

H1 2010 Financial Results

3rd August 2010

Agenda

- H1 2010 Highlights & Outlook 2010

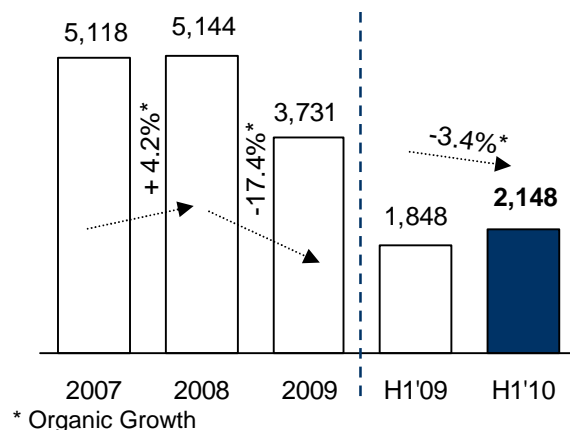
- Financial Results

- Appendix

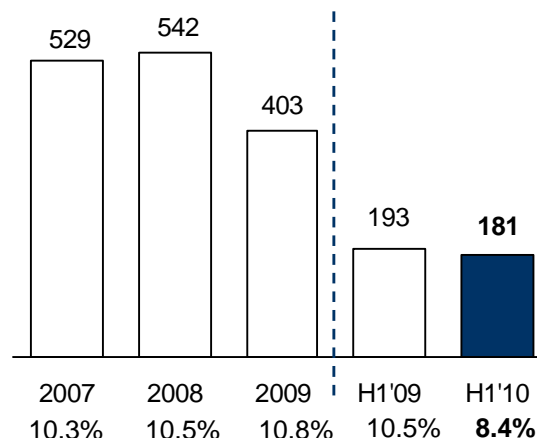
H1 2010 Key Financials

Euro Millions, % of Sales

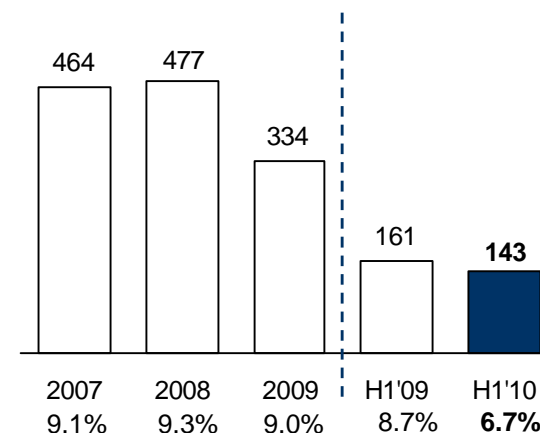
Sales



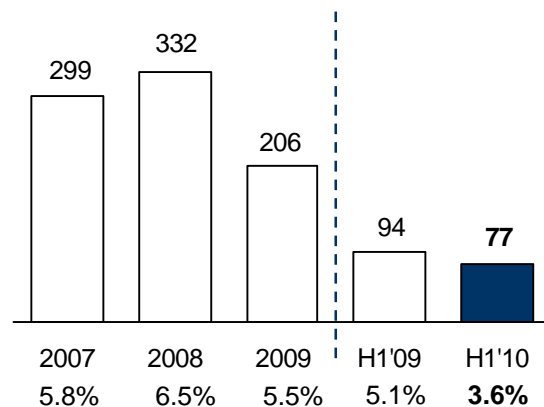
Adjusted EBITDA (1)



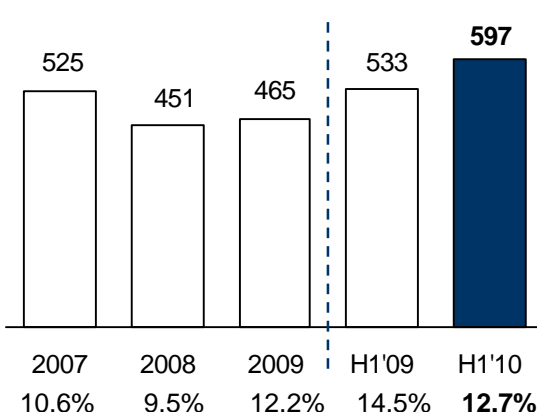
Adjusted EBIT (1)



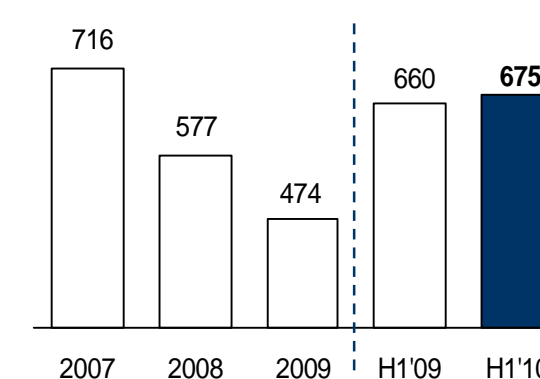
Adjusted Net Income (2)



Operative Net Working Capital (3)



Net Financial Position



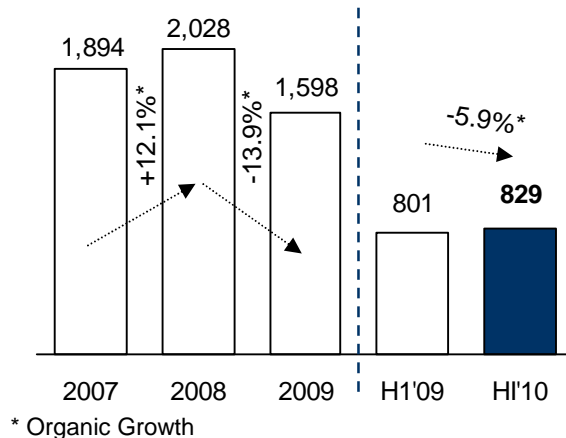
(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives; (2) Adjusted excluding non-recurring income/expenses, the effect of derivatives and exchange rate differences and the related tax effects

(3) Operative Net Working capital defined as Net Working Capital excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

