

# Q1 2012 Financial Results

Milan, 10<sup>th</sup> May 2012



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

**Prysmian**  
Group



# AGENDA

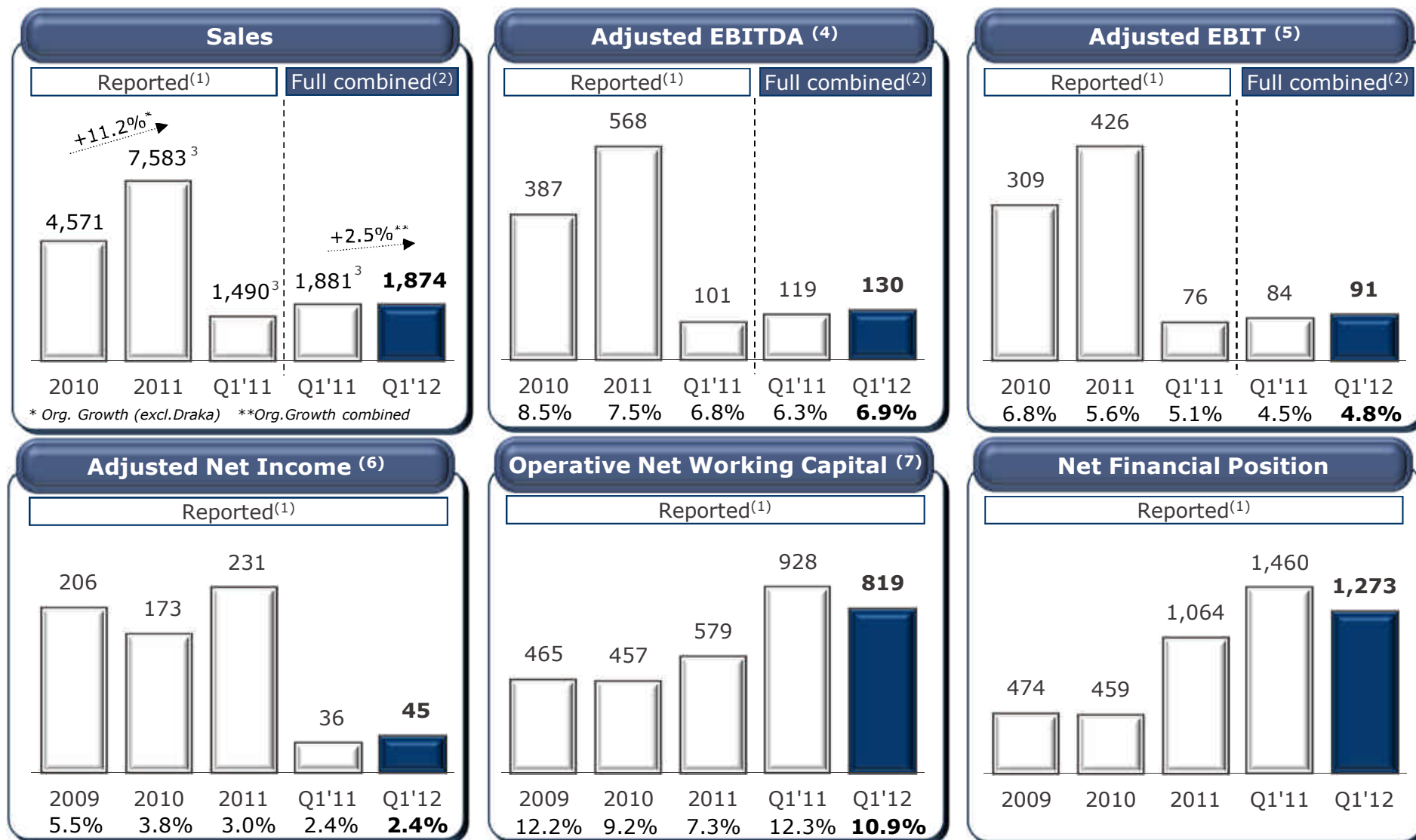
➤ Q1 2012 Highlights & 2012 Outlook

➤ Financial Results

➤ Appendix

# Q1 2012 Key Financials

Euro Millions, % on Sales

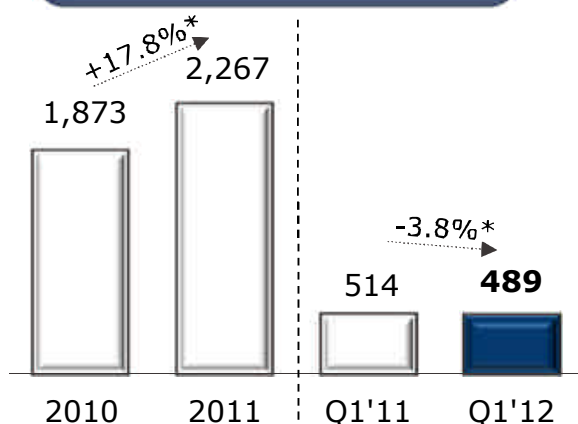


(1) Reported figures include Draka Group's results since 1 March 2011; (2) Full combined figures include Draka Group's results for the period 1 January – 31 March; (3) Includes consolidation adjustments; (4) Adjusted excluding non-recurring income/expenses; (5) Adjusted excluding non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items; (6) Adjusted excluding non-recurring income/(expenses), the fair value change in metal derivatives and in other fair value items, exchange rate differences and the related tax effects; (7) Operative Net Working capital defined as NWC excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

# Utilities

Euro Millions, % of Sales – Full Combined Results

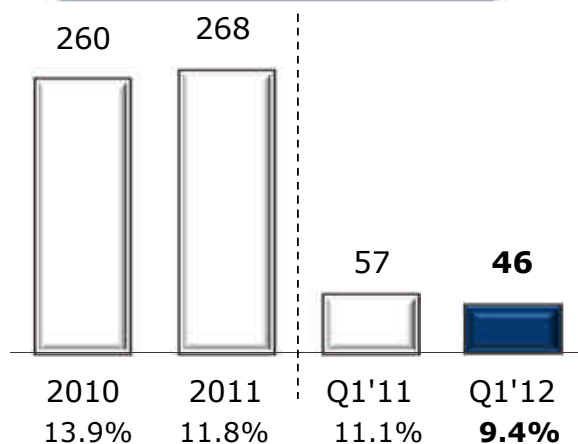
## Sales to Third Parties



\* Organic Growth

Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

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



(1) Adjusted excluding non-recurring income/expenses

Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

## Highlights

### DISTRIBUTION

- Lower volume due to weak demand in key European countries. Continuous positive trend in other geographical areas
  - Positive volume trend in Nordic countries partially offset lower demand in Central and South of Europe
  - Volume and profitability recovery in North America
  - Growing demand in Brazil
- Stable profitability at bottom level despite negative impact from raw material prices and difficult price recovery

### TRANSMISSION – HV

- Margins impacted by projects awarded in 2009/10 at competitive price
- Stable demand with higher competition on low-end technology projects
- Low contribution in Q1 expected to be recovered mainly in H2
- European interconnections and renewables as key drivers of demand and profitability improvement

### TRANSMISSION – Submarine

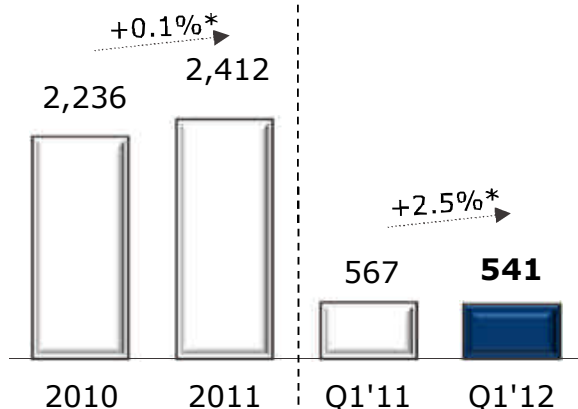
- Continuous strong demand with new interconnections and off-shore wind-farms projects to be awarded next quarters
- Renewables:
  - Germany confirmed as key driver
  - UK and France preparing large capex plans for next years
- Ongoing capacity increase to maintain leadership position in a growing market

Low contribution from HV and Submarine in Q1 (due to projects phasing) to be recovered mainly in H2

