

# Company Presentation

October 2011



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

**Prysmian**  
Group



# AGENDA

## ➤ Group Overview

- Draka integration
- Financial Results
- Appendix

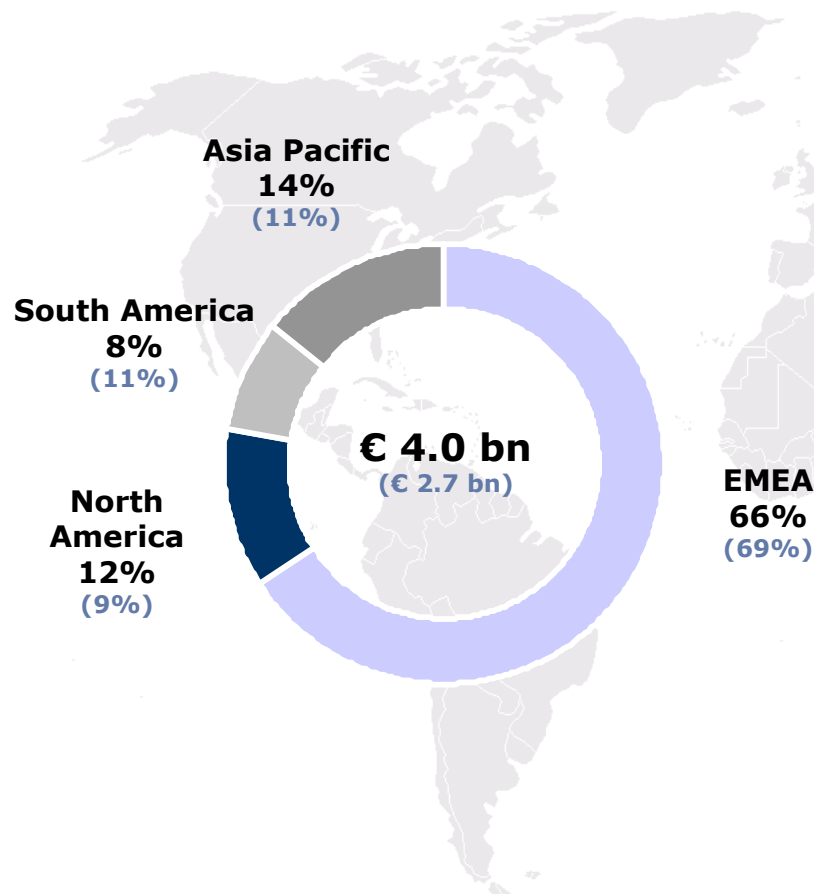


# The new Prysmian Group

Leading player in all market segments with a wider geographical presence

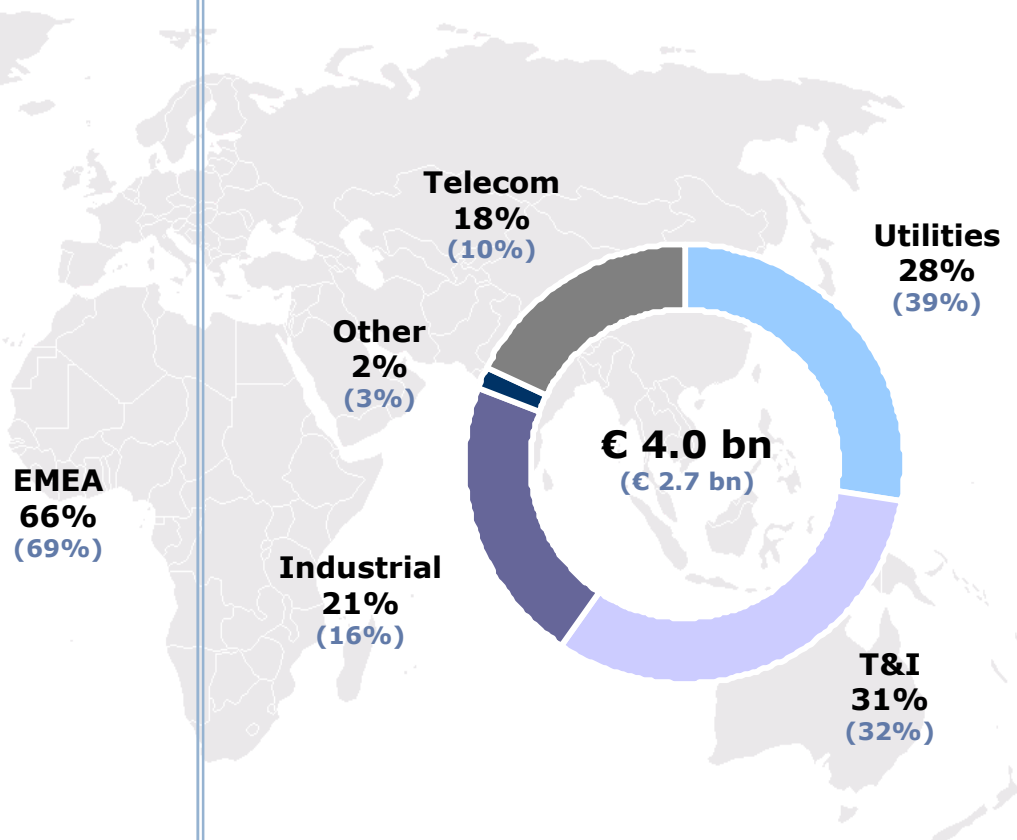
## Sales breakdown by geographical area

Full H1 2011 combined  
(H1 2011 Prysmian excl. Draka)



## Sales breakdown by business area

Full H1 2011 combined  
(H1 2011 Prysmian excl. Draka)



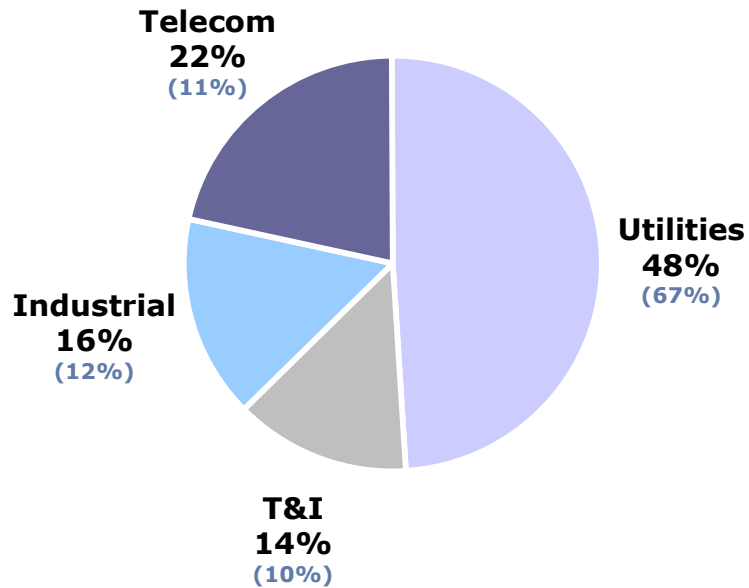
# Sound organic growth supporting profitability increase across all segments

Utilities and Telecom as key drivers

## Adj. EBITDA breakdown

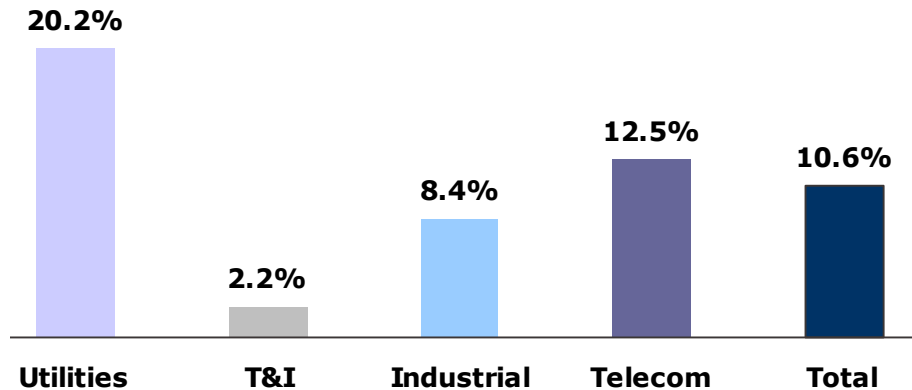
Full H1 2011 combined  
(H1 2011 Prysmian excl. Draka)

€ 287 mln  
(€ 201 mln)



## H1'11 Combined Organic Growth (Vs H1'10)

Full H1 combined

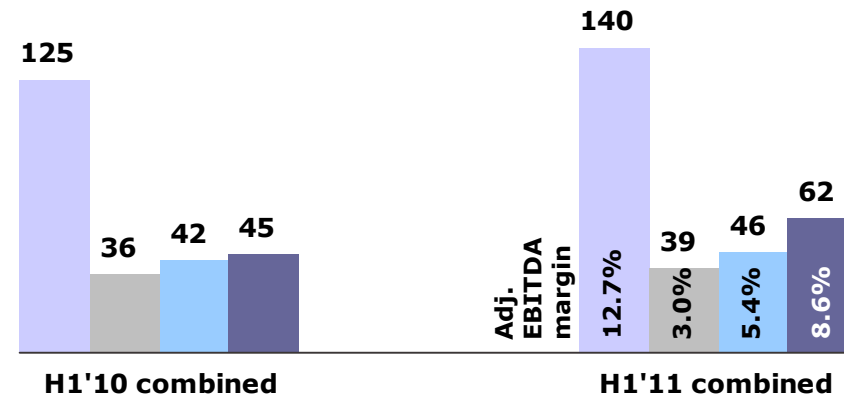


## Adj. EBITDA evolution by business

Full H1 combined

€ 246 mln <sup>(1)</sup>

€ 287 mln

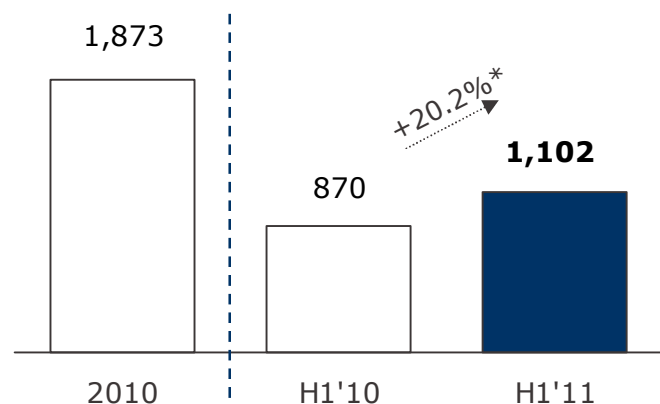


(1) Includes Other (-€ 2mln)

# Utilities

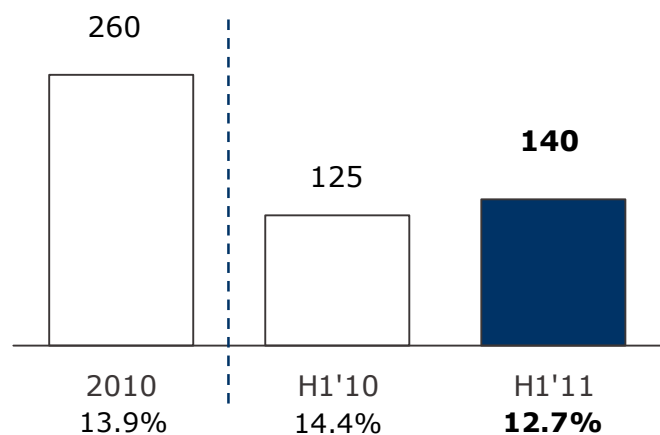
Euro Millions, % of Sales – Full Combined Results

## Sales Vs Third Parties



\* Organic Growth

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



(1) Adjusted excluding non-recurring income/expenses

## Highlights

### DISTRIBUTION

- Grid maintenance capex coming back to pre-crisis level
- Double digit volume growth confirmed in Q2'11 (Vs Q2'10) driven by all geographical areas excluding North America
- Australia and India leading strong performance in Asia-Pacific region
- Gradual improvement in profitability expected during the year thanks to better operating leverage despite still high oil derivatives price
- 10,000 km of P-laser cables installed in Italy; introduction to other European countries from H2

### TRANSMISSION – HV

- Sales increase in H1 mainly driven by new projects in Europe and land connections of renewable energies
- Higher contribution expected in H2 (Vs H1) based on strong order book in Europe and sound demand in emerging markets (China, Russia and Middle East)
- Slight sales increase in US but demand still at low level
- New underground projects in South America and first in India

### TRANSMISSION – Submarine

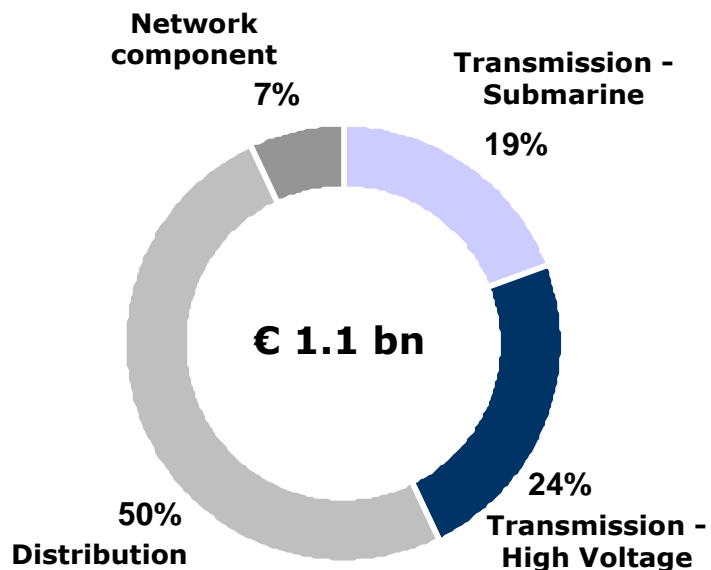
- Orders backlog expected to increase during the year thanks to new sub sea interconnections and off-shore wind-farms in Europe
- Limited growth in 2011 due to capacity saturation; new capacity in place from Q3 to grow next year
- Leadership confirmed in large projects with new Hudson and Helwin II awards
- Order book in the new inter-array business covering 1 year of production capacity

# Utilities – Transmission

Long term drivers supporting orders backlog at peak level with potential to further increase

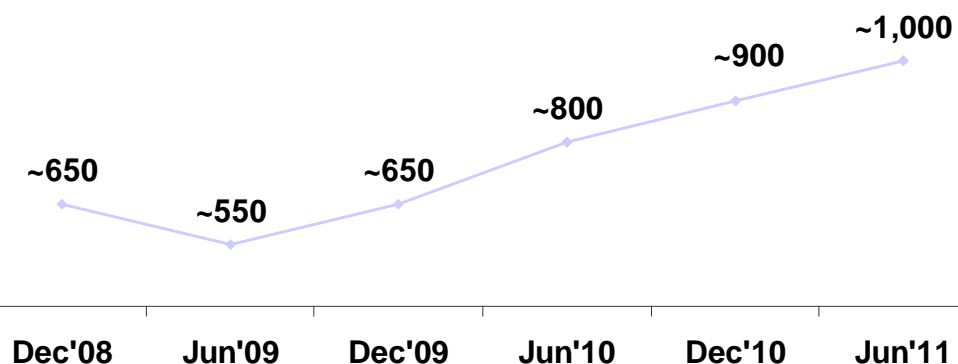
## Utilities – Sales breakdown

Full H1 2011 combined



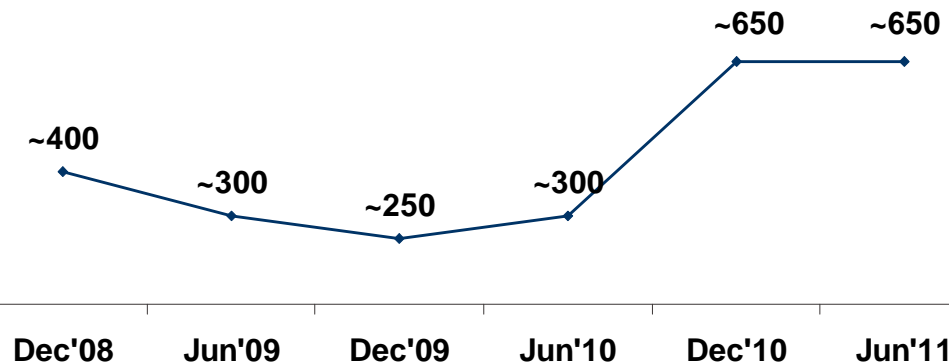
## Submarine (€ million)

Orders Backlog evolution



## High Voltage (€ million)

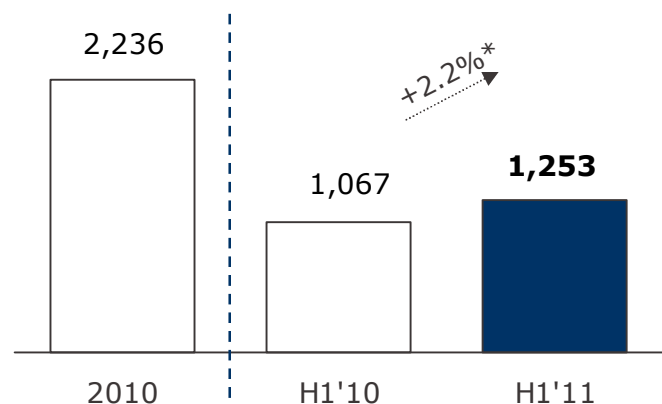
Orders Backlog evolution



# Trade & Installers

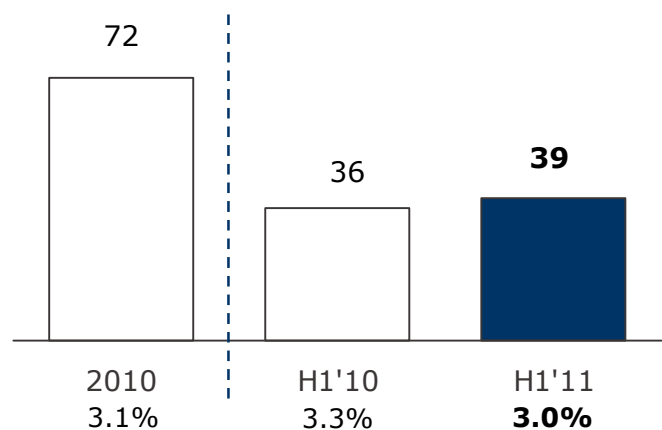
Euro Millions, % of Sales – Full Combined Results

## Sales Vs Third Parties



\* Organic Growth

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



(1) Adjusted excluding non-recurring income/expenses

## Highlights

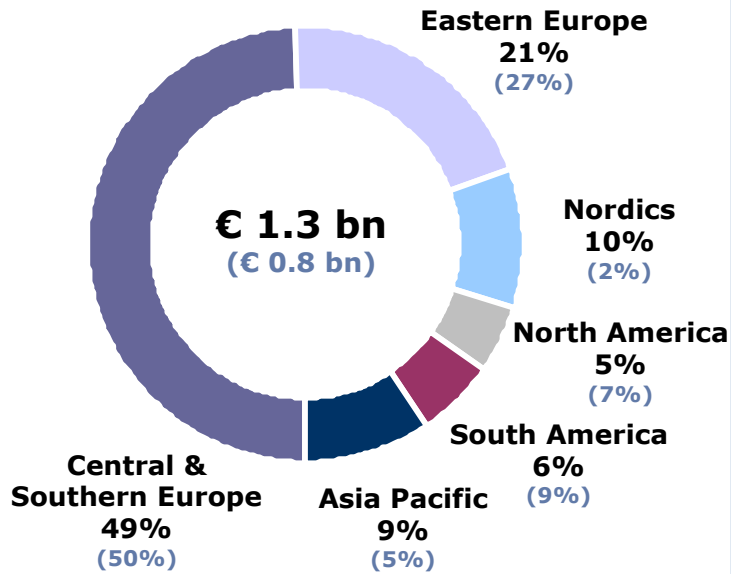
- Metal price volatility negatively affected volume in Q2'11 mainly in Europe
- Gradual recovery trend in underlying demand driven by Eastern Europe, Scandinavian countries and North/South America.
- Still low demand in Central/South European countries with further deterioration in Spain
- Draka integration as key driver for production capacity optimization, growing exposure to high profitable countries, lean costs structure and better customer service
- Lower volume in the high profitable solar products due to incentives reduction in Italy and Germany (expected to recover from H2'11)
- Slight price improvement in H1'11 but still far from reasonable level

# Trade & Installers

Improving geographical mix with higher exposure to Nordics and APAC (excl.China)

## Sales breakdown by geographical area

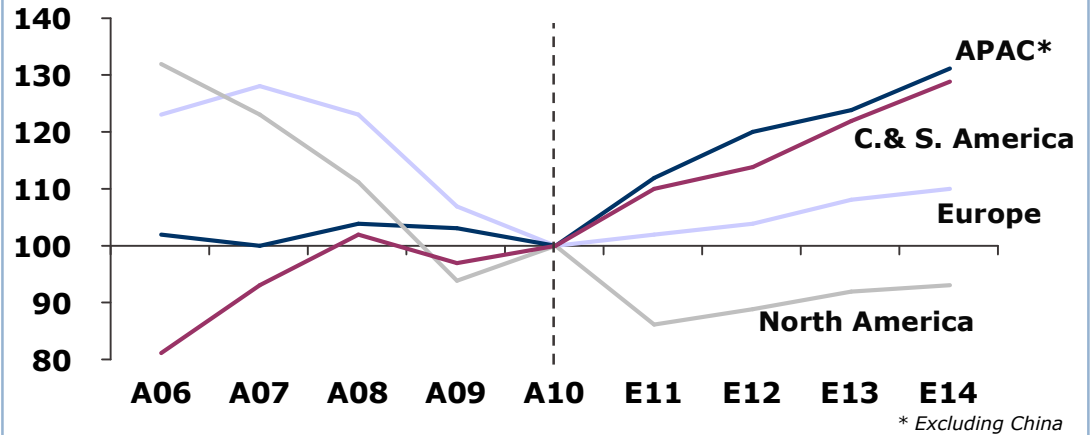
Full H1 2011 combined  
(H1 2011 Prysmian excl.Draka)



Nordics: Norway, Sweden, Finland, Denmark, Estonia  
Eastern Europe: Austria, Czech Rep, Slovakia, Hungary, Romania, Turkey, Russia

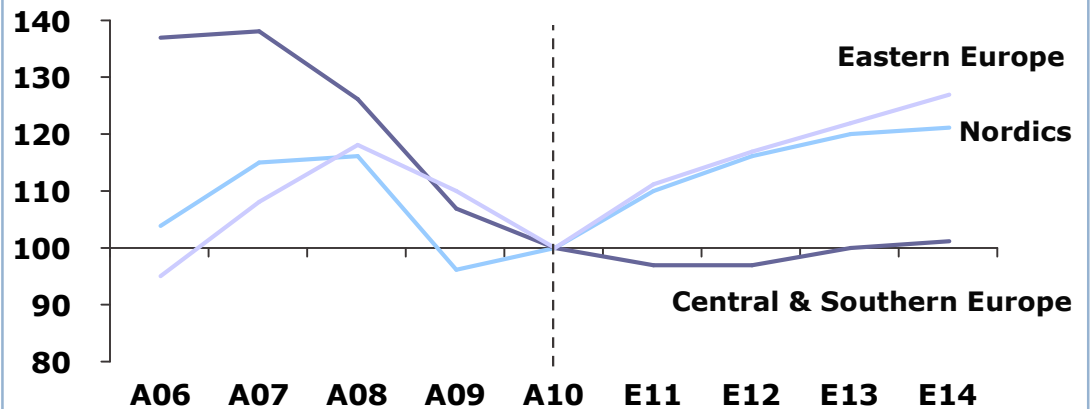
## Total New Construction Output Worldwide

2010 = 100



## Focus on New Construction Output in Europe

2010 = 100

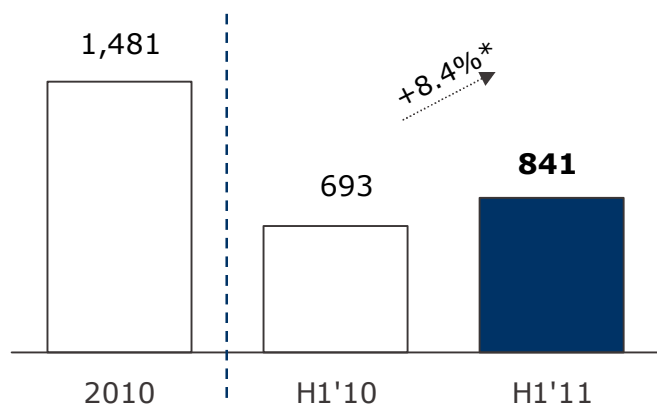


Source: Cresme Ricerche - Euroconstruct, June 2011

# Industrial

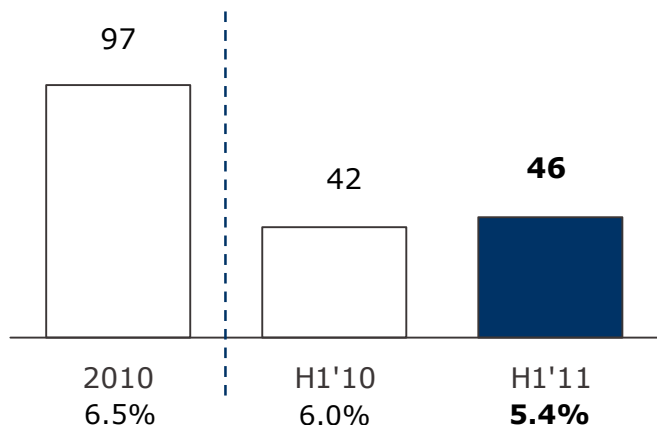
Euro Millions, % of Sales – Full Combined Results

## Sales Vs Third Parties



\* Organic Growth

## Adjusted EBITDA (1)



(1) Adjusted excluding non-recurring income/expenses

## Highlights

### OGP

- Growing order-book driven by Extra European countries to increase sales contribution in H2 (Vs H1). Positive demand in APAC, US, Middle East and new projects in South America
- Still low volumes in Europe and weak business in North Africa due to political unrest

### SURF

- Flexible pipes plant up and running with first test deliveries of 4.0" and 2.5" flowlines to Petrobras in Q2. Strong orders intake in umbilicals to support growth in H2

### Renewable

- High growth in Wind in China and Australia offsetting low demand in Europe. Australia and Latin America as new drivers for the wind market
- Solar: lower volumes in H1 due to incentives reduction in Europe, higher volumes expected in H2 thanks to order-book recovery in Germany. New projects in Turkey and North America

### Automotive

- Increase in US market balancing lower volumes in the Japanese market. Stable demand and pricing in Europe with first deliveries in Russia

### Elevator

- Growing volume in China but stable demand in the key US market

### Specialties & OEM

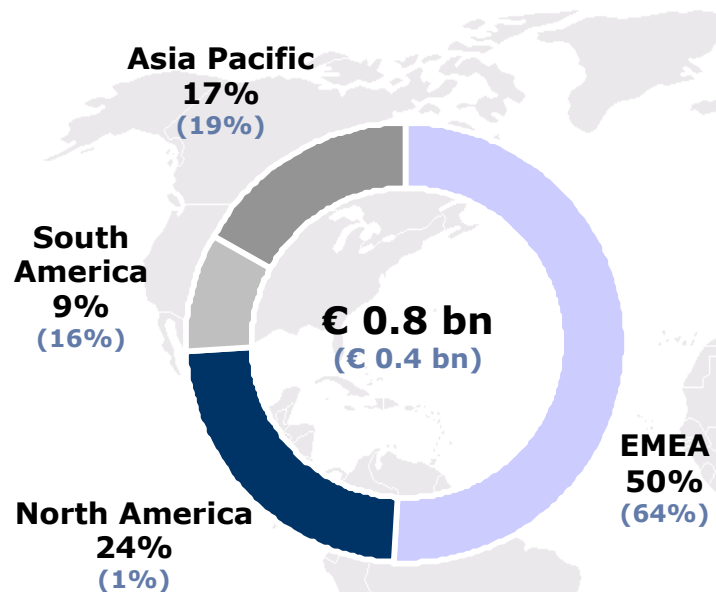
- Positive trend in Mining, Railway, Aerospace and Nuclear. Still weak demand in Marine and Crane

# Industrial

A leading presence worldwide

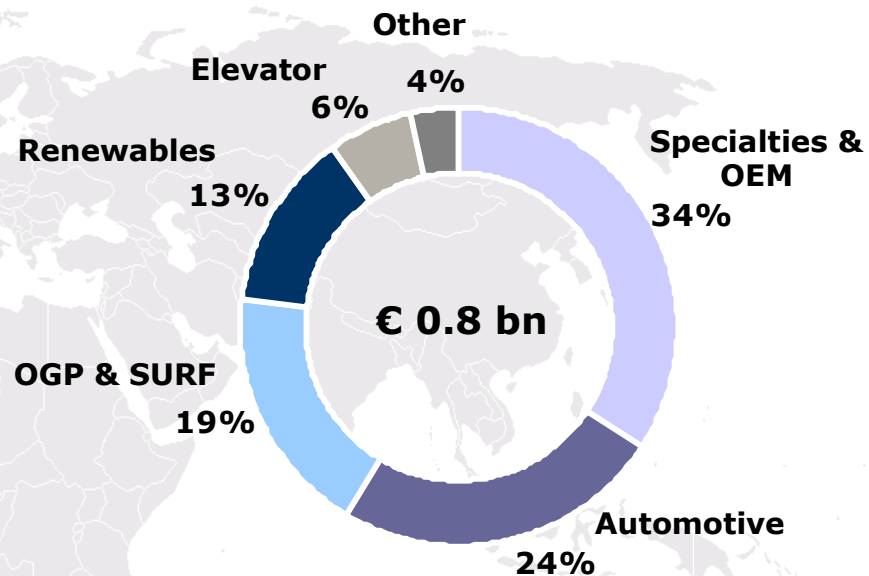
## Sales breakdown by geographical area

Full H1 2011 combined  
(H1 2011 Prysmian excl. Draka)