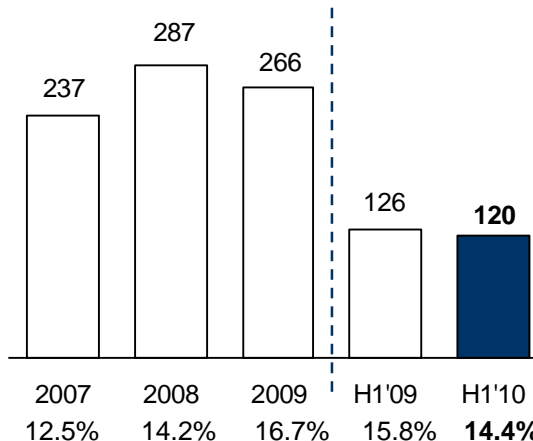
Utilities

Euro Millions, % of Sales

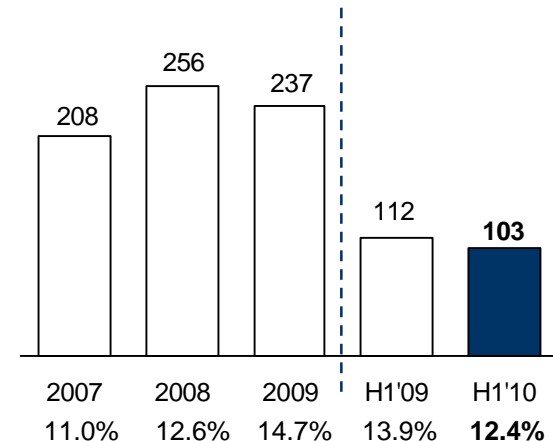
Sales Vs Third Parties



Adjusted EBITDA*



Adjusted EBIT*



Distribution

- Despite still weak construction demand, recovery in utilities capex ongoing
- Volume increase (Q2'10: +8% Vs Q2'09) driven by Europe expected to continue in second half
- Strengthened position with key accounts and positive development of new P-Laser technology
- Profitability still under pressure due to high non metal raw material price

High Voltage

- Global demand recovering from weak 2009 driven by China and Middle East (new TRANSCO project in Abu Dhabi)
- New large European interconnections to be awarded next quarters
- Growing orders backlog expected to increase capacity utilization from 2011
- Signs of demand restarting in Russia and terrestrial connections resulting from new off-shore wind farm projects will further support orders intake

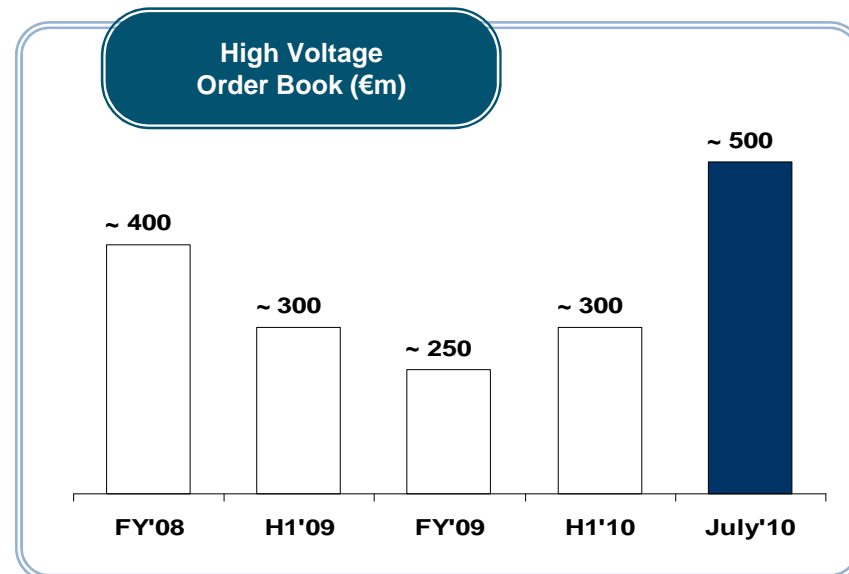
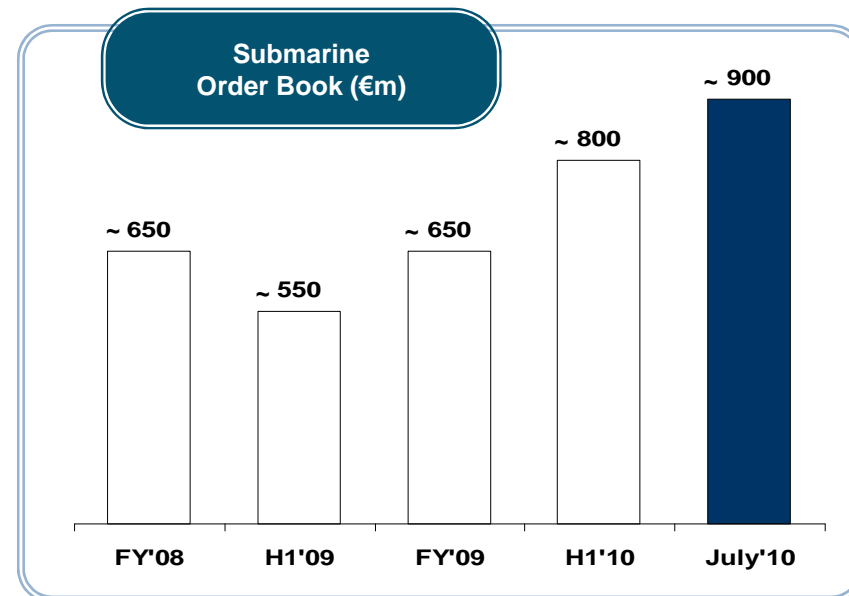
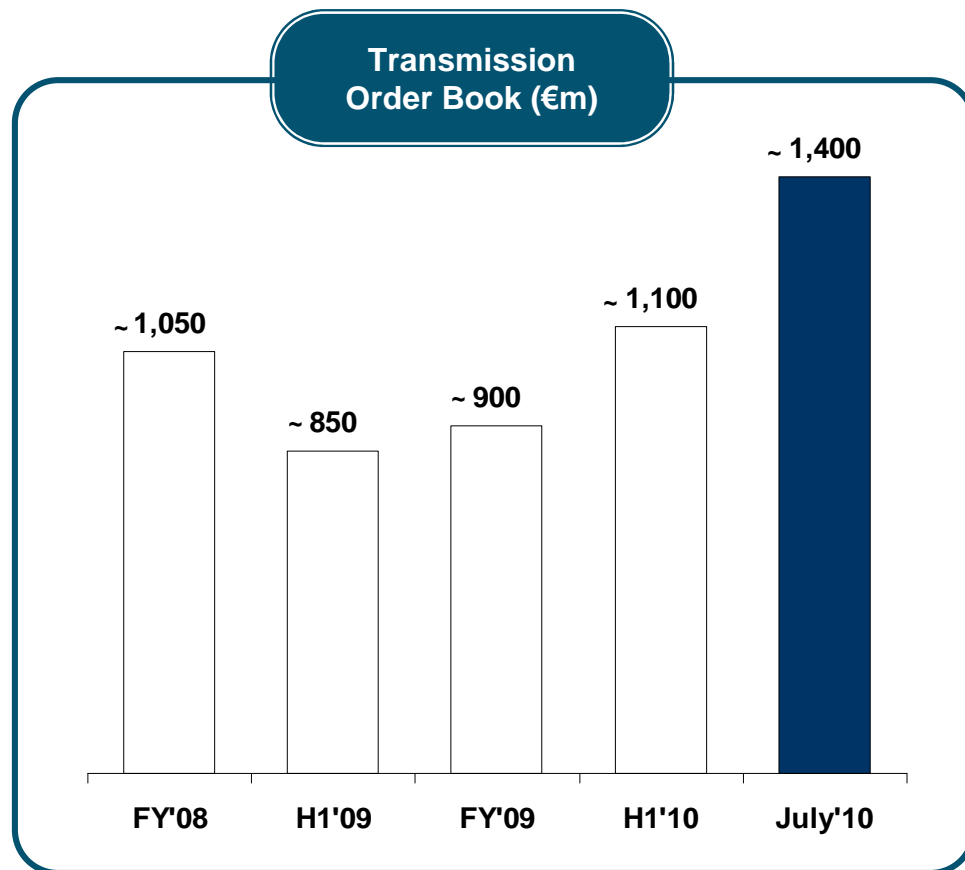
Transmission