# Trade & Installers

Euro Millions, % of Sales – Full Combined Results

## Sales to Third Parties



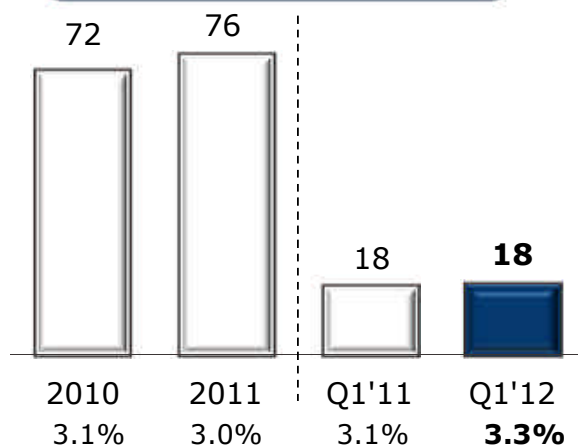
\* Organic Growth

Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

## Highlights

- Minor recovery in demand driven by extra-European countries
  - Europe: lower volumes in Central and South Europe partially offset by slight improvement in Eastern Europe, Nordics and UK
  - Improving volumes and profitability in North America also due to very low comparable basis
  - Growing construction activity in South America and Asia expected to continue
- Keeping strong focus on working capital and cash generation

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



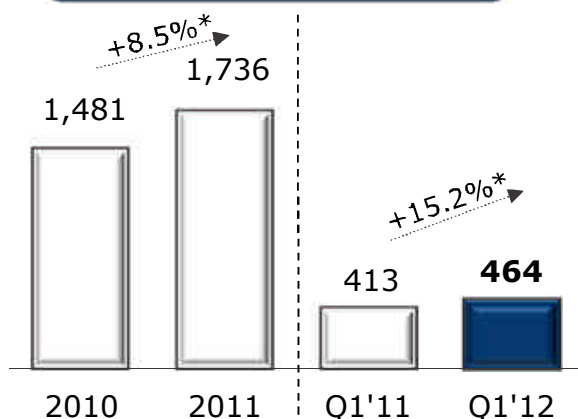
(1) Adjusted excluding non-recurring income/expenses

Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

# Industrial

Euro Millions, % of Sales – Full Combined Results

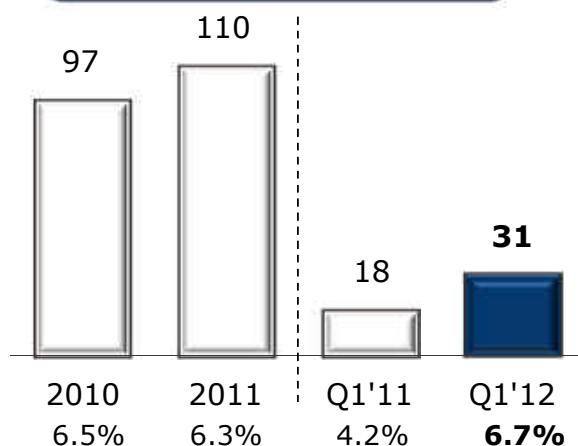
## Sales to Third Parties



\* Organic Growth

Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

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



(1) Adjusted excluding non-recurring income/expenses

Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

## Highlights

### OGP

- Strong oil Offshore demand driving increase in sales and profitability. Better capacity saturation in Norway and China driven by positive trend in North Sea and Asian markets

### SURF

- Increasing contribution in line with plans
  - **Flexible pipes** Q1 sales over €10m with a growing order-book expected from H2 also driven by 6.0" qualification
  - **Umbilicals**: expected short term volume reduction due to Petrobras installation backlog. First orders from West Africa
  - Higher volume in **DHT** thanks to US and North Sea; first deliveries to Petrobras from Q2

### Renewable

- Sound organic growth achieved in Q1 expected to be confirmed next quarters leveraging on extra-European markets (China, Australia and India)

### Automotive

- Stable European demand sustained by Germany, Eastern Europe and Nordics. Growing trend in Apac, North and South America

### Elevator

- Positive sales and profitability trend due to demand recovering in the main US market and higher volume in China and South America

