

# H1 2014 Financial Results

Milan – July 31<sup>st</sup>, 2014



ENERGY LEADING TECHNOLOGY IN ALL KEY SEGMENTS WE HELP BUILD THE WORLD  
AND BEST IN CLASS R&D CAPABILITIES EXTENDED PRODUCT OFFERING IN OGP AND INDUSTRIAL APPLICATIONS WORLDWIDE LEAD  
CUSTOMER SERVICE LINKING THE FUTURE WORLDWIDE LEADER ENHANCE CUSTOMER SERVICE LINKING TH  
WORLD LEADER IN RENEWABLE ENERGY GLOBAL LEADER OF THE CABLE INDUSTRY WORLDWIDE LEADER IN RENEWABLE ENERGY  
LEADING TECHNOLOGY STRONGER PLATFORM LEADING TECHNOLO  
APPLICATIONS TOGETHER WE ARE ONE WORLDWIDE LEADER ONE COMPANY TO LEAD THE WORLD WORLDWIDE LEADER

**Prysmian**  
Group



## ➤ H1 2014 Highlights

### • Group overview

- Results by business
- Outlook

## ➤ Financial results

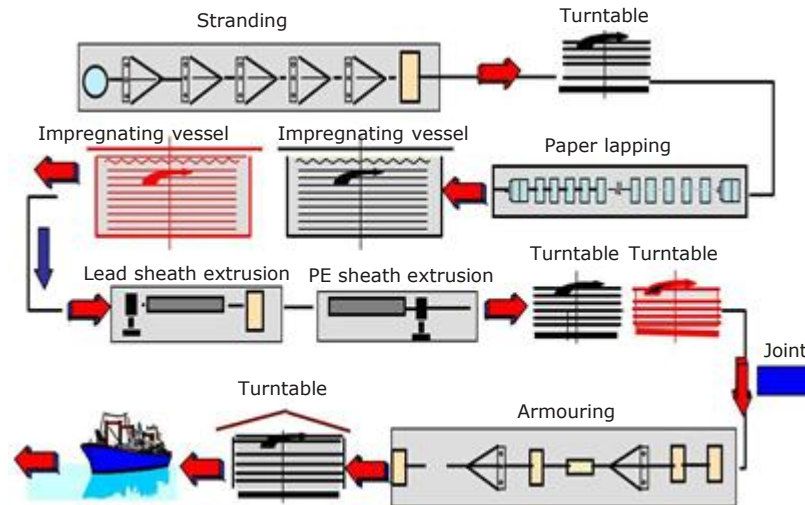
## ➤ Appendix

# Western Link: a strong recovery to properly address the production issue and minimize the economic impact

## Project Highlights

- Awarded in February 2012 to Prysmian-Siemens consortium
- Customers: National Grid-Scottish Power JV
- Project value approx. **€800m** (cables)
- **Over 400km** link (388km submarine, 36km land) of HVDC cable, bi-pole with PPL (Paper Polypropylene Laminate) insulation
- First worldwide project with PPL technology
- Unmatched voltage (**600kV**) and transmission capacity (**2,200MW**)

## WL production process

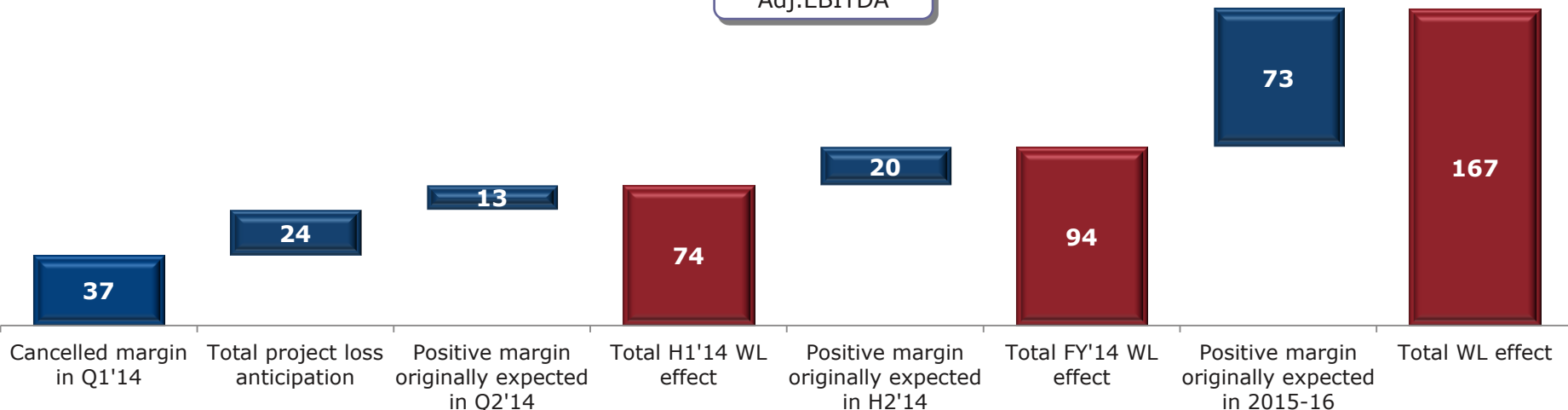


## Progress Status

- Cable called back from UK successfully passed the test
- Root cause investigation performed and critical phase identified
- Expected project delay 6 to 9 months

## Financial Impact (€m)

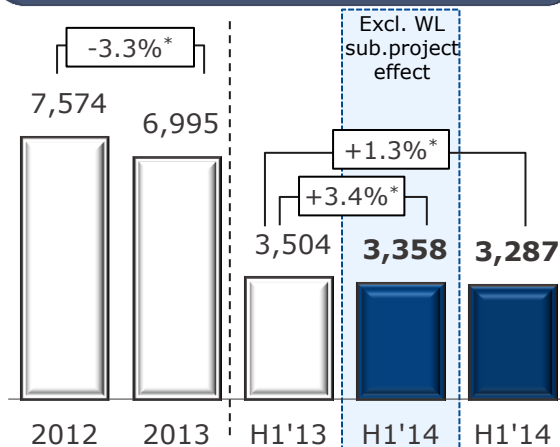
Adj.EBITDA



# H1 2014 Key Financials

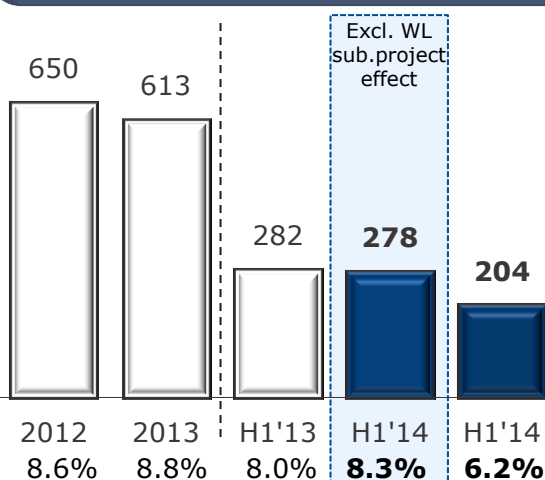
Euro Millions, % on Sales

## Sales

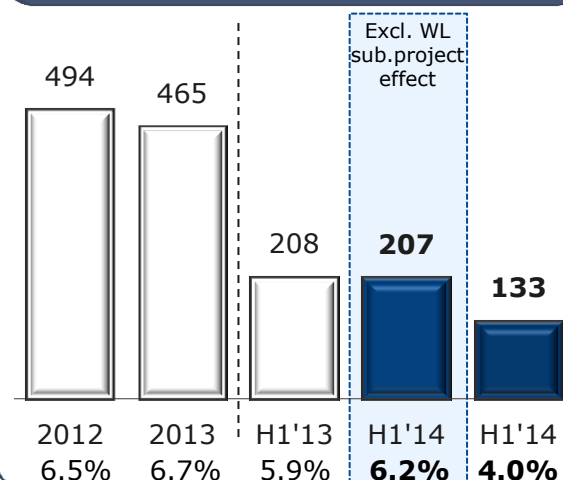


\* Org. Growth

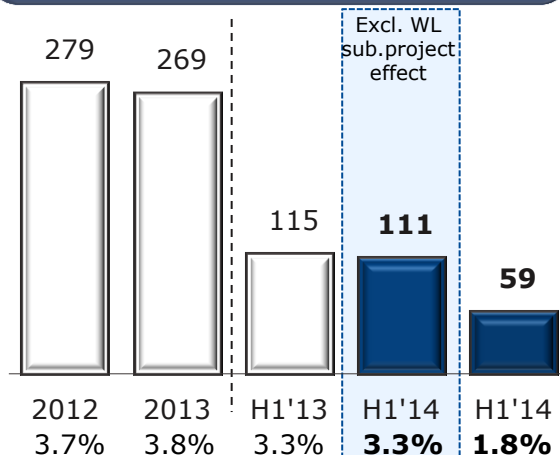
## Adjusted EBITDA <sup>(1)</sup>



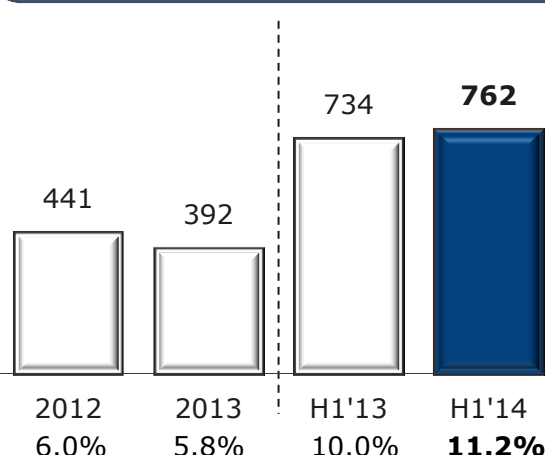
## Adjusted EBIT <sup>(2)</sup>



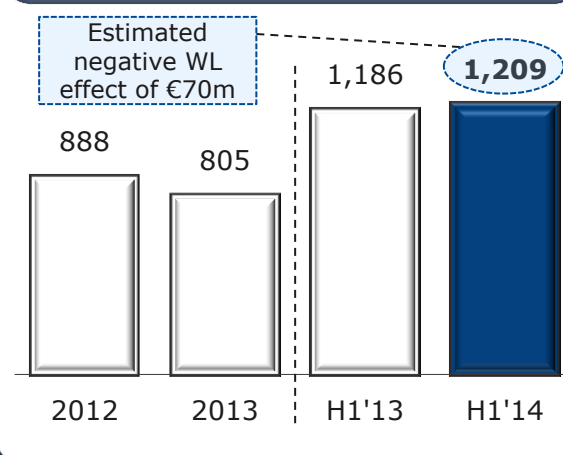
## Adjusted Net Income <sup>(3)</sup>



## Operative Net Working Capital <sup>(4)</sup>



## Net Financial Position



Note: 2012, 2013 and H1'13 restated in application of IFRS 10-11 and reclassification of share of net income