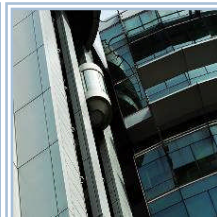
## Sales breakdown by business segment

Full H1 2011 combined



Increased exposure to North America

Wider presence in all the market segments

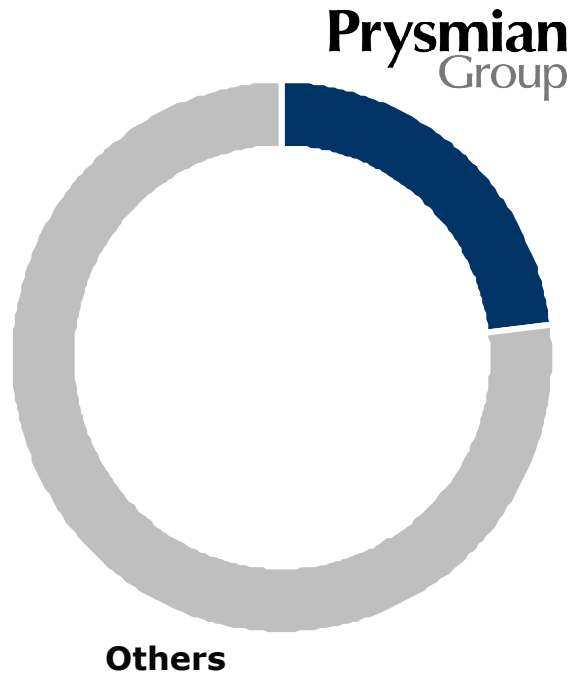


# Industrial

Leadership in the most promising segment

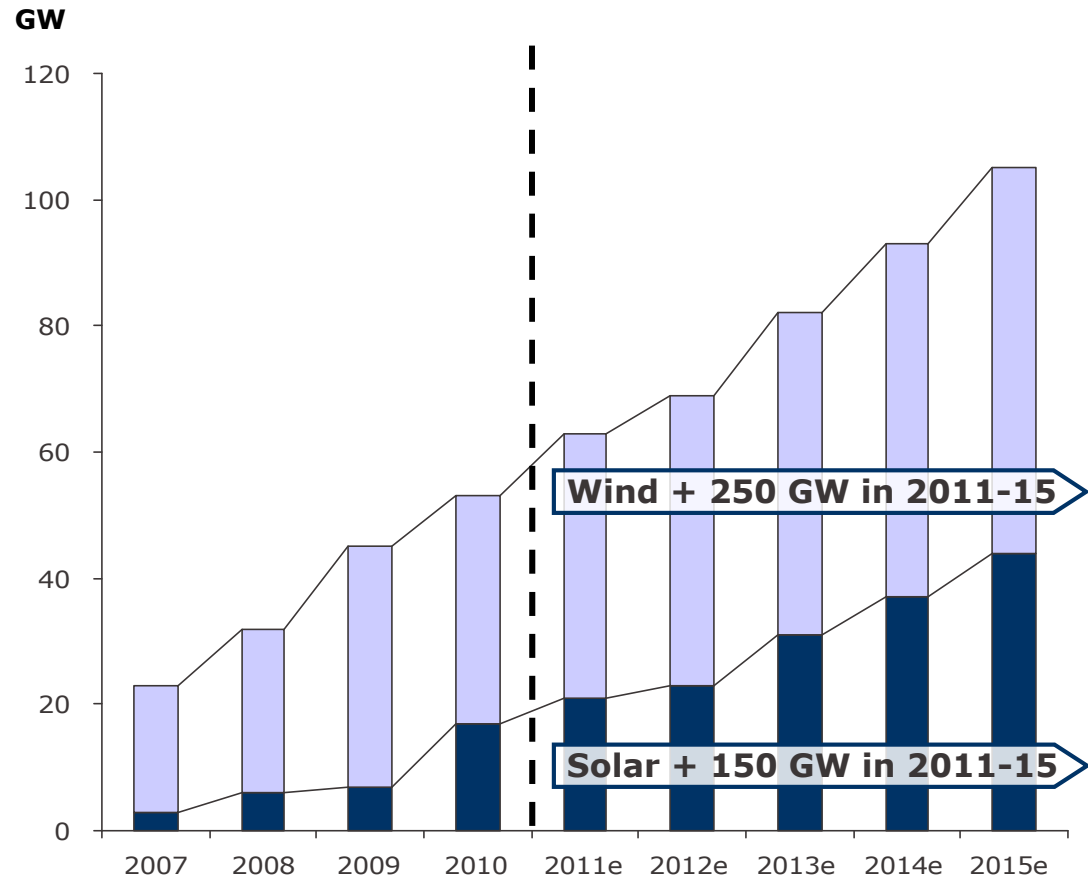
**New Leader in Renewables...**

**Prysmian Group market share\***



**...leveraging on global exposure to high growth trend**

**Worldwide annual capacity increase**



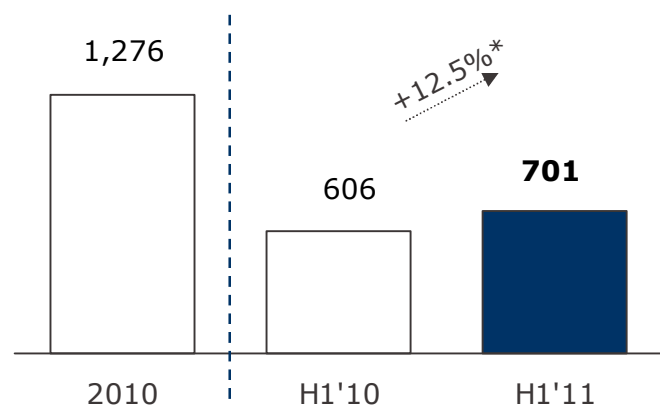
\* Company estimates based on GWEC and EPIA. Market share related to combined Solar and Wind on-shore segments

Source: EPIA Global Market Outlook 2015(March 2011), GWEC Global Wind Report (March 2011)

# Telecom

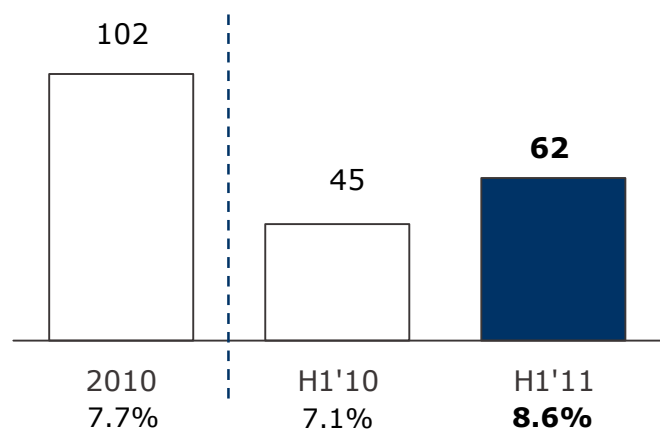
Euro Millions, % of Sales – Full Combined Results

## Sales Vs Third Parties



\* Organic Growth

## Adjusted EBITDA (1)



(1) Adjusted excluding non-recurring income/expenses

## Highlights

### Optical / Fiber

- Growing demand in optical across all geographical areas
  - Upgrade of metropolitan ring networks in developed countries and new backbone connections in emerging markets
  - Improving demand in Europe mainly driven by UK, Nordics, Eastern Europe, Benelux and Spain. New projects in Russia
  - Stimulus packages sustaining positive trend in US
  - High double digit sales growth expected in Brazil and Australia thanks to new backbone connections. First deliveries to NBN in Q3
  - Profitability improvement thanks to better geographical mix, operating leverage and higher fibre capacity

### Multimedia & Specials

- Sales increase in H1 driven by Europe, particularly in Germany and France
- Improvement in profitability due to fixed costs optimization and production capacity rationalization

### OPGW

- Positive demand in Italy and France. Lower volumes in Libya offset by North Africa/Middle East and Asia

### Copper

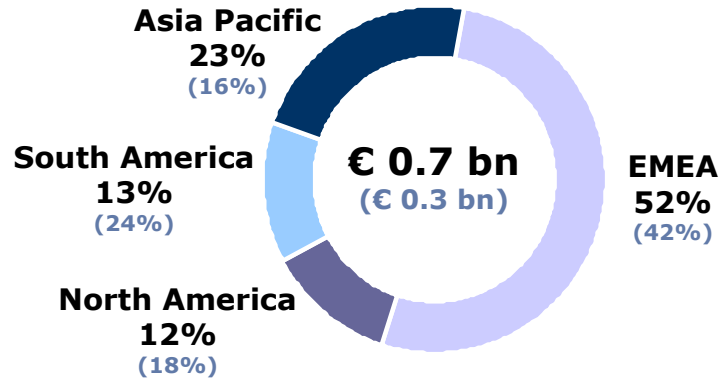
- Volumes recovery driven by Brazil, Australia and France

# Telecom

A more diversified portfolio to strengthen market presence worldwide

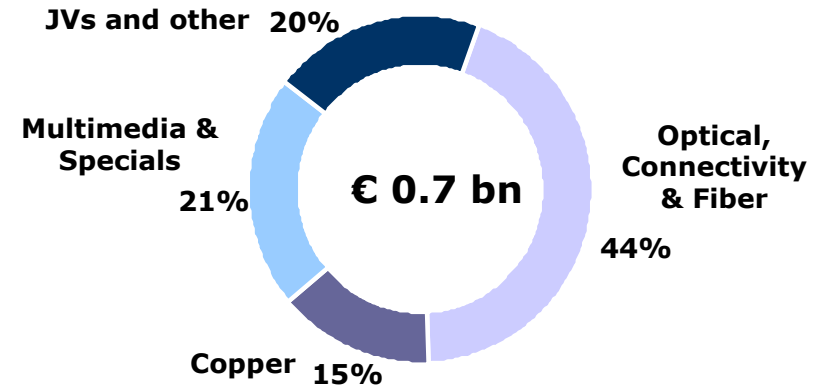
## Sales breakdown by geographical area

Full H1 2011 combined  
(H1 2011 Prysmian excl. Draka)



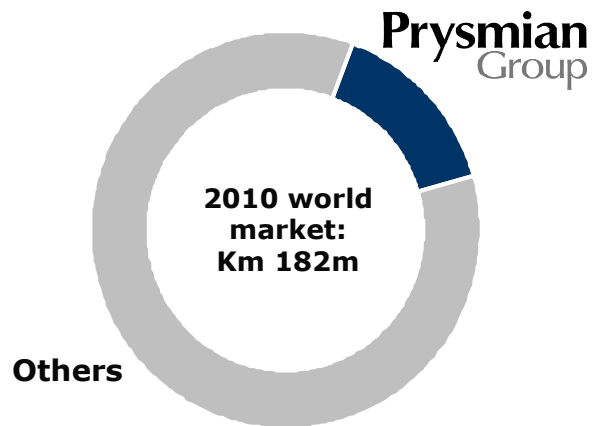
## Sales breakdown by business segment

Full H1 2011 combined



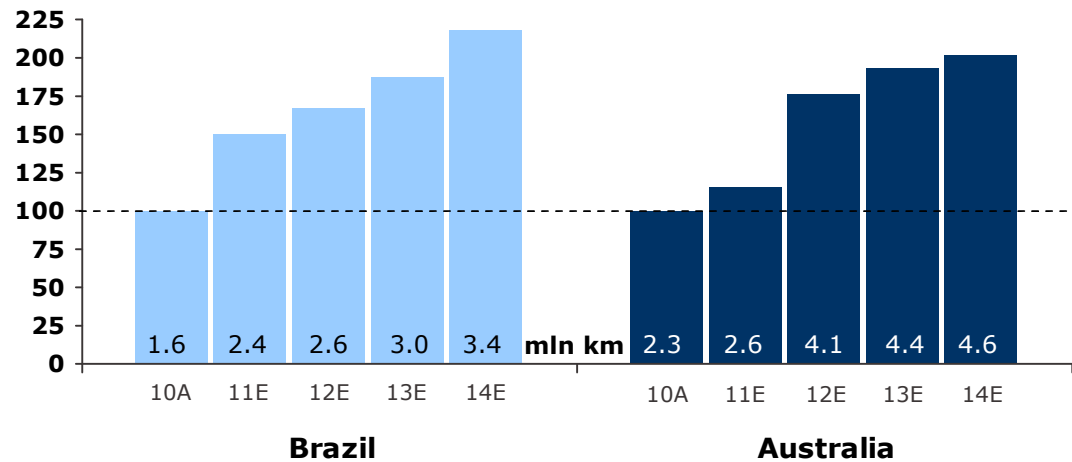
## New Leader in Optical fiber cables...

Prysmian Group market share\*



## ...with strong presence in the fastest growing markets (e.g. Brazil & Australia)

Consumption of fiber optic cable (2010 = 100)



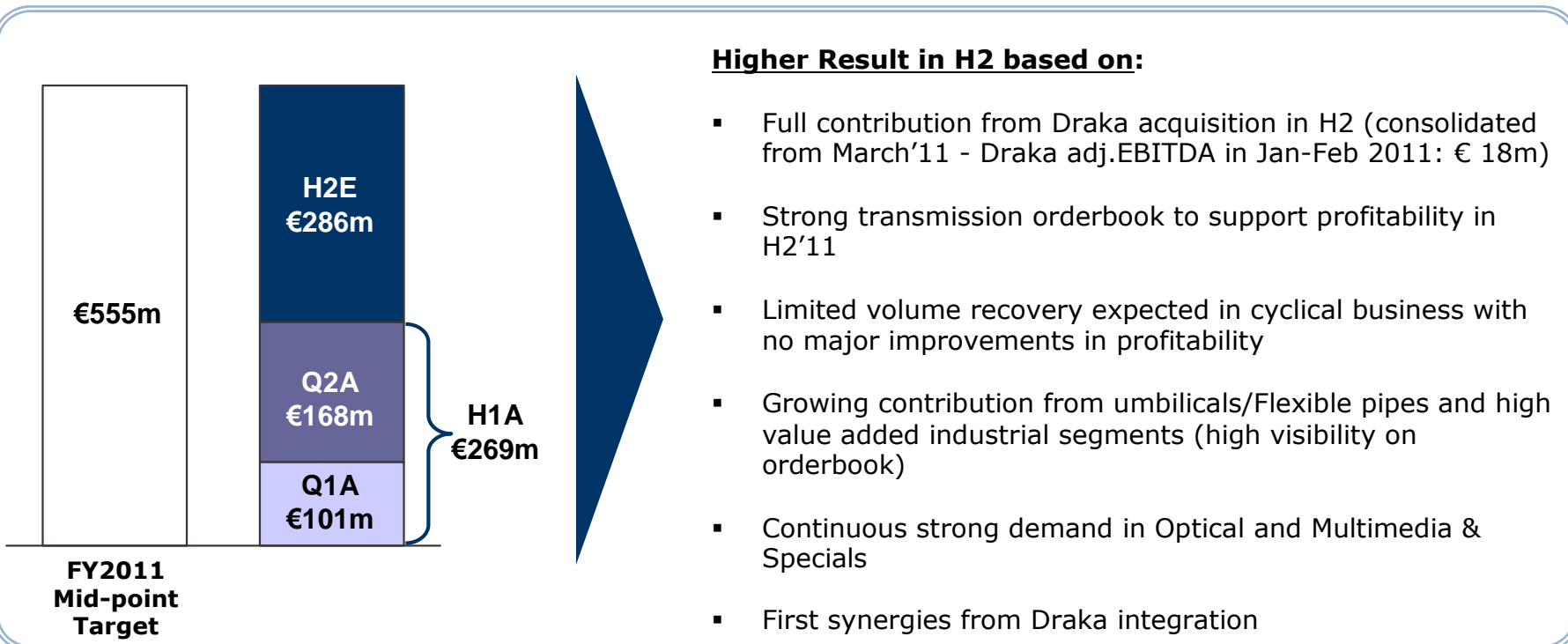
\* Company estimates based on CRU

Source: CRU, April 2011

# 2011 Outlook

H1 profitability fully confirm FY mid-point Target

FY 2011 Adj. EBITDA Target confirmed <sup>(1)</sup>



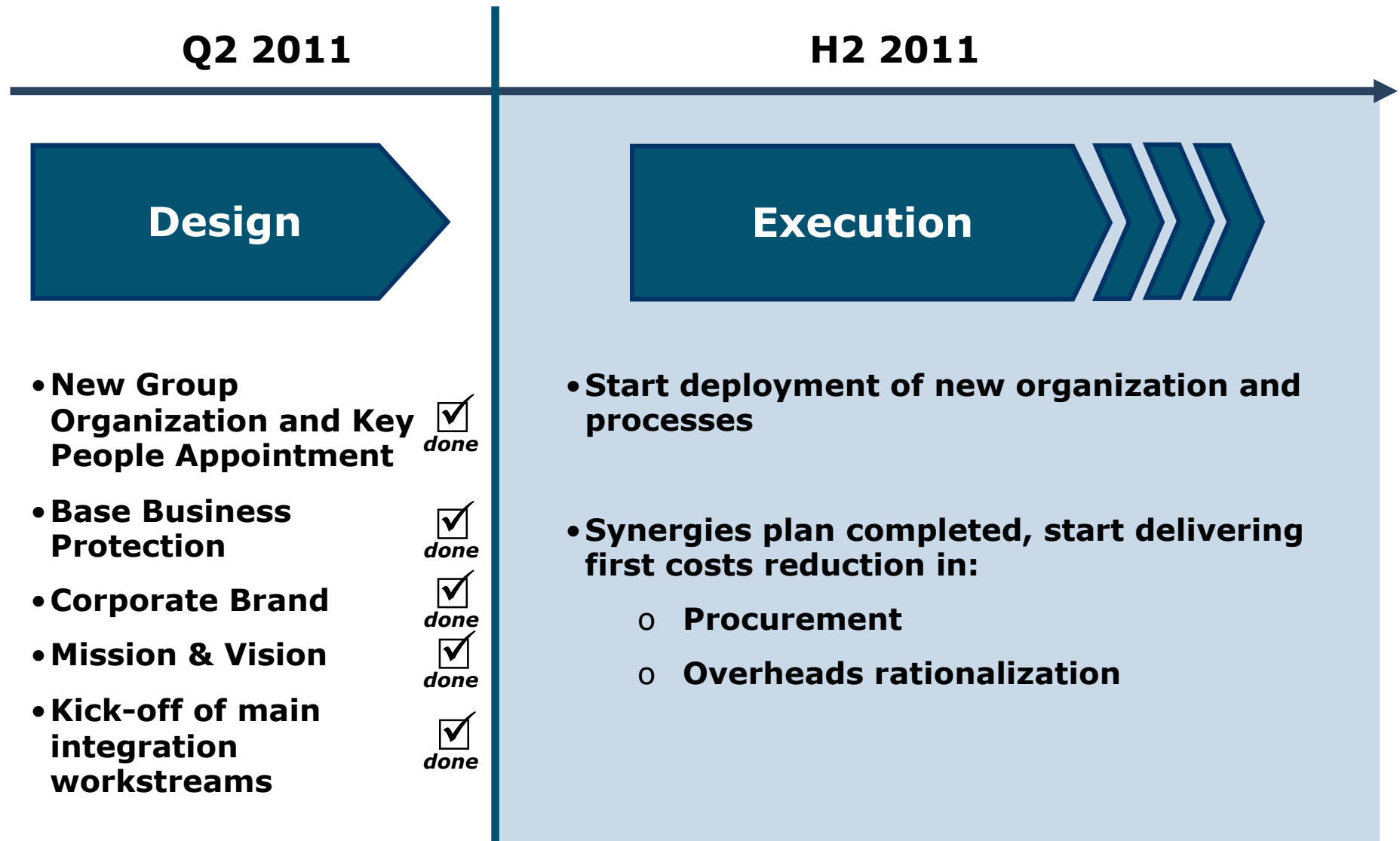
(1) Draka consolidated from 1 March 2011 (10 months)

# AGENDA

- Group Overview
- **Draka integration**
- Financial Results
- Appendix

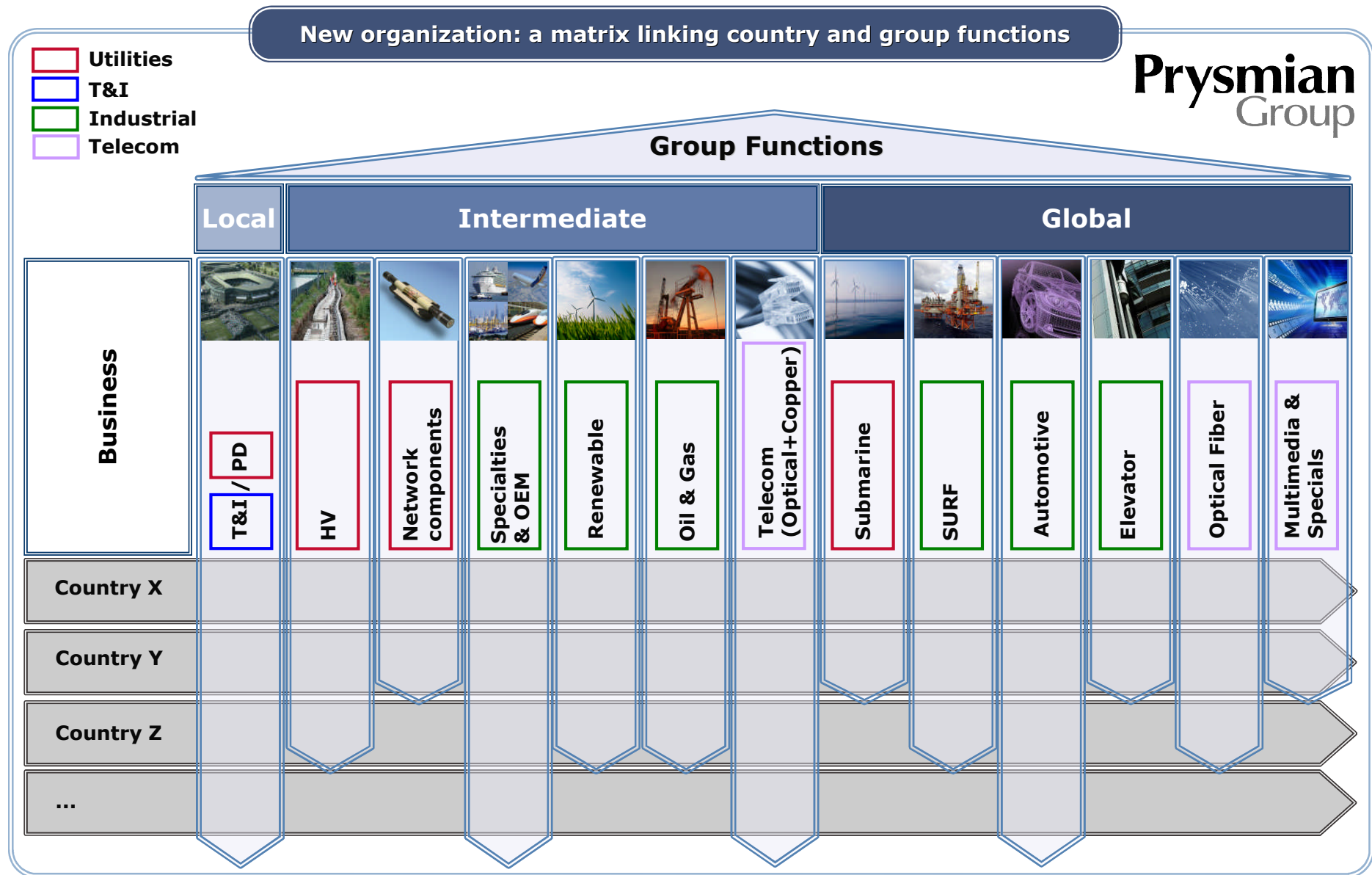
# Integration process

## Overview



# The new organization model

To strengthen leadership in all business segments leveraging on a global platform



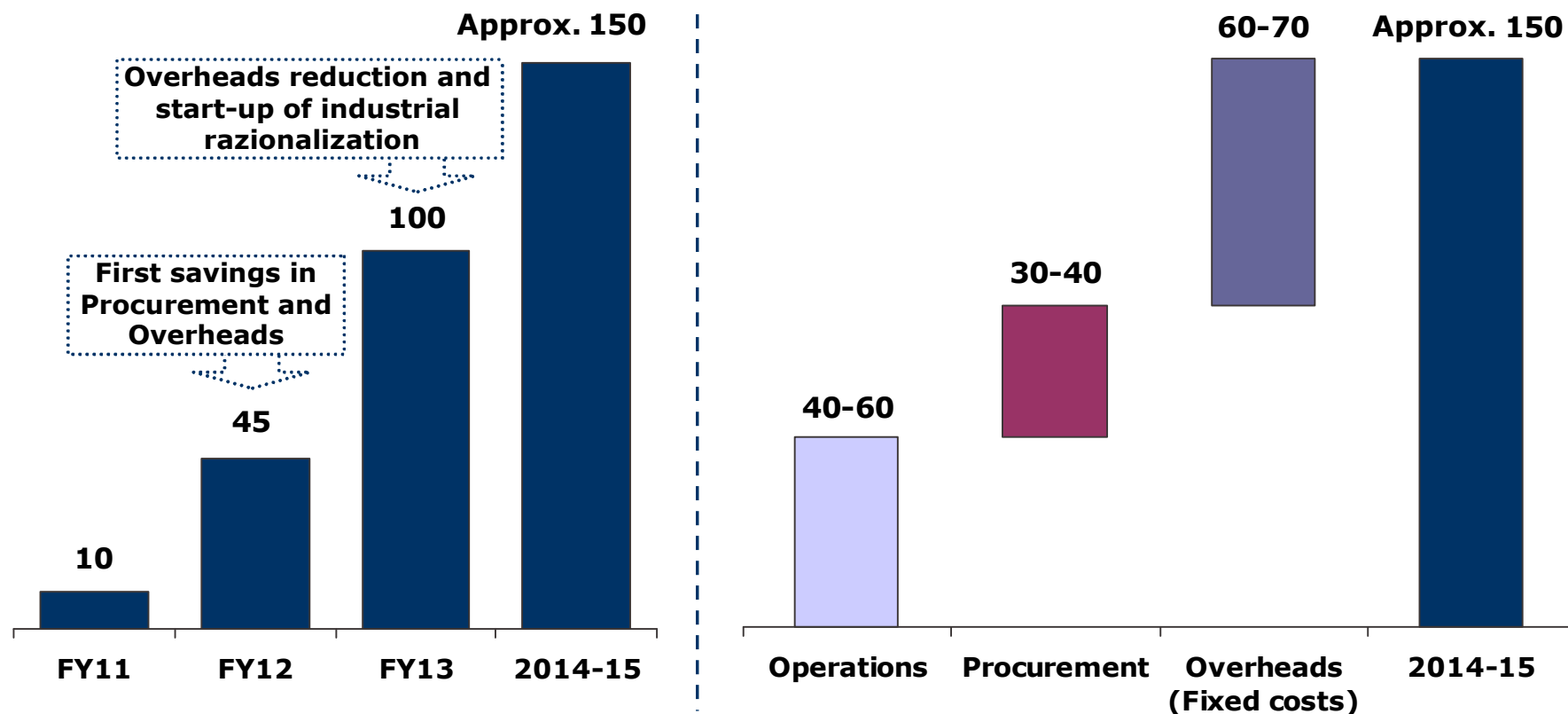
# Synergies Plan

Upgrading initial synergies target

## New Synergies plan (€ m)

- Strong contribution to FY2012 Adj.EBITDA
- Target of € 100 mln in FY2013

- Upgrade to € 150m yearly synergies at run-rate
- Restructuring process to be completed within 2014 (run-rate in 2015)



Net Restructuring costs (cash) in the region of € 200 mln over the integration period