Submarine

- Leadership in large and complex off-shore wind farm projects confirmed with the recent awards of BorWin2 and HelWin1
- Decided capacity increase to support strong trend in Renewable and new large subsea connections
- Growing profitability (compared to 2009) expected to continue in second half

(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives

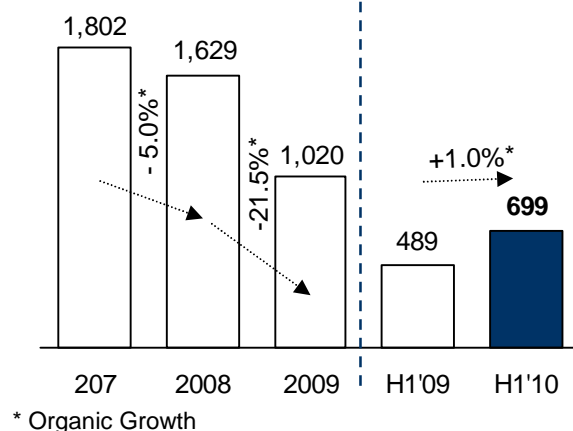
Transmission – Growing Prysmian leadership in a sound market demand



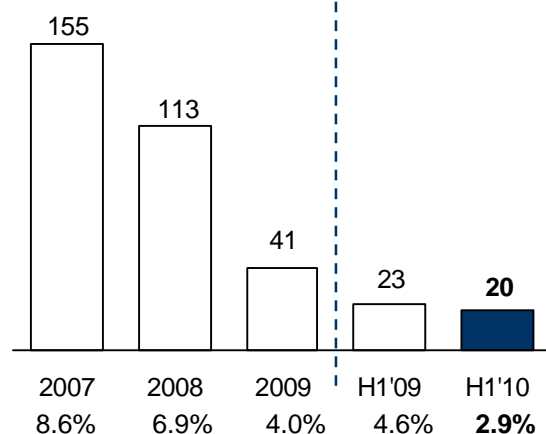
Trade & Installers

Euro Millions, % of Sales

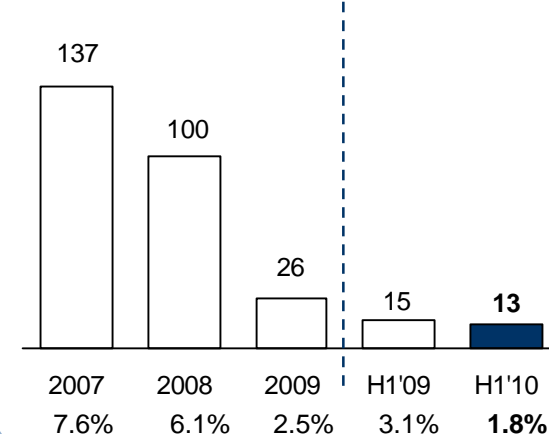
Sales Vs Third Parties



Adjusted EBITDA*



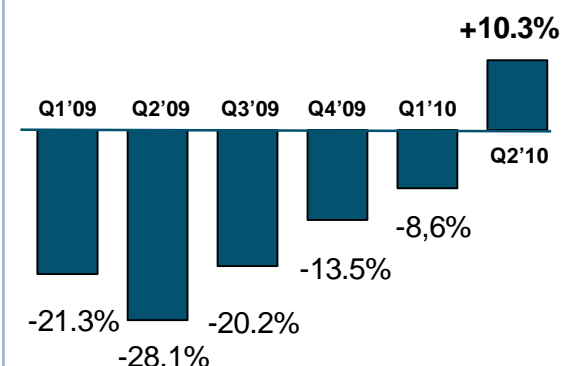
Adjusted EBIT*



Highlights

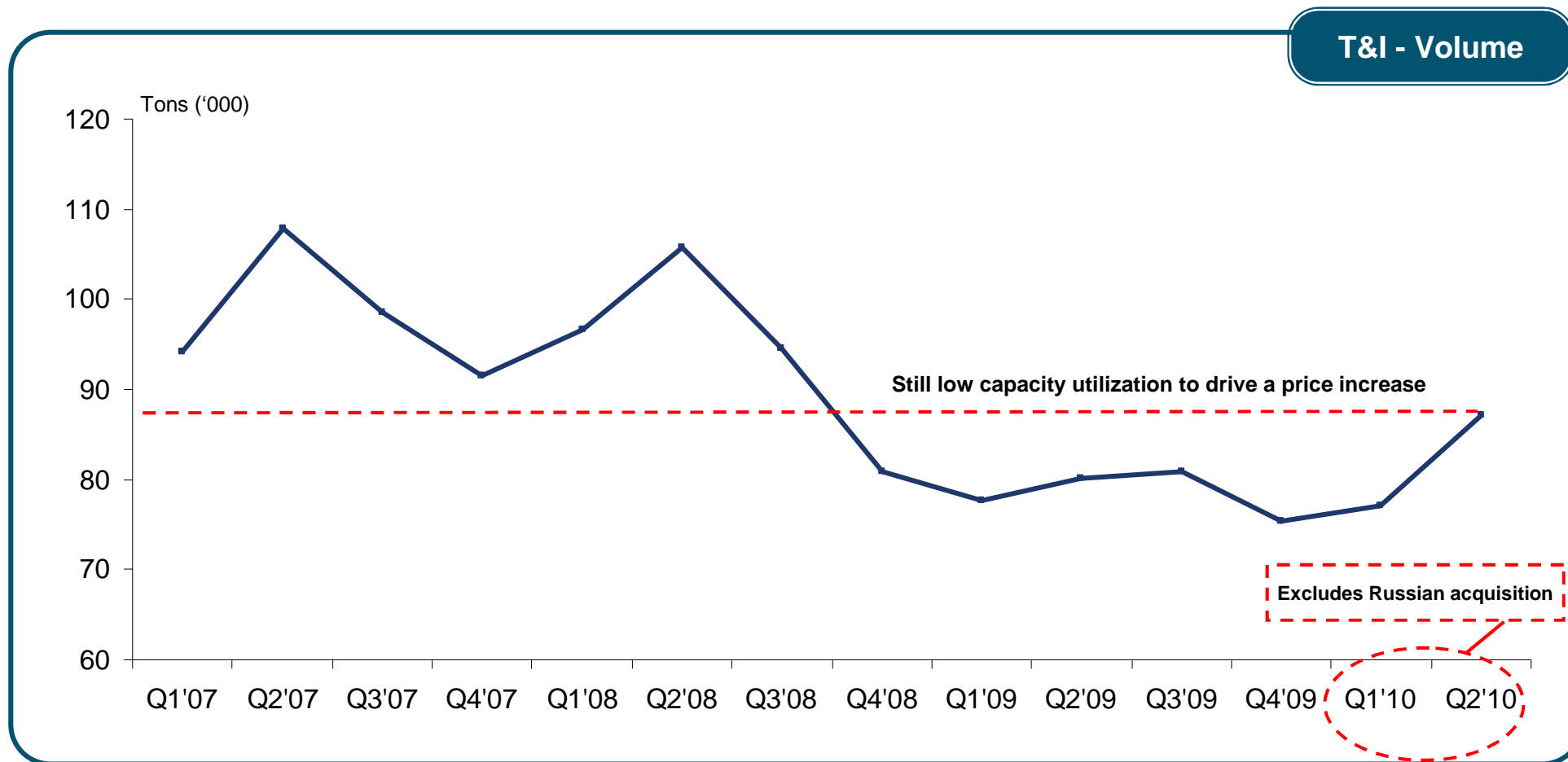
- Volume increase in Q2 (+9% Vs Q2'09 excl.acquisitions) expected to continue in H2
- Q2 profitability improvement due to better capacity utilization but still weak price level and high raw material costs
- Fast growing solar business through the wholesalers/distributors channel (e.g. France, Germany and UK)
- Leveraging on long established presence in South America/Australia and the new acquisition in Russia to benefit from the fast growth of these markets