### Specialties & OEM

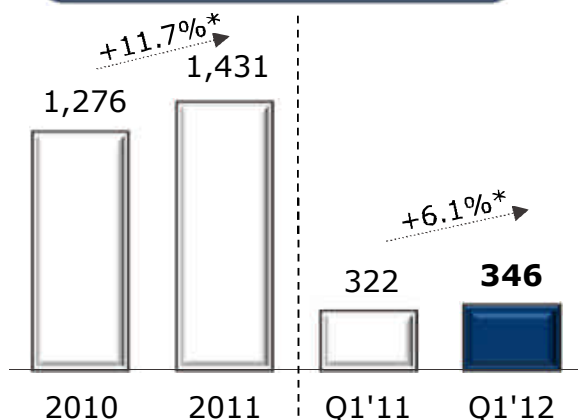
- Growing order-book in Emerging markets (Asia and Australia) and North America. Weaker demand in Europe



# Telecom

Euro Millions, % of Sales – Full Combined Results

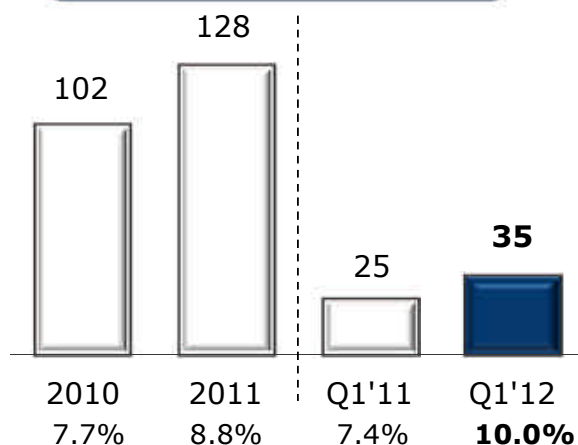
## Sales to Third Parties



\* Organic Growth

Note: Q1'11-Q1'12 reflect new segment reporting; 2010-11 according to previous segment reporting

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



(1) Adjusted excluding non-recurring income/expenses

Note: Q1'11-Q1'12 reflect merged segment reporting; 2010-11 according to previous segment reporting

## Highlights

### Optical / Fiber

- Positive trend in demand expected to continue driven by higher data traffic in consolidated markets and new backbone/metropolitan ring connections in emerging countries
  - Gradual increase in Europe mainly driven by UK and Benelux. Still limited capex by large incumbents in other major countries
  - Stimulus packages still supporting investments in North America
  - Lower than expected volume in Australia due to postponement of NBN deliveries to H2. Long term investment plan confirmed
  - Full control of Draka JVs in Brazil to strengthen presence in the fast growing South American markets
  - China continues as one of major growing drivers of global demand
- Focus on better product mix and lower production cost to improve profitability