# AGENDA

- Group Overview
- Draka integration
- **Financial Results**
- Appendix

# Profit and Loss Statement

Euro Millions

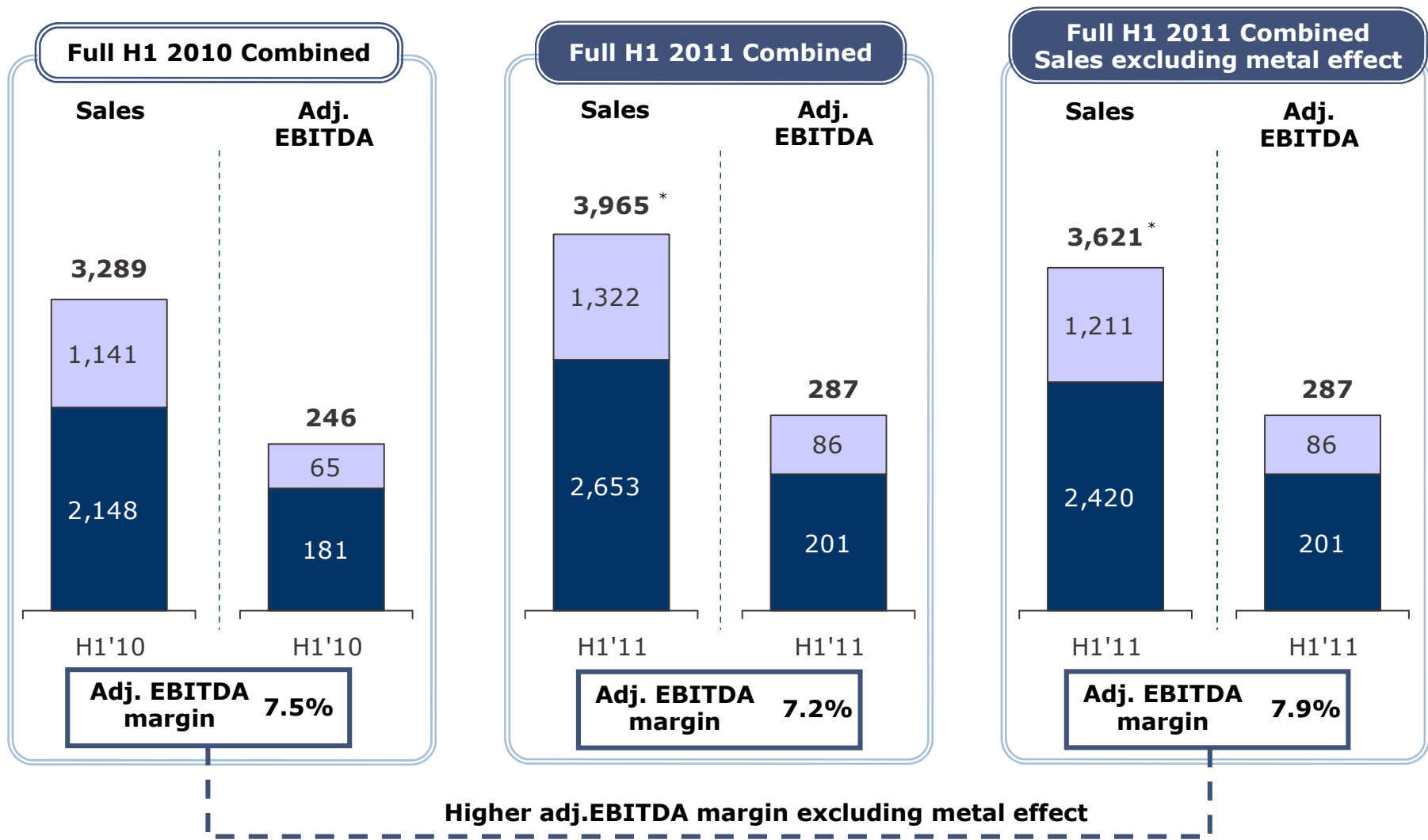
	H1 2011 Reported <sup>a)</sup>				Full H1 2010 Combined <sup>b)</sup>			Full H1 2011 Combined <sup>b)</sup>			
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total	PRY	DRAK	Cons. adj.	Total
<b>Sales</b>	<b>2,653</b>	<b>931</b>	<b>(10)</b>	<b>3,574</b>	<b>2,148</b>	<b>1,141</b>	<b>3,289</b>	<b>2,653</b>	<b>1,322</b>	<b>(10)</b>	<b>3,965</b>
YoY total growth	23.6%	13.1%		66.4%	16.2%	12.3%	-	23.6%	15.8%		20.6%
YoY organic growth	13.0%	6.5%			-3.4%	-0.6%	-	13.0%	6.0%		10.6%
<b>Adj.EBITDA</b>	<b>201</b>	<b>68</b>	<b>-</b>	<b>269</b>	<b>181</b>	<b>65</b>	<b>246</b>	<b>201</b>	<b>86</b>	<b>-</b>	<b>287</b>
% on sales	7.6%	7.3%		7.5%	8.4%	5.7%	7.5%	7.6%	6.5%		7.2%
Non recurring items	(222)	(7)	(14)	(243)	(6)	(22)	(28)				
<b>EBITDA</b>	<b>(21)</b>	<b>61</b>	<b>(14)</b>	<b>26</b>	<b>175</b>	<b>43</b>	<b>218</b>				
% on sales	-0.8%	6.6%		0.7%	8.2%	3.8%	6.6%				
<b>Adj.EBIT</b>	<b>163</b>	<b>47</b>	<b>(6)</b>	<b>204</b>	<b>143</b>	<b>34</b>	<b>177</b>	<b>163</b>	<b>55</b>	<b>(6)</b>	<b>212</b>
% on sales	6.1%	5.0%		5.7%	6.7%	3.0%	5.4%	6.1%	4.2%		5.3%
Non recurring items	(222)	(7)	(14)	(243)	(6)	(22)	(28)				
Special items	(30)	(3)	-	(33)	(22)	-	(22)				
<b>EBIT</b>	<b>(89)</b>	<b>37</b>	<b>(20)</b>	<b>(72)</b>	<b>115</b>	<b>12</b>	<b>127</b>				
% on sales	-3.4%	4.0%		-2.0%	5.4%	1.1%	3.9%				
Financial charges	(47)	(6)	(5)	(58)	(51)	(11)	(62)				
<b>EBT</b>	<b>(136)</b>	<b>31</b>	<b>(25)</b>	<b>(130)</b>	<b>64</b>	<b>1</b>	<b>65</b>				
% on sales	-5.1%	3.3%		-3.7%	3.0%	0.1%	2.0%				
Taxes	(21)	(10)	5	(26)	(20)	1	(19)				
% on EBT	n.m.	n.m.		n.m.	31.9%	35.8%	29.2%				
<b>Net income</b>	<b>(157)</b>	<b>21</b>	<b>(20)</b>	<b>(156)</b>	<b>44</b>	<b>2</b>	<b>46</b>				
Extraordinary items (after tax)	(249)	(9)	(11)	(269)	(33)	(19)	(52)				
<b>Adj.Net income</b>	<b>92</b>	<b>30</b>	<b>(9)</b>	<b>113</b>	<b>77</b>	<b>21</b>	<b>98</b>				

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 6 months

# Combined adj.EBITDA margin H1 2011 Vs H1 2010

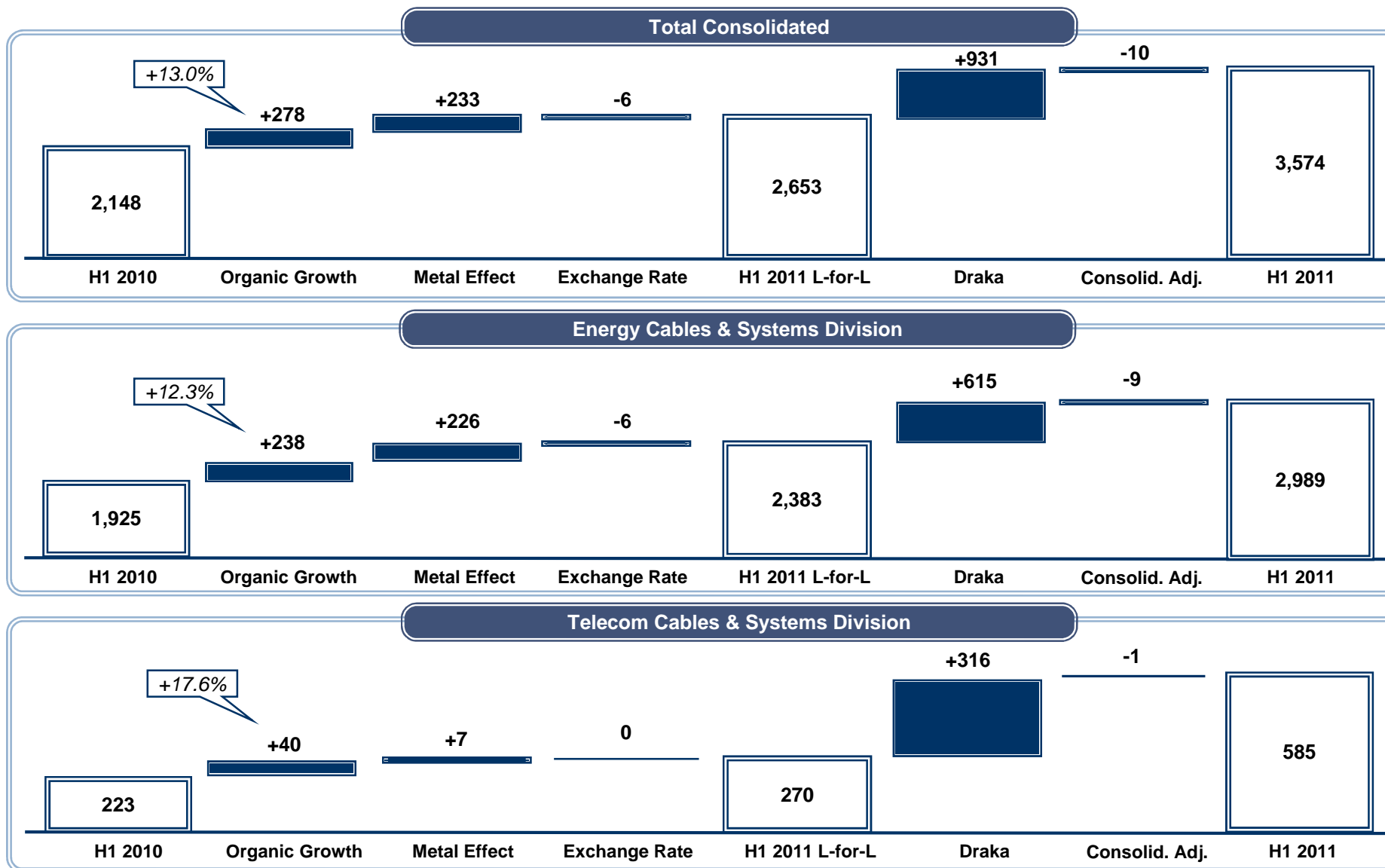
Euro million - % on Sales



\* Includes consolidation adjustments

# Bridge Reported Consolidated Sales

Euro Millions



# Extraordinary Effects

Euro Millions

	H1 2011 Reported <sup>a)</sup>				Full H1 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total
Antitrust investigation	(200)	-		(200)	-	-	-
Restructuring	(5)	(7)		(12)	(4)	(22)	(26)
Legal costs	-	-		-	-	-	-
Draka transaction costs	(6)	-		(6)	-	-	-
Draka integration costs	(6)	-		(6)	-	-	-
Draka change of control effects	(2)	-		(2)	-	-	-
Inventory step-up (PPA)	-	-	(14)	(14)	-	-	-
Other	(3)	-		(3)	(2)	-	(2)
<b>EBITDA adjustments</b>	<b>(222)</b>	<b>(7)</b>	<b>(14)</b>	<b>(243)</b>	<b>(6)</b>	<b>(22)</b>	<b>(28)</b>
Special items	(30)	(3)		(33)	(22)	-	(22)
Gain/(loss) on metal derivatives	(30)	(3)		(33)	(17)	-	(17)
Assets impairment	-	-		-	(5)	-	(5)
Other	-	-		-	-	-	-
<b>EBIT adjustments</b>	<b>(252)</b>	<b>(10)</b>	<b>(14)</b>	<b>(276)</b>	<b>(28)</b>	<b>(22)</b>	<b>(50)</b>
Gain/(Loss) on other derivatives <sup>(1)</sup>	7	5		12	(24)	(3)	(27)
Gain/(Loss) exchange rate	(15)	(6)		(21)	3	2	5
Other one-off financial income/exp.	-	-		-	2	-	2
<b>EBT adjustments</b>	<b>(260)</b>	<b>(11)</b>	<b>(14)</b>	<b>(285)</b>	<b>(47)</b>	<b>(23)</b>	<b>(70)</b>
Tax	11	2	3	16	14	4	18
<b>Net Income adjustments</b>	<b>(249)</b>	<b>(9)</b>	<b>(11)</b>	<b>(269)</b>	<b>(33)</b>	<b>(19)</b>	<b>(52)</b>

## Notes

(1) Includes currency and interest derivatives

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 6 months

# Financial Charges

Euro Millions

	H1 2011 Reported <sup>a)</sup>				Full H1 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total
<b>Net interest expenses</b>	<b>(39)</b>	<b>(8)</b>	<b>-</b>	<b>(47)</b>	<b>(30)</b>	<b>(13)</b>	<b>(43)</b>
Bank fees Amortization	(6)	-		(6)	(3)	(1)	(4)
Gain/(loss) on exchange rates	(15)	(6)		(21)	3	2	5
Gain/(loss) on derivatives <sup>(1)</sup>	7	5		12	(24)	(3)	(27)
Non recurring effects	-	-		-	2	-	2
<b>Net financial charges</b>	<b>(53)</b>	<b>(9)</b>	<b>-</b>	<b>(62)</b>	<b>(52)</b>	<b>(15)</b>	<b>(67)</b>
Share in net income of associates	6	3	(5)	4	1	4	5
<b>Total financial charges</b>	<b>(47)</b>	<b>(6)</b>	<b>(5)</b>	<b>(58)</b>	<b>(51)</b>	<b>(11)</b>	<b>(62)</b>

## Notes

<sup>(1)</sup> Includes currency and interest derivatives

a) Includes Draka consolidated 4 months from 1 March 2011  
b) Includes Draka consolidated all 6 months

# Statement of financial position (Balance Sheet)

Euro Millions

	30 Jun 2011	30 Jun 2010	31 Dec 2010
	Total	PRY	PRY
Net fixed assets	2,201	1,034	1,029
<i>of which: intangible assets</i>	593	67	59
<i>of which: property, plants &amp; equipment</i>	1,535	956	958
Net working capital	865	570	494
<i>of which: derivatives assets/(liabilities)</i>	30	(27)	37
<i>of which: Operative Net working capital</i>	835	597	457
Provisions & deferred taxes	(357)	(104)	(120)
<b>Net Capital Employed</b>	<b>2,709</b>	<b>1,500</b>	<b>1,403</b>
Employee provisions	234	158	145
Shareholders' equity	1,097	667	799
<i>of which: attributable to minority interest</i>	67	39	43
Net financial position	1,378	675	459
<i>Bank Fees</i>	(32)	(23)	(20)
<i>Net financial position vs Third Parties</i>	1,410	698	479
<b>Total Financing and Equity</b>	<b>2,709</b>	<b>1,500</b>	<b>1,403</b>

# Cash Flow

Euro Millions

	H1 2011 Rep. a)	H1 2010 Rep.	FY 2010 Rep.
	Total	PRY	PRY
<b>Adj.EBITDA</b>	<b>269</b>	<b>181</b>	<b>387</b>
Non recurring items	(243)	(6)	(22)
<b>EBITDA</b>	<b>26</b>	<b>175</b>	<b>365</b>
Net Change in provisions	176	(15)	(17)
Release of inventory step-up	14	-	-
<b>Cash flow from operations (before WC changes)</b>	<b>216</b>	<b>160</b>	<b>348</b>
Working Capital changes	(107)	(140)	(6)
Paid Income Taxes	(37)	(20)	(59)
<b>Cash flow from operations</b>	<b>72</b>	<b>-</b>	<b>283</b>
Acquisitions	(419) <sup>(1)</sup>	(20)	(21)
Net Operative CAPEX	(46)	(31)	(95)
Net Financial CAPEX	4	5	5
<b>Free Cash Flow (unlevered)</b>	<b>(389)</b>	<b>(46)</b>	<b>172</b>
Financial charges	(89)	(36)	(52)
<b>Free Cash Flow (levered)</b>	<b>(478)</b>	<b>(82)</b>	<b>120</b>
Dividends	(36)	(75)	(75)
Other Equity movements	1	13	13
<b>Net Cash flow</b>	<b>(513)</b>	<b>(144)</b>	<b>58</b>
<b>NFP beginning of the period</b>	<b>(459)</b>	<b>(474)</b>	<b>(474)</b>
Net cash flow	(513)	(144)	58
Perimeter Change	(439) <sup>(2)</sup>	-	-
Other variations	33	(57)	(43)
<b>NFP end of the period</b>	<b>(1,378)</b>	<b>(675)</b>	<b>(459)</b>

## Notes

(1) Includes € 82m of cash and cash equivalents in Draka consolidated accounts as of 28.02.2011

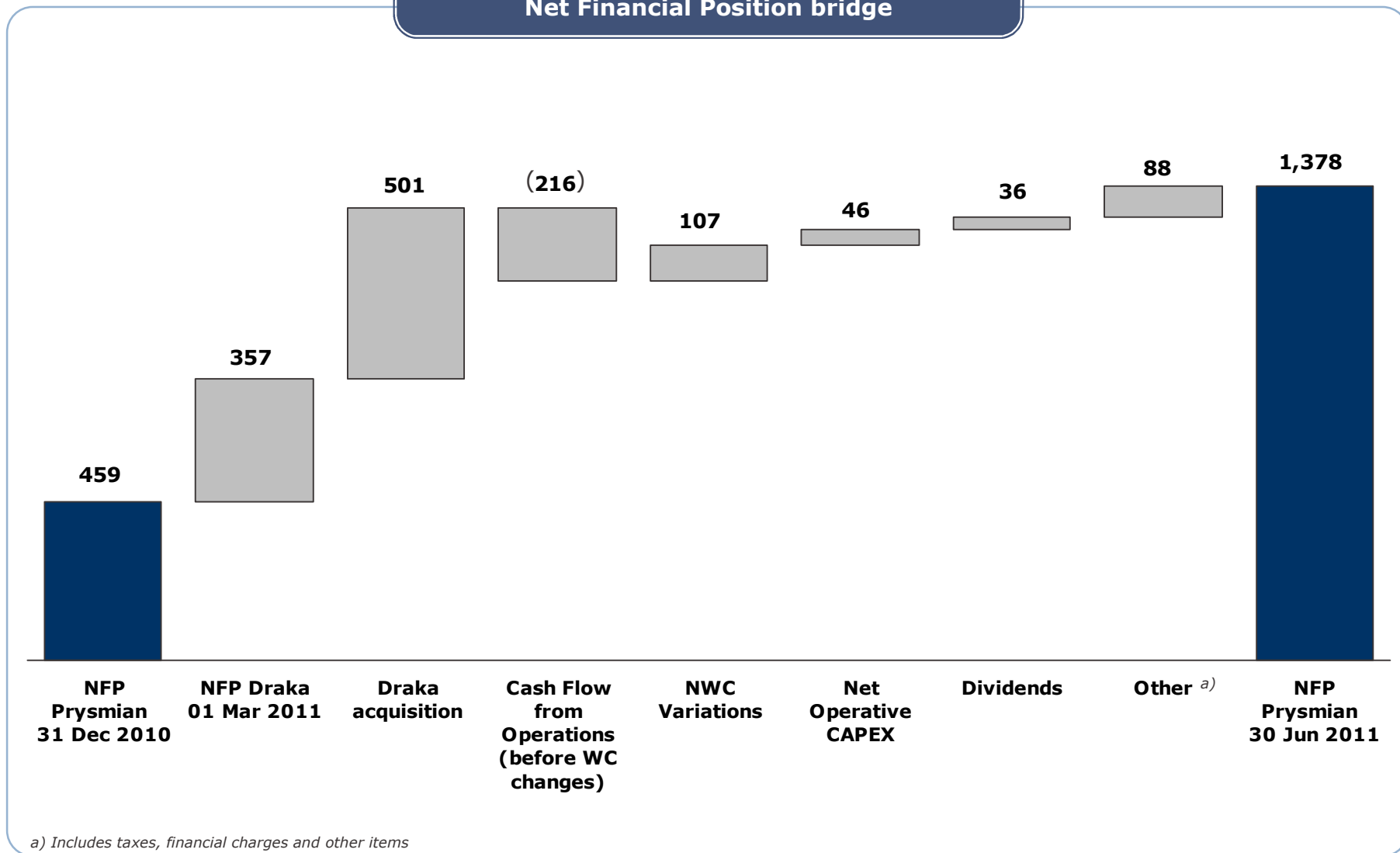
(2) Gross financial debt in Draka consolidated accounts as of 28.02.2011

a) Includes Draka consolidated 4 months from 1 March 2011

# Evolution of Net Financial Position

Euro Millions

**Net Financial Position bridge**



# AGENDA

- Group Overview
- Draka integration
- Financial Results
- Appendix – Draka Acquisition

## Full support from Draka shareholders to the new Prysmian industrial project

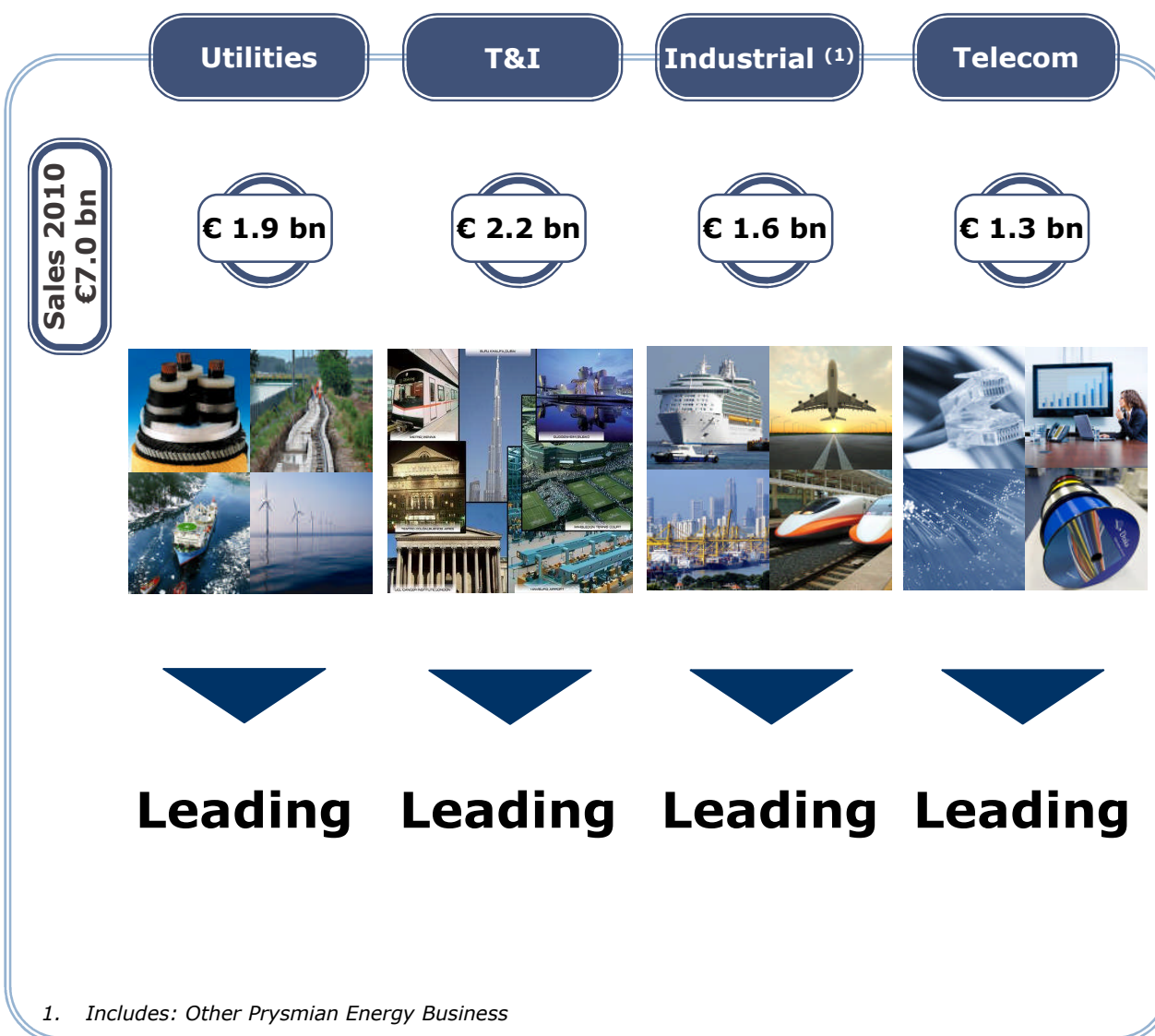
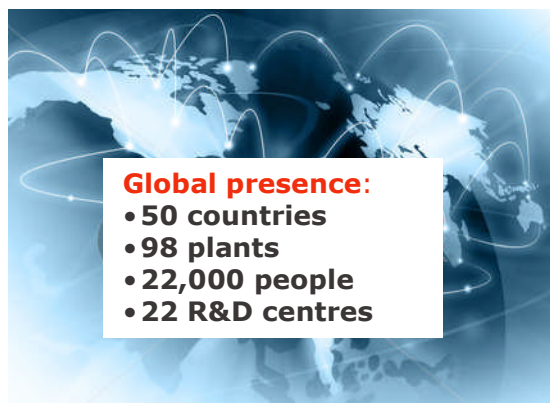
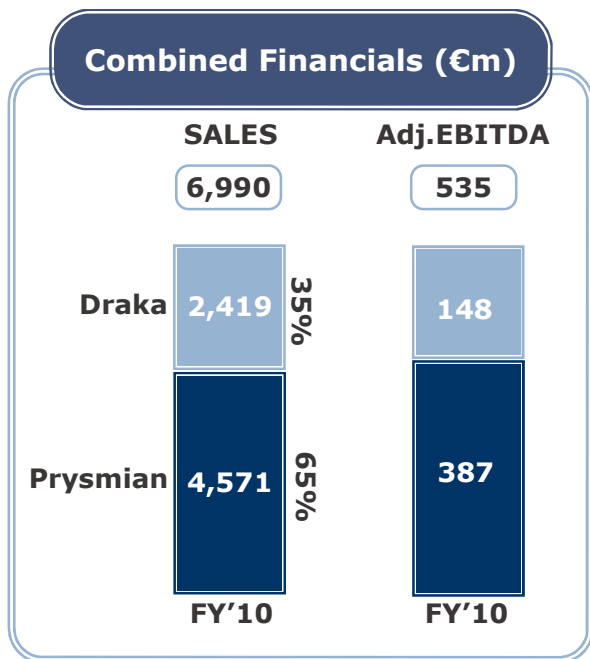
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- **99.0% of Draka ordinary shares tendered (48,257,719 shares)**
  - 90.4% tendered during the Offer Period (06 Jan – 03 Feb). Settlement on the 22nd of February
  - 8.6% tendered during the Post Closing Acceptance Period (09 Feb – 22 Feb). Settlement on the 8th of March
- **Prysmian capital increase of 31,824,570 shares**
  - 29,059,677 on the first settlement (22nd of February)
  - 2,764,893 on the second settlement (8th of March)
- **New Prysmian total share capital of 214,368,481 (\*) shares**
- **First consolidation of Draka since 1st March 2011**
- **Squeeze-out procedure launched**
- **Delisting of Draka shares from NYSE Euronext Amsterdam on 7 April 2011**



(\*) As of August 2011, including treasury shares (3,028,500)

# The new global market leader



# Transaction Rationale

---

**Creation of a World's Leading Cables & Systems Company**

**Unique and Highly Complementary Combination, with Increased Coverage of Emerging Markets**

**Strengthened Leadership in All Value Added Market Segments**

**Significant Synergy Potential**

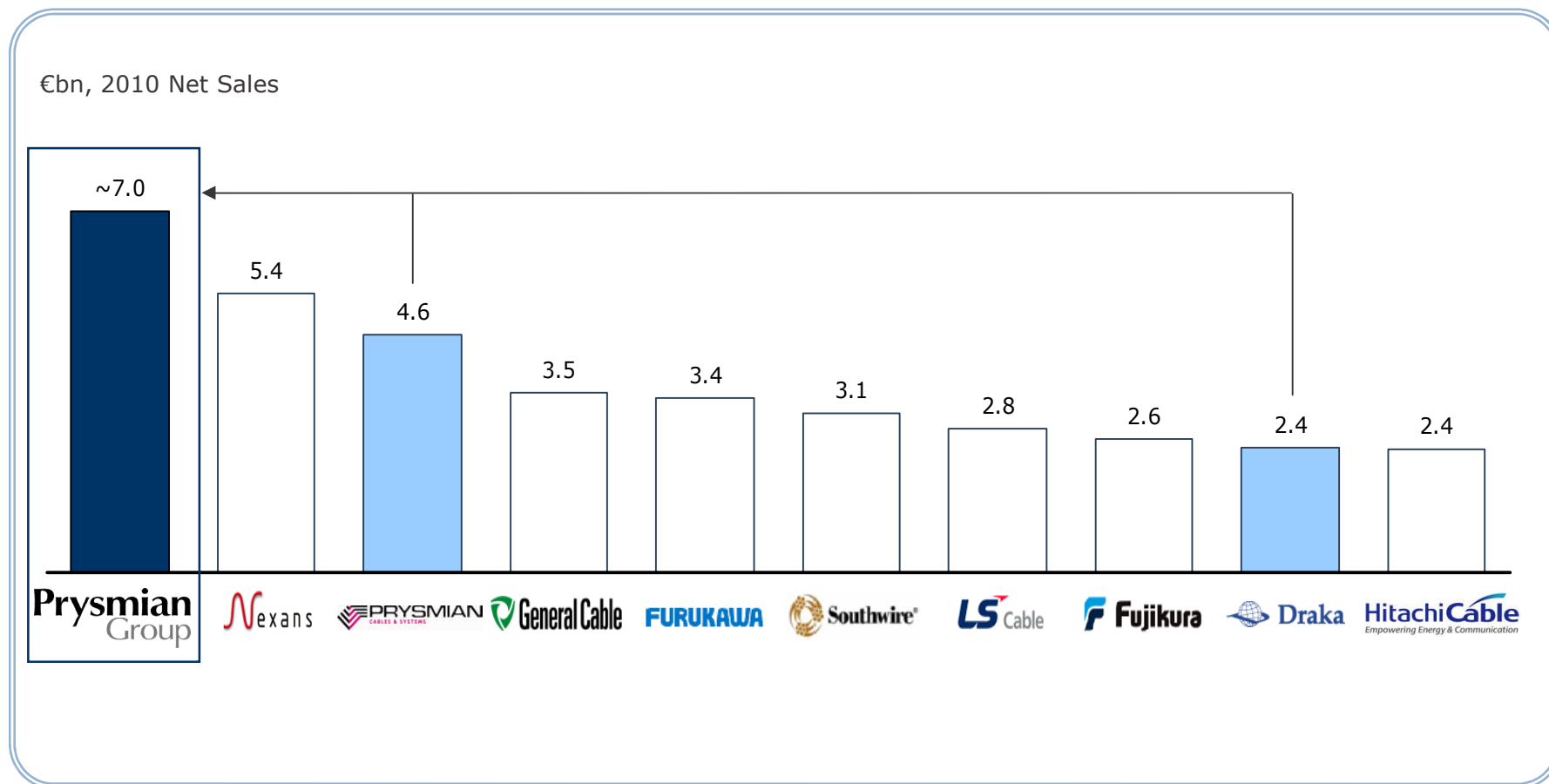
**Strong Platform for Future Organic Growth and Industry Consolidation**



**Significant Value for All Stakeholders**

# Creation of a World's Leading Cables & Systems Company

N°1 in cable solutions for the energy and telecommunication business



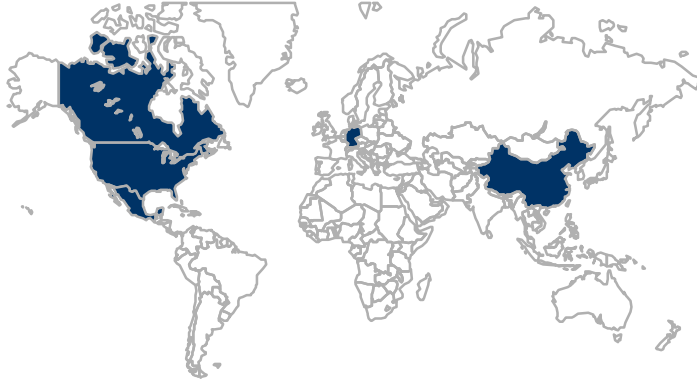
Source: Companies' Annual Reports and Press Releases

Note: Nexans excluding Electrical Wire Segment, General Cable excluding Rod Mill Products, Southwire as of December 2008 (€ 2.0bn sales in 2009), Furukawa considering only Electric Telecommunications and Energy & Industrial Products segments, LTM figures as of 31-Dec-2010, Fujikura including Telecom and Metal Cables & Systems segments, LTM figures as of 31-Dec-2010, Hitachi considered Sales to Customers, including Wires & Cables and Information & Telecom Networking segments, LTM figures as of 31-Dec-2010, LS Cable non-consolidated sales (Cables and Components segments) pro forma for sales of acquired Superior Essex (Communications Cable segment) as of December 2007. All sales are in € based on the average exchange rate of the reference period

# Unique and Highly Complementary Combination 1/2

## Strengthening Geographical Presence

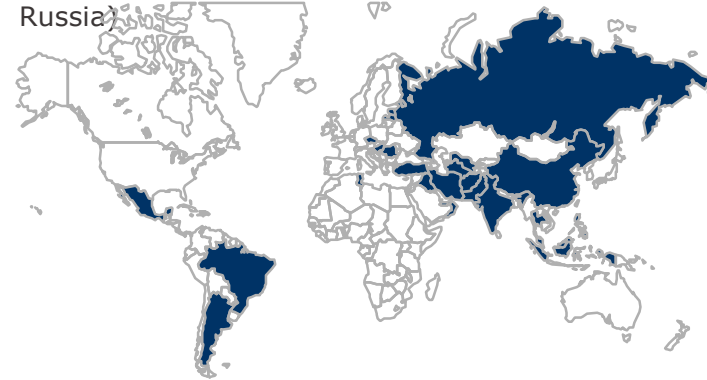
- Enlarged presence in Industrial cables in key markets of North America, Germany and China



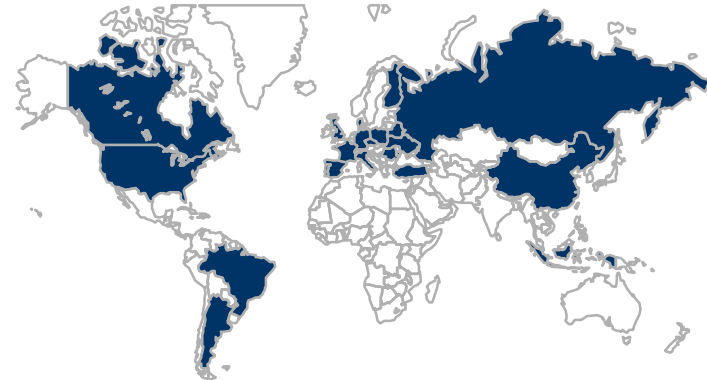
- Improved country mix in Europe as a result of complementary geographical presence; Draka in Northern Europe and Prysmian in Southern Europe



- Increased presence in attractive emerging markets (e.g. China, Middle East, Brazil, ASEAN, India and Russia)



- Increased presence in the Telecom business across EMEA, North and South America and China



# Unique and Highly Complementary Combination 2/2

## Excellent Business Fit

- The combination will leverage on leading technology in all key cable segments
- Excellent business fit in Energy and Telecom businesses creating leadership positions in high-technology sub-segments



- Leader in Optical Cables with global fiber production facilities
- Access to Draka fiber production technology
- Leading position in Submarine, Underground High Voltage, Wind and Elevator businesses
- Extended product offering and cross selling opportunities in industrial cables portfolio (mining, solar, crane, oil & gas,...)