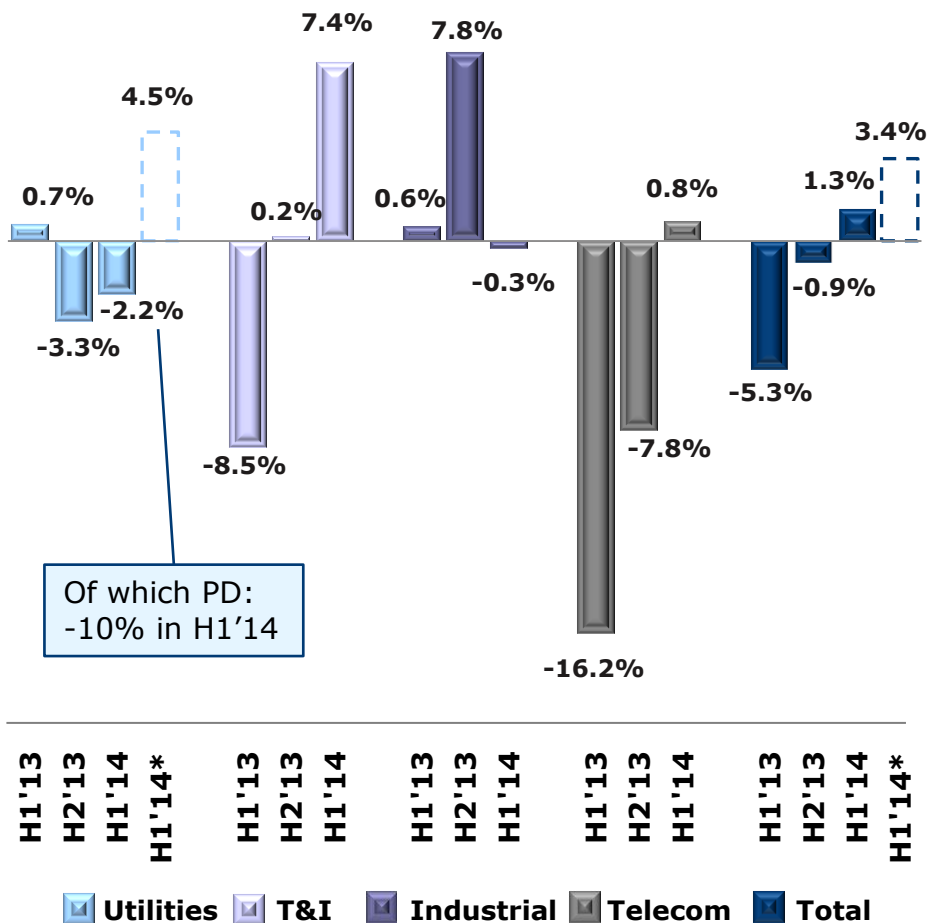
(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (3) Adjusted excluding non-recurring income/(expenses), the effect of derivatives and of other fair value items, exchange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

# H1 profitability slightly above previous year excl. Forex and WL

Gradual improvement in organic growth (despite soft Q2) mainly due to easier comparable basis in Q1

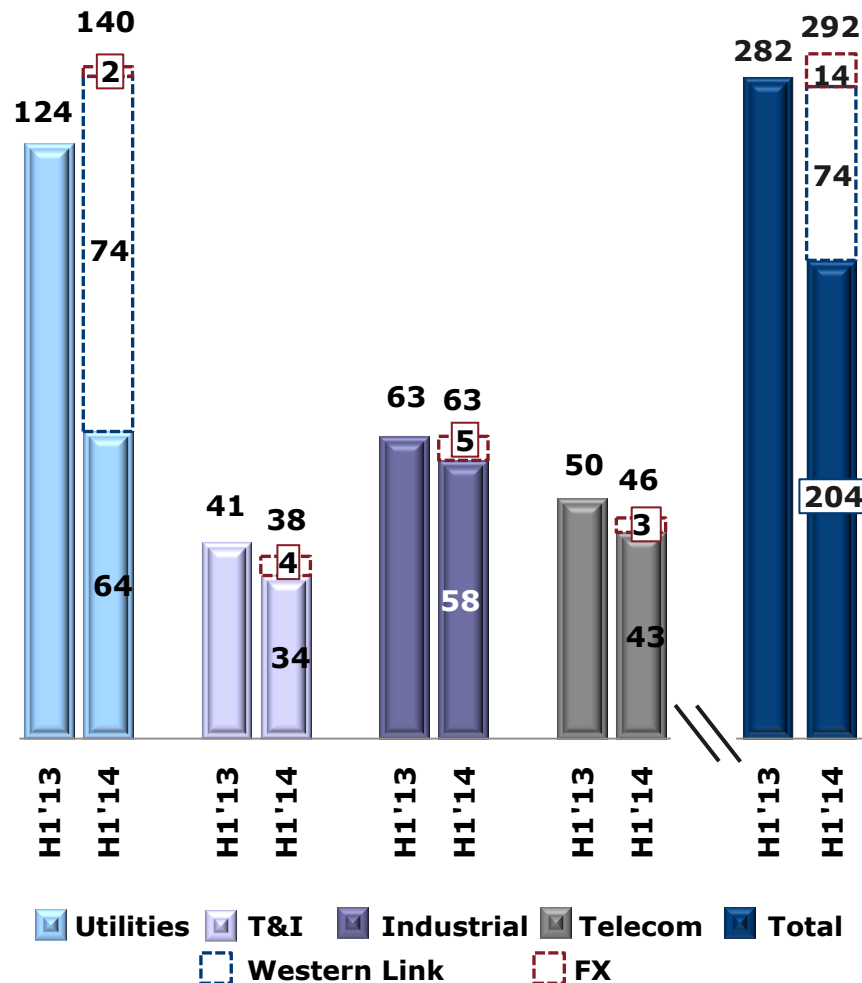
## Organic Growth evolution

% change on same period of previous year



## Adj. EBITDA evolution

Euro million



\* H1'14 Org.growth excluding WL submarine project effect  
H1'13 and H2'13 Org.growth according to previous accounting criteria

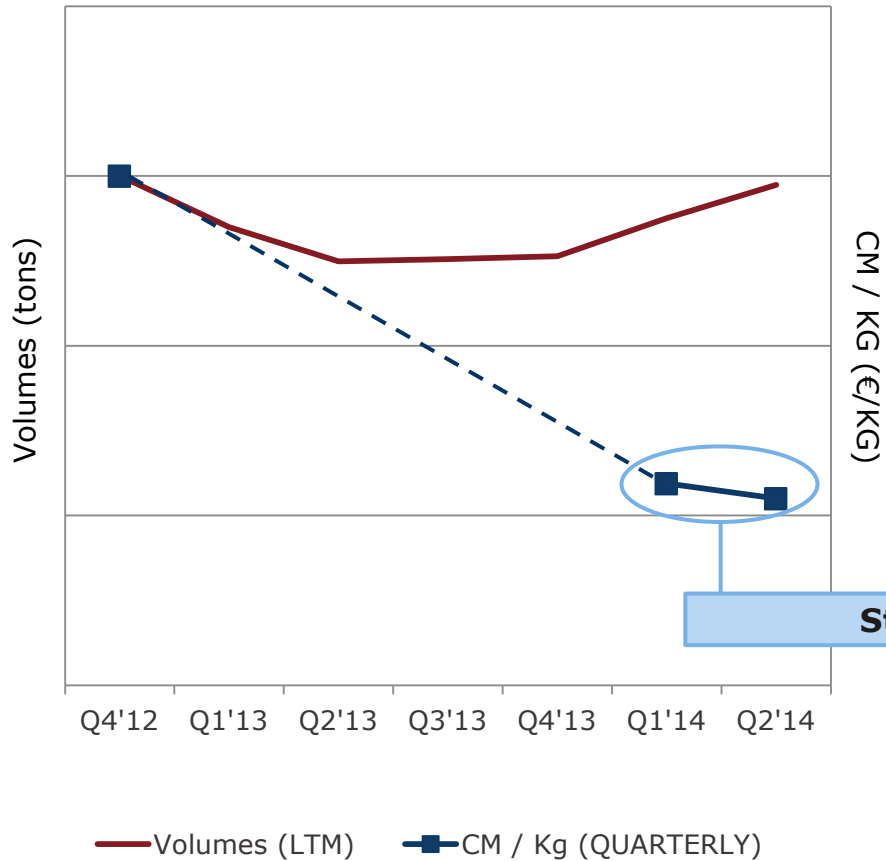
Total includes Other Energy Business (€4m in H1 2013, €5m in H1 2014)

# Ongoing volume recovery still not supported by pricing

H1 profitability impacted by lower pricing and negative currency. Limited effect expected in the coming quarters