### Multimedia & Specials

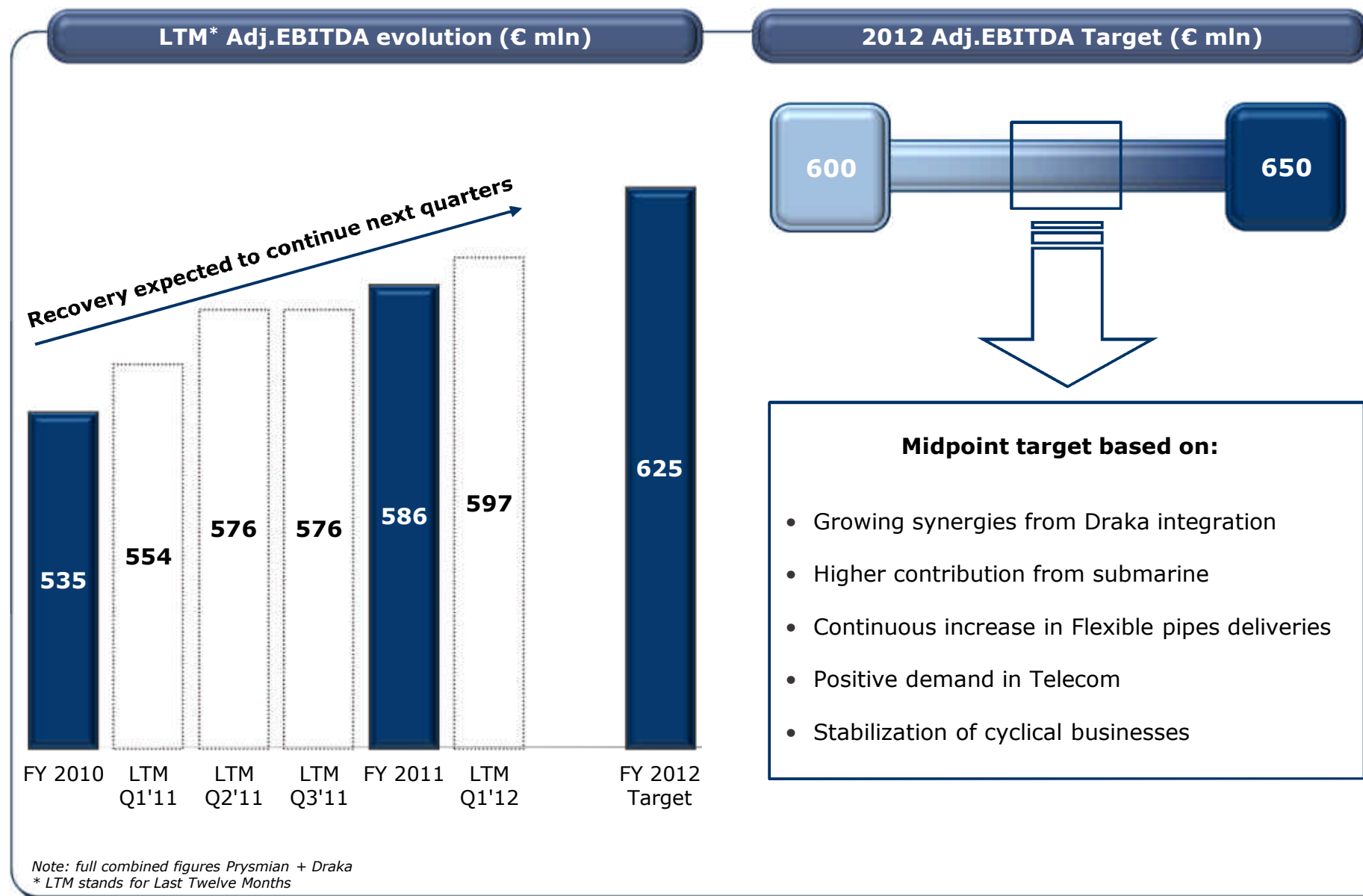
- Data centers expansion driving higher volume in all European countries. Strengthening North and South American position driving new growth opportunities

### OPGW

- Strong organic growth driven by Italy, Spain, Middle East and South America

# 2012 Outlook

Growing profitability in a challenging market environment





# AGENDA

➤ Q1 2012 Highlights & 2012 Outlook

➤ Financial Results

➤ Appendix

# Profit and Loss Statement

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Sales</b>	<b>1,874</b>	<b>1,490</b>	<b>1,881</b>
<i>YoY total growth</i>	-0.4% <sup>c)</sup>		
<i>YoY organic growth</i>	2.5% <sup>c)</sup>		
<b>Adj.EBITDA</b>	<b>130</b>	<b>101</b>	<b>119</b>
<i>% on sales</i>	6.9%	6.8%	6.3%
<i>Non recurring items</i>	(15)	(9)	
<b>EBITDA</b>	<b>115</b>	<b>92</b>	
<i>% on sales</i>	6.1%	6.2%	
<b>Adj.EBIT</b>	<b>91</b>	<b>76</b>	<b>84</b>
<i>% on sales</i>	4.8%	5.1%	4.5%
<i>Non recurring items</i>	(15)	(9)	
<i>Special items</i>	13	(20)	
<b>EBIT</b>	<b>89</b>	<b>47</b>	
<i>% on sales</i>	4.8%	3.2%	
<i>Financial charges</i>	(28)	(28)	
<b>EBT</b>	<b>61</b>	<b>19</b>	
<i>% on sales</i>	3.3%	1.3%	
<i>Taxes</i>	(19)	(6)	
<i>% on EBT</i>	31.1%	30.2%	
<b>Net income</b>	<b>42</b>	<b>13</b>	
<i>Extraordinary items (after tax)</i>	(3)	(23)	
<b>Adj.Net income</b>	<b>45</b>	<b>36</b>	

a) Includes Draka Group's results since 1 March 2011  
b) Includes Draka Group's results since 1 January 2011  
c) Variation calculated on Q1 2011 Combined