- Complementary industrial presence to better serve the needs of customer worldwide
- Improved manufacturing footprint will increase service level and op. efficiencies on the T&I segment

# R&D drives our business



Research Countries ■

Milan R&D Headquarters ■

Quality Certifications

ISO 9001

ISO TS 16949

IRIS

TL9000



- **Research & Development Capabilities**
  - Innovation, basic research
  - Concepts identification (process, materials, products, compounds, IT systems)
  - Product feasibility
  - Prototype realization
  - Industrialization
  - Product range evolution/development (New Product Introduction)
  - Network Diagnosis (T, PD, PMD,...)
  - EMF protection
  - International Standardization Groups
  
- Total of **22 R&D excellence centres**, in **10 countries** across the Americas and Western Europe, including **Milan R&D Headquarters** in Italy
  
- **More than 600 skilled** professionals
  
- **More than 3,500 patents** granted
  
- **Over € 60 M spent** in 2010

# Prysmian's Offer Creates Value for all Draka's Stakeholders While Preserving the Interests of its Own Shareholders



- Value enhancement for Draka products through the creation of a larger platform with global reach and resources
- Opportunity to take a leading role in the consolidation wave of the industry
- Offer price represents a premium to Draka's market price
- Opportunity to benefit from synergies thanks to the share component of the Offer
- Employees become part of the world leader in the cable industry with enhanced career opportunities



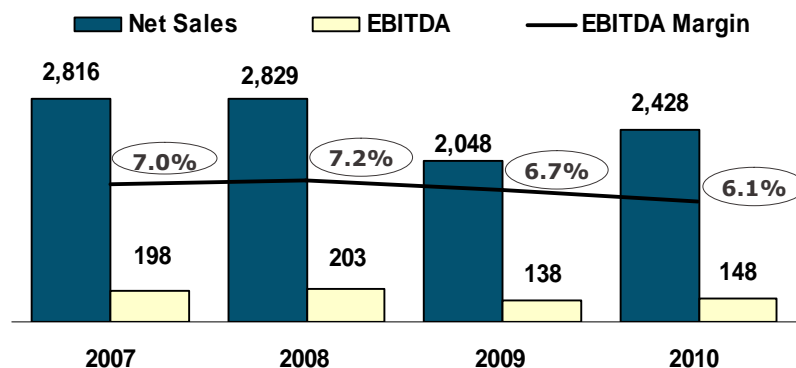
The integration of teams will respect the existing corporate cultures and businesses and will focus on compelling and value creating industrial projects



- Creation of a leader in the cable industry with global presence and strong, sustainable and profitable growth
- Merger of strengths between highly complementary businesses
- Expansion of footprint to attractive emerging markets
- Increase presence in attractive industrial cable market
- Very significant value creation opportunity: synergies at an annual run-rate of approx. €150 million in 2014-2015

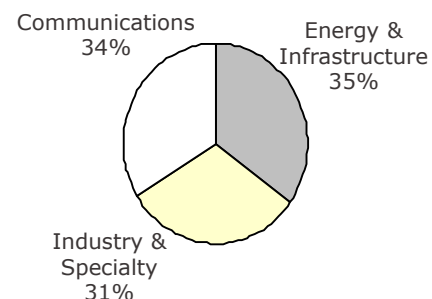
# Draka – Company Overview

## Historical Net Sales and EBITDA<sup>1,2</sup> (€m)

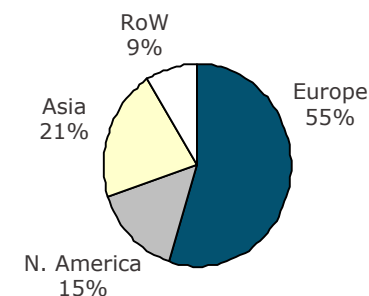


## 2010A Net Sales Breakdown

### By Business



### By Geography



- 9,375 employees as at 2010 year end
- Operating companies in 31 countries throughout Europe, North and South America, Asia and Australia
- Energy & Infrastructure - supplier of cable for construction and utilities market
  - Top 3 position in Europe
  - No.1 in Singapore and Hong Kong
- Industry & Specialty – automotive & aviation, elevator products, wind, mining, crane, oil & gas
  - Market leader in elevator cables in North America with a strong position in Europe and recent entrance in the fast growing Chinese market
  - Leading presence in wind tower business globally
  - World no. 1 independent supplier of advanced automotive cable; principal supplier to Airbus
  - Entrance in the growing energy submarine business
- Communications – optical fiber cable, copper cable, data communication cable, mobile network cable
  - Optical fiber: no. 2 worldwide, no. 1 in Europe and China; no. 1 in optical fiber cable in Europe and also no. 1 in datacom within Europe

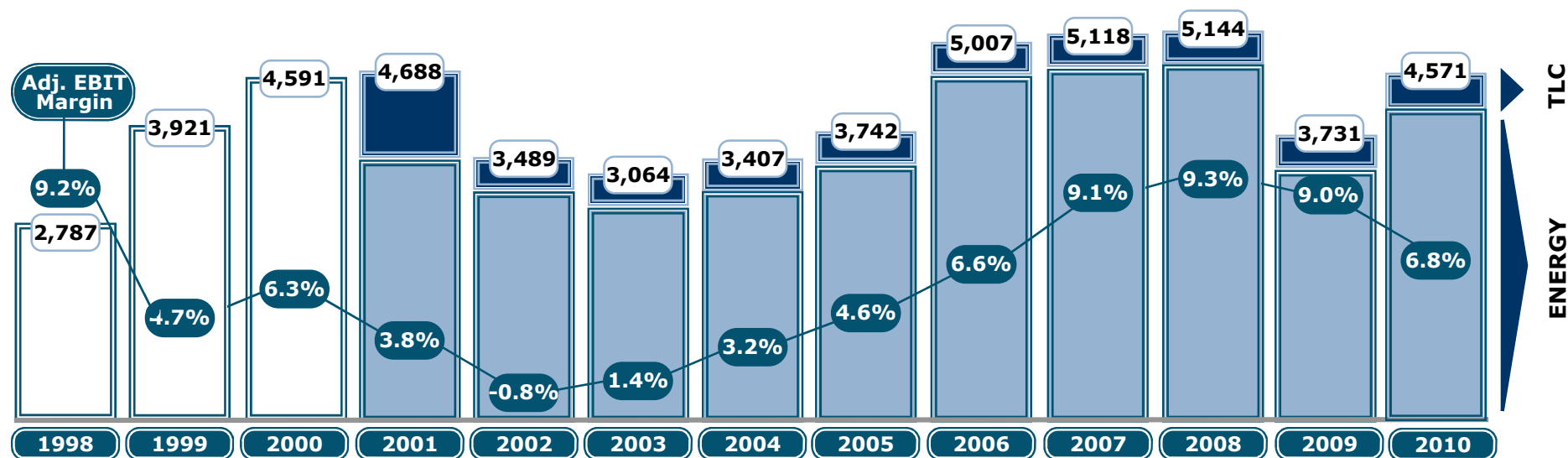
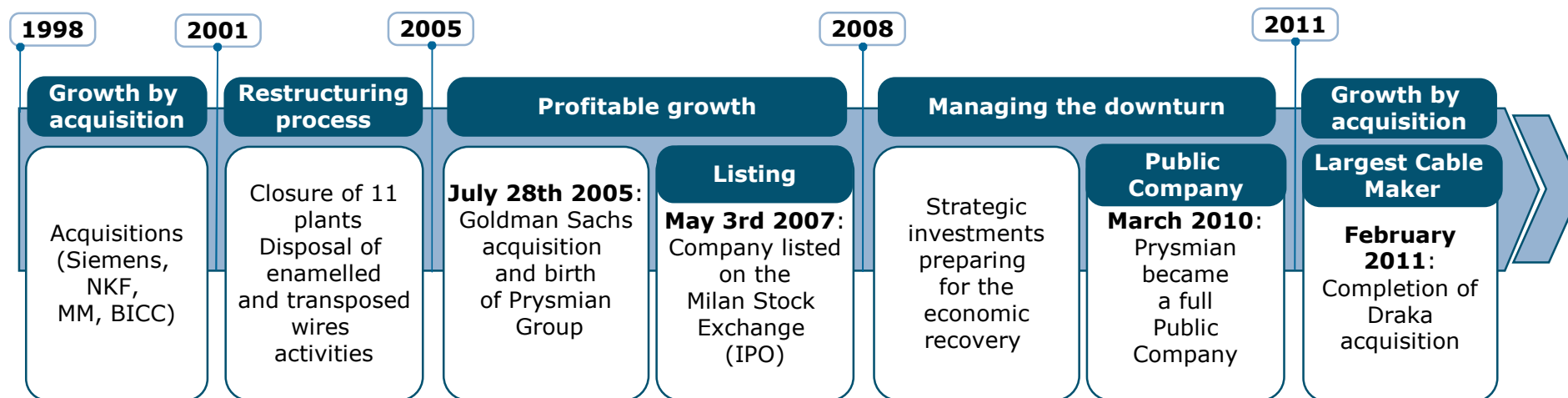
1. Draka's joint ventures Telcon Fios e Cabos Para Telecomunicacoes SA in Brazil (50%), Precision Fiber Optics Ltd. in Japan (50%) and Yangtze Optical Fibre & Cable Co. Ltd. in China (37.5%) have been proportionally consolidated since 1 January 2009. These joint ventures are all part of Draka's Communications Group. All comparative figures for 2008 have been restated accordingly. 2007 data may not be entirely comparable.

2. EBITDA adjusted for non recurring items as reported by Draka.  
Note: all figures as reported by Draka pre acquisition

# AGENDA

- Group Overview
- Draka integration
- Financial Results
- Appendix

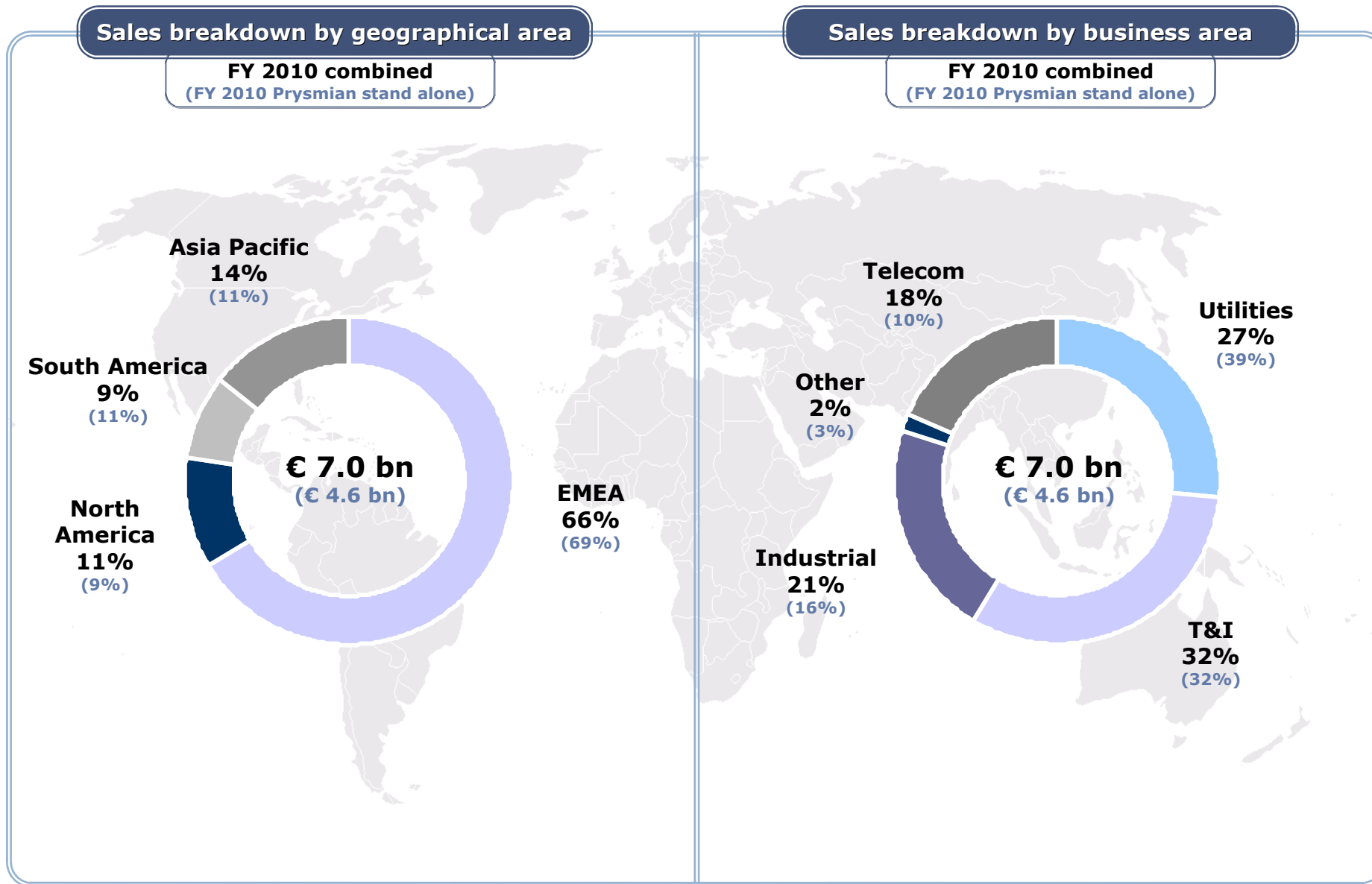
# Key Milestones



Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2010 Prysmian accounts, data reported under IFRS.

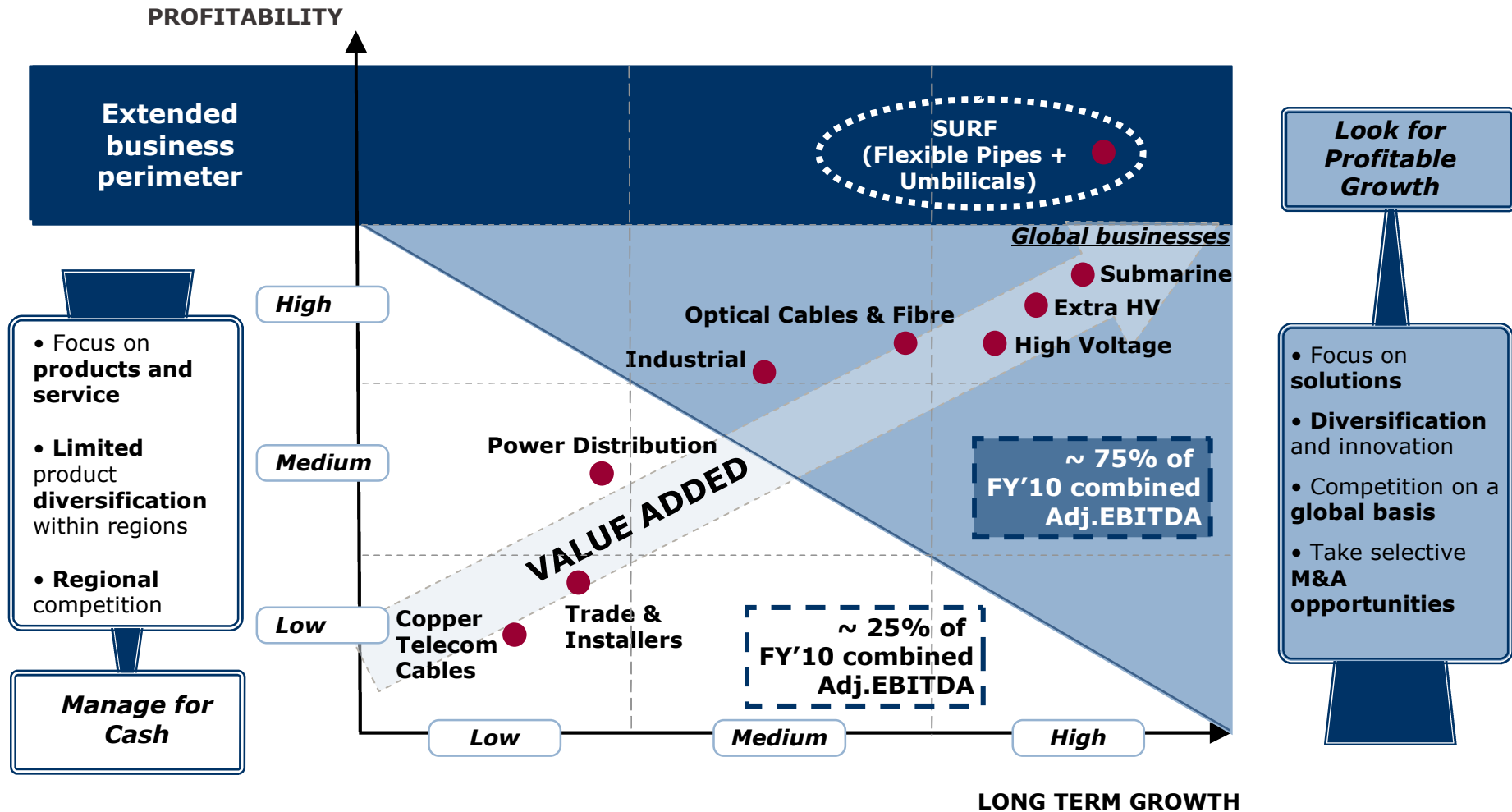
# Prysmian Group at a glance

Leading player in all market segments with a wider geographical presence



# Prysmian Group business portfolio

Focus on high value added segments



# Long term drivers to keep growing in high technology segments

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## Utilities Transmission

- First tangible signs of start in European interconnections
  - Grid expansion and replacement of ageing networks
  - Leading player in fast-growing off-shore wind farms
- 

## Industrial Priority Segments

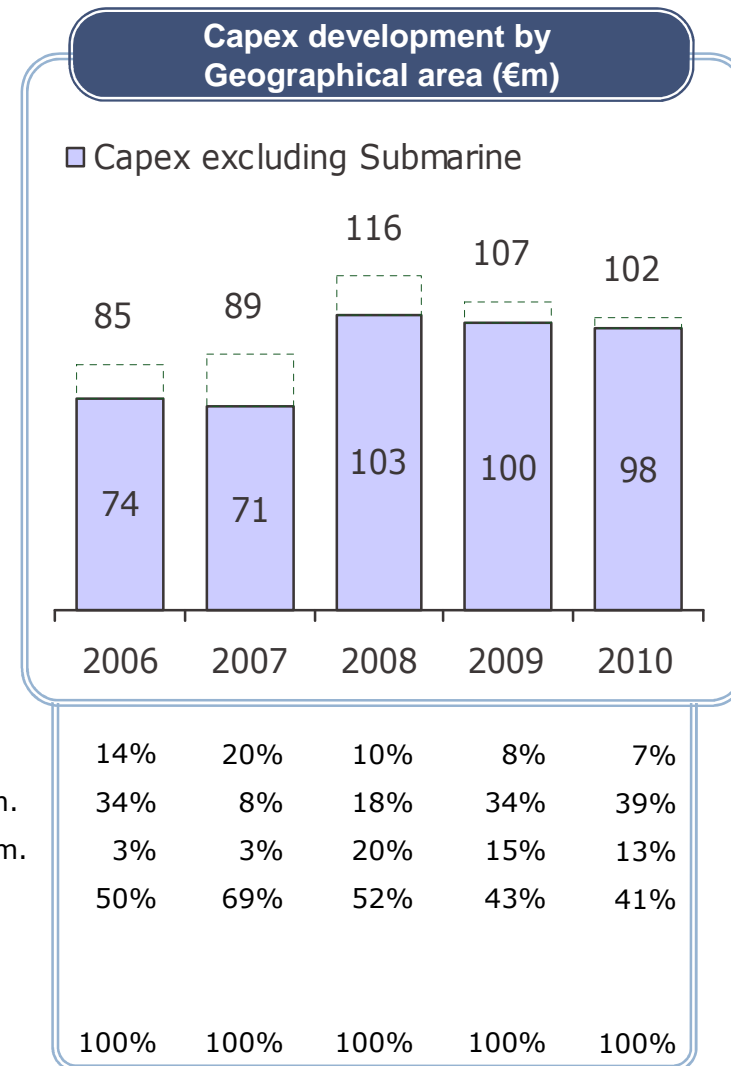
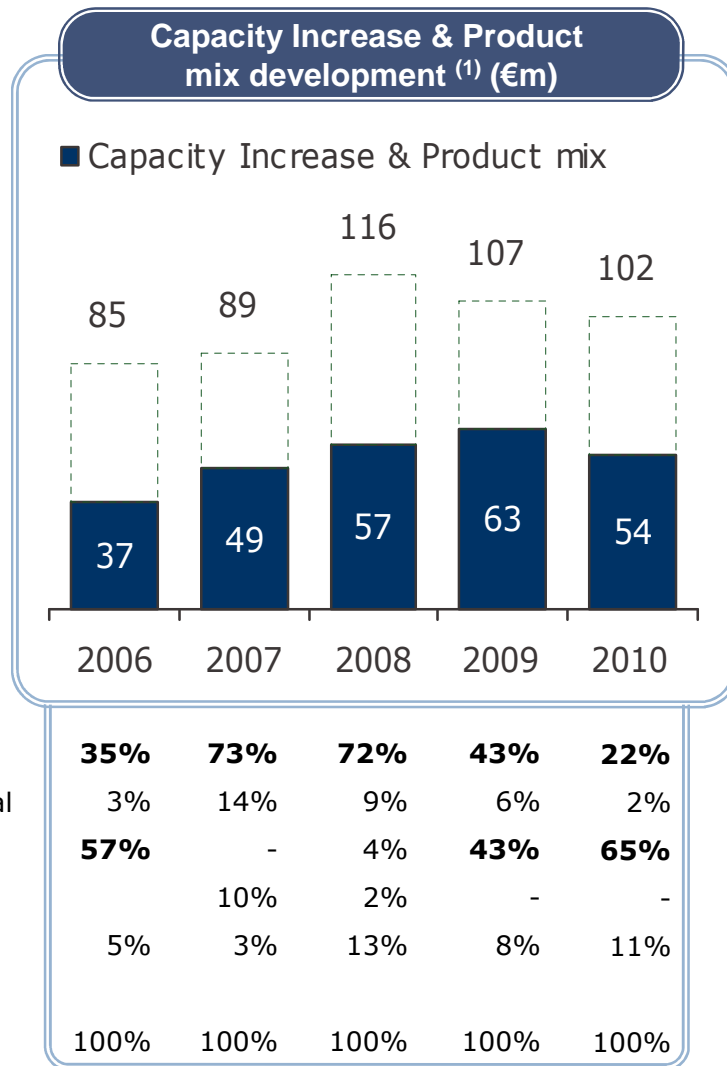
- Recovery in oil off-shore exploitation activities
  - Growing investments in Asia-Pacific
  - Development of renewable energy sources
- 

## Telecom Optical

- Optical cables: network expansion in developed countries and infrastructure demand in APAC
- Europe lagging behind US in optical infrastructure as growth driver for the future

# Growth in high value added business, expansion in emerging markets

CAPEX in 2006-10 (pre Draka acquisition)



<sup>(1)</sup> Total Capex includes Capacity increase & Product mix, Maintenance, Efficiency, IT and R&D (excl. Draka)

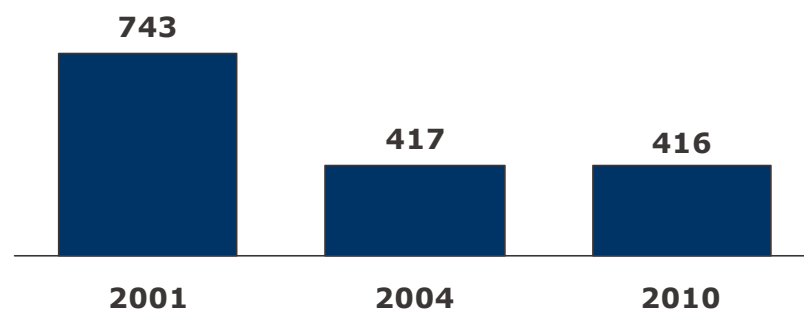
<sup>(2)</sup> % of Capacity Increase & Product mix

<sup>(3)</sup> % of Total Capex excluding Submarine

# Strong track record in cost optimization

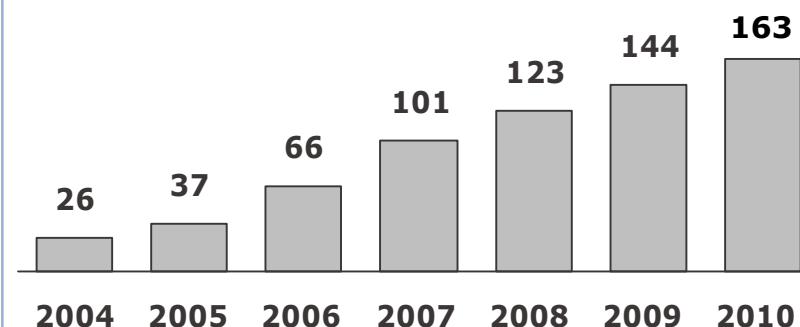
Fixed costs evolution and efficiencies (pre Draka acquisition)

**Prysmian Focus on Fixed Costs Reduction  
(Total Fixed Costs p.a. in €m)**



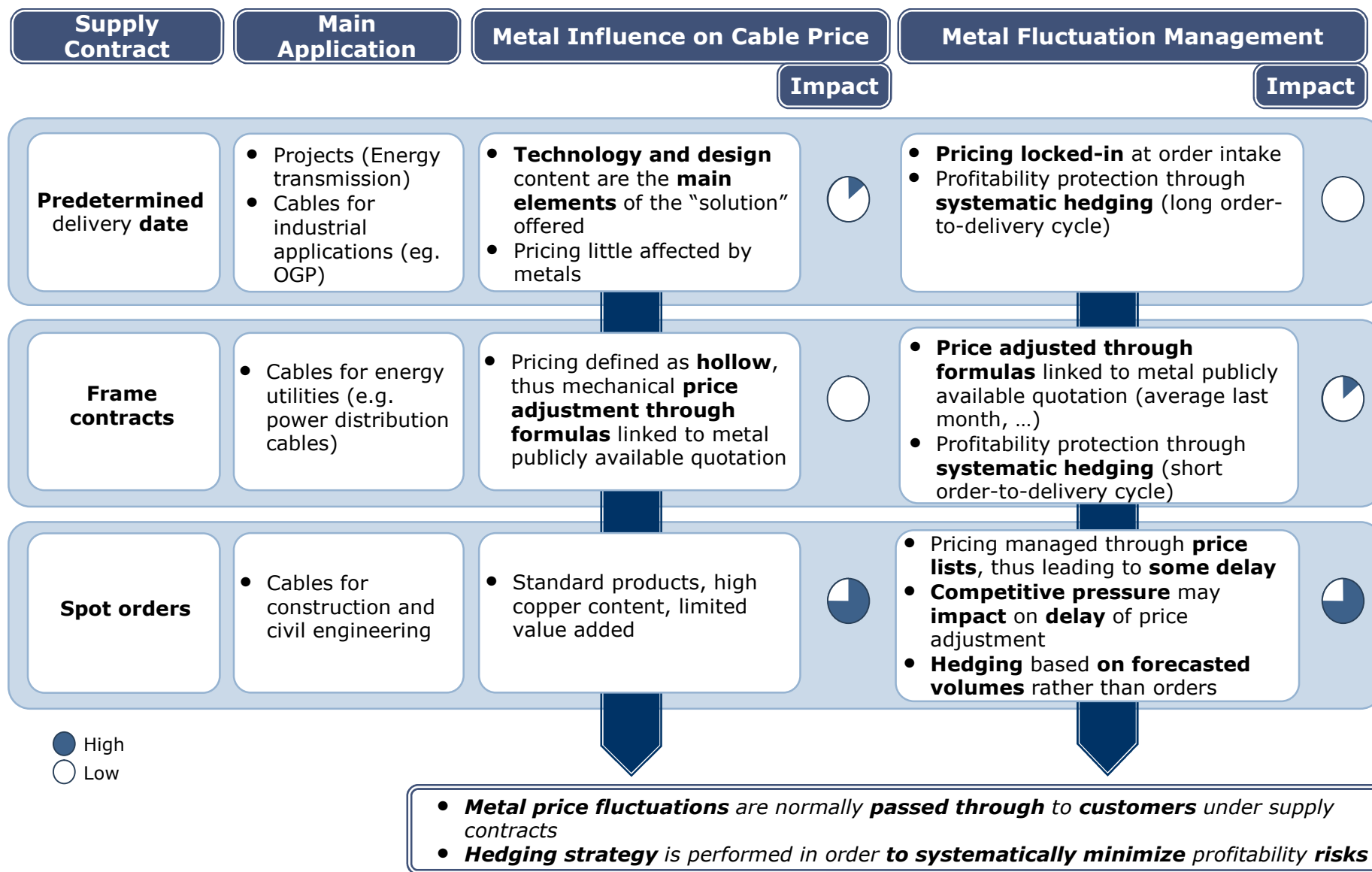
- Continuous optimization of geographical production footprint
- Improve plants productivity through optimized production process
- Lean organizational structure at Headquarter and subsidiaries level

**Prysmian Focus on Industrial Efficiencies  
(Cumulative Gross Efficiencies in €m)**



- Continue improving material efficiency, reducing scrap and over-usage
- More effective cable design
- Optimize organization and process to achieve further manpower efficiency
- Reduce impact of other costs (logistic, utilities, maintenance, ...)