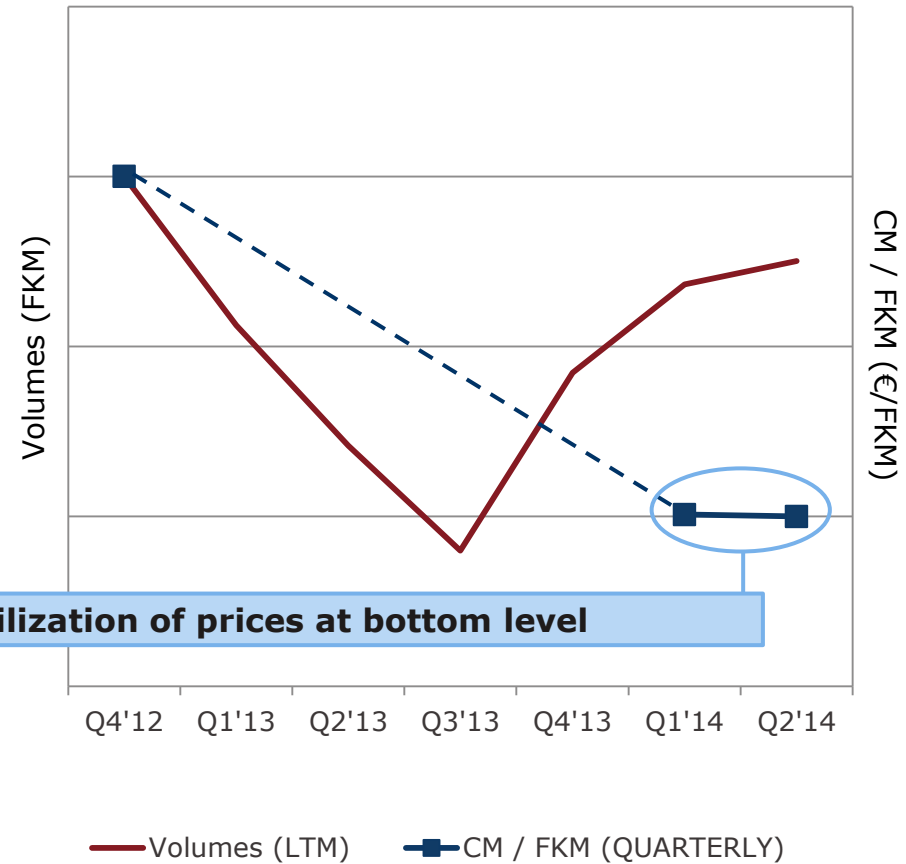
## T&I

Volumes & CM/KG



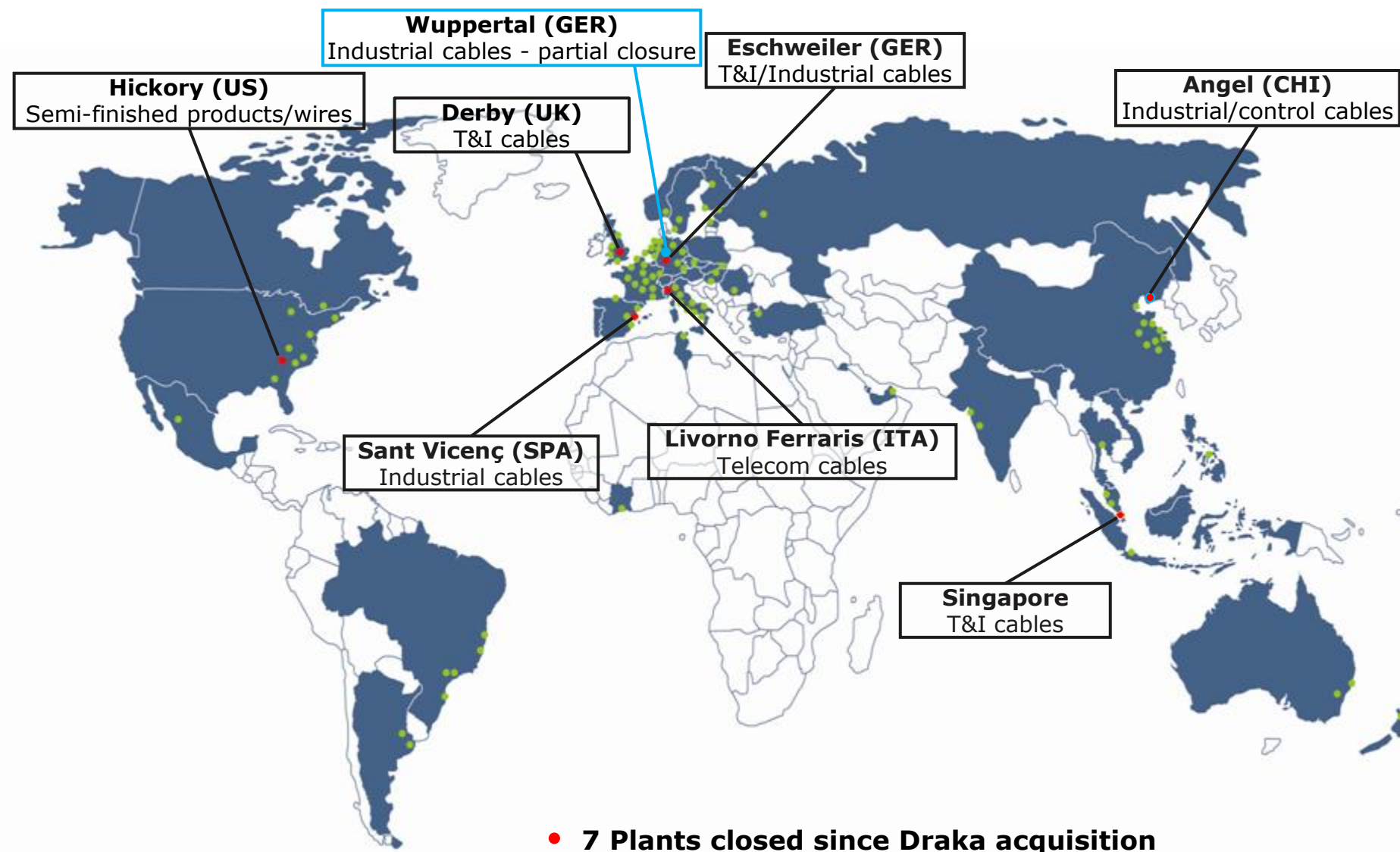
## Telecom Optical

Volumes & CM/FKM



Stabilization of prices at bottom level

# Production capacity rationalization



## ➤ H1 2014 Highlights

- Group overview

### • Results by business

- Outlook

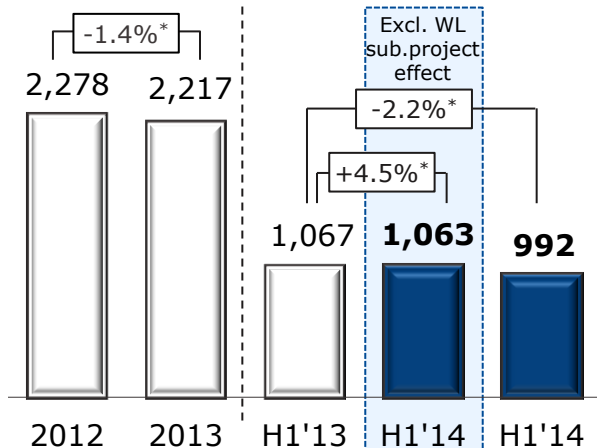
## ➤ Financial results

## ➤ Appendix

# Utilities

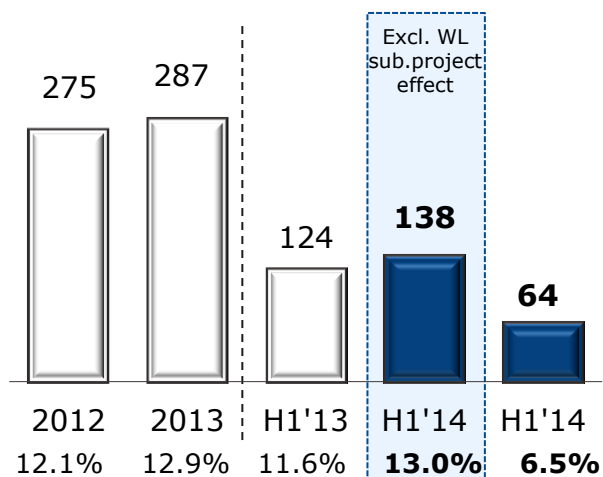
Euro Millions, % on Sales

## Sales to Third Parties



\* Organic Growth

## Adjusted EBITDA



## Highlights

### DISTRIBUTION

- Double digit organic decrease in H1 due to lower utilities capex across all major geographies (Europe, North and South America). Still weak demand expected in the short term but easier comparable from H2
  - Europe: new bottom achieved in H1'14 in all countries except UK. Limited downside in profitability due to already weak pricing
  - North America: low demand in Q2 from major local utilities. Profitability impacted by negative currency effect
  - South America & Apac: lower volumes in Brasil and Australia
- Profitability decrease due to lower volumes and negative currency limited by significant cost reduction

### TRANSMISSION – HV

- H1 contribution in line with previous year. Positive organic growth expected in H2 mainly driven by Middle East and APAC
- Order-book increase sustained by growing demand in extra-European markets
- Leverage on production capacity in China to benefit from growing demand in higher margin APAC countries (e.g. Australia, Singapore, HK)
- Land connection of submarine projects in Europe as additional growth driver in the next quarters

### TRANSMISSION – Submarine

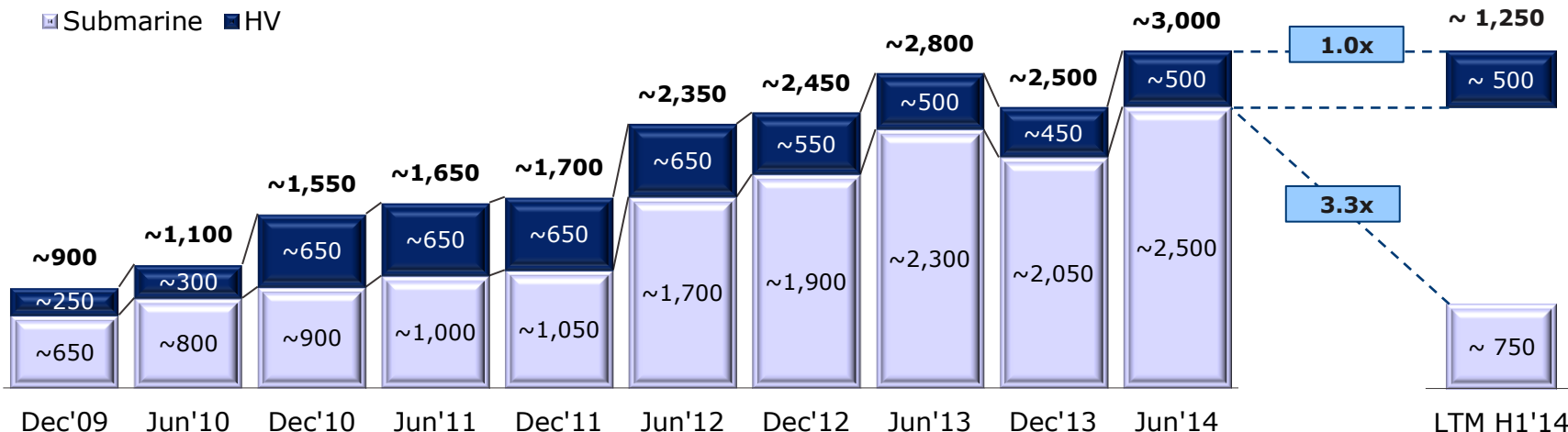
- Record order-book at € 2.5bn covering more than 3 years of sales. Positive order-intake expected in the coming quarters mainly sustained by Europe
- Western Link assessment finalized with loss on the project of € 24m
- High market share in H1 despite WL issue fully confirms Prysmian leadership and customer confidence
- Cable Enterprise conversion and production capacity upgrade in Finland to support growth in the coming quarters