# Extraordinary Effects

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>
Antitrust investigation	1	-
Restructuring	(14)	(2)
Draka transaction costs	-	(5)
Draka integration costs	(1)	-
Draka change of control effects	-	(2)
Other	(1)	-
<b>EBITDA adjustments</b>	<b>(15)</b>	<b>(9)</b>
Special items	13	(20)
Gain/(loss) on metal derivatives	18	(20)
Other	(5)	-
<b>EBIT adjustments</b>	<b>(2)</b>	<b>(29)</b>
Gain/(Loss) on other derivatives <sup>(1)</sup>	(1)	4
Gain/(Loss) exchange rate	(1)	(9)
<b>EBT adjustments</b>	<b>(4)</b>	<b>(34)</b>
Tax	1	11
<b>Net Income adjustments</b>	<b>(3)</b>	<b>(23)</b>

## Notes

(1) Includes currency and interest derivatives

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

# Financial Charges

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>
<b>Net interest expenses</b>	<b>(26)</b>	<b>(22)</b>
Bank fees Amortization	(2)	(2)
Gain/(loss) on exchange rates	(1)	(9)
Gain/(loss) on derivatives <sup>(1)</sup>	(1)	4
<b>Net financial charges</b>	<b>(30)</b>	<b>(29)</b>
Share in net income of associates	2	1
<b>Total financial charges</b>	<b>(28)</b>	<b>(28)</b>

## Notes

(1) Includes currency and interest derivatives

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

# Statement of financial position (Balance Sheet)

Euro Millions

	31 March '12	31 March '11	31 December '11
Net fixed assets	2,234	2,114	2,255
<i>of which: intangible assets</i>	615	583	618
<i>of which: property, plants &amp; equipment</i>	1,528	1,459	1,544
Net working capital	814	970	552
<i>of which: derivatives assets/(liabilities)</i>	(5)	42	(27)
<i>of which: Operative Net working capital</i>	819	928	579
Provisions & deferred taxes	(366)	(95)	(371)
<b>Net Capital Employed</b>	<b>2,682</b>	<b>2,989</b>	<b>2,436</b>
Employee provisions	271	224	268
Shareholders' equity	1,138	1,305	1,104
<i>of which: attributable to minority interest</i>	55	66	62
Net financial position	1,273	1,460	1,064
<i>Bank Fees</i>	(27)	(35)	(28)
<i>Net financial position vs Third Parties</i>	1,300	1,495	1,092
<b>Total Financing and Equity</b>	<b>2,682</b>	<b>2,989</b>	<b>2,436</b>

# Cash Flow

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Adj.EBITDA</b>	<b>130</b>	<b>101</b>	<b>119</b>
Non recurring items	(15)	(9)	(14)
<b>EBITDA</b>	<b>115</b>	<b>92</b>	<b>105</b>
Net Change in provisions & others	(12)	(14)	(15)
<b>Cash flow from operations (before WC changes)</b>	<b>103</b>	<b>78</b>	<b>90</b>
Working Capital changes	(243)	(177)	(269)
Paid Income Taxes	(15)	(14)	(15)
<b>Cash flow from operations</b>	<b>(155)</b>	<b>(113)</b>	<b>(194)</b>
Acquisitions	(9)	(419) <sup>(1)</sup>	(501)
Net Operative CAPEX	(25)	(17)	(22)
Net Financial CAPEX	2	2	2
<b>Free Cash Flow (unlevered)</b>	<b>(187)</b>	<b>(547)</b>	<b>(715)</b>
Financial charges	(17)	(24)	(26)
<b>Free Cash Flow (levered)</b>	<b>(204)</b>	<b>(571)</b>	<b>(741)</b>
Other Equity movements	-	1	1
<b>Net Cash Flow</b>	<b>(204)</b>	<b>(570)</b>	<b>(740)</b>
<b>NFP beginning of the period</b>	<b>(1,064)</b>	<b>(459)</b>	<b>(732)</b>
Net cash flow	(204)	(570)	(740)
Perimeter Change	-	(439) <sup>(2)</sup>	-
Other variations	(5)	8	12
<b>NFP end of the period</b>	<b>(1,273)</b>	<b>(1,460)</b>	<b>(1,460)</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 Group's results since 1 March 2011  
b) Includes Draka Group's results since 1 January 2011