# Metal Price Impact on Profitability

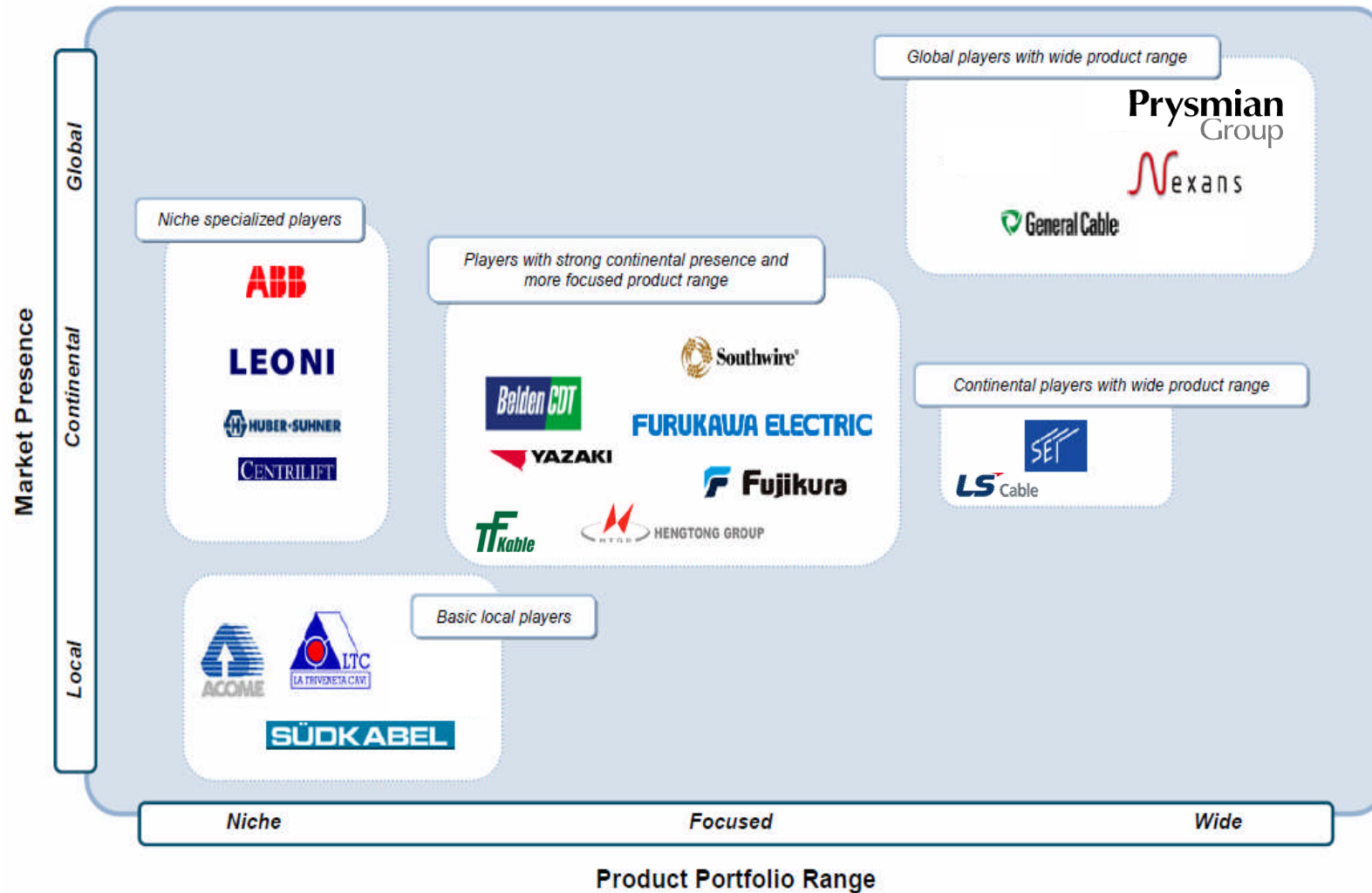


# AGENDA

- H1 2011 Highlights & Outlook 2011
- Draka integration
- Financial Results
- Appendix - Energy

# Clusters of Cable Manufacturers in the Industry

Competitive scenario – Energy Cables



# Full package of solutions for Energy Business

## Utilities

- **Power Transmission**
  - Underground EHV, HV-DC/AC
  - Submarine (turn-key) EHV-DC/AC (extruded, mass impregnated and SCFF) and MV
- **Power Distribution**
  - LV, MV (P-Laser)
- **Network components**
  - joints, connectors and terminations from LV to EHV
- **AMS**



## Trade & Installers

- **LV cables for construction**
  - Fire performing
  - Environmental friendly
  - Low smoke-zero halogen (LSOH)
  - Application specific products



## Industrial

- **Specialties & OEM** (rolling stock, nuclear, defence, crane, mining, marine, electro medical, railway, other infrastructure)
- **Automotive**
- **OGP & SURF**
- **Renewables**
- **Elevator**
- **Other industrial (aviation, branchment, other)**



# Utilities – Power Transmission

## Business description

*High/extra high voltage power transmission solutions for the utilities sector*

- **Underground High Voltage**

Cabling solutions for power plant sites and primary distribution networks



- **Submarine High Voltage**

Turnkey cabling solutions for submarine power transmission systems at depths of up to 2,000 meters



- **Network components**

Joints, connectors and terminations for low to extreme high voltage cables suitable for industrial, building or infrastructure applications and for power transmission and distribution



## Key customers

Customer base drawn from all major national distribution networks



# Utilities – Submarine Systems

## Key success factors

- Track record and reliability
- Ability to design/execute turnkey solution
- Quality of network services
- Product innovation
- State-of-the-art cable laying ship

## Action plan

Capacity expansion completed to support growth in 2011-12 (production capacity fully saturated for 2011 and 2012) through:

- Leverage on strong off-shore wind-farms trend
- Secure orders to protect long-term growth
- Focus on flawless execution

## Key Projects

## Customer

## Period

## €m<sup>(1)</sup>

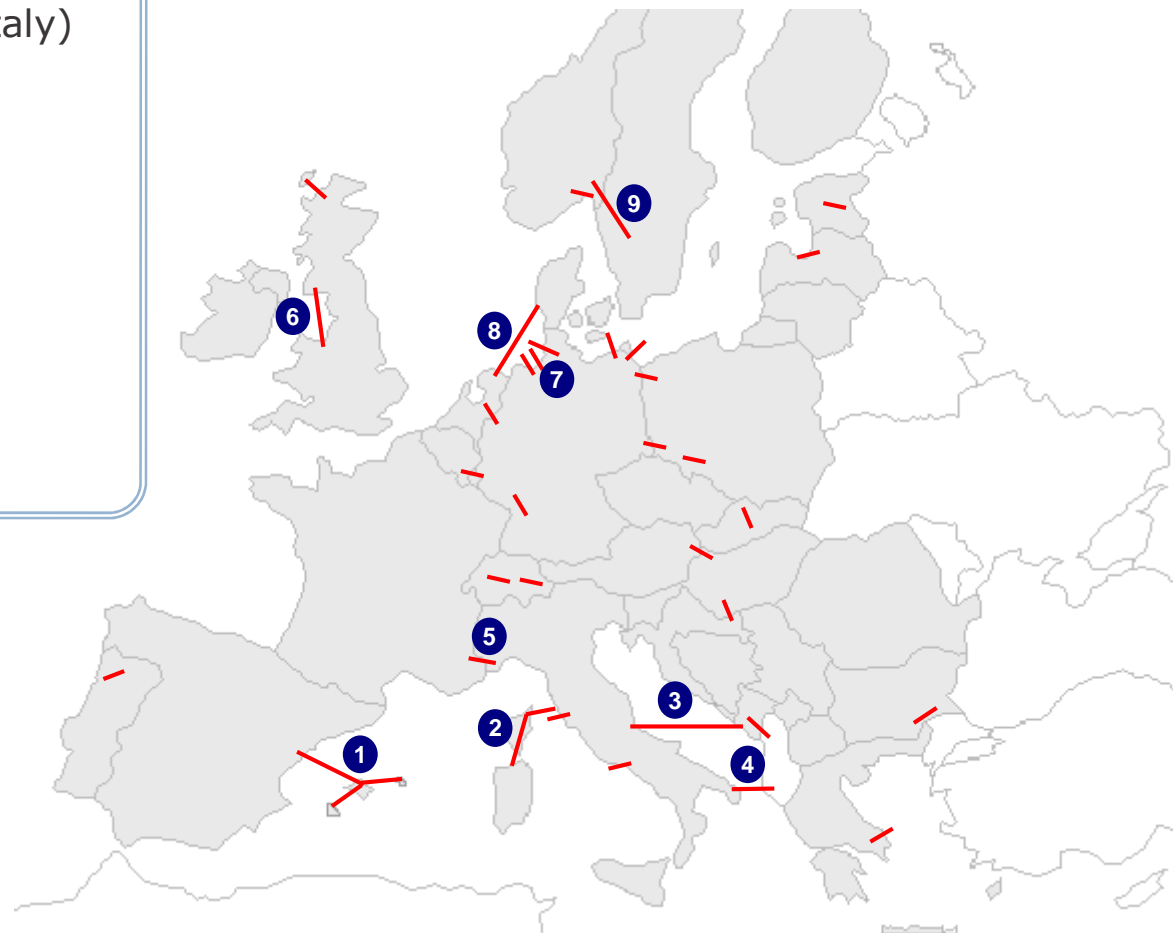
HelWin2	TenneT	2012-15	200
Hudson Project	Hudson Transmission Partners LLC	2012-13	\$175m
SylWin1	TenneT	2012-14	280
HelWin1	TenneT	2011-13	150
BorWin2	TenneT	2010-13	250
Messina	Terna	2010-13	300
Kahramaa	Qatar General Electricity	2009-10	140
Greater Gabbard	Fluor Ltd	2009-10	93
Cometa	RED Electrica de España	2008-11	119
Trans Bay	Trans Bay Cable LLC	2008-10	\$125m
Sa.Pe.I	Terna	2006-10	418
Neptune	Neptune RTS	2005-07	159
GCC Saudi – Bahrain	Gulf Cooperation Council Interconnection Authority	2006-10	132
Angel development	Woodside		
Rathlin Island	Northern Ireland Electricity		
Ras Gas WH10-11	J. Ray Mc Dermott		

(1) Prysmian portion of the project

# Utilities - Major Transmission European underground and submarine interconnection projects already in permitting phase or under construction

## Major projects to be awarded

1. Balearic Islands – Mainland Spain
2. Sa.Co.I. (Sardinia-Corsica-Italy)
3. Italy – Montenegro
4. Italy – Albania
5. Italy – France
6. Scotland – Wales
7. Germany (Borwin III)
8. Netherlands – Denmark
9. Sweden – Norway

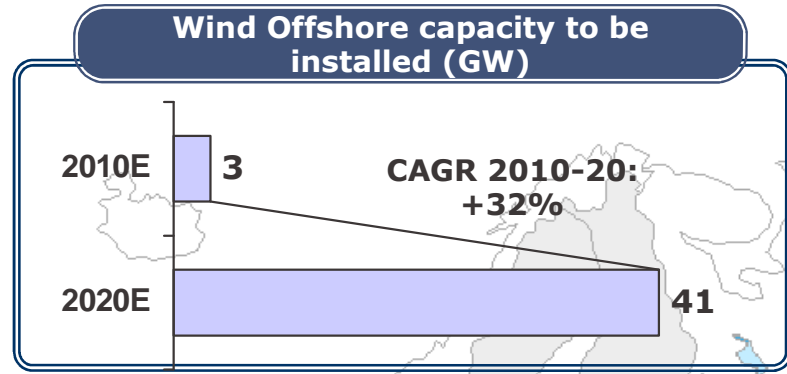


— Main interconnection projects

Source: ENTSO-E (European Network of Transmission System Operators for Electricity) - TEN-YEAR NETWORK DEVELOPMENT PLAN 2010-2020 (June 2010)

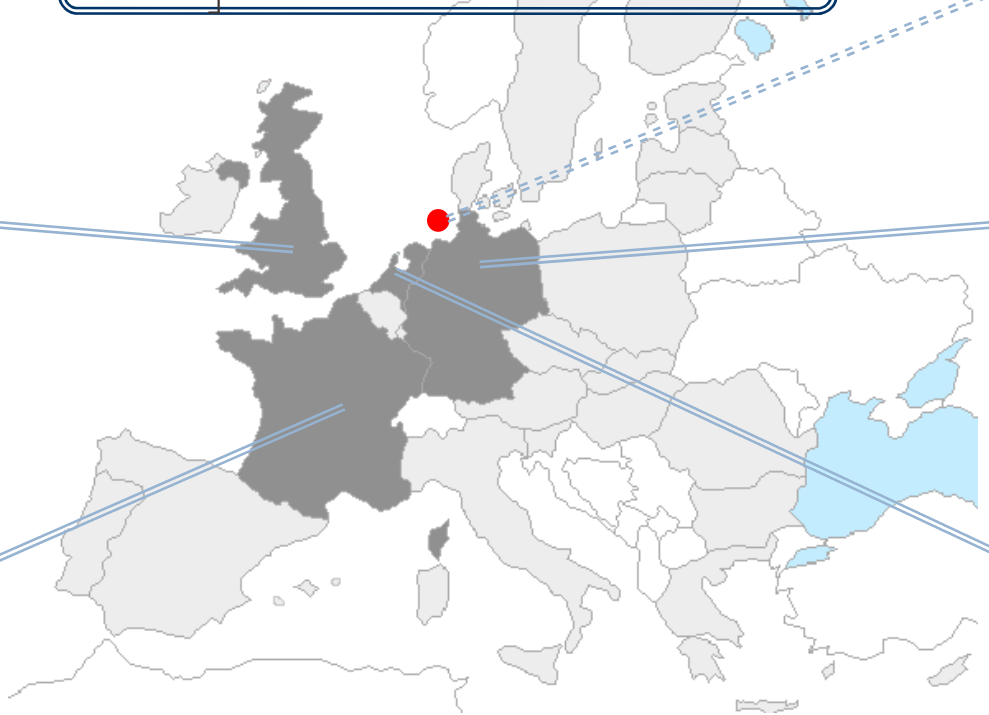
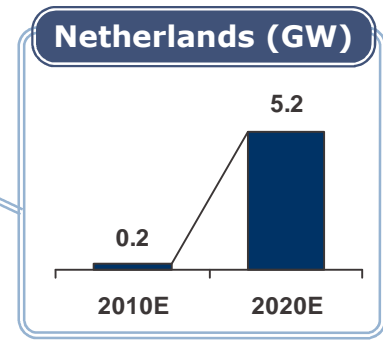
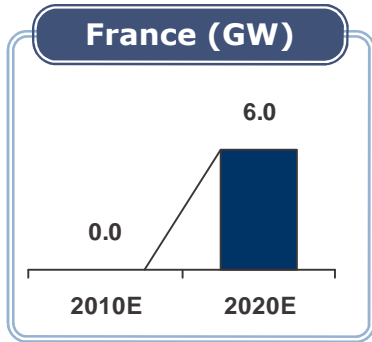
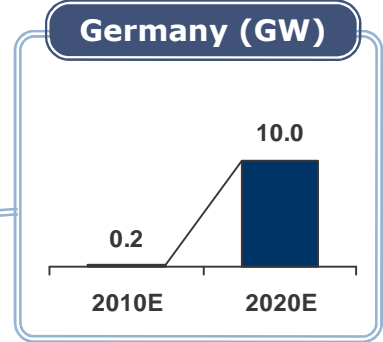
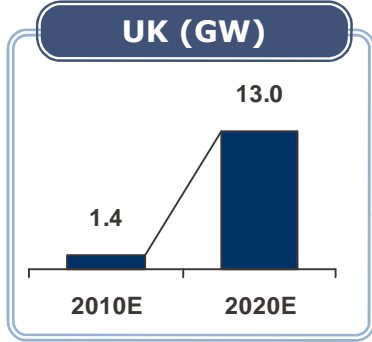
# Utilities - 38GW of new Wind Offshore capacity by 2020 to achieve EU Target

Four major countries accounting for about 85% of total new capacity



**Largest project awarded in Europe:**  
**SylWin1** (North Sea to mainland Germany):

- € 280m (cable portion)
- 864MW
- 160km off-shore



Source: National Renewable Energy Action Plans (June 2010)

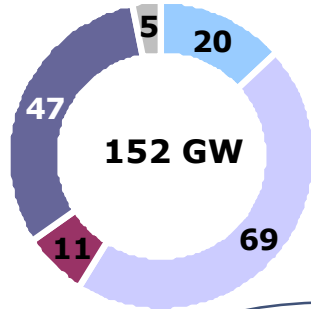
Note: includes EU-27 countries

# Utilities - Nuclear decrease as new driver for Renewables

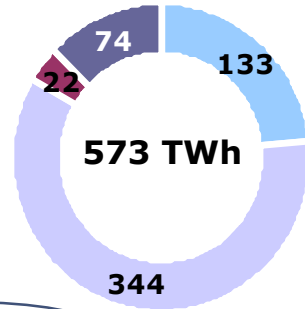
Germany exit from nuclear to potentially lower nuclear investments in other countries

## German electricity system highly dependent on nuclear

Installed capacity 2010



Net production 2010

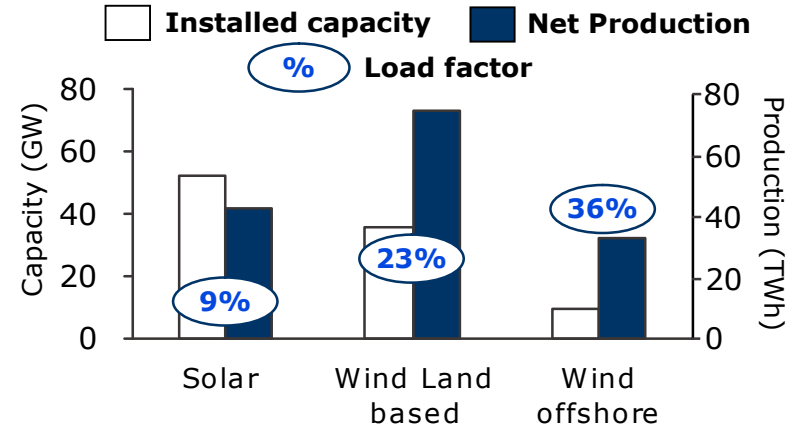


Load factor\*



\* Load factor is defined as net production on theoretic maximum production [calculated as Net production GWh / (Installed capacity GW \* 8760h)]  
Source: ENTSO-E Memo 2010

## Renewables load factor at run rate capacity utilization (2020)

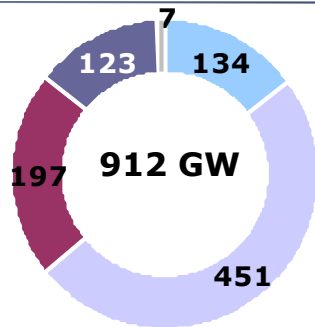


Wind off-shore the renewable energy with higher conversion in energy produced

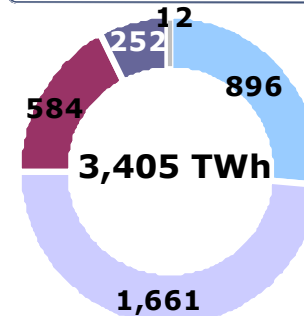
Source: National Renewable Energy Action Plans (June 2010)

## Total European electricity system

Installed capacity 2010



Net production 2010

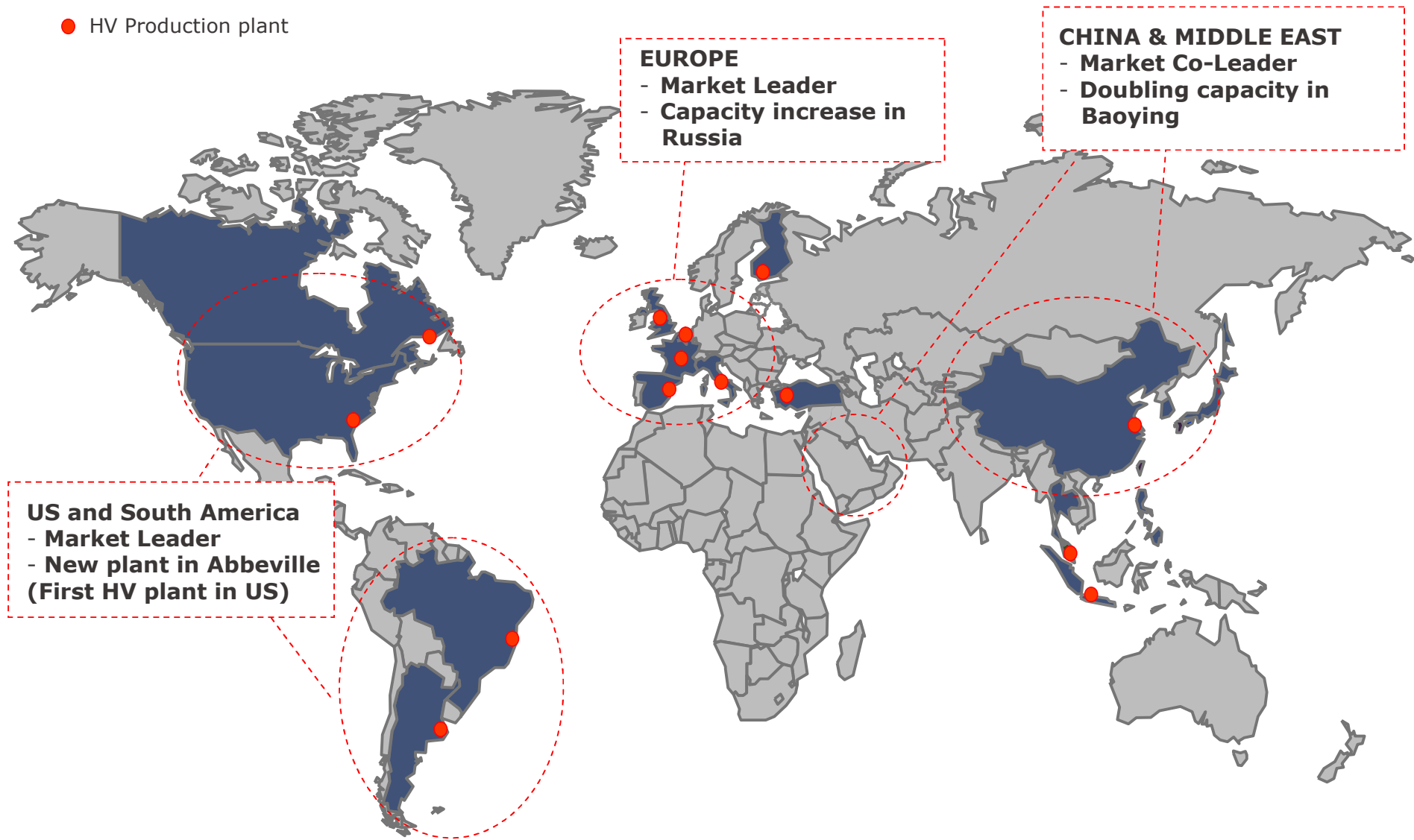


Nuclear covers over 25% of energy produced in Europe while Renewables account for less than 10%

Source: ENTSO-E Memo 2010

# Utilities - Leading position in underground HV with a global reach

● HV Production plant



# Utilities – Power Distribution

## Market drivers

- Long term growth in electricity consumption
- Mandated improvements in service quality
- Investment incentives to utilities
- Urbanization

## Key success factors

- Time to market
- Quality of service
- Technical support
- Cost leadership
- Customer relationship

## Key customers

Key customers are all major national distribution network operators



## Action plan

- Improve service level and time to market
- Reduce product cost
  - Cable design optimization
  - Alternative materials / compounds introduction
  - Process technologies improvement
- Innovate
  - New insulation materials
  - P-LASER launch in Europe

# Trade & Installers

## Business description

- Low voltage cables for residential and non residential construction
- Channel differentiation with both:
  - Direct sales to end customers (Installers)
  - Indirect sales through
    - Specialised distributors
    - General distributors
    - Wholesalers
    - Do-it-yourself/modern distribution
- Wide range of products including
  - Value added fire retardant
  - Environmental friendly
  - Specialised products

## Key customers

- Key customers include major:
  - Specialized distributors



- General distributors



- Wholesalers



- Installers



# Trade & Installers

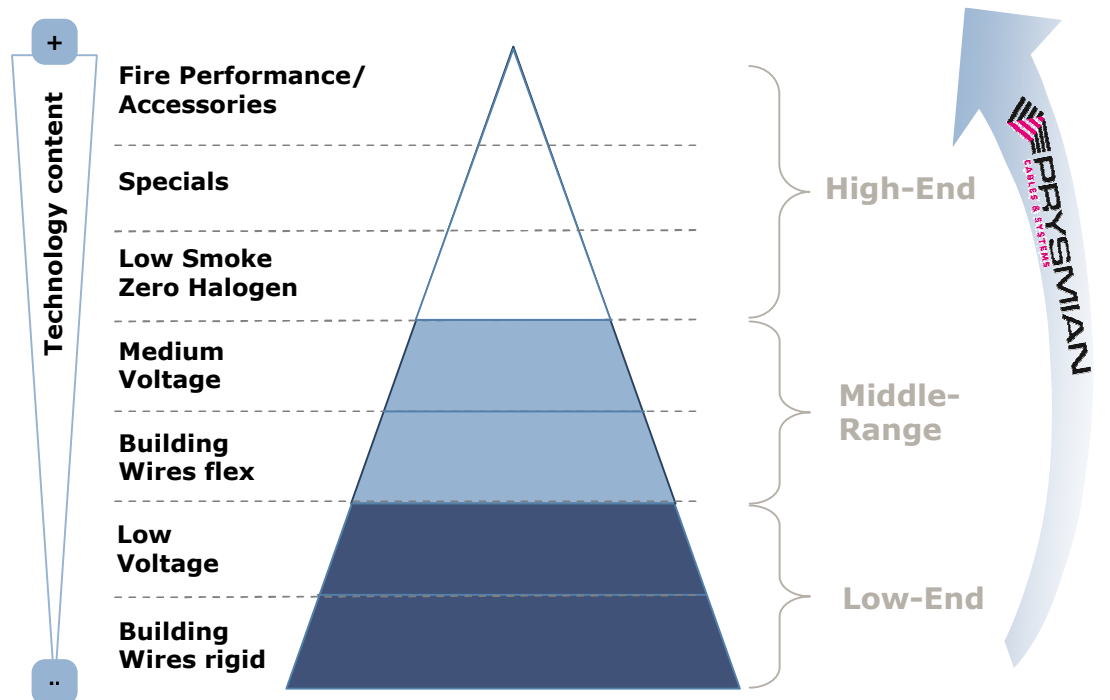
## Key success factors

- Product range
- On-time delivery / Product availability
- Inventory/WC management
- Cost leadership
- Channel management
- Customers' relationship