# Growing orders intake boosting backlog at peak level (€ 3bn)

Record visibility in Submarine and good coverage for HV sales

## Transmission – Orders Backlog (€m)

## Transmission – Sales (€m)



## Over €1bn submarine projects awarded in H1 2014



**West of Adlergrund , Germany - € 730 million** (including options for grid connections in value of approximately € 250 million)  
HVAC 220 kV, 3-core extruded cables (including fibre optic cable system) along a route of approx. 90 km (submarine) and 3 km (land)

### **Borwin3, Germany - € 250 million**

HVDC 320 kV extruded submarine and land power bipole connection, with associated fibre optic cable system, comprising of a 29 km land route and of a subsea route of 130 km

### **Shannon River Crossing, Ireland - € 40 million**

HVAC 220 kV, 21 km double-circuit connection, comprising submarine cable including spare lengths and fibre optic connection, network components and commissioning services

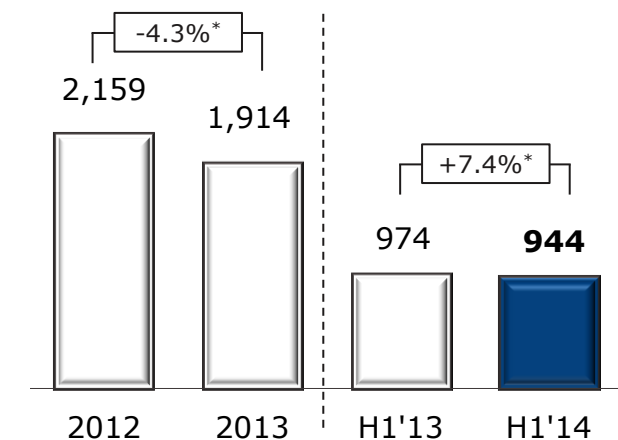
### **Zakum offshore oil field, Abu Dhabi - € 30 million**

Design and supply of 200 km of XLPE (Cross-Linked Polyethylene) insulated MV submarine cables plus accessories and network components

# Trade & Installers

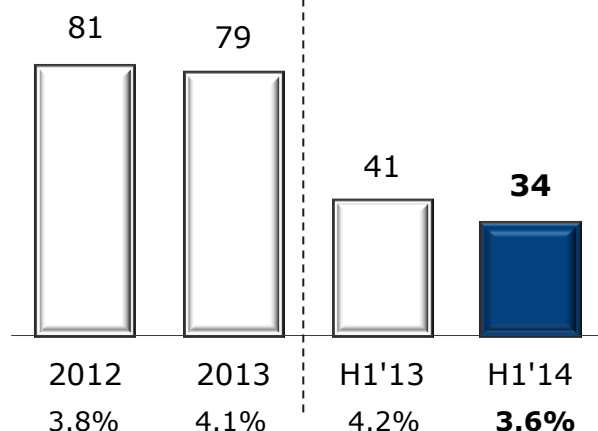
Euro Millions, % on Sales

## Sales to Third Parties



\* Organic Growth

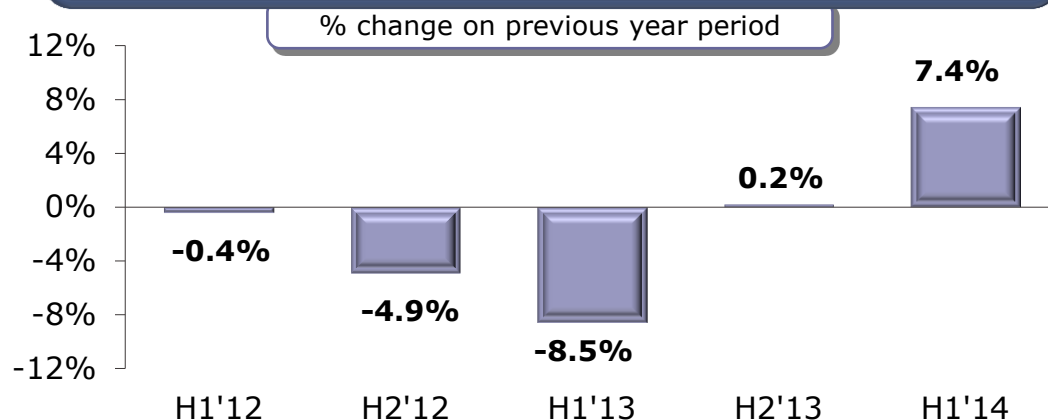
## Adjusted EBITDA



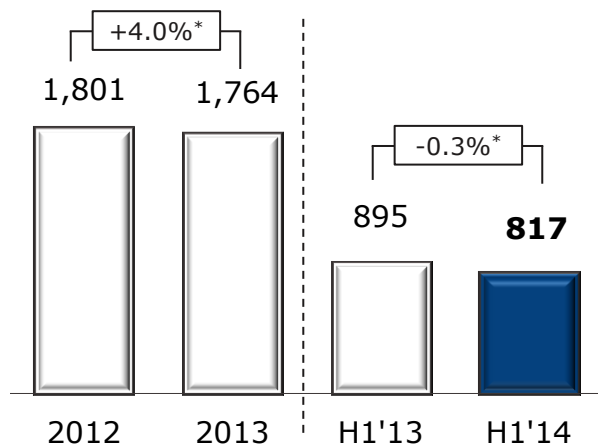
## Highlights

- Q2 confirms positive organic growth. H1 positive performance also attributable to weak comparable basis in H1'13. Europe remains the key growth driver.
  - Europe: on-going volume recovery from bottom level mainly due to Eastern Europe, Nordics, UK and Turkey
  - North America: positive demand in US and Canada expected to continue in the coming quarters
  - South America: sales decrease due to strong construction activity in 2013 with limited capex plan for 2014. Profitability penalized by negative currency expected to ease from H2
  - APAC: selective strategy to growth in high margin countries
- Despite positive organic growth, profitability strongly penalized by lower pricing and forex. Limited forex and pricing effect from H2'14

## Organic Growth

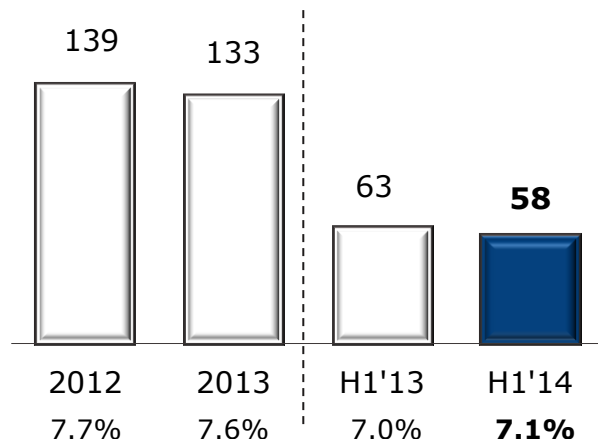


## Sales to Third Parties



\* Organic Growth

## Adjusted EBITDA



## Highlights

### Specialties & OEM <sup>1)</sup>

- Lower sales due to continuous negative demand in Europe and decrease in Infrastructure investments in North America. Lower contribution of Mining, Infrastructure, Nuclear and Defence partially offset by positive trend in Renewables, Railway/Rolling Stock and Crane

### OGP

- Weak start of the year expected to improve in H2 thanks to growing order-book both in off-shore (Middle East, China, Singapore and South America) and on-shore (Iraq, Middle East and Korea)

### SURF

- Umbilicals* slightly lower than previous year: orders based on 2013 frame agreement to be delivered mainly from H2; significant tendering activity in West Africa, Gulf of Mexico and Singapore to increase business internationalization. *Flexible pipes* tendering activity out of Brazil to enlarge customer base
- DHT: positive performance expected to continue thanks to strong order-book from North America, Brazil and Asean

### Elevator

- Double digit sales growth across all geographical areas. Successful business development Apac and Europe

### Automotive

- Positive trend in North America and Asia offsetting declining European demand

<sup>1)</sup> Includes Renewables business

## H1 2014 Organic Growth by geographical area (Vs. H1 2013)

H1'14 Sales - € million

+3%

H1'14  
Org.growth

Main positive:

- Elevator
- OGP
- Renewables

**NORTH AMERICA**

(€ 226 mln\*)

-6%

H1'14  
Org.growth

Main negative:

- Nuclear
- Infrastructure
- Mining

**EMEA**

(€ 369 mln\*)

+14%

H1'14  
Org.growth

Main positive:

- Infrastructure
- Rolling stock
- Mining
- Renewables

**APAC**

(€ 161 mln\*)

-9%

H1'14  
Org.growth

Main negative:

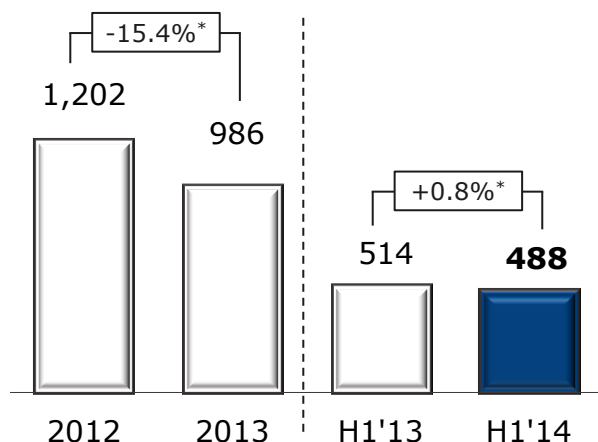
- SURF
- Infrastructure
- Automotive

**LATAM**

(€ 61 mln\*)

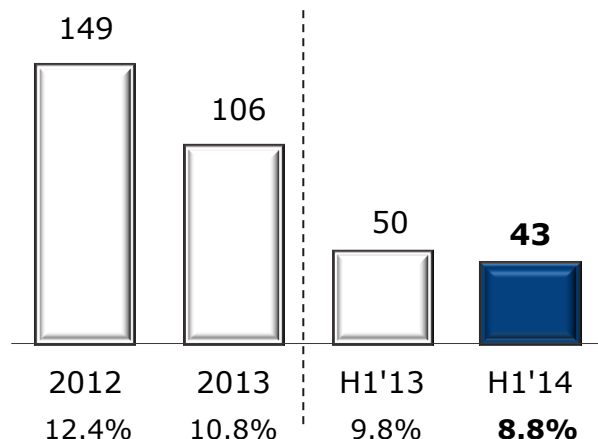
\* H1 2014 Sales

## Sales to Third Parties



\* Organic Growth

## Adjusted EBITDA



## Highlights

- Positive organic growth thanks to higher volume in optical offset by lower average pricing and continuous decline in Copper. Negative pricing and forex effect on profitability partially offset by cost reduction