Sales Org.growth development



(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives

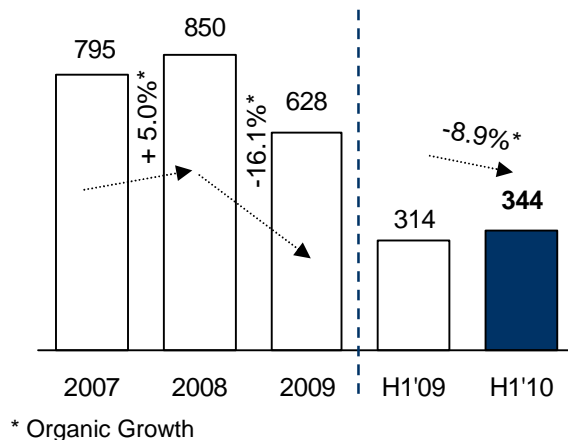
T&I – Volume trend across the cycle



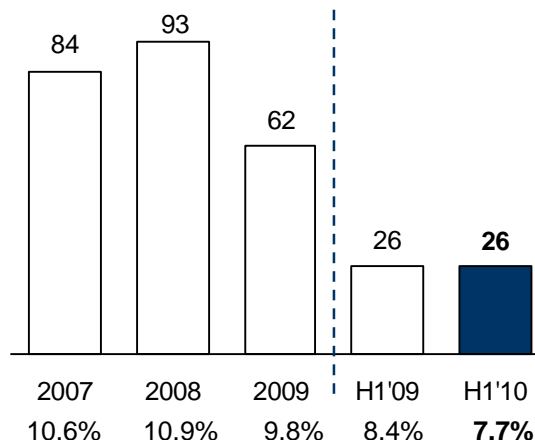
Industrial

Euro Millions, % of Sales

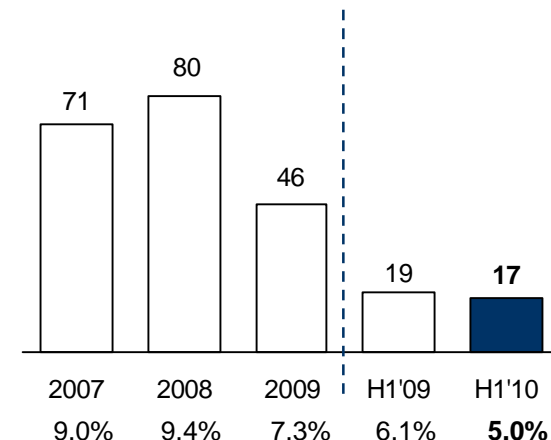
Sales Vs Third Parties



Adjusted EBITDA*



Adjusted EBIT*



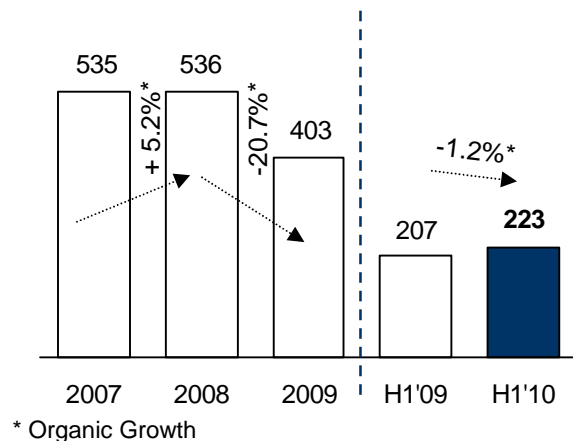
Highlights

- Recovery trend in line with expectations with increasing volume contribution from extra-European countries
 - OGP: strong order book in umbilicals covering FY'10
 - Renewable energy: growing trend confirmed in Europe and new projects planned in China and South America
 - Other Priority segments: still weak demand with first signs of recovery in Mining (APAC and South America)
 - Others: ongoing volume recovery in Automotive with a strong presence in top profitability countries (e.g. Brazil)
- Profitability improvement Vs Q1'10 mainly driven by higher contribution from OGP and renewable energy. Based on current order book H2'10 profitability expected higher than first half