## Action plan

- Continuously redefine product portfolio
  - Focus on high-end products (e.g. Fire Performance)
- Exploit channel/market specificity
  - Focus on wholesalers and installers
  - Protect positioning in high margin countries
  - Grow global accounts
- Continuously improve service level
- Benefit from changes in regulatory regime

## Product overview



# Industrial

## Business description

*Integrated cable solutions highly customized to our industrial customers worldwide*

### Oil & Gas

Addressing the cable needs of research and refining, exploration and production. Products range from low & medium voltage power and control cables to dynamic multi-purpose umbilicals for transporting energy, telecommunications, fluids and chemical products



### Renewable

Advanced cabling solutions for wind and solar energy generation contribute to our clients increased efficiency, reliability and safety



### Surf (Subsea umbilical, riser and flowline)

SURF provides the flexible pipes and umbilicals required by the petro-chemicals industry for the transfer of fluids from the seabed to the surface and vice versa



### Elevator

Meeting the global demand for high-performing, durable and safe elevator cable and components we design manufacture and distribute packaged solutions for the elevator industry



### Auto & Transport

Products for trains, automobiles, ships and planes including the Royal Caribbean's Genesis fleet (world's biggest ship) & Alstom designed TGV (world's fastest train)



### Specialties & OEM

Products for mining, crane and other niches

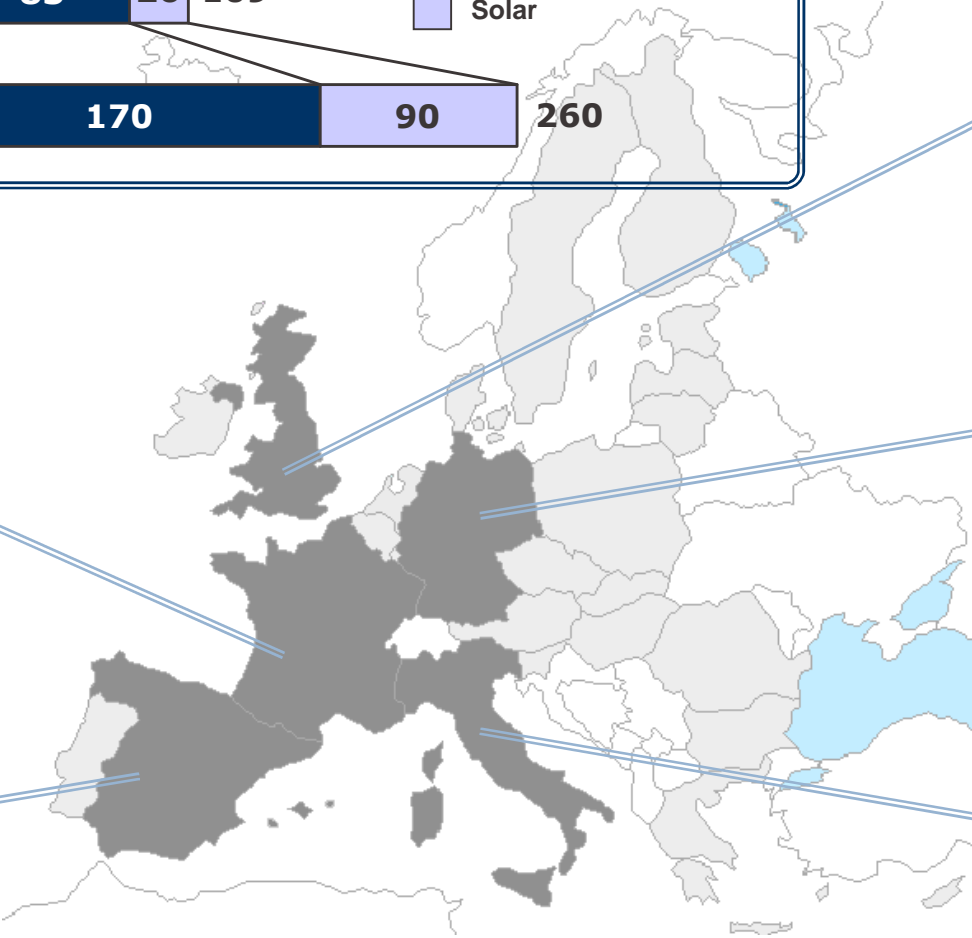
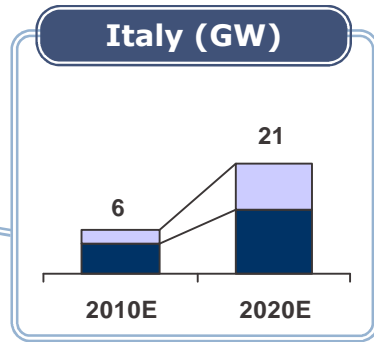
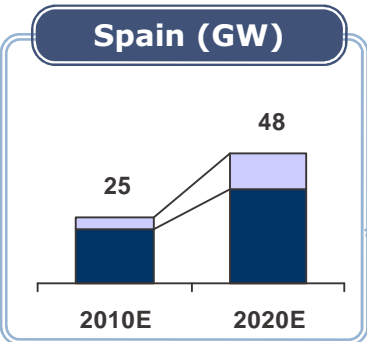
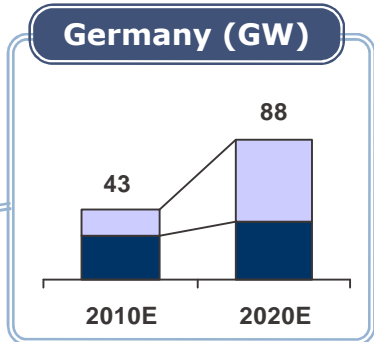
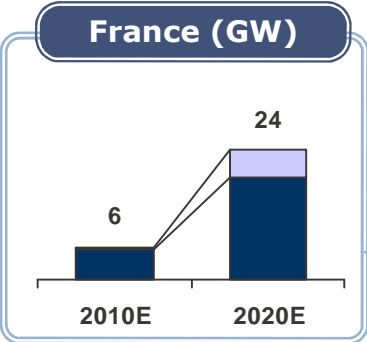
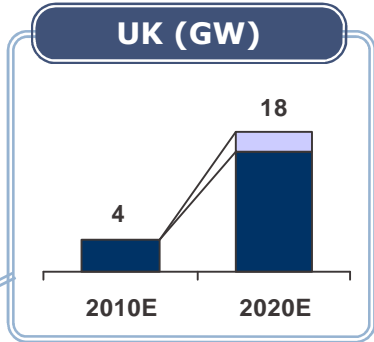
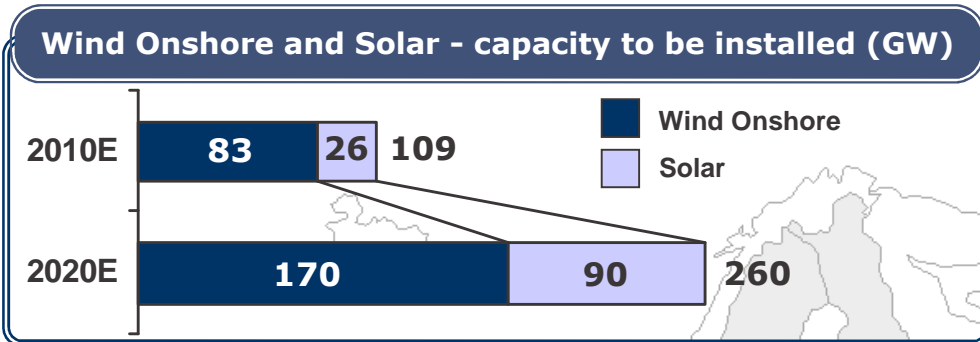
## Key customers

Large and differentiated customer base generally served through direct sales



# Industrial - 150GW of new Solar and Wind Onshore capacity by 2020

Five major countries accounting for about 75% of total new capacity



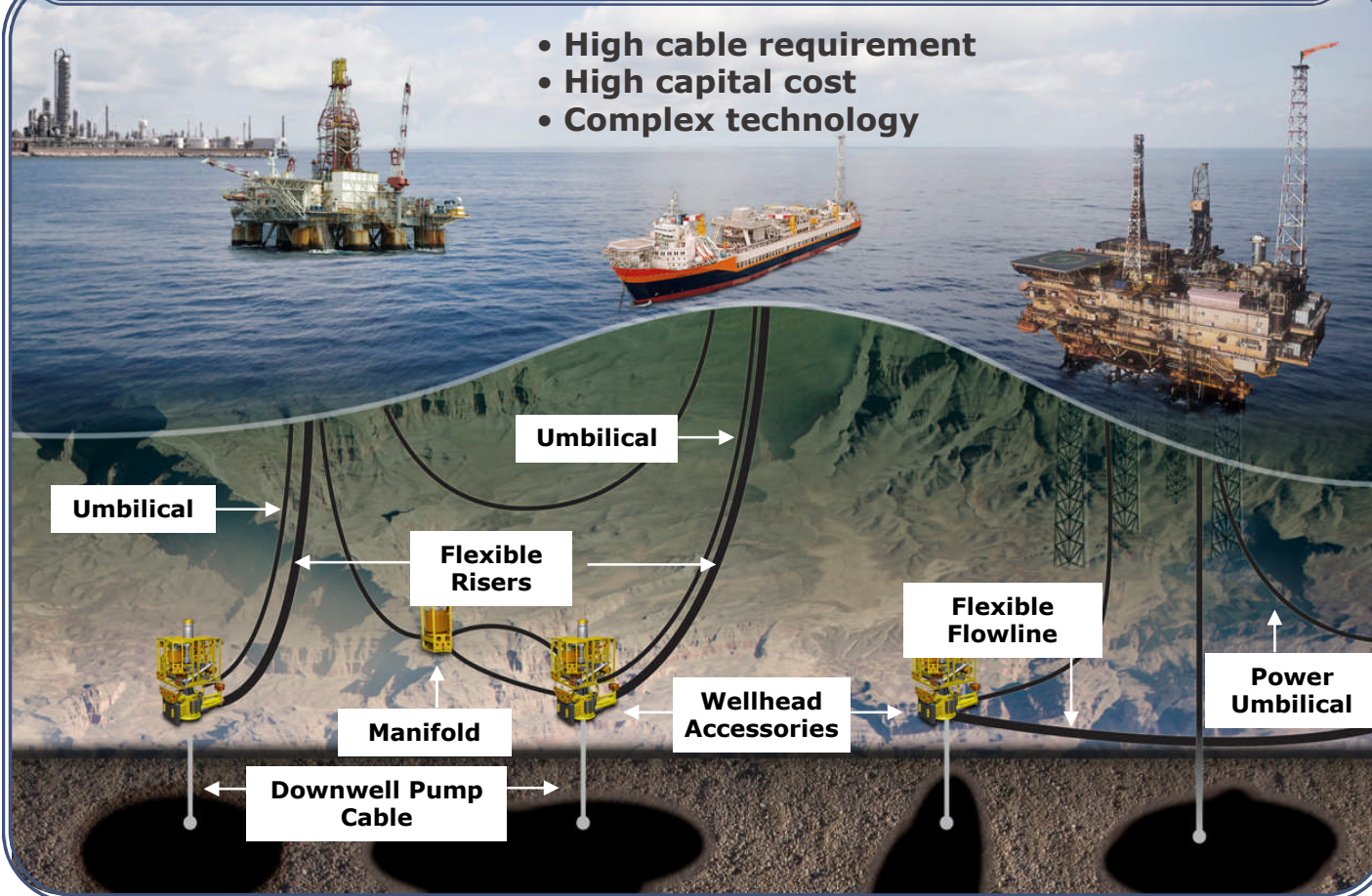
Source: National Renewable Energy Action Plans (June 2010)

Note: includes EU-27 countries

# Industrial - SURF (Subsea Umbilicals, Risers and Flowline)

**SURF is a subsector of the Subsea market covering all the Flexible Pipes and Umbilicals to transfer fluids from the seabed to the surface and vice versa**

- High cable requirement
- High capital cost
- Complex technology

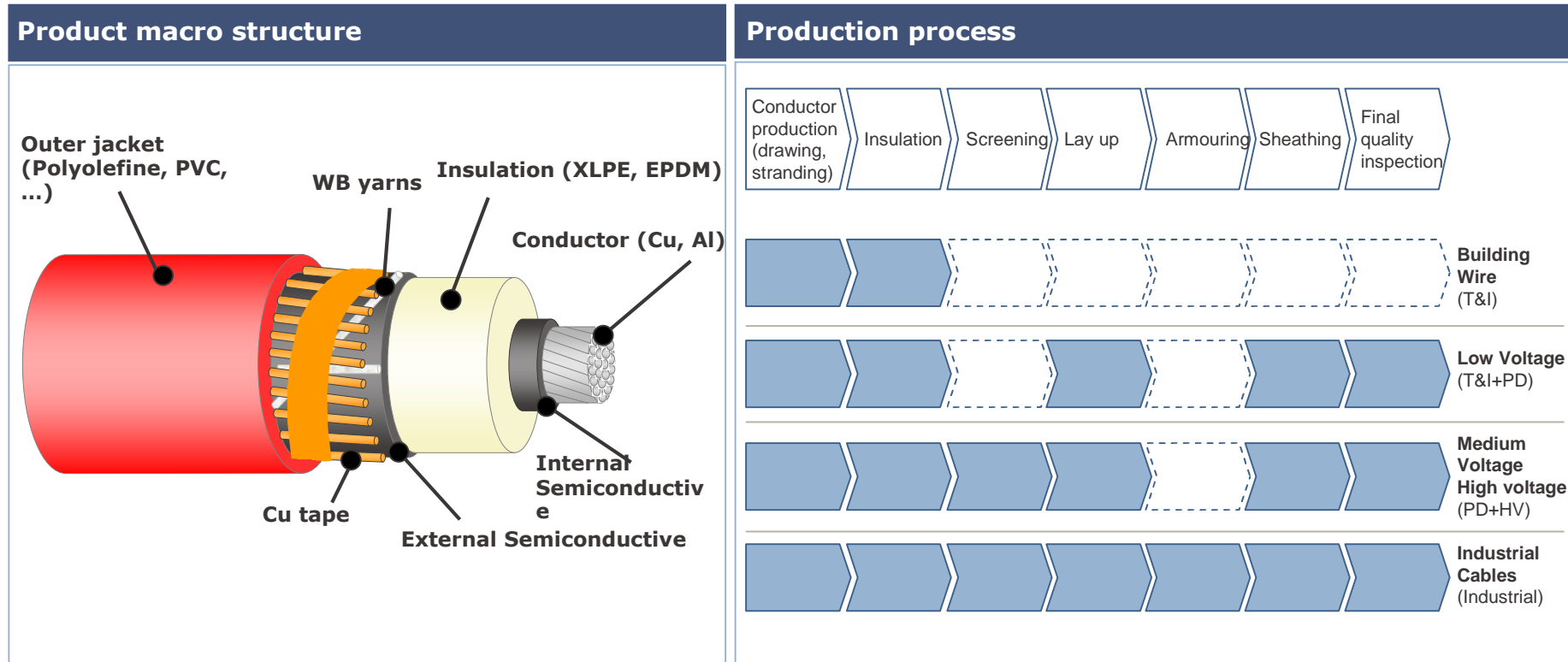


Umbilical



Flexible Pipe

# Macro-structure of Energy Cables

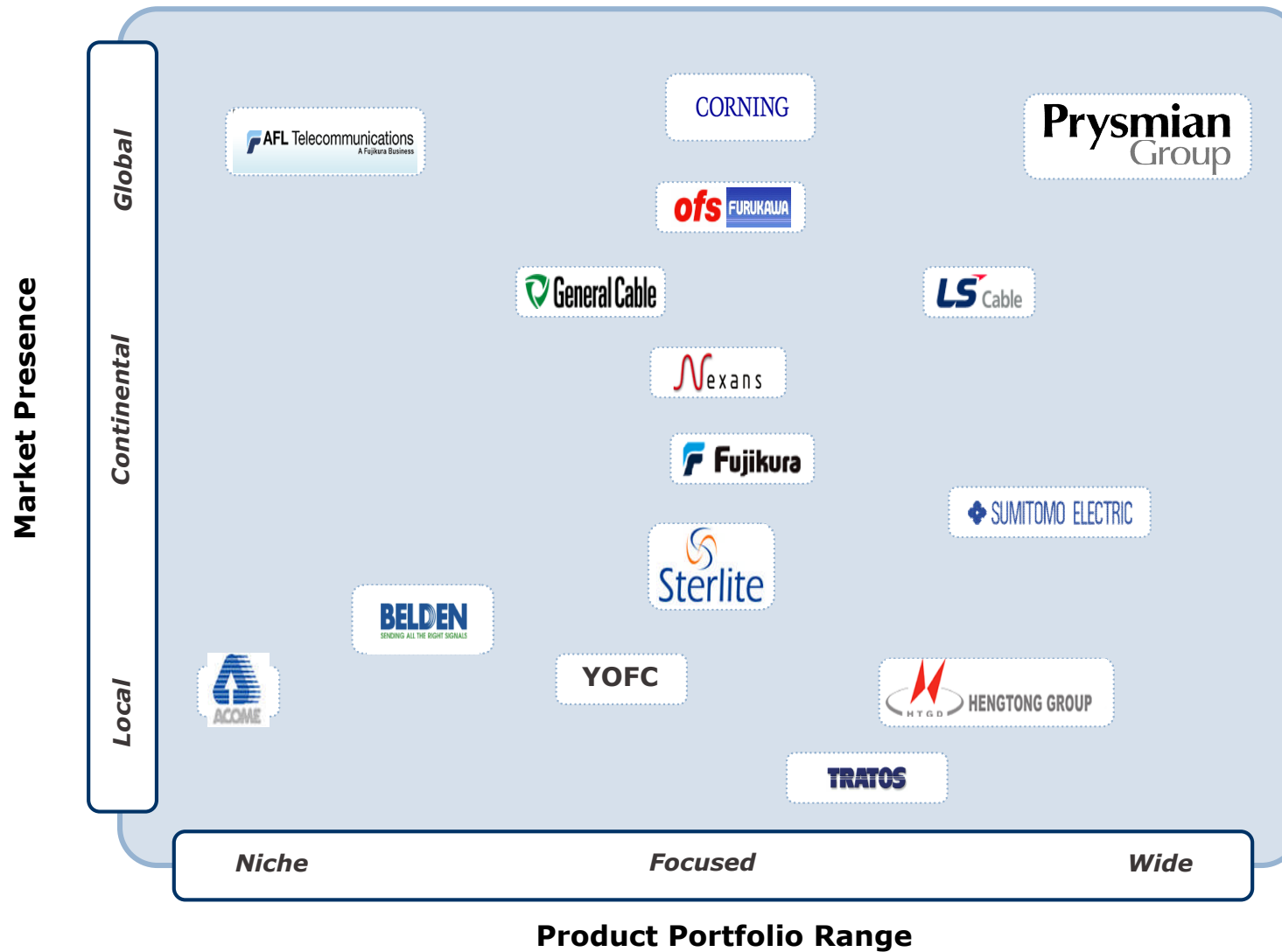


# AGENDA

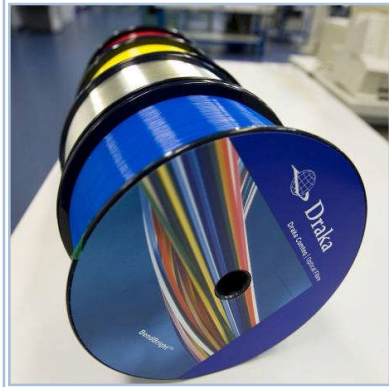
- H1 2011 Highlights & Outlook 2011
- Draka integration
- Financial Results
- Appendix - Telecom

# Major Players within the Telecom Industry

Competitive scenario

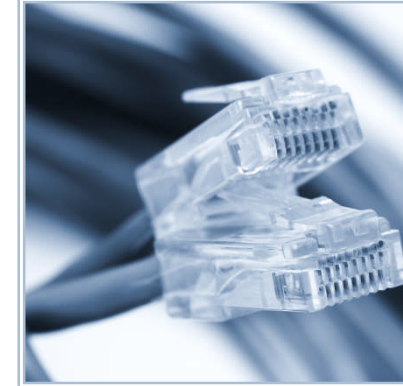
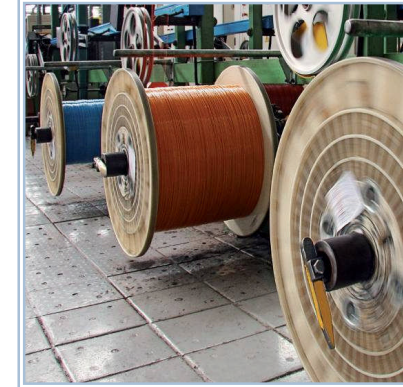
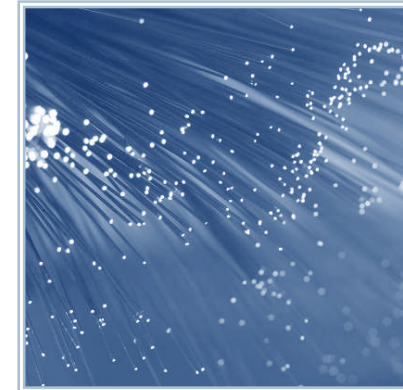


# All cable solutions for Telecom Business



## Telecom

- **Optical Cables**
- **Connectivity/FTTx passive systems**
- **Optical Fiber**
- **Copper Cables**
- **Multimedia Solutions**
- **Telecom Solutions**



# Our Telecom Business

## Business description

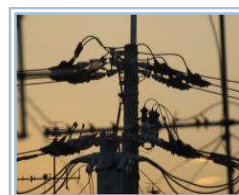
*Integrated cable solutions focused on high -end Telecom*

### Telecom solutions

Optical cables: tailored for all today's challenging environments from underground ducts to overhead lines, rail tunnels and sewerage pipes

Copper cables: broad portfolio for underground and overhead solutions, residential and commercial buildings

Connectivity: FTTH systems based upon existing technologies and specially developed proprietary optical fibres



### MMS

Multimedia specials: solutions for radio, TV and film, harsh industrial environments, radio frequency, central office switching and datacom

Mobile networks: Antenna line products for mobile operators

Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



### Optical Fiber

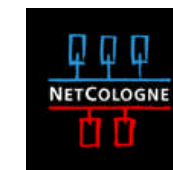
Optical fiber products: single-mode optical fiber, multimode optical fibers and specialty fibers (DrakaElite)

Manufacturing: our proprietary manufacturing process for Plasma-activated Chemical Vapor Deposition and Licensed OVD Technology (600 unique inventions corresponding to > 1.4K patents) positions us at the forefront of today's technology



## Key customers

Key customers include key operators in the telecom sector



# Optical cables

## Global overview

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### Market trends

- Demand function of level of capital expenditures budgeted by large telecom companies (PTT/incumbents as well as alternative operators) for network infrastructures, mainly as a consequence of:
  - Growing number of internet users
  - Diffusion of broadband services / other high-tech services (i.e. IPTV)

### Key success factors

- Continuous innovation and development of new cable & fibre products
- Cable design innovation with special focus on installation cost reduction
- Relentless activity to maintain the highest quality and service level
- Focus on costs to remain competitive in a highly price sensitive environment

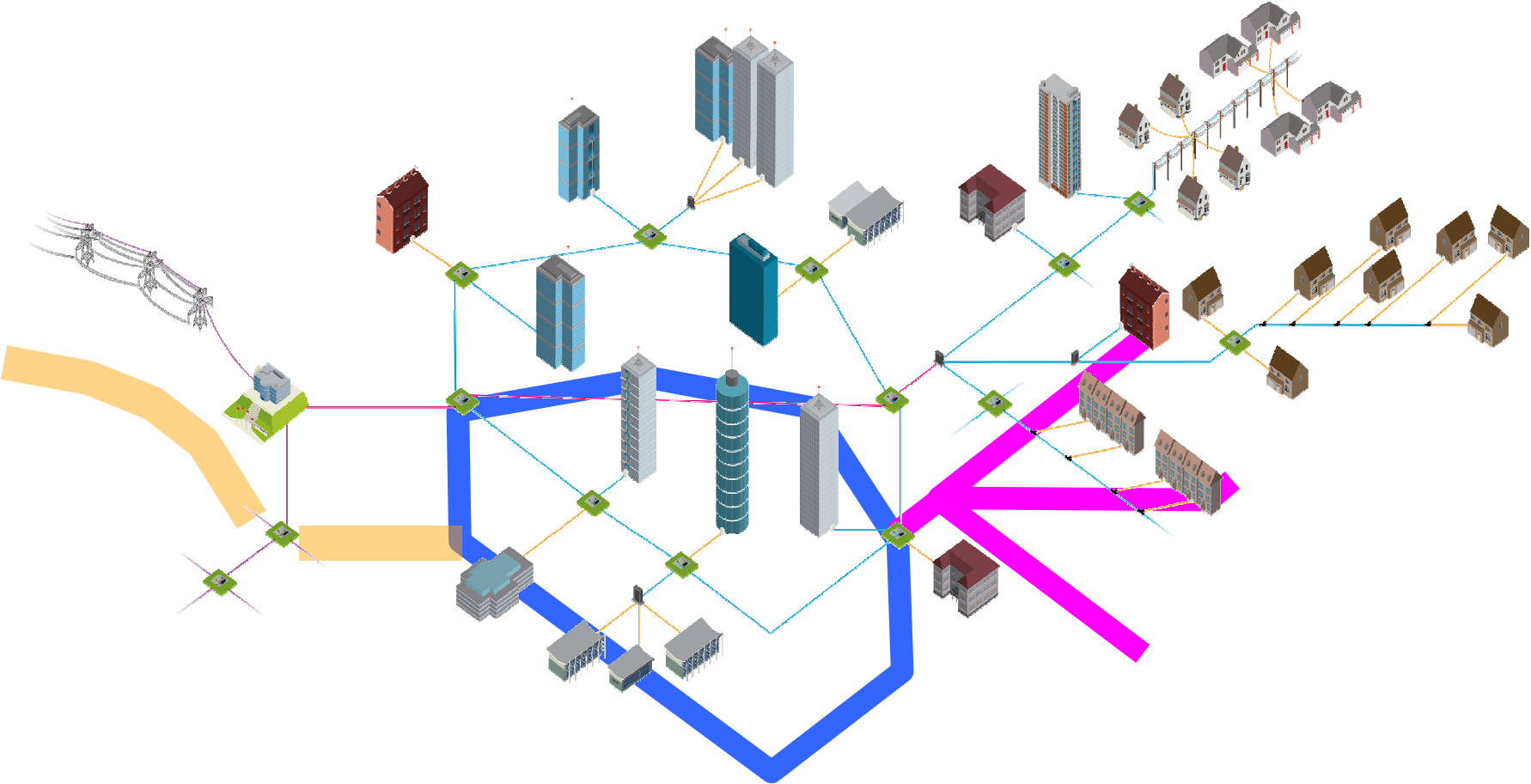
### Strategic value of fibre

- Fibre optic represents the major single component cost of optical cables
- Fibre optic production has high entry barriers:
  - Proprietary technology or licenses difficult to obtain
  - Long time to develop know-how
  - Capital intensity
- When fibre optic is short, vertically integrated cable manufacturers leverage on a strong competitive advantage

### Action plan

- Maintain & reinforce position with key established clients
- Further penetration of large incumbents in emerging regions
- Optimize utilization of low cost manufacturing units
- Expand distribution model in Domestic & Export
- Streamline the inter-company process
- Fully integrated products sales
- Refocus on export activities
- Increase level and effectiveness of agents

# Telecom Cables Main Applications



**BACKBONE**





**METROPOLITAN RING**

**ACCESS NETWORK**

# Consolidated leadership in Australia to benefit from new NBN project

Start-up of National broadband network in 2011



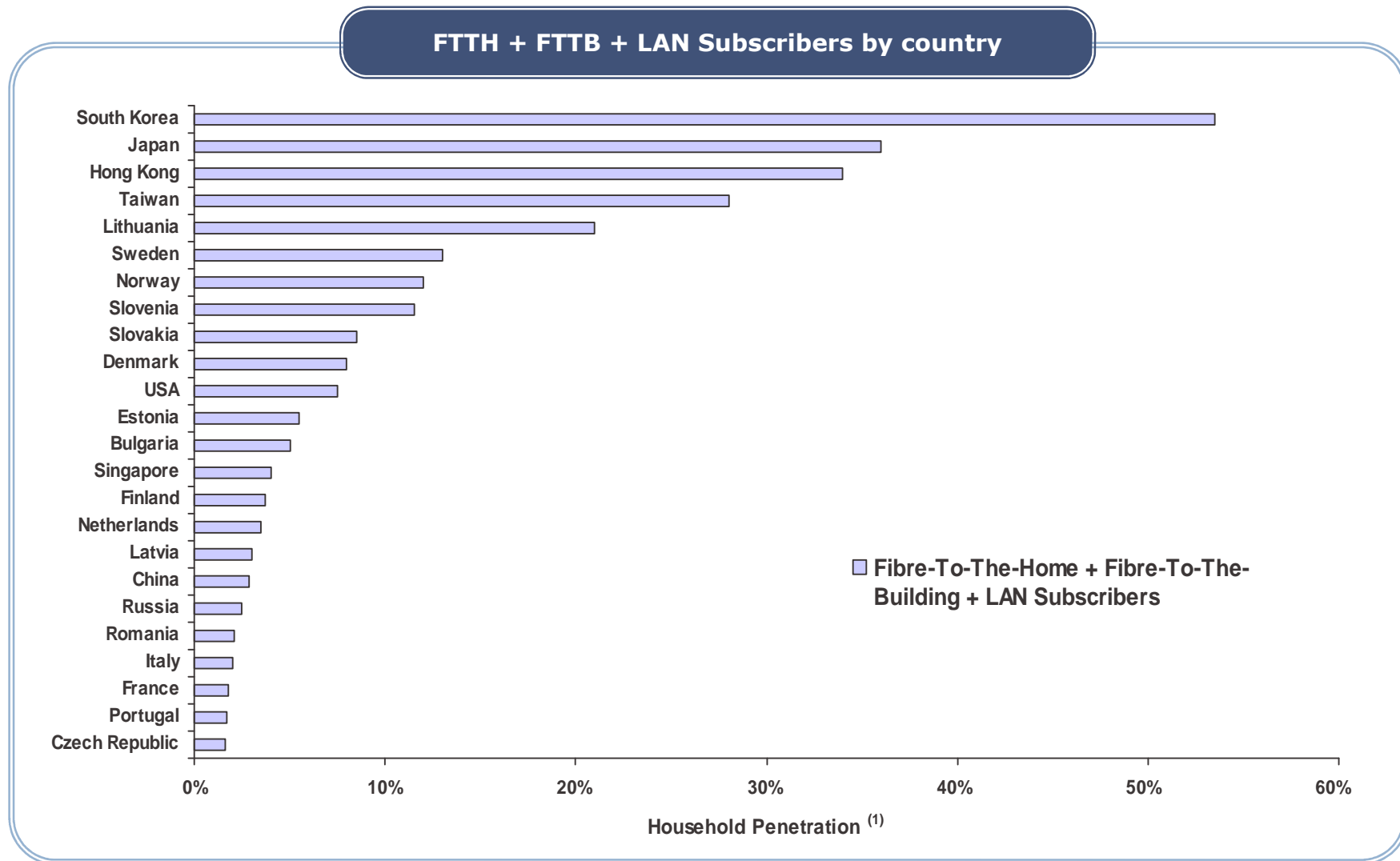
-  Priority locations
-  First release sites
-  Second release sites
-  Cities/Towns