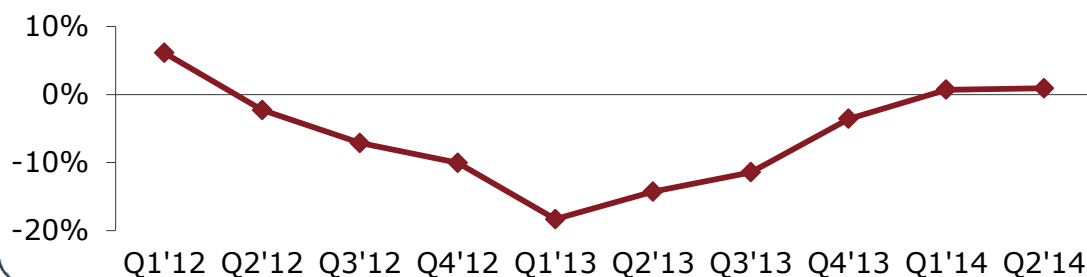
### Optical / Fiber

- Europe:** continuous strong performance driven by long term FTTH and Backhaul investments in France, Spain and UK. Positive performance also in Italy and Eastern Europe
- North America:** gradual demand recovery in FTTH/FTTA after downturn in 2013
- South America:** improving demand sustained by stimulus packages to drive better results from H2 onwards
- APAC:** growing in all regions (e.g. China, Singapore, Indonesia) excl. major Australian market limited by NBN project rescheduled

### Multimedia & Specials

- Increasing profitability contribution thanks to selective strategy focused on high margin segments (e.g. data centers in Europe). Ongoing rationalization of low profitability business

## Org. growth evolution (% change on previous year period)



## ➤ H1 2014 Highlights

- Group overview
- Results by business
- Outlook

## ➤ Financial results

## ➤ Appendix

# 2014 Outlook – Confirming profitability increase Vs 2013 excl. Forex and WL despite still tough demand and pricing

## FY 2014 Adj.EBITDA Target Vs FY 2013 (€ 613 m)

Initial expected  
Adj.EBITDA  
FY Target



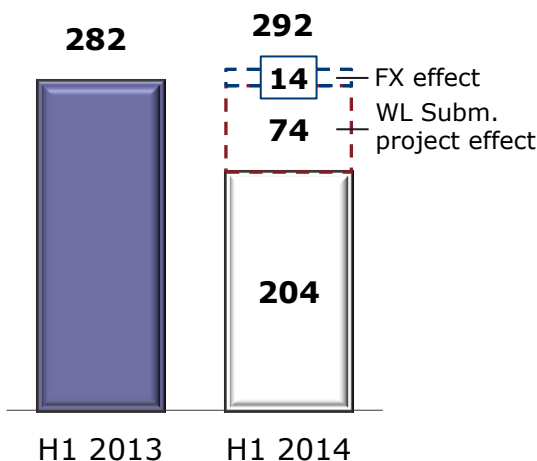
- €94m

Western Link FY 2014 effect

Current  
Adj.EBITDA  
FY Target

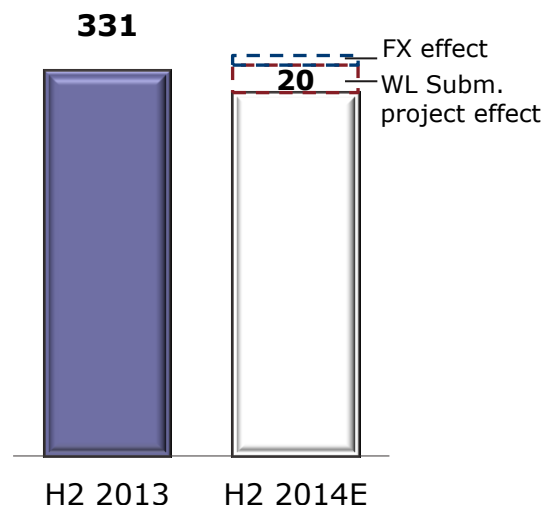


### H1 2014



- Slight profitability improvement (excl. FX and WL) in line with expectations
- Continuous positive volume trend in T&I and Telecom mainly driven by Europe
- Weaker than expected industrial demand to recover in H2

### H2 2014E



- Continuous positive volume trend in T&I and Optical
- Gradual recovery in Industrial thanks to OGP & SURF
- No price recovery in cyclicals
- Limited currency effect (Vs H2'13)

- H1 2014 Highlights
  - Group overview
  - Results by business
  - Outlook

## ➤ Financial results

- Appendix

# Profit and Loss Statement

Euro Millions

	H1 2014 excl. WL submarine project effect	WL Submarine project effect	H1 2014	H1 2013 <sup>1)</sup>	FY 2013 <sup>1)</sup>
<b>Sales</b>	<b>3,358</b>	<b>(71)</b>	<b>3,287</b>	<b>3,504</b>	<b>6,995</b>
<i>YoY total growth</i>	<i>(4.2%)</i>		<i>(6.2%)</i>		
<i>YoY organic growth</i>	<i>3.4%</i>		<i>1.3%</i>		
<b>Adj.EBITDA</b>	<b>278</b>	<b>(74)</b>	<b>204</b>	<b>282</b>	<b>613</b>
<i>% on sales</i>	<i>8.3%</i>		<i>6.2%</i>	<i>8.0%</i>	<i>8.8%</i>
<i>Non recurring items</i>	<i>40</i>	<i>-</i>	<i>40</i>	<i>(26)</i>	<i>(50)</i>
<b>EBITDA</b>	<b>318</b>	<b>(74)</b>	<b>244</b>	<b>256</b>	<b>563</b>
<i>% on sales</i>	<i>9.5%</i>		<i>7.4%</i>	<i>7.3%</i>	<i>8.1%</i>
<b>Adj.EBIT</b>	<b>207</b>	<b>(74)</b>	<b>133</b>	<b>208</b>	<b>465</b>
<i>% on sales</i>	<i>6.2%</i>		<i>4.0%</i>	<i>5.9%</i>	<i>6.7%</i>
<i>Non recurring items</i>	<i>40</i>	<i>-</i>	<i>40</i>	<i>(26)</i>	<i>(50)</i>
<i>Special items</i>	<i>3</i>	<i>-</i>	<i>3</i>	<i>(44)</i>	<i>(47)</i>
<b>EBIT</b>	<b>250</b>	<b>(74)</b>	<b>176</b>	<b>138</b>	<b>368</b>
<i>% on sales</i>	<i>7.4%</i>		<i>5.4%</i>	<i>3.9%</i>	<i>5.3%</i>
<i>Financial charges</i>	<i>(74)</i>	<i>-</i>	<i>(74)</i>	<i>(82)</i>	<i>(150)</i>
<b>EBT</b>	<b>176</b>	<b>(74)</b>	<b>102</b>	<b>56</b>	<b>218</b>
<i>% on sales</i>	<i>5.2%</i>		<i>3.1%</i>	<i>1.6%</i>	<i>3.1%</i>
<i>Taxes</i>	<i>(44)</i>	<i>22</i>	<i>(22)</i>	<i>(15)</i>	<i>(65)</i>
<i>% on EBT</i>	<i>25.0%</i>		<i>22.0%</i>	<i>26.8%</i>	<i>29.9%</i>
<b>Net income</b>	<b>132</b>	<b>(52)</b>	<b>80</b>	<b>41</b>	<b>153</b>
<i>Extraordinary items (after tax)</i>	<i>21</i>	<i>-</i>	<i>21</i>	<i>(74)</i>	<i>(116)</i>
<b>Adj.Net income</b>	<b>111</b>	<b>(52)</b>	<b>59</b>	<b>115</b>	<b>269</b>

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

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

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

## Sales

Euro million

Of which:

• Utilities	35
• T&I	61
• Industrial	49
• Other	3
• Telecom	25

**3,531**

173

71

FX effect  
WL Subm.  
Project  
effect

3,504

3,287

H1'13

H1'14

## Adj. EBITDA

Euro million

Of which:

• Utilities	2
• T&I	4
• Industrial	5
• Telecom	3

**292**

14

74

FX effect  
WL Subm.  
Project  
effect

282

204

H1'13

H1'14

# Extraordinary Effects

Euro Millions

	H1 2014	H1 2013 <sup>2)</sup>	FY 2013 <sup>2)</sup>
Antitrust investigation	32	1	6
Restructuring	(7)	(21)	(50)
Price adjustments	22	-	-
Other	(7)	(6)	(6)
<b>EBITDA adjustments</b>	<b>40</b>	<b>(26)</b>	<b>(50)</b>
Special items	3	(44)	(47)
Gain/(loss) on metal derivatives	6	(37)	(8)
Assets impairment	-	-	(25)
Other	(3)	(7)	(14)
<b>EBIT adjustments</b>	<b>43</b>	<b>(70)</b>	<b>(97)</b>
Gain/(Loss) on ex.rates/derivat. <sup>1)</sup>	(19)	(23)	(35)
Other extr. financial Income/exp.	(13)	(7)	(13)
<b>EBT adjustments</b>	<b>11</b>	<b>(100)</b>	<b>(145)</b>
Tax	10	26	29
<b>Net Income adjustments</b>	<b>21</b>	<b>(74)</b>	<b>(116)</b>

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

	H1 2014	H1 2013 <sup>2)</sup>	FY 2013 <sup>2)</sup>
<b>Net interest expenses</b>	<b>(42)</b>	<b>(49)</b>	<b>(100)</b>
<i>of which non cash Conv.Bond interest exp.</i>	(4)	(2)	(6)
Bank fees amortization	(4)	(5)	(8)
Gain/(loss) on exchange rates	(4)	(12)	(27)
Gain/(loss) on derivatives <sup>1)</sup>	(15)	(11)	(8)
Non recurring effects	(9)	(5)	(7)
<b>Net financial charges</b>	<b>(74)</b>	<b>(82)</b>	<b>(150)</b>