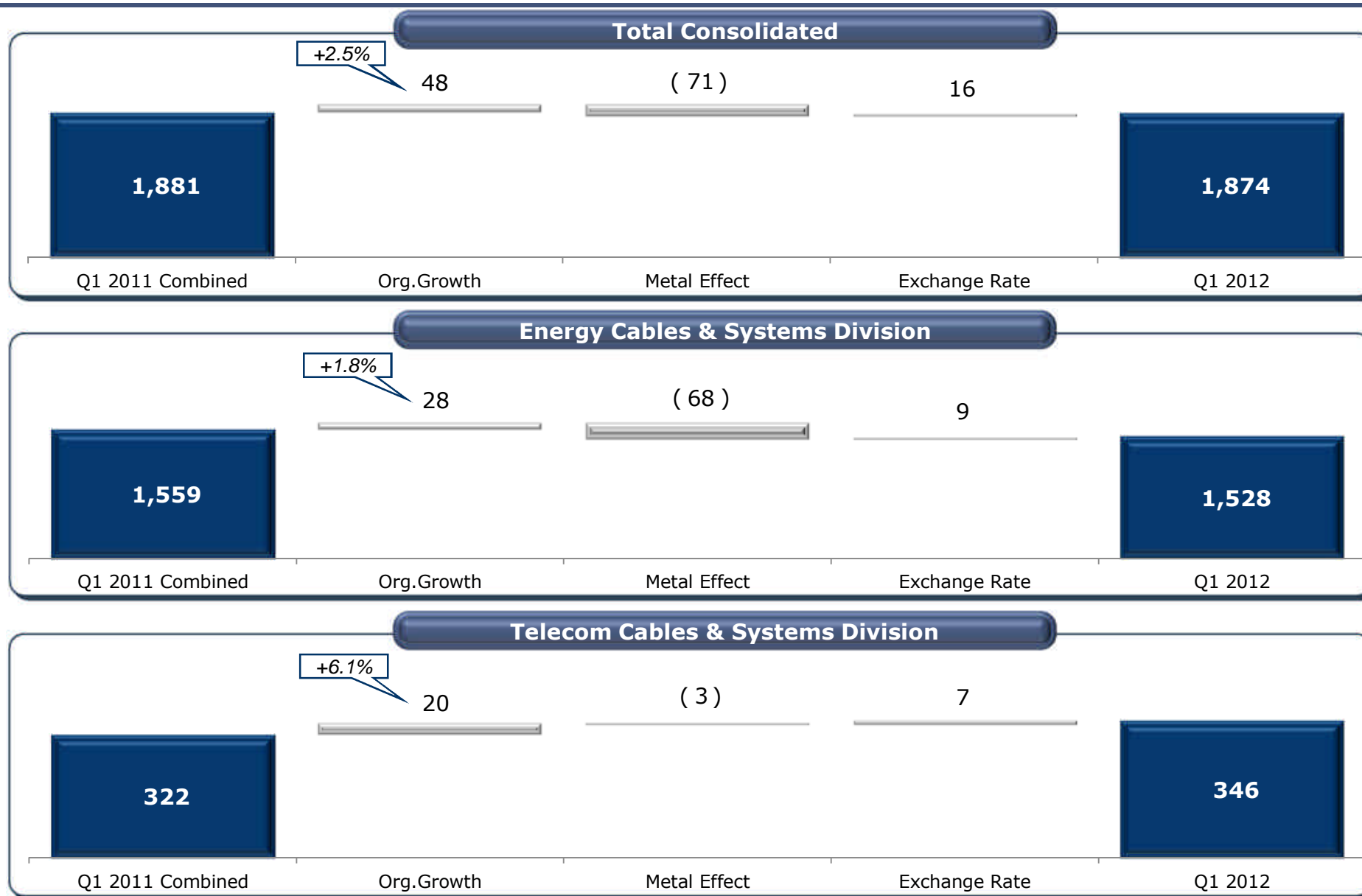


# AGENDA

- Q1 2012 Highlights & 2012 Outlook
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- Appendix