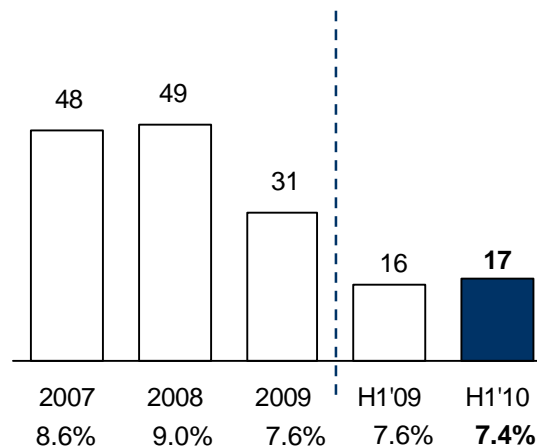
Telecom

Euro Millions, % of Sales

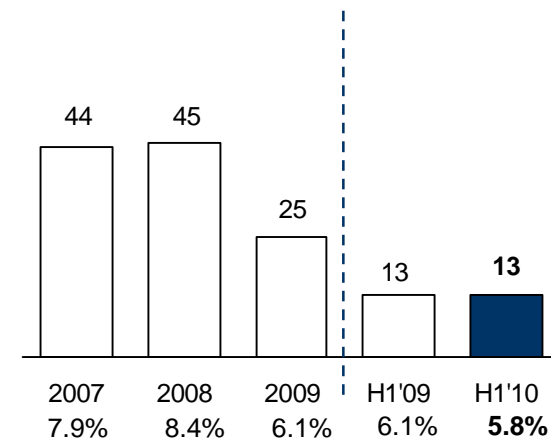
Sales Vs Third Parties



Adjusted EBITDA*



Adjusted EBIT*



Highlights

- Global demand stable in optical (Vs 2009) with still limited investments by large incumbents in Europe and US
 - Increasing market share in all geographical areas with over 5% volume growth in H1'10 Vs H1'09
 - Growing demand by alternative operators in North/Eastern Europe and South America
 - Investments increase by large European incumbents as key driver for future growth
- Volume confirmed at previous year level in Copper cables despite declining demand
- Improving cost structure with higher flexibility in production and better geographical footprint

(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives

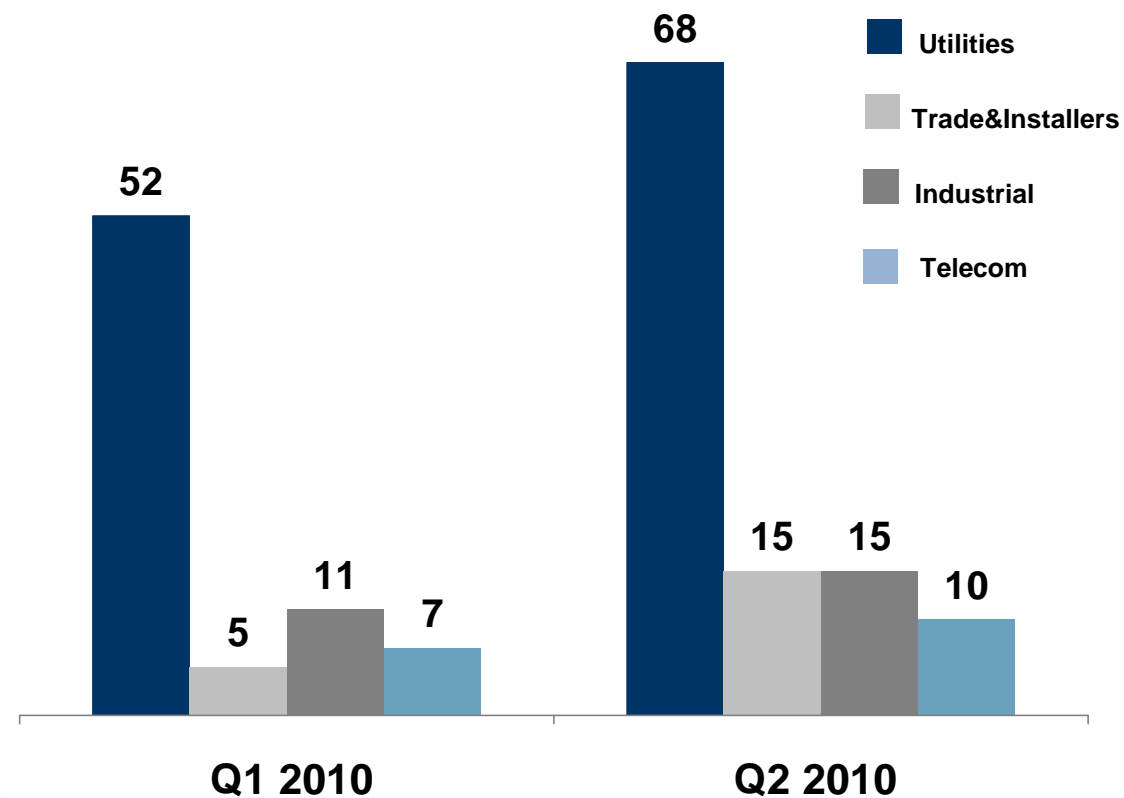
Organic growth and profitability recovery across all the segments