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

	30 Jun 2014	30 Jun 2013 <sup>1)</sup>	FY 2013 <sup>1)</sup>
Net fixed assets	2,232	2,244	2,207
<i>of which: intangible assets</i>	587	597	588
<i>of which: property, plants &amp; equipment</i>	1,415	1,435	1,390
Net working capital	751	696	386
<i>of which: derivatives assets/(liabilities)</i>	(11)	(38)	(6)
<i>of which: Operative Net working capital</i>	762	734	392
Provisions & deferred taxes	(268)	(284)	(297)
<b>Net Capital Employed</b>	<b>2,715</b>	<b>2,656</b>	<b>2,296</b>
Employee provisions	329	332	308
Shareholders' equity	1,177	1,138	1,183
<i>of which: attributable to minority interest</i>	35	32	36
Net financial position	1,209	1,186	805
<b>Total Financing and Equity</b>	<b>2,715</b>	<b>2,656</b>	<b>2,296</b>

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

# Cash Flow

Euro Millions

	H1 2014	H1 2013 <sup>1)</sup>	FY 2013 <sup>1)</sup>
<b>Adj.EBITDA</b>	<b>204</b>	<b>282</b>	<b>613</b>
Non recurring items	40	(26)	(50)
<b>EBITDA</b>	<b>244</b>	<b>256</b>	<b>563</b>
Net Change in provisions & others	(75)	(38)	(76)
Share of income from investments in op.activities	(15)	(14)	(35)
<b>Cash flow from operations (before WC changes)</b>	<b>154</b>	<b>204</b>	<b>452</b>
Working Capital changes	(341)	(338)	(6)
Dividends received	8	16	16
Paid Income Taxes	(29)	(27)	(60)
<b>Cash flow from operations</b>	<b>(208)</b>	<b>(145)</b>	<b>402</b>
Acquisitions	15	-	-
Net Operative CAPEX	(69)	(47)	(107)
<b>Free Cash Flow (unlevered)</b>	<b>(262)</b>	<b>(192)</b>	<b>295</b>
Financial charges	(54)	(72)	(124)
<b>Free Cash Flow (levered)</b>	<b>(316)</b>	<b>(264)</b>	<b>171</b>
<b>Free Cash Flow (levered) excl. acquisitions</b>	<b>(331)</b>	<b>(264)</b>	<b>171</b>
Dividends	(90)	(91)	(92)
<b>Net Cash Flow</b>	<b>(406)</b>	<b>(355)</b>	<b>79</b>
<b>NFP beginning of the period</b>	<b>(805)</b>	<b>(888)</b>	<b>(888)</b>
Net cash flow	(406)	(355)	79
Other variations	2	57	4
<b>NFP end of the period</b>	<b>(1,209)</b>	<b>(1,186)</b>	<b>(805)</b>

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

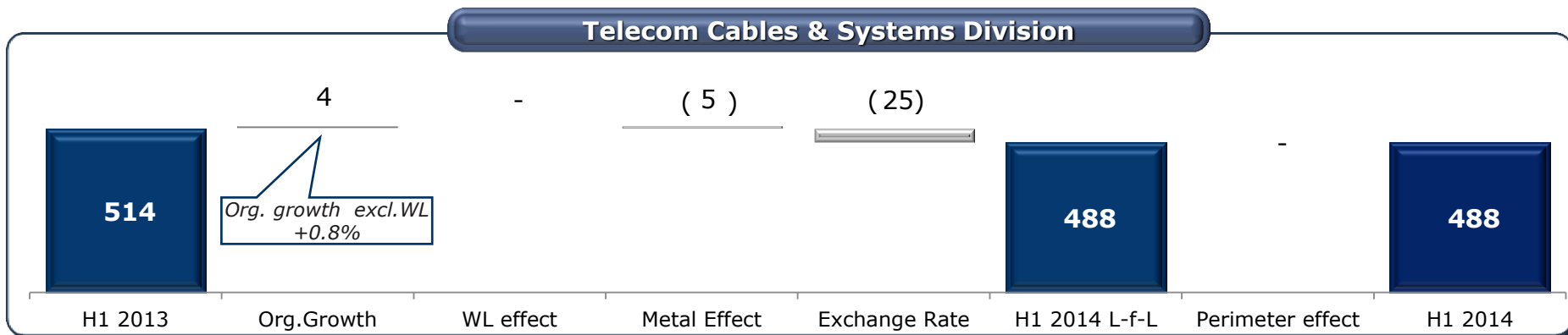
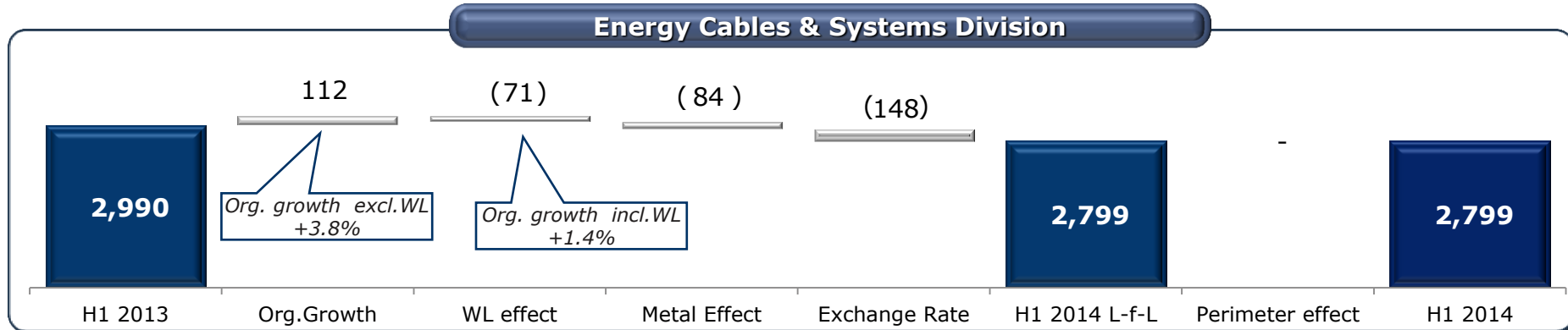
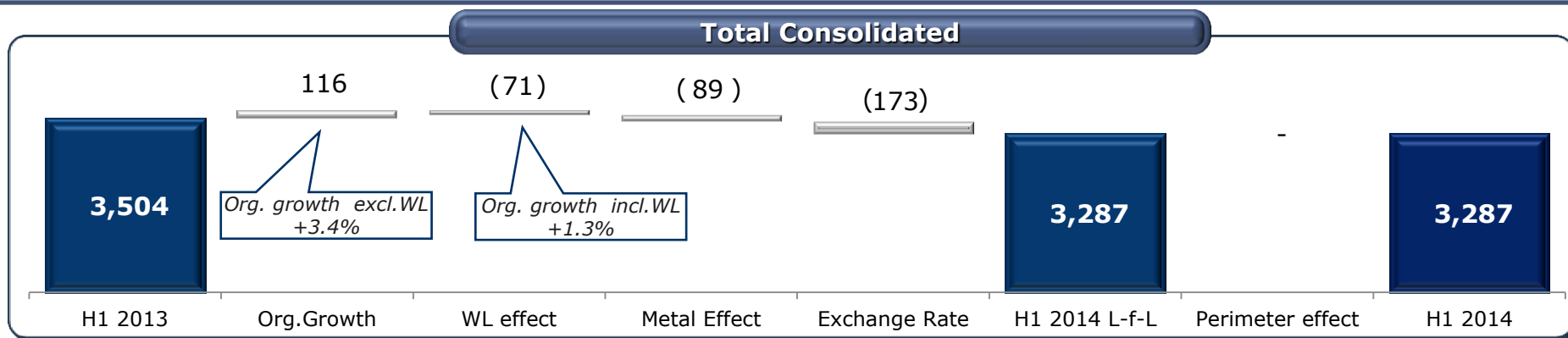
- H1 2014 Highlights
  - Group overview
  - Results by business
  - Outlook

- Financial results

- Appendix

# Bridge Consolidated Sales

Euro Millions



# P&L Statement – Application of IFRS 10-11 Vs previous accounting

Euro Millions

	H1 2013 Restated <sup>1)</sup>	H1 2013 Reported	FY 2013 Restated <sup>1)</sup>	FY 2013 Reported	FY 2012 Restated <sup>1)</sup>	FY 2012 Reported
<b>Sales</b>	<b>3,504</b>	<b>3,622</b>	<b>6,995</b>	<b>7,273</b>	<b>7,574</b>	<b>7,848</b>
<i>YoY total growth</i>			(7.7%)	(7.3%)		
<i>YoY organic growth</i>			(3.3%)	(3.1%)		
<b>Adj.EBITDA</b>	<b>282</b>	<b>282</b>	<b>613</b>	<b>612</b>	<b>650</b>	<b>647</b>
<i>% on sales</i>	8.0%	7.8%	8.8%	8.4%	8.6%	8.2%
<i>of which share of net income</i>	14	-	35	-	31	-
<i>Non recurring items</i>	(26)	(26)	(50)	(50)	(101)	(101)
<b>EBITDA</b>	<b>256</b>	<b>256</b>	<b>563</b>	<b>562</b>	<b>549</b>	<b>546</b>
<i>% on sales</i>	7.3%	7.1%	8.1%	7.7%	7.2%	7.0%
<b>Adj.EBIT</b>	<b>208</b>	<b>204</b>	<b>465</b>	<b>457</b>	<b>494</b>	<b>483</b>
<i>% on sales</i>	5.9%	5.6%	6.7%	6.3%	6.5%	6.2%
<i>Non recurring items</i>	(26)	(26)	(50)	(50)	(101)	(101)
<i>Special items</i>	(44)	(44)	(47)	(47)	(20)	(20)
<b>EBIT</b>	<b>138</b>	<b>134</b>	<b>368</b>	<b>360</b>	<b>373</b>	<b>362</b>
<i>% on sales</i>	3.9%	3.7%	5.3%	4.9%	4.9%	4.6%
<i>Net financial charges</i>	(82)	(82)	(150)	(153)	(134)	(137)
<i>Share of net income</i>	-	6	-	15	-	17
<b>EBT</b>	<b>56</b>	<b>58</b>	<b>218</b>	<b>222</b>	<b>239</b>	<b>242</b>
<i>% on sales</i>	1.6%	1.6%	3.1%	3.1%	3.2%	3.1%
<i>Taxes</i>	(15)	(17)	(65)	(68)	(71)	(73)
<i>% on EBT</i>	26.8%	29.0%	29.9%	30.4%	29.8%	30.2%
<b>Net income</b>	<b>41</b>	<b>41</b>	<b>153</b>	<b>154</b>	<b>168</b>	<b>169</b>
<i>Extraordinary items (after tax)</i>	(74)	(74)	(116)	(114)	(111)	(111)
<b>Adj.Net income</b>	<b>115</b>	<b>115</b>	<b>269</b>	<b>268</b>	<b>279</b>	<b>280</b>