## Rollout plan for National Broadband Network

- Government initiative to provide direct fibre connection to 93% of Australian subscribers (residential and business)
- AUD 43 bn capex planned during the period (2011-2019); construction will begin in 2011
- Telstra and NBN agreed to jointly develop the new network
- Prysmian signed a 5-year agreement with NBN as major supplier of optical cables for the network (AUD 300m)
- Prysmian signed new 4-year frame agreement with Telstra to supply optical and copper cables
- Large part of existing and new Telstra cable infrastructure being used within the NBN network
- Prysmian doubling optical cable capacity in Australian Dee Why site

# Asian markets leading Fiber to the home penetration

Weak optical cables infrastructure in Europe to drive higher investments by large incumbents



Source: IDATE and FTTH Council (October 2010)

(1) Economies with at least 200,000 households and with greater than 1% household penetration

# Macro-structure of Telecom Cables

	Product macro structure	Production process
<b>Fibre optic</b>	<p>Primary Coating (250 Micron) Cladding (125 Micron) Core (10 Micron)</p> <p>Main Technologies: OVD - VAD - MCVD</p>	<p>Pre form deposition → Consolidation → Drawing → Final quality inspection</p>
<b>Optical cables</b>	<p>(Tracking resistant) Sheathing Compound Aramid Yarns Loose tubes Optical fibres Central strength member Ripcords Fillers Sheath</p>	<p>Colouring → Buffering → Lay up → Armouring (yarn or metal) → Sheathing → Final quality inspection</p>
<b>Copper cables</b>	<p>Outer sheath Screen/Armour Stranded pairs core Insulated Conductors</p>	<p>Conductor production → Insulation → Twining → Lay up → Armouring → Sheathing → Final quality inspection</p>

# AGENDA

- H1 2011 Highlights & Outlook 2011
- Draka integration
- Financial Results
- Appendix - Financials

# Profit and Loss Statement – backup

Euro Millions

	H1 2011 Reported <sup>a)</sup>				H1 2010 Rep.	FY 2010 Rep.	FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	Total	PRY	DRAK	Total
<b>Sales</b>	<b>2,653</b>	<b>931</b>	<b>(10)</b>	<b>3,574</b>	<b>2,148</b>	<b>4,571</b>	<b>4,571</b>	<b>2,419</b>	<b>6,990</b>
<i>YoY total growth</i>	23.6%	13.1%		66.4%	16.2%	22.5%	22.5%	18.7%	21.2%
<i>YoY organic growth</i>	13.0%	6.5%		-	-3.4%	3.2%	3.2%	3.5%	3.3%
<b>Adj.EBITDA</b>	<b>201</b>	<b>68</b>	<b>-</b>	<b>269</b>	<b>181</b>	<b>387</b>	<b>387</b>	<b>148</b>	<b>535</b>
<i>% on sales</i>	7.6%	7.3%		7.5%	8.4%	8.5%	8.5%	6.1%	7.7%
<i>Non recurring items</i>	(222)	(7)	(14)	(243)	(6)	(22)	(22)	(56)	(78)
<b>EBITDA</b>	<b>(21)</b>	<b>61</b>	<b>(14)</b>	<b>26</b>	<b>175</b>	<b>365</b>	<b>365</b>	<b>92</b>	<b>457</b>
<i>% on sales</i>	-0.8%	6.6%		0.7%	8.2%	8.0%	8.0%	3.8%	6.5%
<b>Adj.EBIT</b>	<b>163</b>	<b>47</b>	<b>(6)</b>	<b>204</b>	<b>143</b>	<b>309</b>	<b>309</b>	<b>85</b>	<b>394</b>
<i>% on sales</i>	6.1%	5.0%		5.7%	6.7%	6.8%	6.8%	3.5%	5.6%
<i>Non recurring items</i>	(222)	(7)	(14)	(243)	(6)	(22)	(22)	(56)	(78)
<i>Special items</i>	(30)	(3)	-	(33)	(22)	20	20	-	20
<b>EBIT</b>	<b>(89)</b>	<b>37</b>	<b>(20)</b>	<b>(72)</b>	<b>115</b>	<b>307</b>	<b>307</b>	<b>29</b>	<b>336</b>
<i>% on sales</i>	-3.4%	4.0%		-2.0%	5.4%	6.7%	6.7%	1.2%	4.8%
<i>Financial charges</i>	(47)	(6)	(5)	(58)	(51)	(94)	(94)	(24)	(118)
<b>EBT</b>	<b>(136)</b>	<b>31</b>	<b>(25)</b>	<b>(130)</b>	<b>64</b>	<b>213</b>	<b>213</b>	<b>5</b>	<b>218</b>
<i>% on sales</i>	-5.1%	3.3%		-3.7%	3.0%	4.7%	4.7%	0.2%	3.1%
<i>Taxes</i>	(21)	(10)	5	(26)	(20)	(63)	(63)	2	(61)
<i>% on EBT</i>	n.m.	n.m.		n.m.	31.9%	29.8%	29.8%	37.5%	28.0%
<b>Net income</b>	<b>(157)</b>	<b>21</b>	<b>(20)</b>	<b>(156)</b>	<b>44</b>	<b>150</b>	<b>150</b>	<b>7</b>	<b>157</b>
<i>Extraordinary items (after tax)</i>	(249)	(9)	(11)	(269)	(33)	(23)	(23)	(57)	(80)
<b>Adj.Net income</b>	<b>92</b>	<b>30</b>	<b>(9)</b>	<b>113</b>	<b>77</b>	<b>173</b>	<b>173</b>	<b>64</b>	<b>237</b>

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Extraordinary Effects – backup

Euro Millions

	H1 2011 Reported <sup>a)</sup>				H1 2010 Rep.	FY 2010 Rep.	FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	Total	PRY	DRAK	Total
Antitrust investigation	(200)	-		(200)	-	-	-	-	-
Restructuring	(5)	(7)		(12)	(4)	(11)	(11)	(48)	(59)
Legal costs	-	-		-	-	(5)	(5)	-	(5)
Draka transaction costs	(6)	-		(6)	-	(6)	(6)	(8)	(14)
Draka integration costs	(6)	-		(6)	-	-	-	-	-
Draka change of control effects	(2)	-		(2)	-	-	-	-	-
Inventory step-up (PPA)	-	-	(14)	(14)	-	-	-	-	-
Other	(3)	-		(3)	(2)	-	-	-	-
<b>EBITDA adjustments</b>	<b>(222)</b>	<b>(7)</b>	<b>(14)</b>	<b>(243)</b>	<b>(6)</b>	<b>(22)</b>	<b>(22)</b>	<b>(56)</b>	<b>(78)</b>
Special items	(30)	(3)		(33)	(22)	20	20	-	20
Gain/(loss) on metal derivatives	(30)	(3)		(33)	(17)	28	28	-	28
Assets impairment	-	-		-	(5)	(8)	(8)	(0)	(8)
Other	-	-		-	-	-	-	-	-
<b>EBIT adjustments</b>	<b>(252)</b>	<b>(10)</b>	<b>(14)</b>	<b>(276)</b>	<b>(28)</b>	<b>(2)</b>	<b>(2)</b>	<b>(56)</b>	<b>(58)</b>
Gain/(Loss) on other derivatives <sup>(1)</sup>	7	5		12	(24)	(38)	(38)	1	(37)
Gain/(Loss) exchange rate	(15)	(6)		(21)	3	7	7	(3)	4
Other one-off financial income/exp.	-	-		-	2	2	2	(3)	(1)
<b>EBT adjustments</b>	<b>(260)</b>	<b>(11)</b>	<b>(14)</b>	<b>(285)</b>	<b>(47)</b>	<b>(31)</b>	<b>(31)</b>	<b>(61)</b>	<b>(92)</b>
Tax	11	2	3	16	14	8	8	4	12
<b>Net Income adjustments</b>	<b>(249)</b>	<b>(9)</b>	<b>(11)</b>	<b>(269)</b>	<b>(33)</b>	<b>(23)</b>	<b>(23)</b>	<b>(57)</b>	<b>(80)</b>

## Notes

(1) Includes currency and interest derivatives

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Financial Charges – backup

Euro Millions

	H1 2011 Reported <sup>a)</sup>				H1 2010 Rep.	FY 2010 Rep.	FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	Total	PRY	DRAK	Total
<b>Net interest expenses</b>	<b>(39)</b>	<b>(8)</b>	-	<b>(47)</b>	<b>(30)</b>	<b>(61)</b>	<b>(61)</b>	<b>(23)</b>	<b>(84)</b>
Bank fees Amortization	(6)	-	-	(6)	(3)	(6)	(6)	(4)	(10)
Gain/(loss) on exchange rates	(15)	(6)	-	(21)	3	7	7	(3)	4
Gain/(loss) on derivatives <sup>(1)</sup>	7	5	-	12	(24)	(38)	(38)	1	(37)
Non recurring effects	-	-	-	-	2	2	2	(3)	(1)
<b>Net financial charges</b>	<b>(53)</b>	<b>(9)</b>	-	<b>(62)</b>	<b>(52)</b>	<b>(96)</b>	<b>(96)</b>	<b>(32)</b>	<b>(128)</b>
Share in net income of associates	6	3	(5)	4	1	2	2	8	10
<b>Total financial charges</b>	<b>(47)</b>	<b>(6)</b>	<b>(5)</b>	<b>(58)</b>	<b>(51)</b>	<b>(94)</b>	<b>(94)</b>	<b>(24)</b>	<b>(118)</b>

## Notes

(1) Includes currency and interest derivatives

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Energy Segment: Profit and Loss Statement – backup 1/2

Euro Millions

	H1 2011 Reported <sup>a)</sup>				Full H1 2010 Combined <sup>b)</sup>			Full H1 2011 Combined <sup>b)</sup>			
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total	PRY	DRAK	Cons. adj.	Total
<b>Sales</b>	<b>2,398</b>	<b>628</b>		<b>3,026</b>	<b>1,935</b>	<b>787</b>	<b>2,722</b>	<b>2,398</b>	<b>914</b>		<b>3,312</b>
<b>Sales vs. Third Parties</b>	<b>2,383</b>	<b>615</b>	<b>(9)</b>	<b>2,989</b>	<b>1,925</b>	<b>758</b>	<b>2,683</b>	<b>2,383</b>	<b>890</b>	<b>(9)</b>	<b>3,264</b>
<i>YoY total growth</i>	23.8%	11.8%		55.3%	17.3%	15.3%		23.8%	17.3%		21.7%
<i>YoY organic growth</i>	12.3%	2.6%			-3.6%	-5.0%		12.3%	4.3%		10.0%
<b>Adj. EBITDA</b>	<b>178</b>	<b>37</b>	<b>-</b>	<b>215</b>	<b>164</b>	<b>37</b>	<b>201</b>	<b>178</b>	<b>47</b>		<b>225</b>
<i>% on sales</i>	7.5%	5.8%		7.1%	8.5%	4.7%	7.4%	7.5%	5.2%		6.8%
<b>Adj. EBIT</b>	<b>144</b>	<b>25</b>	<b>(1)</b>	<b>168</b>	<b>130</b>	<b>20</b>	<b>150</b>	<b>144</b>	<b>30</b>	<b>(1)</b>	<b>173</b>
<i>% on sales</i>	6.0%	4.0%		5.6%	6.7%	2.5%	5.5%	6.0%	3.2%		5.2%

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 6 months

# Energy Segment: Profit and Loss Statement – backup 2/2

Euro Millions

	H1 2011 Reported <sup>a)</sup>				H1 2010 Rep.	FY 2010 Rep.	FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	Total	PRY	DRAK	Total
<b>Sales</b>	<b>2,398</b>	<b>628</b>		<b>3,026</b>	<b>1,935</b>	<b>4,145</b>	<b>4,145</b>	<b>1,630</b>	<b>5,775</b>
<b>Sales vs. Third Parties</b>	<b>2,383</b>	<b>615</b>	<b>(9)</b>	<b>2,989</b>	<b>1,925</b>	<b>4,121</b>	<b>4,121</b>	<b>1,593</b>	<b>5,714</b>
<i>YoY total growth</i>	23.8%	11.8%		55.3%	17.3%	23.8%	23.8%	21.9%	23.3%
<i>YoY organic growth</i>	12.3%	2.6%		-	-3.6%	3.4%	3.4%	0.4%	2.6%
<b>Adj. EBITDA</b>	<b>178</b>	<b>37</b>	<b>-</b>	<b>215</b>	<b>164</b>	<b>351</b>	<b>351</b>	<b>82</b>	<b>433</b>
<i>% on sales</i>	7.5%	5.8%		7.1%	8.5%	8.5%	8.5%	5.0%	7.5%
<b>Adj. EBIT</b>	<b>144</b>	<b>25</b>	<b>(1)</b>	<b>168</b>	<b>130</b>	<b>280</b>	<b>280</b>	<b>47</b>	<b>327</b>
<i>% on sales</i>	6.0%	4.0%		5.6%	6.7%	6.8%	6.8%	2.9%	5.7%

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Energy Segment – Sales and Profitability by business area

Euro Millions, % of Sales Growth – Full H1 combined

		Full H1 2011 Comb.	Full H1 2010 Comb.	Total growth	Organic growth
<b>Sales</b>		<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
	Utilities <i>of which to third parties</i>	1,104 1,102	870 870	31.1%	20.2%
	Trade & Installers <i>of which to third parties</i>	1,302 1,253	1,097 1,067	60.2%	2.2%
	Industrial <i>of which to third parties</i>	847 841	704 693	107.6%	8.4%
	Others <i>of which to third parties</i>	83 68	63 53	<i>n.m.</i>	<i>n.m.</i>
	Eliminations	(24)	(12)		
<b>Total Energy</b>		<b>3,312</b>	<b>2,722</b>		
<i>of which to third parties</i>		<b>3,264</b>	<b>2,683</b>	<b>55.3%</b>	<b>10.0%</b>
<b>Adj. EBITDA</b>	Utilities	140	125	12.7%	14.4%
	Trade & Installers	39	36	3.0%	3.3%
	Industrial	46	42	5.4%	6.0%
	Others	0	(2)	<i>n.m.</i>	<i>n.m.</i>
	<b>Total Energy</b>	<b>225</b>	<b>201</b>	<b>6.8%</b>	<b>7.4%</b>
	<b>Adj. EBIT</b>	Utilities	120	107	10.9%
Trade & Installers		23	20	1.8%	1.8%
Industrial		30	26	3.5%	3.7%
Others		0	(3)	<i>n.m.</i>	<i>n.m.</i>
<b>Total Energy</b>		<b>173</b>	<b>150</b>	<b>5.2%</b>	<b>5.5%</b>
				<b>H1'11 % on Sales</b>	<b>H1'10 % on Sales</b>
				<b>Total</b>	<b>Total</b>

# Telecom Segment: Profit and Loss Statement – backup 1/2

Euro Millions

	H1 2011 Reported <sup>a)</sup>				Full H1 2010 Combined <sup>b)</sup>			Full H1 2011 Combined <sup>b)</sup>			
	PRY	DRAK	Cons. adj.	Total	PRY	DRAK	Total	PRY	DRAK	Cons. adj.	Total
<b>Sales</b>	<b>272</b>	<b>327</b>		<b>599</b>	<b>225</b>	<b>405</b>	<b>630</b>	<b>272</b>	<b>449</b>		<b>721</b>
<b>Sales vs. Third Parties</b>	<b>270</b>	<b>316</b>	<b>(1)</b>	<b>585</b>	<b>223</b>	<b>383</b>	<b>606</b>	<b>270</b>	<b>432</b>	<b>(1)</b>	<b>701</b>
<i>YoY total growth</i>	21.1%	13.1%		162.3%	8.1%	6.9%		21.1%	12.8%		15.7%
<i>YoY organic growth</i>	17.6%	14.2%			-1.2%	7.8%		17.6%	9.5%		12.5%
<b>Adj. EBITDA</b>	<b>23</b>	<b>31</b>		<b>54</b>	<b>17</b>	<b>28</b>	<b>45</b>	<b>23</b>	<b>39</b>		<b>62</b>
<i>% on sales</i>	8.3%	9.4%		9.0%	7.4%	7.0%	7.1%	8.3%	8.7%		8.6%
<b>Adj. EBIT</b>	<b>19</b>	<b>22</b>	<b>(5)</b>	<b>36</b>	<b>13</b>	<b>14</b>	<b>27</b>	<b>19</b>	<b>25</b>	<b>(5)</b>	<b>39</b>
<i>% on sales</i>	6.8%	6.7%		6.0%	5.8%	3.6%	4.3%	6.8%	5.6%		5.4%

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 6 months

# Telecom Segment: Profit and Loss Statement – backup 2/2

Euro Millions

	H1 2011 Reported <sup>a)</sup>				H1 2010 Rep.	FY 2010 Rep.	FY 2010 Combined <sup>b)</sup>		
	PRY	DRAK	Cons. adj.	Total	PRY	Total	PRY	DRAK	Total
<b>Sales</b>	<b>272</b>	<b>327</b>		<b>599</b>	<b>225</b>	<b>454</b>	<b>454</b>	<b>865</b>	<b>1,319</b>
<b>Sales vs. Third Parties</b>	<b>270</b>	<b>316</b>	<b>(1)</b>	<b>585</b>	<b>223</b>	<b>450</b>	<b>450</b>	<b>826</b>	<b>1,276</b>
<i>YoY total growth</i>	21.1%	13.1%		162.3%	8.1%	11.7%	11.7%	13.0%	12.4%
<i>YoY organic growth</i>	17.6%	14.2%		-	-1.2%	1.2%	1.2%	9.5%	6.5%
<b>Adj. EBITDA</b>	<b>23</b>	<b>31</b>	<b>-</b>	<b>54</b>	<b>17</b>	<b>36</b>	<b>36</b>	<b>66</b>	<b>102</b>
<i>% on sales</i>	8.3%	9.4%		9.0%	7.4%	7.9%	7.9%	7.6%	7.7%
<b>Adj. EBIT</b>	<b>19</b>	<b>22</b>	<b>(5)</b>	<b>36</b>	<b>13</b>	<b>29</b>	<b>29</b>	<b>38</b>	<b>67</b>
<i>% on sales</i>	6.8%	6.7%		6.0%	5.8%	6.3%	6.3%	4.4%	5.1%

a) Includes Draka consolidated 4 months from 1 March 2011

b) Includes Draka consolidated all 12 months

# Opening balances 01.03.2011 and PPA adjustments - Draka

Euro Millions

	Opening balance 1 Mar 2011	of which Adj.PPA
	DRAK	DRAK
Net fixed assets	901	198
<i>of which: intangible assets</i>	214	101 <sup>a)</sup>
<i>of which: property, plants &amp; equipment</i>	621	97
Net working capital	302	9
Provisions & deferred taxes	(67)	(76)
<b>Net Capital Employed</b>	<b>1,136</b>	<b>131</b>
Employee provisions	93	
Shareholders' equity	686	131
<i>of which: attributable to minority interest</i>	28	1
Net financial position	357	
<b>Total Financing and Equity</b>	<b>1,136</b>	<b>131</b>

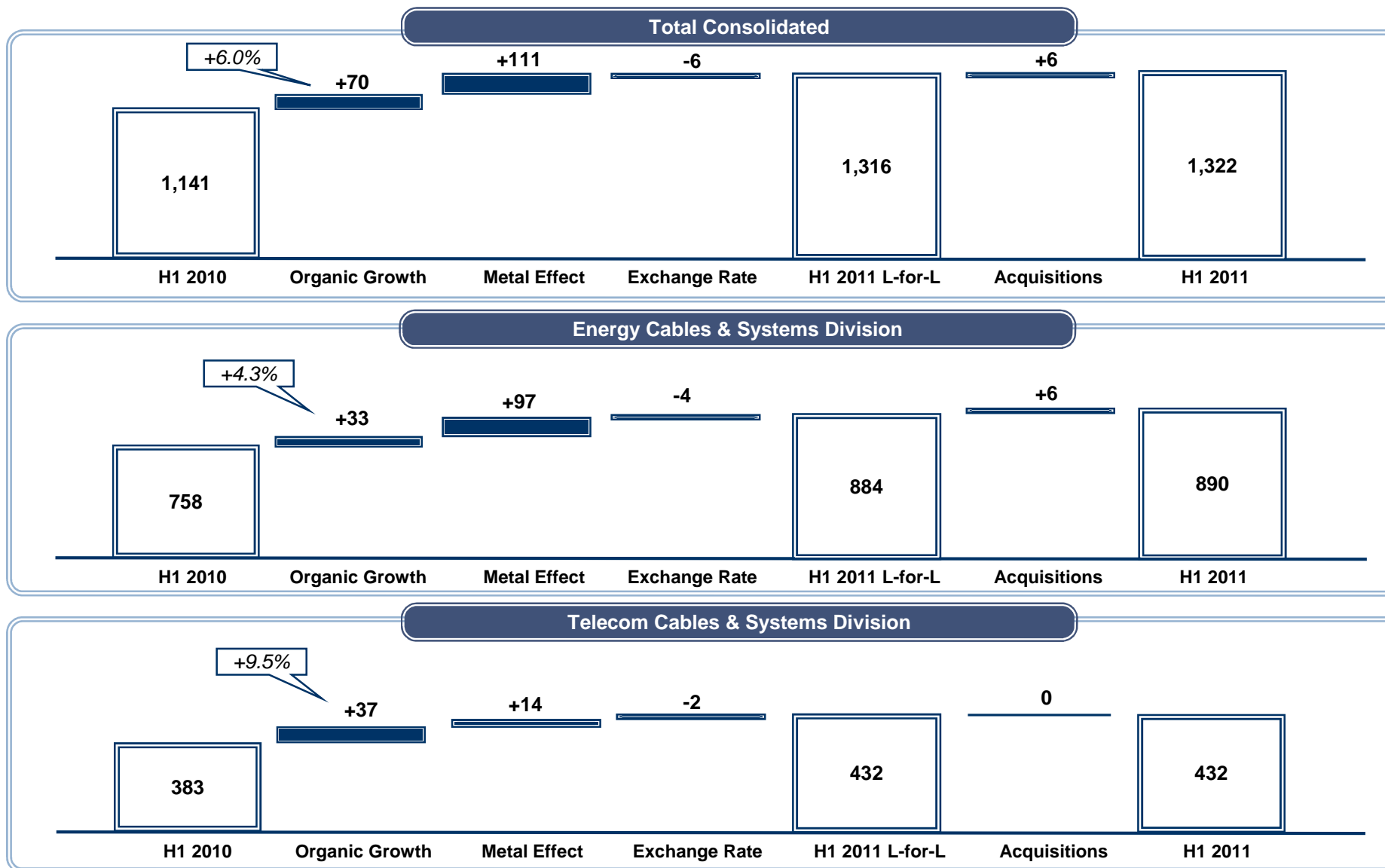
**Provisional Goodwill of € 320m**  
**(Purchase price € 978m – Fair value acquired net assets<sup>(b)</sup> € 658m)**

a) € 182 m step-up of intangible assets (net of € 81 mln eliminated goodwill existing in Draka's accounts pre-acquisition)

b) Excluding minority interest

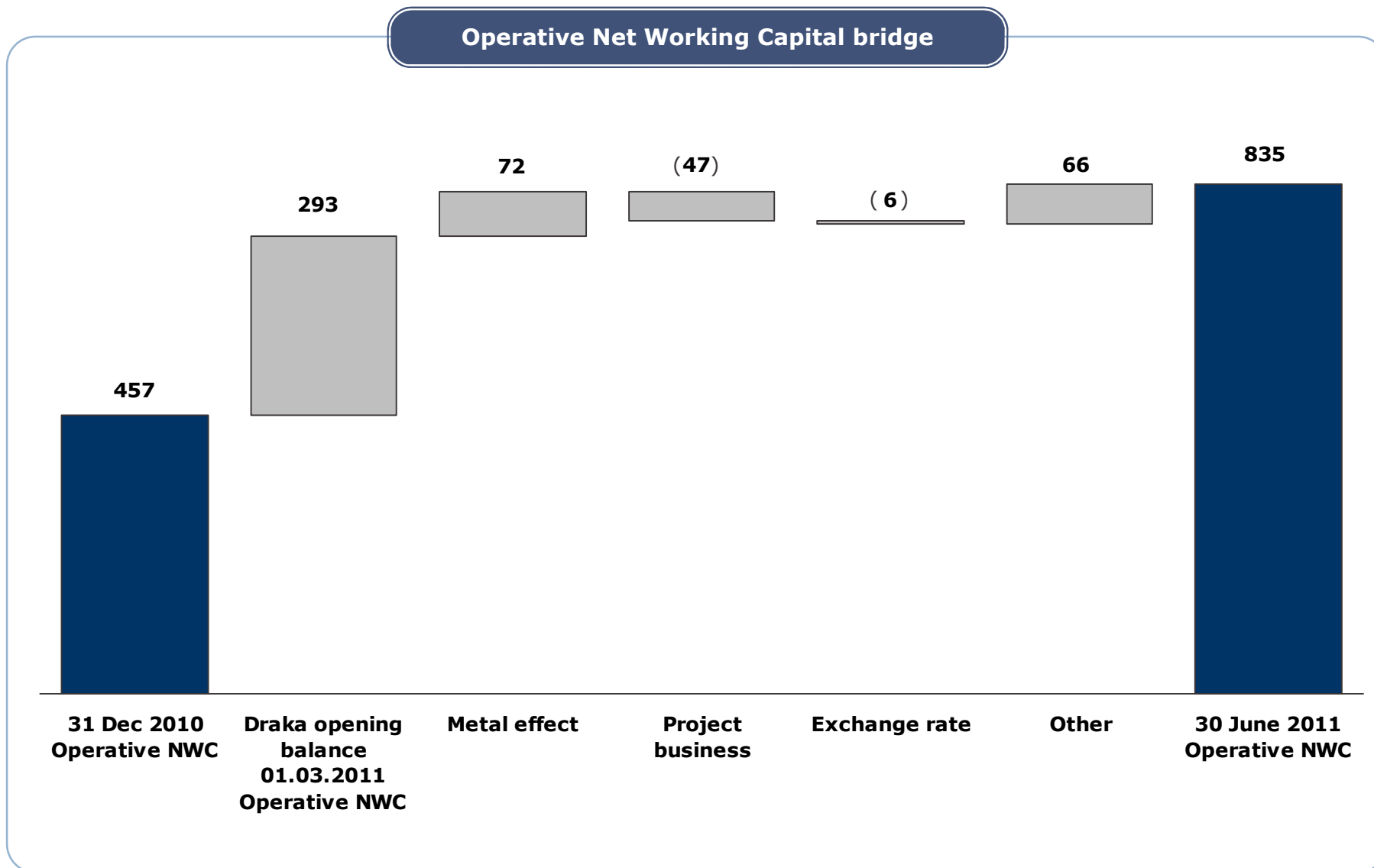
# Bridge Reported Consolidated Sales (Draka)

Euro Millions



# Evolution of Operative Net Working Capital

Euro Millions



# Dividends

## Dividend payment confirmed despite re-leverage related to Draka Acquisition

- **Dividend x share at € 0.166**
  - Total payout: € 35m <sup>(1)</sup>
  - Ex-dividend date: 18 April 2011
  - Payment date: 21 April 2011
- **Pay-out ratio:** 24% on reported Net Income
- **Dividend Yield:** 1.1% <sup>(2)</sup>

*(1) Based on 211,339,981 shares with dividend right:  
Total shares (214,368,481) – Treasury shares (3,028,500)*

*(2) Based on last 30 trading days average share price (€ 15.17) at 28/02/2011*

*(3) Including 3,028,500 Treasury shares*

*(4) Based on 178,860,000 shares (average n° of shares in 2010; excl. Treasury shares)*