Euro Millions

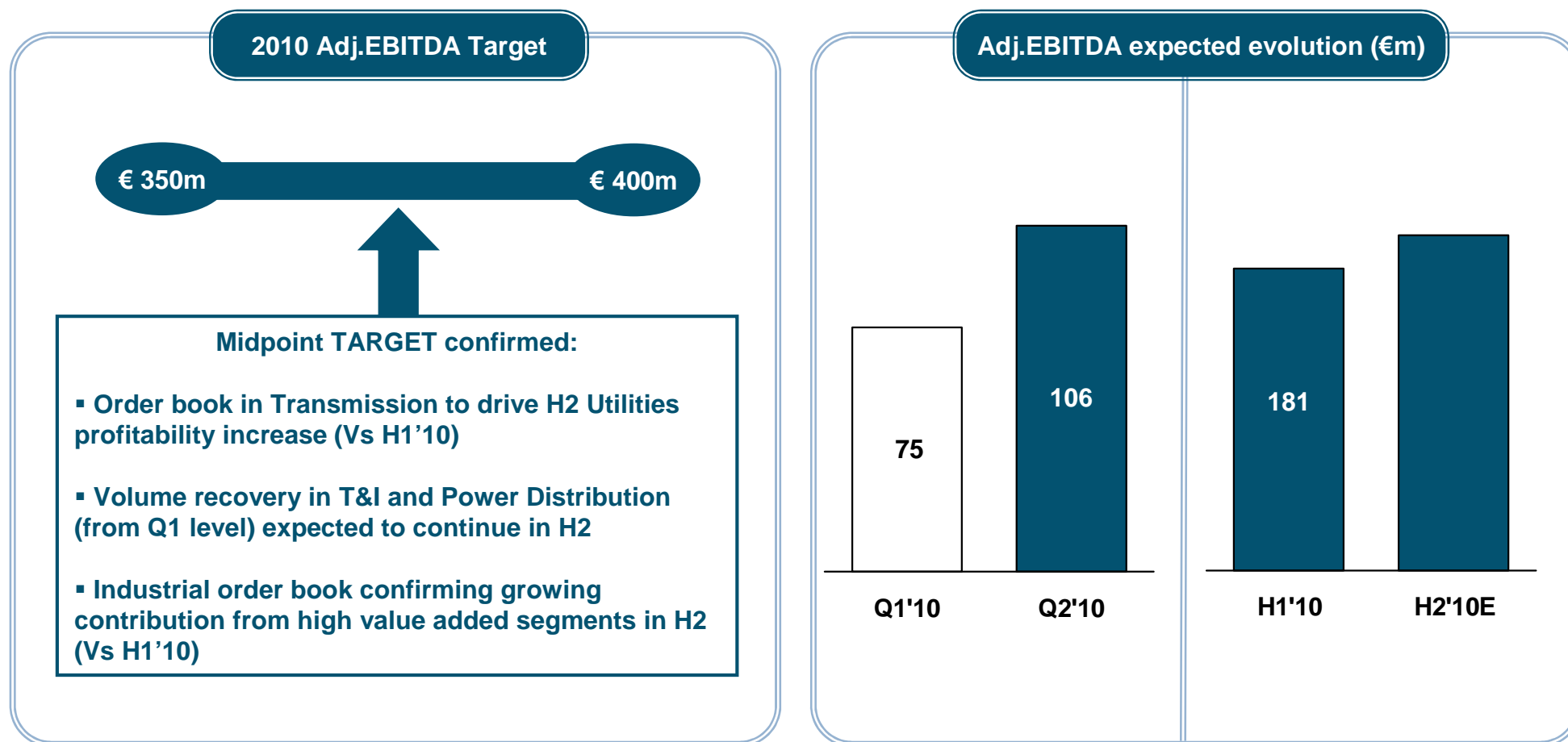
Organic Growth evolution (%)

	Q1 2010	Q2 2010
Utilities	-13.1%	+1.0%
Trade & Installers	-8.6%	+10.3%
Industrial	-17.3%	+1.0%
Total Energy	-11.7%	+4.7%
Total Telecom	-6.5%	+3.4%
Total Group	-11.2%	+4.3%

Adj. EBITDA evolution (€m)



2010 Outlook – Sales and profitability trend in line with expectations to achieve FY target



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➤ H1 2010 Highlights & Outlook 2010