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

# Stat. of fin. position (BS) – Application of IFRS 10-11 Vs previous accounting

Euro Millions

	30 Jun '13 Restated <sup>1)</sup>	30 Jun '13 Reported	31 Dec '13 Restated <sup>1)</sup>	31 Dec '13 Reported	31 Dec '12 Restated <sup>1)</sup>	31 Dec '12 Reported
Net fixed assets	2,244	2,252	2,207	2,190	2,301	2,300
<i>of which: intangible assets</i>	597	643	588	623	608	644
<i>of which: property, plants &amp; equipment</i>	1,435	1,496	1,390	1,441	1,484	1,539
Net working capital	696	772	386	444	433	482
<i>of which: derivatives assets/(liabilities)</i>	(38)	(38)	(6)	(6)	(8)	(7)
<i>of which: Operative Net working capital</i>	734	810	392	450	441	489
Provisions & deferred taxes	(284)	(294)	(297)	(297)	(355)	(361)
<b>Net Capital Employed</b>	<b>2,656</b>	<b>2,730</b>	<b>2,296</b>	<b>2,337</b>	<b>2,379</b>	<b>2,421</b>
Employee provisions	332	332	308	308	344	344
Shareholders' equity	1,138	1,150	1,183	1,195	1,147	1,159
<i>of which: attributable to minority interest</i>	32	44	36	48	35	47
Net financial position	1,186	1,248	805	834	888	918
<b>Total Financing and Equity</b>	<b>2,656</b>	<b>2,730</b>	<b>2,296</b>	<b>2,337</b>	<b>2,379</b>	<b>2,421</b>

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

# Cash Flow – Application of IFRS 10-11 Vs previous accounting

Euro Millions

	H1 2013 Restated <sup>1)</sup>	H1 2013 Reported	FY 2013 Restated <sup>1)</sup>	FY 2013 Reported	FY 2012 Restated <sup>1)</sup>	FY 2012 Reported
<b>Adj.EBITDA</b>	<b>282</b>	<b>282</b>	<b>613</b>	<b>612</b>	<b>650</b>	<b>647</b>
Non recurring items	(26)	(26)	(50)	(50)	(101)	(101)
<b>EBITDA</b>	<b>256</b>	<b>256</b>	<b>563</b>	<b>562</b>	<b>549</b>	<b>546</b>
Net Change in provisions & others	(38)	(41)	(76)	(80)	(1)	(1)
Share of income from investments in op.activities	(14)	-	(35)	-	(31)	-
<b>Cash flow from operations (before WC changes)</b>	<b>204</b>	<b>215</b>	<b>452</b>	<b>482</b>	<b>517</b>	<b>545</b>
Working Capital changes	(338)	(367)	(6)	(19)	69	75
Dividends received	16	-	16	-	16	-
Paid Income Taxes	(27)	(28)	(60)	(64)	(72)	(74)
<b>Cash flow from operations</b>	<b>(145)</b>	<b>(180)</b>	<b>402</b>	<b>399</b>	<b>530</b>	<b>546</b>
Acquisitions	-	-	-	-	(86)	(86)
Net Operative CAPEX	(47)	(50)	(107)	(114)	(129)	(141)
Net Financial CAPEX	-	8	-	11	2	8
<b>Free Cash Flow (unlevered)</b>	<b>(192)</b>	<b>(222)</b>	<b>295</b>	<b>296</b>	<b>317</b>	<b>327</b>
Financial charges	(72)	(72)	(124)	(126)	(126)	(129)
<b>Free Cash Flow (levered)</b>	<b>(264)</b>	<b>(294)</b>	<b>171</b>	<b>170</b>	<b>191</b>	<b>198</b>
<i>Free Cash Flow (levered) excl. acquisitions</i>	<i>(264)</i>	<i>(294)</i>	<i>171</i>	<i>170</i>	<i>277</i>	<i>284</i>
Dividends	(91)	(91)	(92)	(92)	(44)	(45)
Other Equity movements	-	-	-	-	1	1
<b>Net Cash Flow</b>	<b>(355)</b>	<b>(385)</b>	<b>79</b>	<b>78</b>	<b>148</b>	<b>154</b>
<b>NFP beginning of the period</b>	<b>(888)</b>	<b>(918)</b>	<b>(888)</b>	<b>(918)</b>	<b>(1,026)</b>	<b>(1,064)</b>
Net cash flow	(355)	(385)	79	78	148	154
Other variations	57	55	4	6	(10)	(8)
<b>NFP end of the period</b>	<b>(1,186)</b>	<b>(1,248)</b>	<b>(805)</b>	<b>(834)</b>	<b>(888)</b>	<b>(918)</b>

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

# Energy Segment – Profit and Loss Statement

Euro Millions

	H1 2014 excl. WL submarine project effect	WL Submarine project effect	H1 2014	H1 2013 <sup>1)</sup>	FY 2013 <sup>1)</sup>
<b>Sales to Third Parties</b>	<b>2,870</b>	<b>(71)</b>	<b>2,799</b>	<b>2,990</b>	<b>6,009</b>
<i>YoY total growth</i>	<i>(4.0%)</i>		<i>(6.4%)</i>		
<i>YoY organic growth</i>	<i>3.8%</i>		<i>1.4%</i>		
<b>Adj. EBITDA</b>	<b>235</b>	<b>(74)</b>	<b>161</b>	<b>232</b>	<b>507</b>
<i>% on sales</i>	<i>8.2%</i>		<i>5.8%</i>	<i>7.7%</i>	<i>8.4%</i>
<b>Adj. EBIT</b>	<b>185</b>	<b>(74)</b>	<b>111</b>	<b>179</b>	<b>402</b>
<i>% on sales</i>	<i>6.5%</i>		<i>4.0%</i>	<i>6.0%</i>	<i>6.7%</i>

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

# Energy Segment – Sales and Profitability by business area

Euro Millions, % on Sales

		H1 2014	H1 2013 <sup>1)</sup>	Total growth	Organic growth
Sales to Third Parties	Utilities	992	1,067	(7.0%)	(2.2%)
	Trade & Installers	944	974	(3.1%)	7.4%
	Industrial	817	895	(8.7%)	(0.3%)
	Others	46	54	n.m.	n.m.
	<b>Total Energy</b>	<b>2,799</b>	<b>2,990</b>	<b>(6.4%)</b>	<b>1.4%</b>
Adj. EBITDA	Utilities	64	124	6.5%	11.6%
	Trade & Installers	34	41	3.6%	4.2%
	Industrial	58	63	7.1%	7.0%
	Others	5	4	n.m.	n.m.
	<b>Total Energy</b>	<b>161</b>	<b>232</b>	<b>5.8%</b>	<b>7.7%</b>
Adj. EBIT	Utilities	44	104	4.4%	9.7%
	Trade & Installers	23	28	2.4%	2.9%
	Industrial	41	45	5.0%	5.0%
	Others	3	2	n.m.	n.m.
	<b>Total Energy</b>	<b>111</b>	<b>179</b>	<b>4.0%</b>	<b>6.0%</b>

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

# Telecom Segment – Profit and Loss Statement

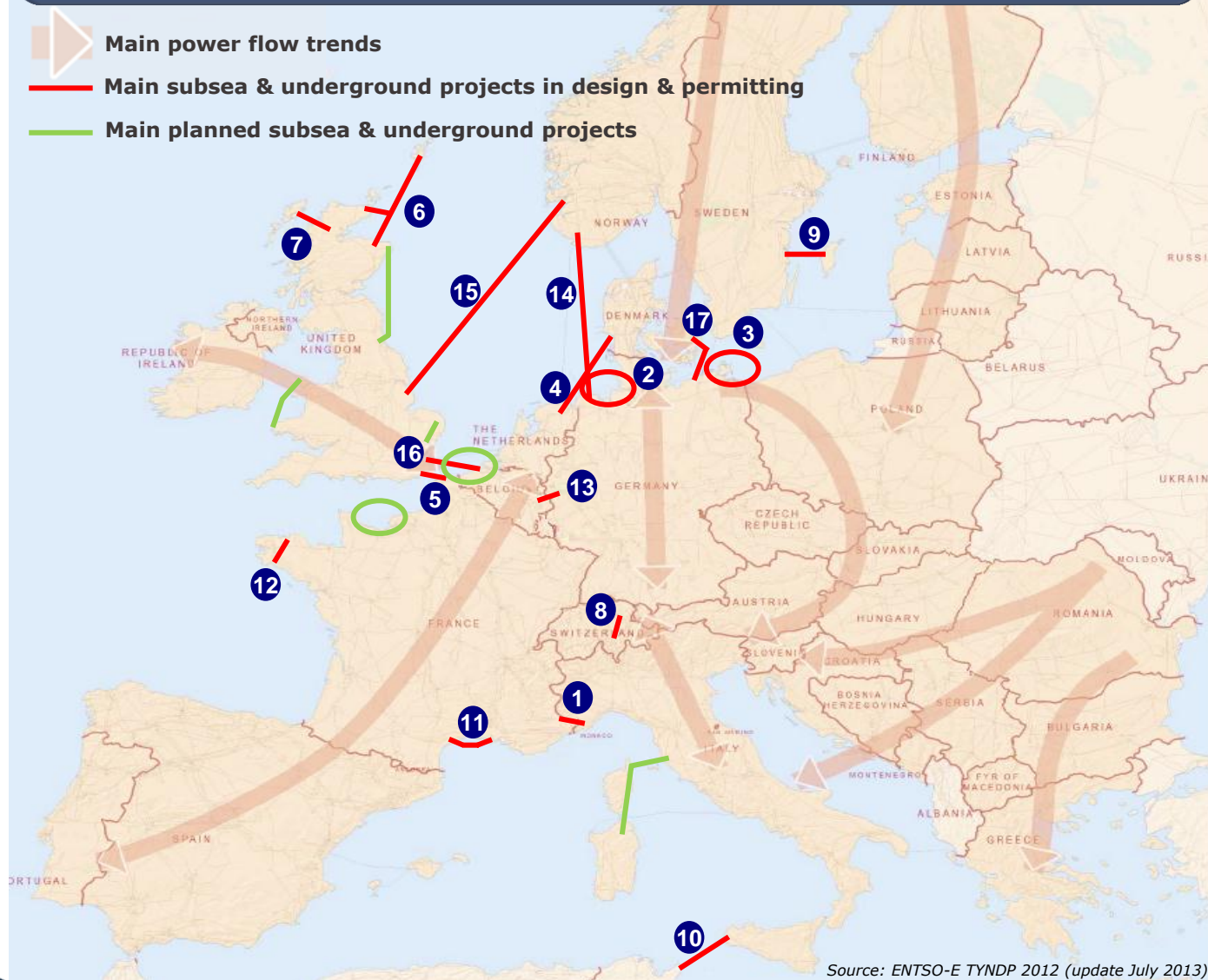
Euro Millions

	H1 2014	H1 2013 <sup>1)</sup>	FY 2013 <sup>1)</sup>
<b>Sales to Third Parties</b>	<b>488</b>	<b>514</b>	<b>986</b>
<i>YoY total growth</i>	<i>(5.1%)</i>		
<i>YoY organic growth</i>	<i>0.8%</i>		
<b>Adj. EBITDA</b>	<b>43</b>	<b>50</b>	<b>106</b>
<i>% on sales</i>	<i>8.8%</i>	<i>9.8%</i>	<i>10.8%</i>
<b>Adj. EBIT</b>	<b>22</b>	<b>29</b>	<b>63</b>
<i>% on sales</i>	<i>4.5%</i>	<i>5.6%</i>	<i>6.4%</i>