**Total Shares <sup>(3)</sup>**

**214,368,481**

**Earning Per Share <sup>(4)</sup>**

**€ 0.82**

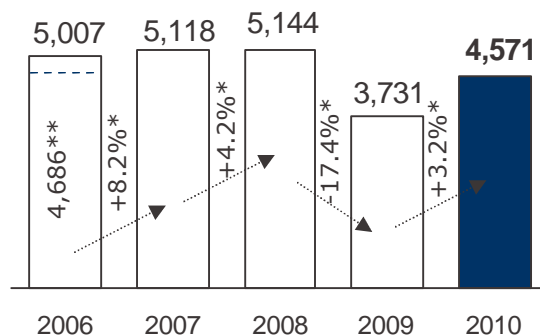
**Dividend Per Share**

**€ 0.166**

# Prysmian Key Financials

Euro Millions, % of Sales – Pre Draka acquisition

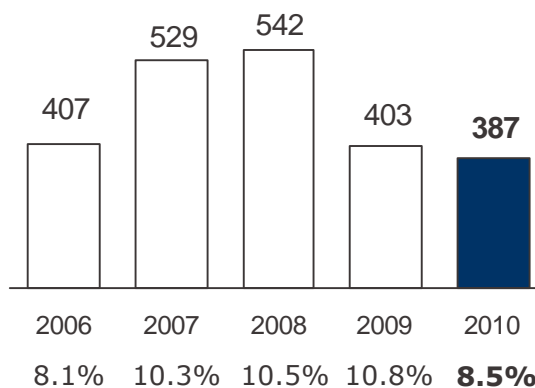
## Sales



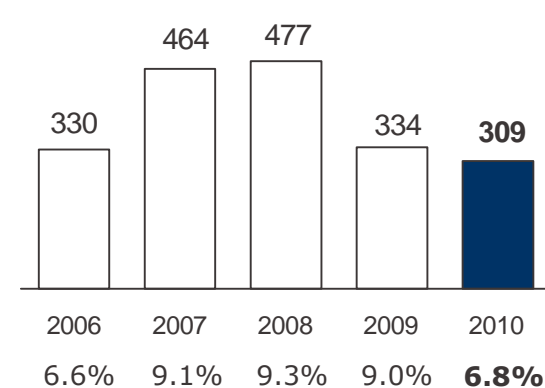
\* Organic Growth

\*\* Like for like excl. UK ROD business (€321m)

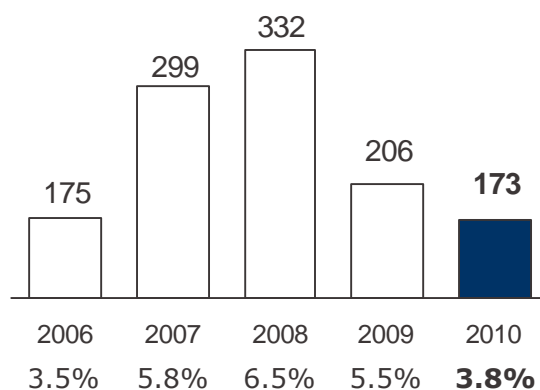
## Adjusted EBITDA (1)



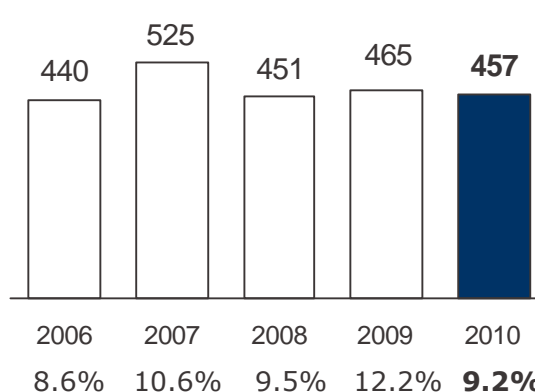
## Adjusted EBIT (2)



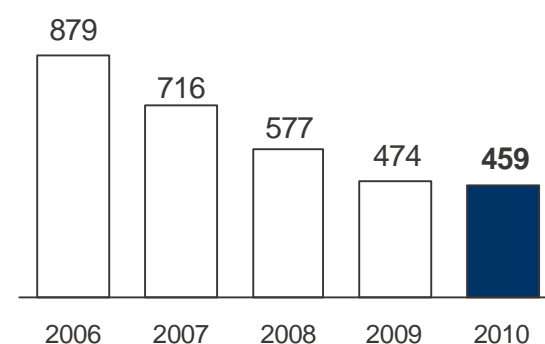
## Adjusted Net Income (3)



## Operative NWC (4)



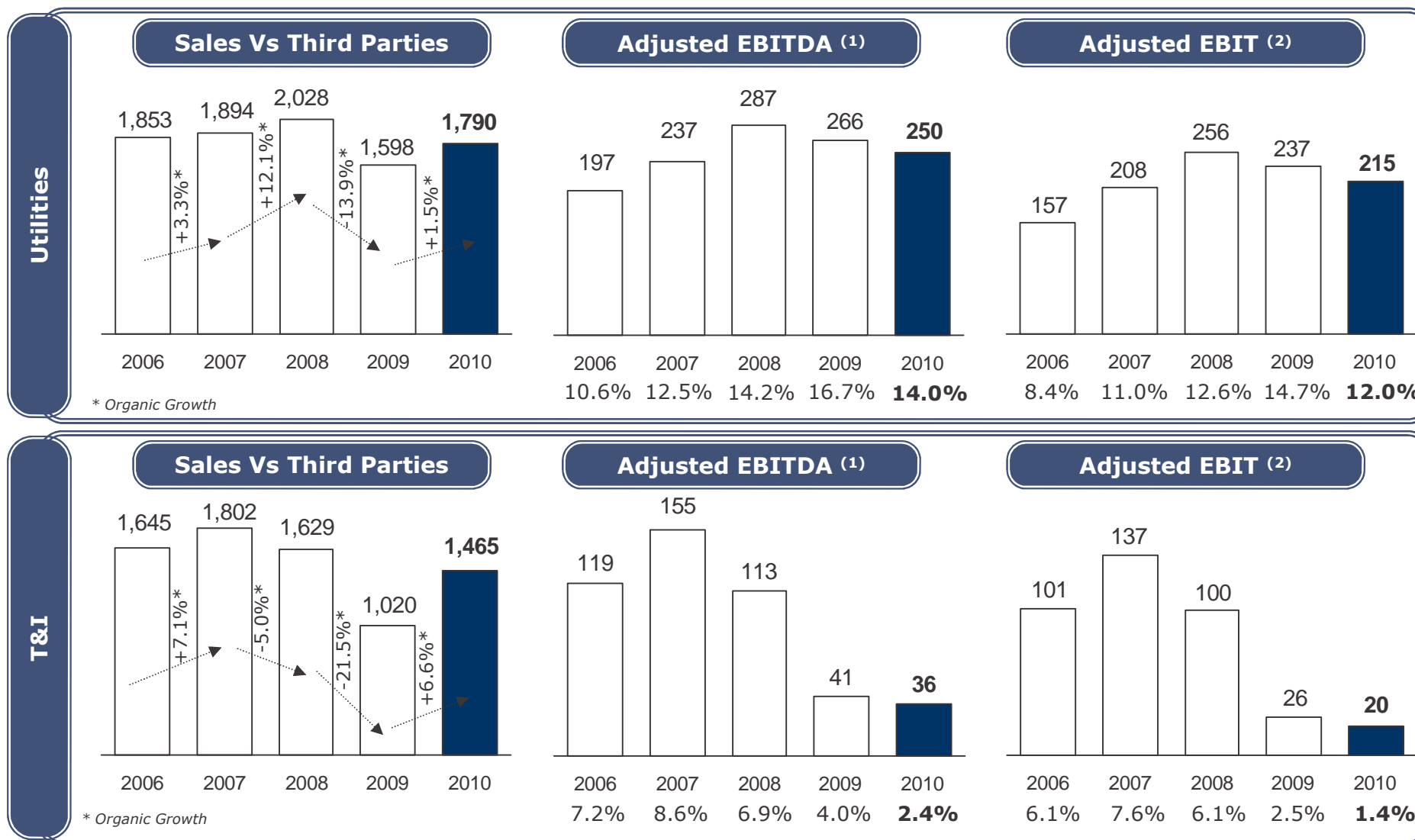
## Net Financial Position



(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 fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (4) 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

# Key Financials by Business Area – Utilities and T&I

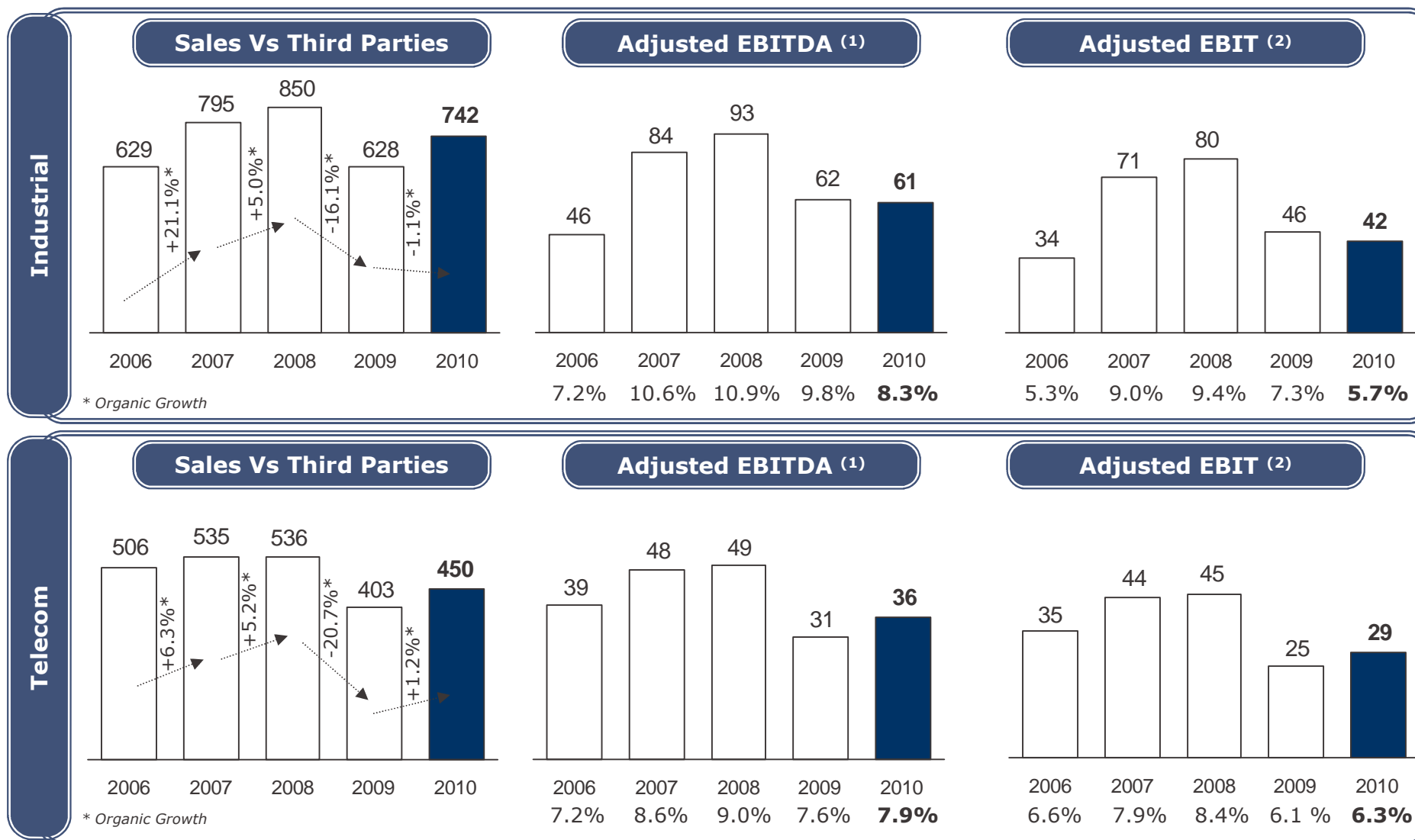
Euro Millions, % of Sales – Pre Draka acquisition



(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

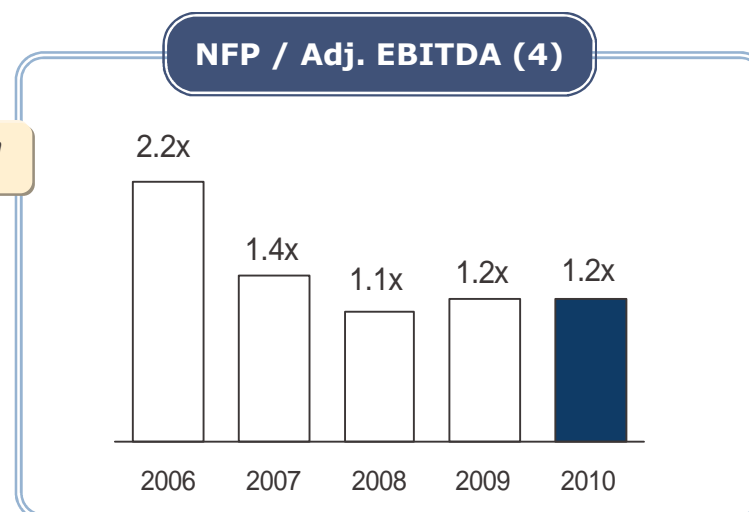
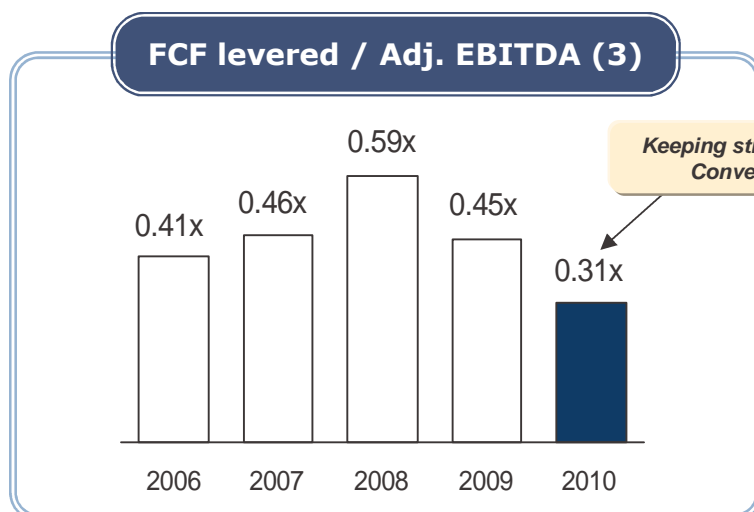
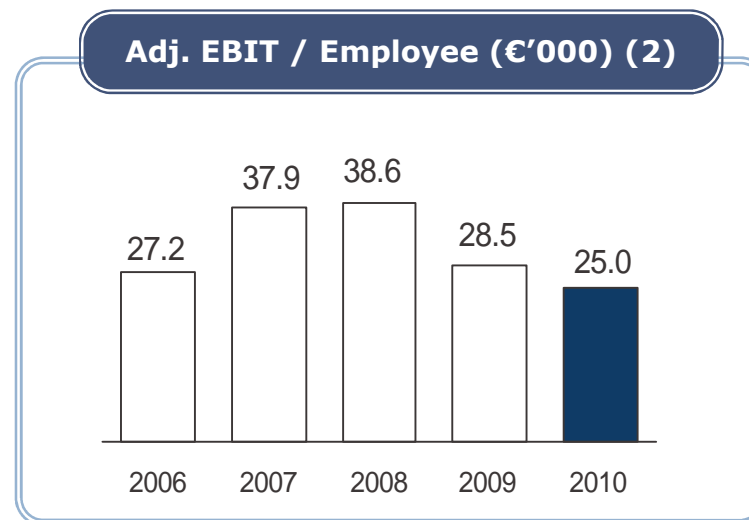
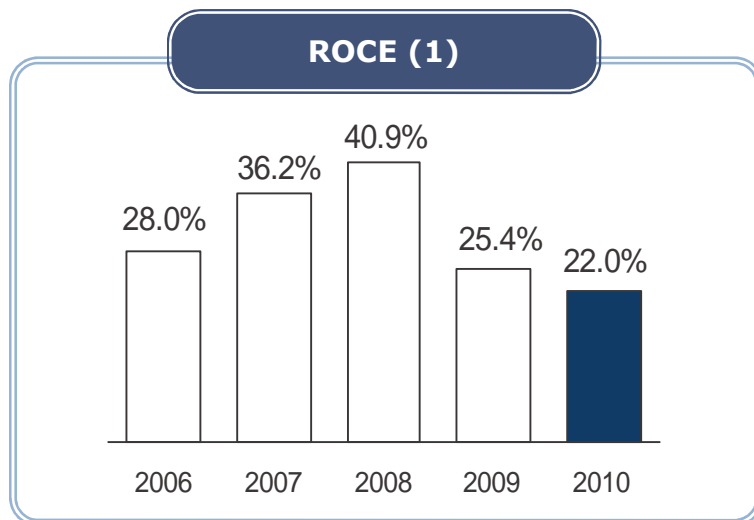
# Key Financials by Business Area – Industrial and Telecom

Euro Millions, % of Sales – Pre Draka acquisition



(1) Adjusted excluding non-recurring income/expenses; (2) Adjusted excluding non-recurring income/expenses, the fair value change in metal derivatives and in other fair-value items

# Key Performance Ratios (pre Draka acquisition)



(1) Calculated as Adj. EBIT / (Shareholder's Equity YE + Net Debt YE + Employee provisions YE)

(2) Year end employees: 12,143 (2006); 12,243 (2007); 12,372 (2008); 11,704 (2009); 12,352 (2010)

(3) Calculated as Free Cash Flow levered (before dividends, shares buy back and other equity movements) / Adj.EBITDA

(4) Net Financial Position to Third Parties YE/ Adj. EBITDA

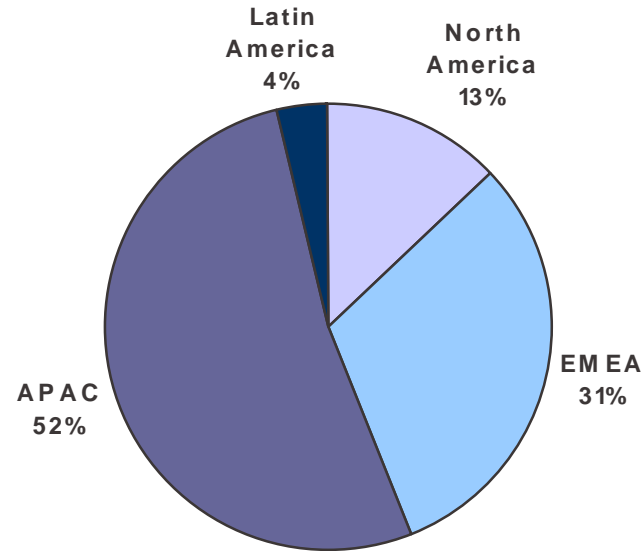
# AGENDA

- H1 2011 Highlights & Outlook 2011
- Draka integration
- Financial Results
- **Appendix – Cable Industry Reference Scenario**

# The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2010

## Global Cables Reference Market € 90 bn



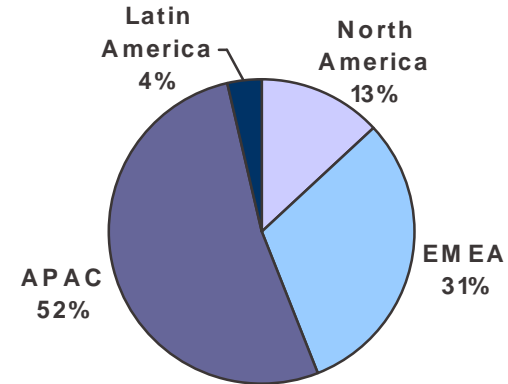
### Energy Cables Reference Market ≈€81bn

- Trade and Installers
- Utilities
- Industrial

### Telecom Cables Reference Market ≈€9bn

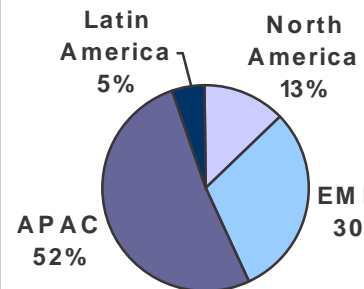
- Fibre Optical Cables
- Copper Cables

## Energy Cables Reference Market (~€81bn)

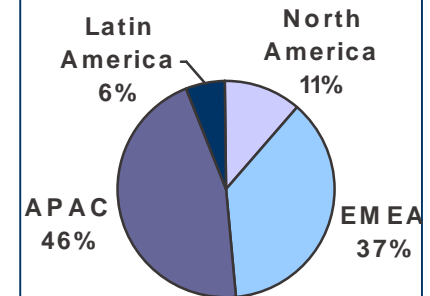


## Telecom Cables Reference Market (~€9bn)

### Optical Cables €5.4bn



### Copper Cables €3.6bn

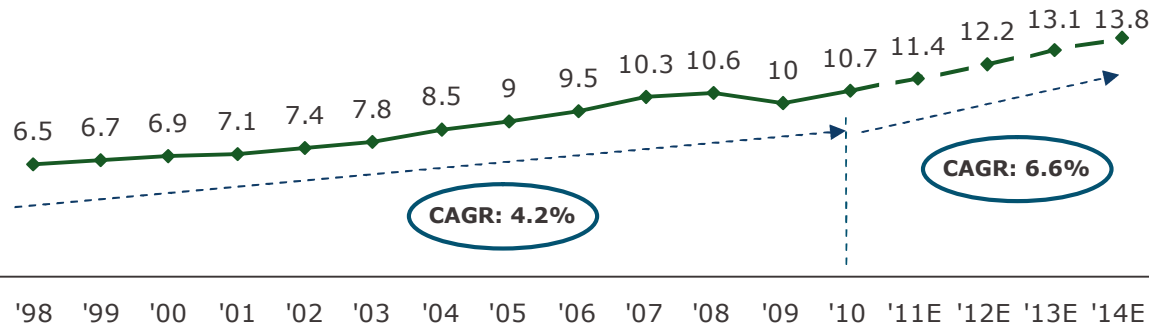


Source: Company analysis based on CRU data- Wire and Cable Quarterly April 2011. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for the energy sector and internal telecom data and copper LAN cables for the telecom sector). Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic

# Market Volumes Trend

## Energy Cables Reference Market

Million Tons  
Conductor

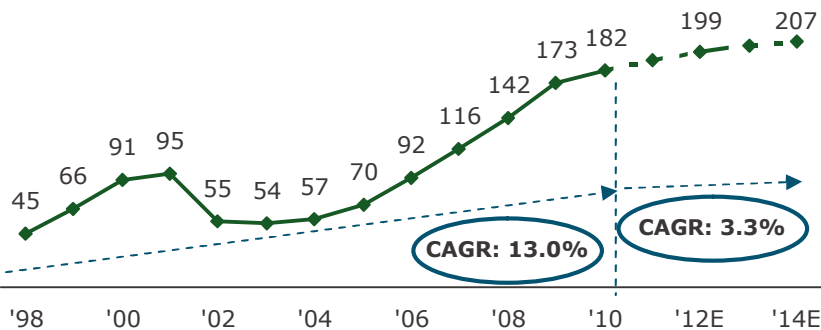


- Long term growth driven by:
  - Energy consumption
  - Investments in power grid interconnections
  - Investments in power transmission and distribution
  - Infrastructure investments
  - Renewable energy

## Telecom Cables Reference Market

### Optical Cables

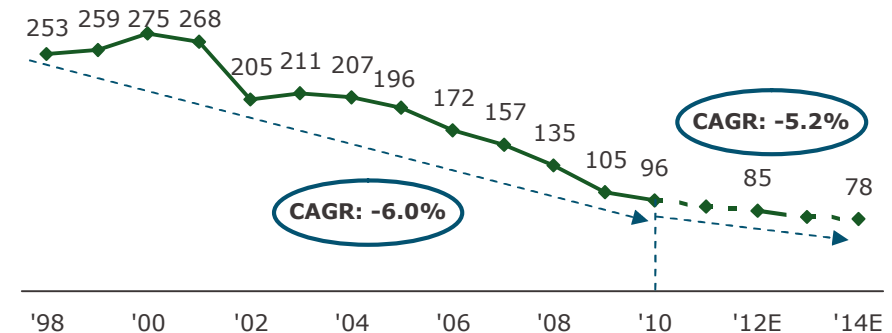
Million Km Fibre



Market growth driven by increased investment in fibre access networks (FTTx) and Next Generation Networks

### Copper Cables

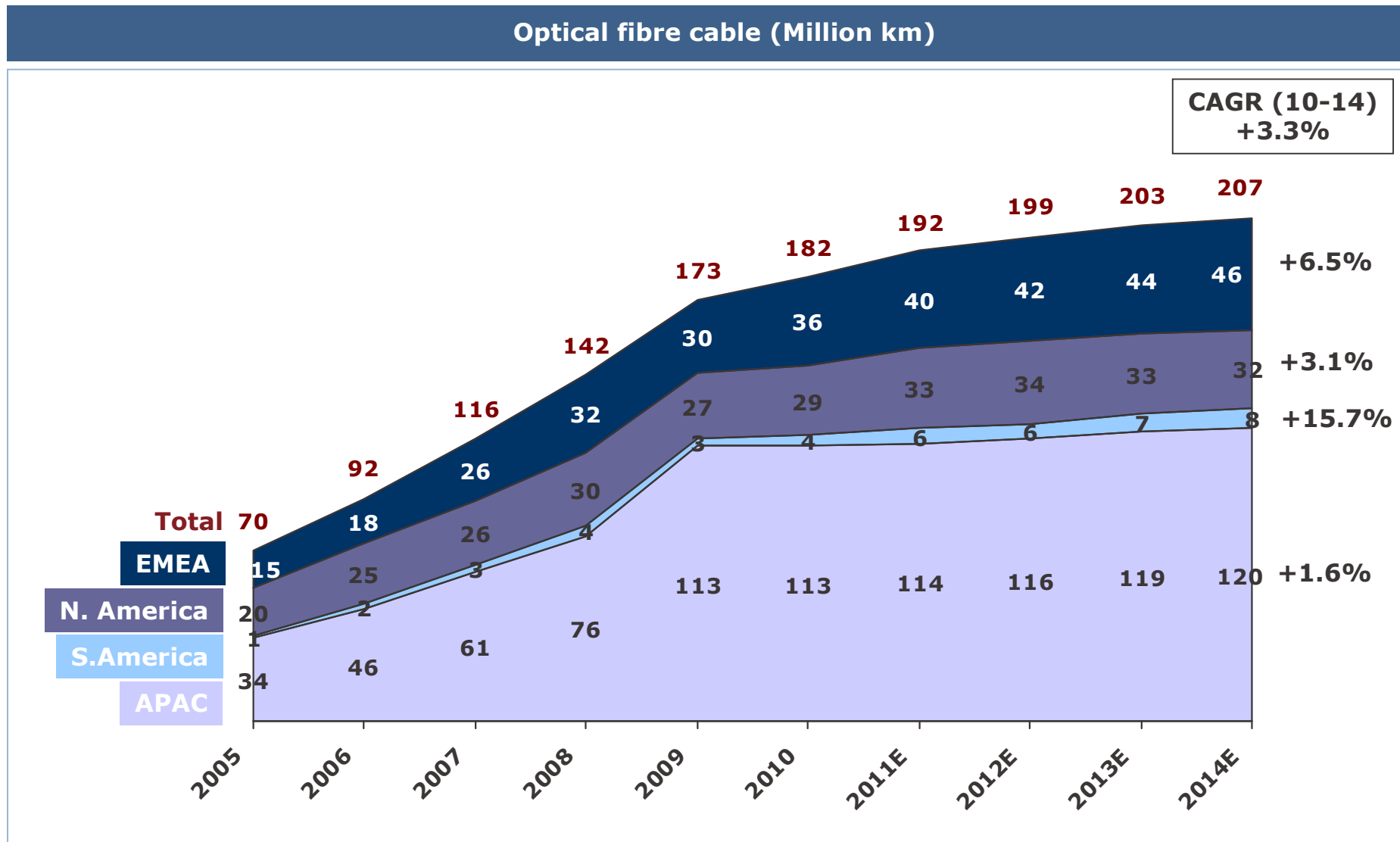
Million Km Pair



Declining historical development in copper cables expected to continue

Source: Company analysis based on April '11 CRU data. Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic.

# Telecom – Demand evolution by geographical area

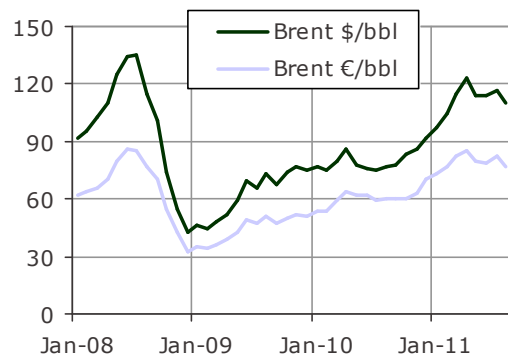


Source: CRU, April 2011

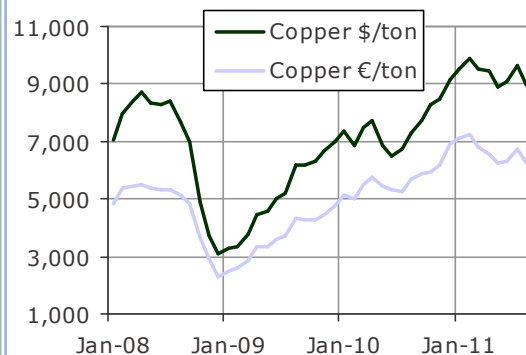
# Reference Scenario

## Commodities & Forex

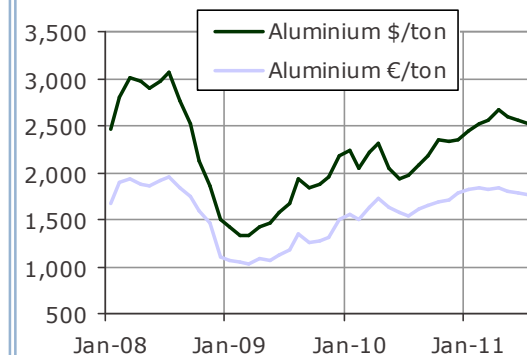
### Brent



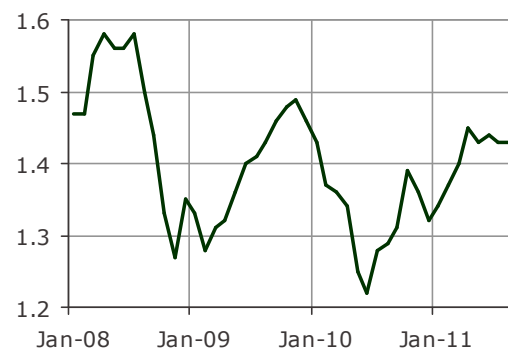
### Copper



### Aluminium



### EUR / USD



### EUR / GBP



### EUR / BRL



Based on monthly average data  
Source: Thomson Reuters

# Disclaimer

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