➤ Financial Results

➤ Appendix

Profit and Loss Statement

Euro Millions

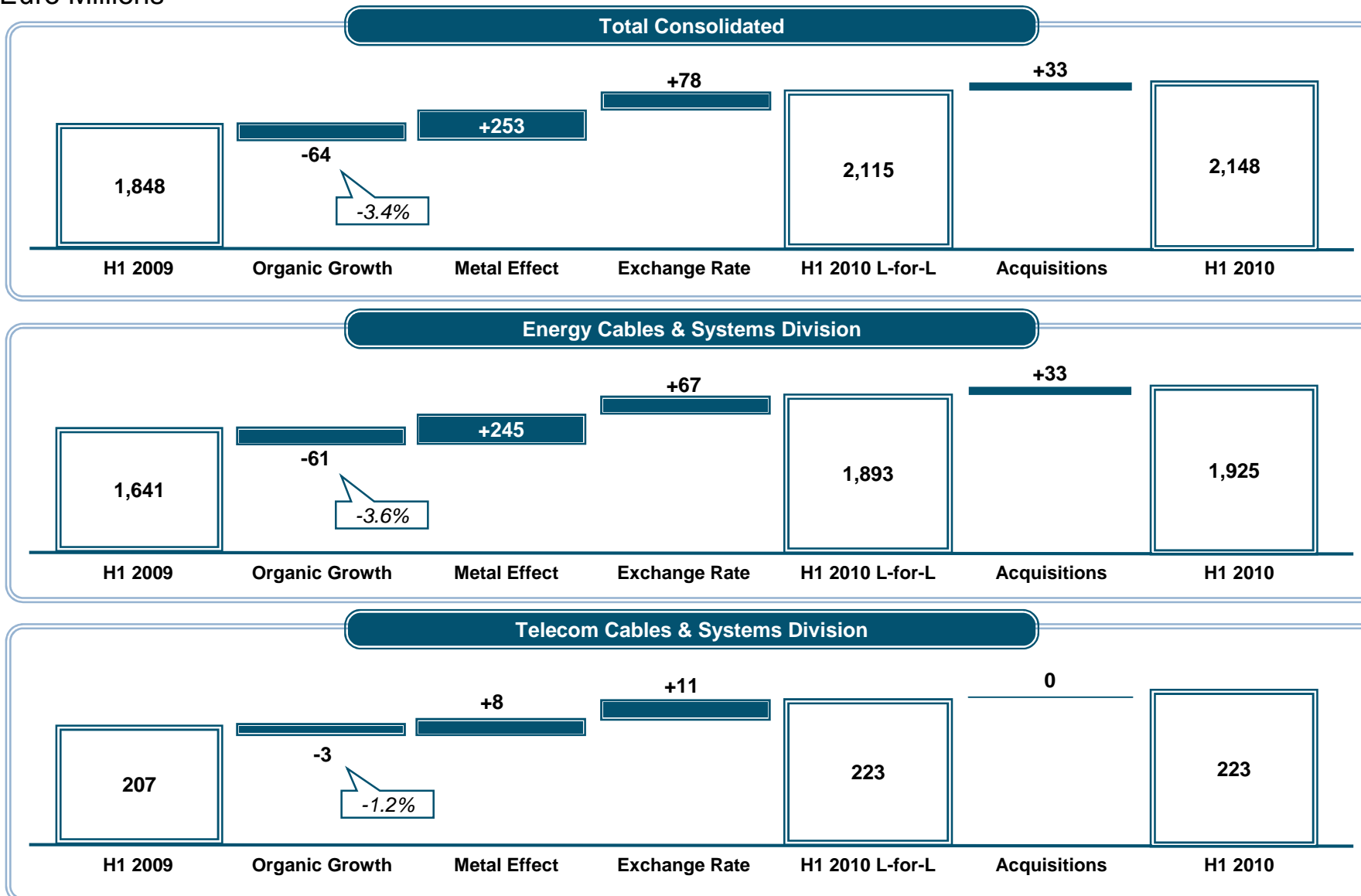
	H1 2009	H1 2010	FY 2009
Sales	1,848	2,148	3,731
<i>YoY total growth</i>	-30.5%	16.2%	-27.5%
<i>YoY like for like growth</i>	-31.1%	14.5%	-27.8%
<i>YoY organic growth</i>	-18.3%	-3.4%	-17.4%
Contribution Margin	393	387	791
<i>% on sales</i>	21.3%	18.0%	21.2%
Fixed Costs	(200)	(206)	(388)
Adj.EBITDA	193	181	403
<i>% on sales</i>	10.5%	8.4%	10.8%
<i>Non recurring items</i>	(13)	(6)	(37)
EBITDA	180	175	366
<i>% on sales</i>	9.8%	8.2%	9.8%
Adj.EBIT	161	143	334
<i>% on sales</i>	8.7%	6.7%	9.0%
<i>Non recurring items</i>	(13)	(6)	(37)
<i>Special items (1)</i>	75	(22)	89
EBIT	223	115	386
<i>% on sales</i>	12.1%	5.4%	10.3%
<i>Financial charges</i>	(16)	(51)	(49)
EBT	207	64	337
<i>% on sales</i>	11.2%	3.0%	9.0%
<i>Taxes</i>	(57)	(20)	(85)
<i>% on EBT</i>	27.5%	31.9%	25.2%
Net income	150	44	252
<i>Extraordinary items (after tax)</i>	56	(33)	46
Adj.Net income	94	77	206

Notes

(1) Starting from Q3'09 fair value of raw material derivatives (previously included in Financial charges) is included in Special items. 2009 comparable data have been revised accordingly

Sales Drivers Vs Third Parties

Euro Millions



Extraordinary Effects

Euro Millions

	H1 2009	H1 2010	FY 2009
Restructuring	(6)	(4)	(19)
Legal costs	(5)	-	(11)
Other	(2)	(2)	(7)
EBITDA adjustments	(13)	(6)	(37)
Special items	75	(22)	89
<i>Gain/(loss) on metal derivatives</i>	75	(17)	91
<i>Assets impairment (plant closure)</i>	-	(5)	(2)
EBIT adjustments	62	(28)	52
Gain/(Loss) on other derivatives (1)	(1)	(24)	(2)
Gain/(Loss) exchange rate	5	3	(1)
Other one-off financial Income/exp.	8	2	9
EBT adjustments	74	(47)	58
Tax	(18)	14	(12)
Net Income adjustments	56	(33)	46

