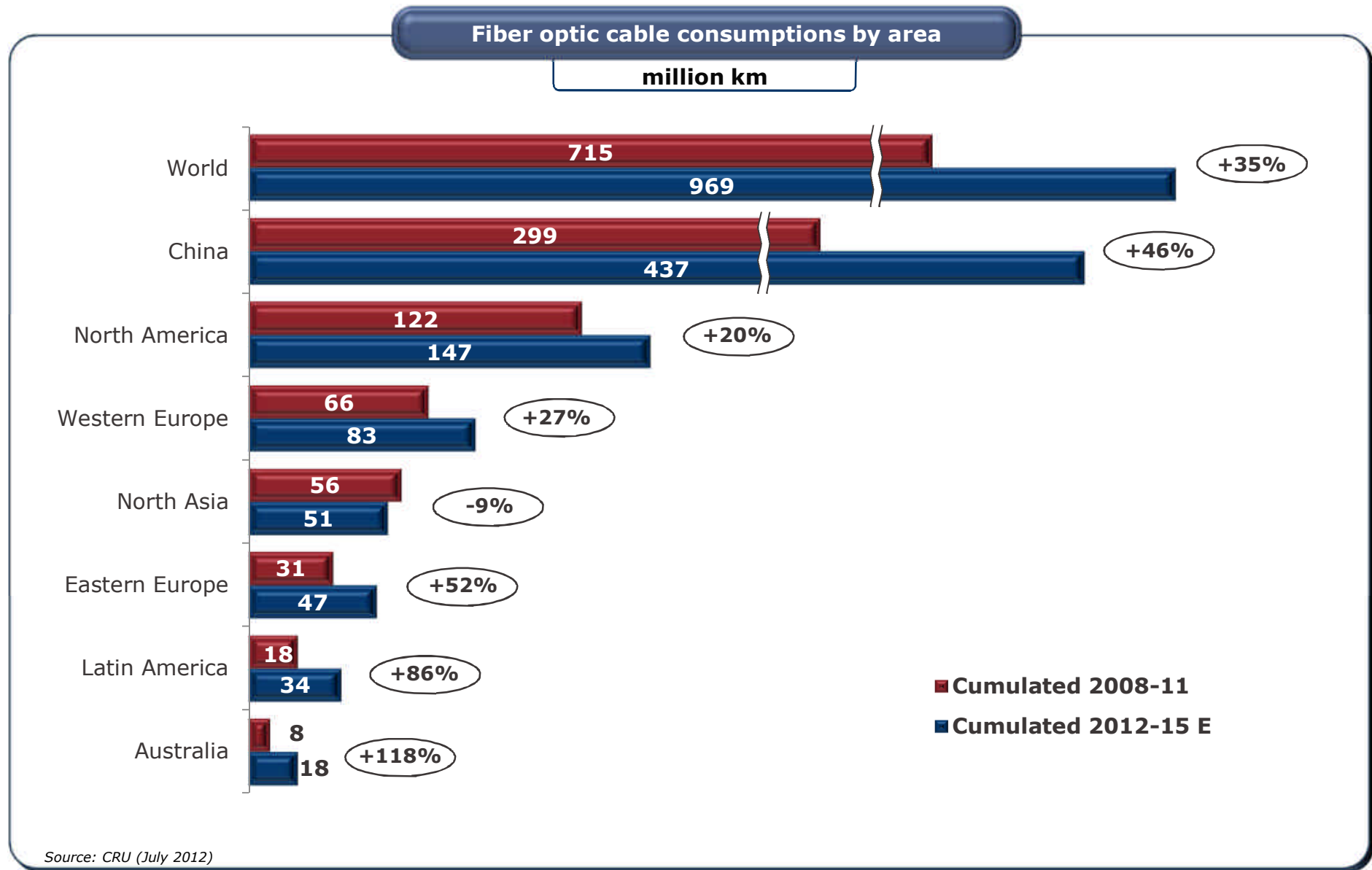


Leader in optical fiber cables



Telecom

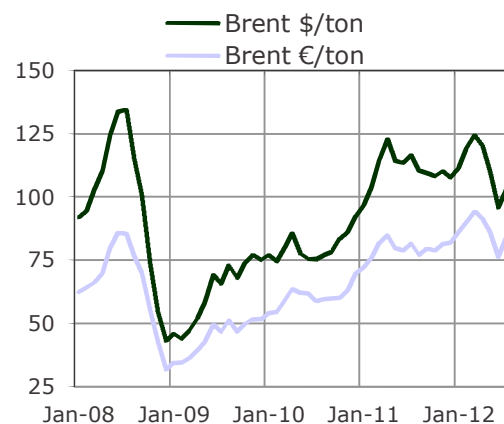
Leadership position in the fastest growing markets



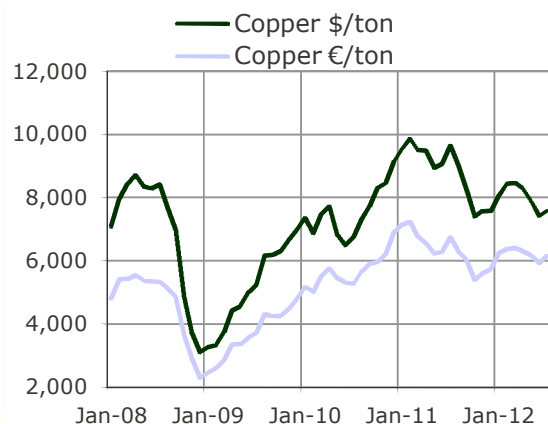
Reference Scenario

Commodities & Forex

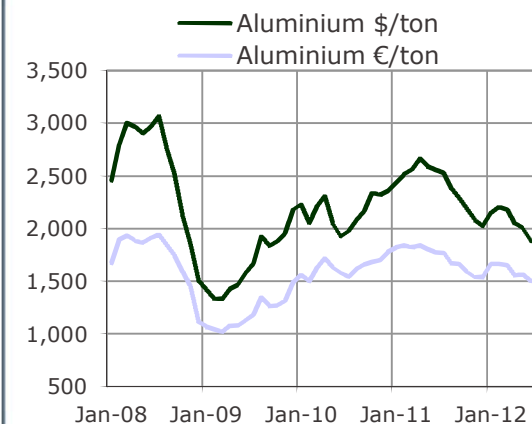
Brent



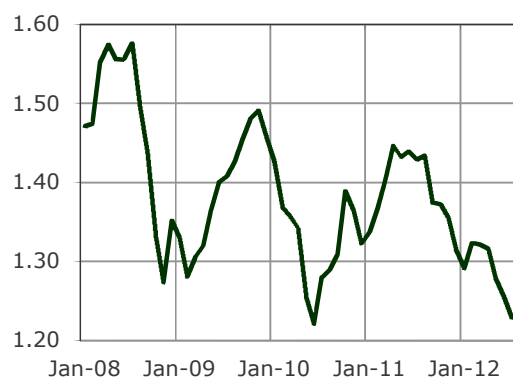
Copper



Aluminium



EUR / USD



EUR / GBP



EUR / BRL



Based on monthly average data
Source: Thomson Reuters

Disclaimer

- 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.
- 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 and Telecom cables and systems sectors, 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.