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

# Utilities – Major transmission projects to be awarded

## Main subsea and underground projects of pan-European significance



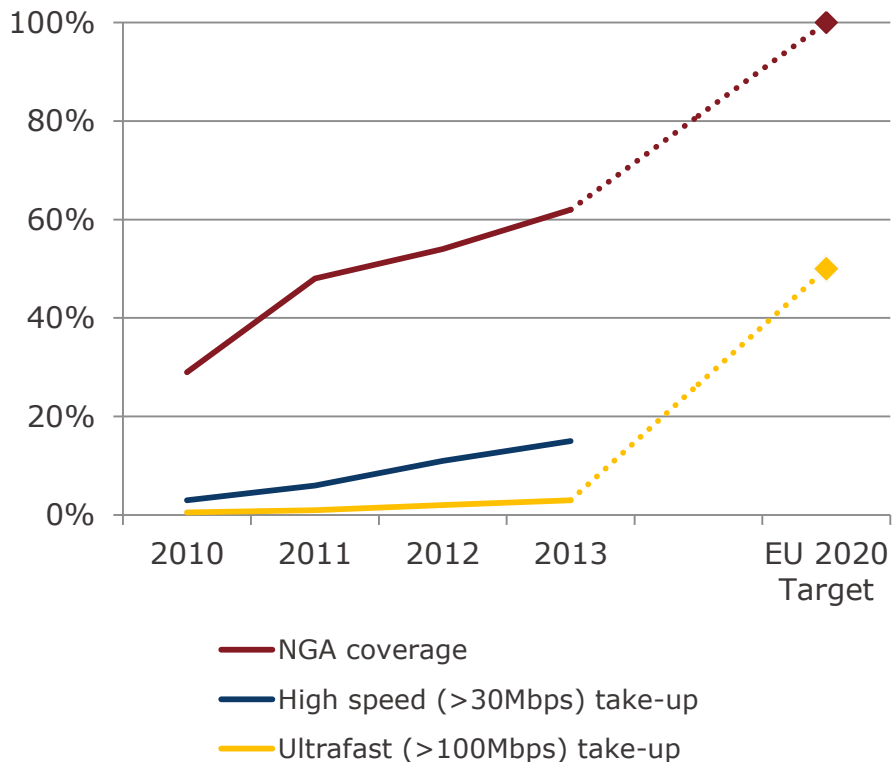
## List of main projects

1. Italy – France
2. Germany (Borwin IV)
3. Germany (Baltic Sea East)
4. Cobra (NL-DK)
5. France – UK (Eurotunnel)
6. UK Caithness
7. Western Isles Link
8. Schwanden-Limmern
9. Västervik – Gotland
10. Tunisia – Italy
11. Marseille – Languedoc
12. Calan – Plaine-Haute
13. Belgium – Germany
14. Norway – Germany
15. Norway – UK
16. Nemo (UK-BE)
17. Denmark – Germany

Other Projects: Cyclades (sub), Spain-France (sub), Ireland-France (sub), Israel-Cyprus (sub), Ireland-UK (sub), North-South Germany (underground), Italy-Slovenia (underground)

Source: ENTSO-E TYNDP 2012 (update July 2013)

### Evolution of NGA (Next Generation Access) coverage and high-speed (>30Mbps) / ultrafast (>100Mbps) take-up (% of homes) in the EU



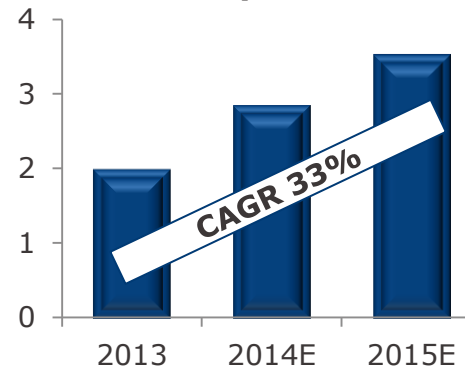
- Coverage of NGA technologies doubled since 2010, but further efforts are requested to meet 2020 target of 100% coverage
- Take-up of ultrafast (>100Mbps) broadband remains marginal (3% of homes) still faraway from 2020 target (50%)

Source: European Commission Digital Agenda Scoreboard 2014

### Opportunities coming from national plans to achieve EU 2020 Digital Agenda targets

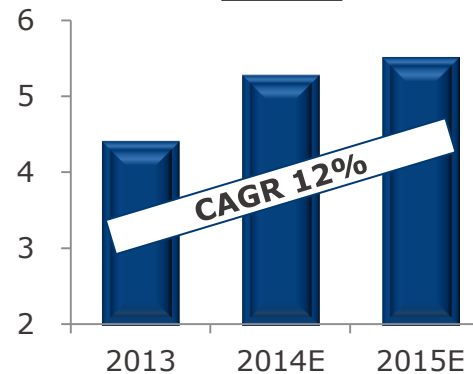
Consumption of fiber optic cable ('000,000 fiber km)

#### Spain



- 4G mobile broadband availability at 47% in 2013 Vs EU average of 59%
- Incentives by local Government to support investments and reach 75% coverage in 2015

#### France



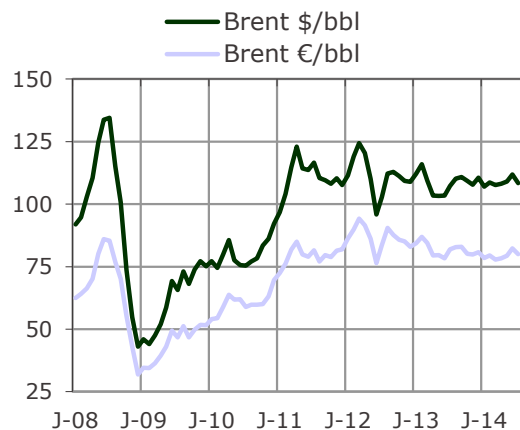
- Coverage of NGA in France (41%) well below EU average (62%) at end 2013
- THD plan to attract €20bn public/private investments in 2012-22 to develop high speed and ultrafast infrastructures

Source: CRU, April 2014; European Commission Digital Agenda Scoreboard 2014

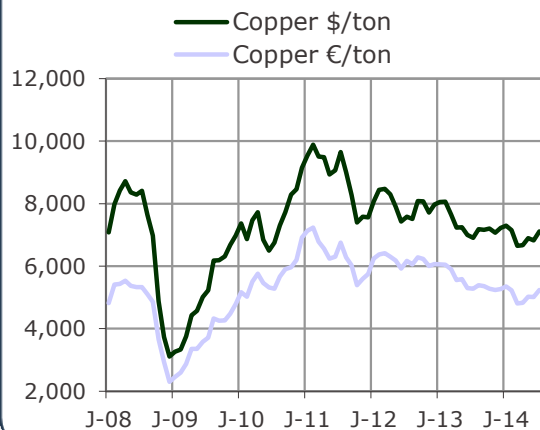
# Reference Scenario

## Commodities & Forex

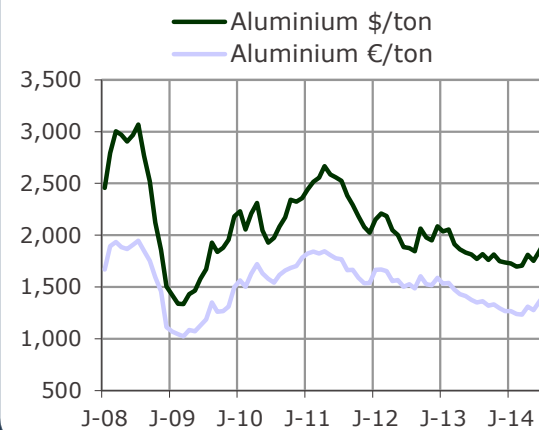
### Brent



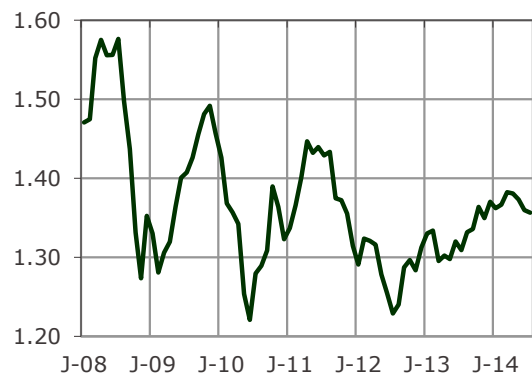
### Copper



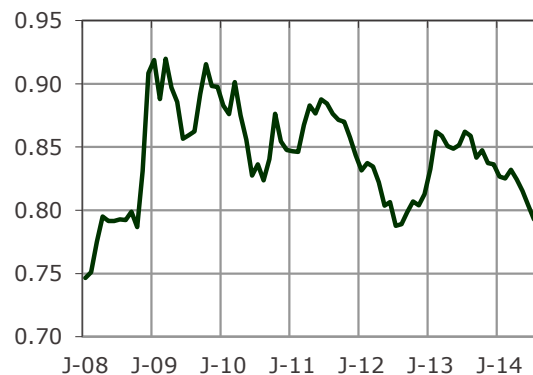
### Aluminium



### 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 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.