Notes

(1) Including currency and interest derivatives

Financial Charges

Euro Millions

	H1 2009	H1 2010	FY 2009
Net interest expenses	(20)	(28)	(44)
- One-off effects	8	2	9
Bank fees Amortization	(2)	(3)	(5)
Gain/(loss) on exchange rates	5	3	(1)
Gain/(loss) on derivatives (1)	(1)	(24)	(2)
Net financial charges	(18)	(52)	(52)
Share in net income of associates	2	1	3
Total financial charges	(16)	(51)	(49)

Notes

(1) Including currency and interest derivatives

Statement of financial position (Balance Sheet)

Euro Millions

	H1 2009	H1 2010	FY 2009
Net fixed assets	925	1,034	958
Net working capital	533	570	479
<i>of which Derivatives assets/(liabilities)</i>	-	(27)	14
<i>Operative Net working capital</i>	533	597	465
Provisions	(87)	(104)	(123)
Net Capital Employed	1,371	1,500	1,314
Employee provisions	126	158	142
Shareholders' equity	585	667	698
<i>of which attributable to minority interest</i>	21	39	21
Net financial position	660	675	474
<i>Bank Fees</i>	(13)	(23)	(11)
<i>Net financial position vs Third Parties</i>	673	698	485
Total Financing and Equity	1,371	1,500	1,314

**Main effects
(H1'10 Vs FY'09):**

- Metal price: ~€ 81m
- Acquisitions: ~€ 14m
- Project Business: ~€ 15
- Currency translation: ~€ 12

Cash Flow

Euro Millions

	H1 2009	H1 2010	FY 2009	LTM H1 2010
Adj.EBITDA	193	181	403	391
Non recurring items	(13)	(6)	(37)	(30)
EBITDA	180	175	366	361
Equity Compensation IFRS2	-	-	1	1
Net Change in provisions	(16)	(15)	(12)	(11)
Cash flow from operations (before WC changes)	164	160	355	351
Working Capital changes	(82)	(140)	36	(22)
Paid Income Taxes	(34)	(20)	(62)	(48)
Cash flow from operations	48	0	329	281
Acquisitions	-	(20)	(3)	(23)
Net Operative CAPEX	(51)	(31)	(106)	(86)
Net Financial CAPEX	3	5	9	11
Free Cash Flow (unlevered)	0	(46)	229	183
Financial charges	(16)	(36)	(46)	(66)
Free Cash Flow (levered)	(16)	(82)	183	117
Dividends	(75)	(75)	(75)	(75)
Other Equity movements	3	13	5	15
Net Cash flow	(88)	(144)	113	57
Net financial position at the beginning of the period	(577)	(474)	(577)	(660)
Net cash flow	(88)	(144)	113	57
Other variations	5	(57)	(10)	(72)
Net financial position at the end of the period	(660)	(675)	(474)	(675)

Including ~€ 81m negative metal price effect

Including € 16m bank fees related to the new Forward Start Agreement and Eurobond

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Energy Segment: Profit and Loss Statement

Euro Millions

	H1 2009	H1 2010	FY 2009
Sales	1,649	1,935	3,344
Sales vs. Third Parties	1,641	1,925	3,328
<i>YoY total growth</i>	-30.6%	17.3%	-27.8%
<i>YoY like for like growth</i>	-31.1%	15.3%	-28.1%
<i>YoY organic growth</i>	-17.6%	-3.6%	-17.0%
Contribution Margin	348	343	706
<i>% on sales</i>	21.1%	17.7%	21.1%
Fixed Costs	(171)	(179)	(334)
Adj. EBITDA	177	164	372
<i>% on sales</i>	10.7%	8.5%	11.1%
Adj. EBIT	148	130	309
<i>% on sales</i>	9.0%	6.7%	9.3%

Energy – Sales by business area

Euro Millions, % of Sales Growth

	H1 2009	H1 2010	Total Growth	Organic Growth
Utilities	801	829		
<i>of which to third parties</i>	801	829	3.5%	-5.9%
Trade & Installers	489	699		
<i>of which to third parties</i>	489	699	43.0%	1.0%
Industrial	314	344		
<i>of which to third parties</i>	314	344	9.4%	-8.9%
Others	45	63		
<i>of which to third parties</i>	37	53	n.m.	n.m.
Total Energy	1,649	1,935		
<i>of which to third parties</i>	1,641	1,925	17.3%	-3.6%

Energy – Profitability by business area

Euro Millions, % of Sales

	H1 2009	H1 2010	H1 2009 % of Sales	H1 2010 % of Sales
Adjusted EBITDA				
Utilities	126	120	15.8%	14.4%
Trade & Installers	23	20	4.6%	2.9%
Industrial	26	26	8.4%	7.7%
Others	2	-2	n.m.	n.m.
Total Energy	177	164	10.7%	8.5%
Adjusted EBIT				
Utilities	112	103	13.9%	12.4%
Trade & Installers	15	13	3.1%	1.8%
Industrial	19	17	6.1%	5.0%
Others	2	-3	n.m.	n.m.
Total Energy	148	130	9.0%	6.7%

Telecom Segment: Profit and Loss Statement

Euro Millions

	H1 2009	H1 2010	FY 2009
Sales	211	225	411
Sales vs. Third Parties	207	223	403
<i>YoY total growth</i>	-29.6%	8.1%	-24.8%
<i>YoY like for like growth</i>	-29.8%	8.1%	-24.9%
<i>YoY organic growth</i>	-24.1%	-1.2%	-20.7%
Contribution Margin	44	44	85
<i>% on sales</i>	21.0%	19.6%	20.7%
Fixed Costs	(28)	(27)	(54)
Adj. EBITDA	16	17	31
<i>% on sales</i>	7.6%	7.4%	7.6%
Adj. EBIT	13	13	25
<i>% on sales</i>	6.1%	5.8%	6.1%

Net Working Capital

Euro Millions

	H1 2009	H1 2010	FY 2009
Inventories	476	608	443
Trade accounts receivables	680	828	622
Trade accounts payables	(556)	(818)	(561)
Other receivables/(payables)	(67)	(21)	(39)
Operative Net working capital	533	597	465
Derivatives assets/(liabilities)	-	(27)	14
Net working capital	533	570	479
% Operative NWC of sales (1)	14.5%	12.7%	12.2%

Notes

(1) % of sales is defined as Operative Net Working Capital on annualized last quarter sales

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