# Bridge Consolidated Sales

Euro Millions – Full Combined



# Energy Segment – Profit and Loss Statement

Euro Millions

	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Sales to Third Parties</b>	<b>1,528</b>	<b>1,284</b>	<b>1,559</b>
<i>YoY total growth</i>	<i>-2.0% <sup>c)</sup></i>		
<i>YoY organic growth</i>	<i>1.8% <sup>c)</sup></i>		
<b>Adj. EBITDA</b>	<b>95</b>	<b>84</b>	<b>94</b>
<i>% on sales</i>	<i>6.2%</i>	<i>6.5%</i>	<i>5.9%</i>
<b>Adj. EBIT</b>	<b>68</b>	<b>64</b>	<b>68</b>
<i>% on sales</i>	<i>4.5%</i>	<i>4.9%</i>	<i>4.3%</i>

a) Includes Draka Group's results since 1 March 2011  
b) Includes Draka Group's results since 1 January 2011  
c) Variation calculated on Q1 2011 Combined

# Energy Segment – Sales and Profitability by business area

Euro Millions, % of Sales Growth – Q1 combined

		Q1 2012	Q1 2011 Comb.	Total growth	Organic growth
Sales to Third Parties	Utilities	489	514	-4.8%	-3.8%
	Trade & Installers	541	567	-4.6%	2.5%
	Industrial	464	413	12.4%	15.2%
	Others	34	65	n.m.	n.m.
	<b>Total Energy</b>	<b>1,528</b>	<b>1,559</b>	<b>-2.0%</b>	<b>1.8%</b>
Adj. EBITDA	Utilities	46	57	9.4%	11.1%
	Trade & Installers	18	18	3.3%	3.1%
	Industrial	31	18	6.7%	4.2%
	Others	-	1	n.m.	n.m.
	<b>Total Energy</b>	<b>95</b>	<b>94</b>	<b>6.2%</b>	<b>5.9%</b>
Adj. EBIT	Utilities	38	47	7.7%	9.3%
	Trade & Installers	10	11	1.9%	2.0%
	Industrial	21	10	4.6%	2.3%
	Others	(1)	-	n.m.	n.m.
	<b>Total Energy</b>	<b>68</b>	<b>68</b>	<b>4.5%</b>	<b>4.3%</b>
				Q1'12 % on Sales	Q1'11 % on Sales

# Telecom Segment – Profit and Loss Statement

Euro Millions

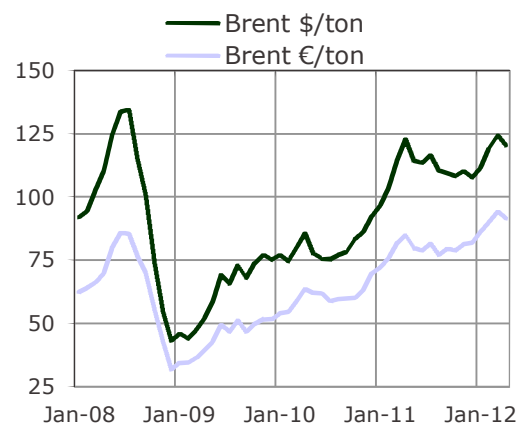
	Q1 2012	Q1 2011 Reported <sup>a)</sup>	Q1 2011 Combined <sup>b)</sup>
<b>Sales to Third Parties</b>	<b>346</b>	<b>206</b>	<b>322</b>
<i>YoY total growth</i>	<i>7.4% <sup>c)</sup></i>		
<i>YoY organic growth</i>	<i>6.1% <sup>c)</sup></i>		
<b>Adj. EBITDA</b>	<b>35</b>	<b>17</b>	<b>25</b>
<i>% on sales</i>	<i>10.0%</i>	<i>8.1%</i>	<i>7.4%</i>
<b>Adj. EBIT</b>	<b>23</b>	<b>12</b>	<b>16</b>
<i>% on sales</i>	<i>6.5%</i>	<i>5.7%</i>	<i>4.9%</i>

a) Includes Draka Group's results since 1 March 2011  
b) Includes Draka Group's results since 1 January 2011  
c) Variation calculated on Q1 2011 Combined

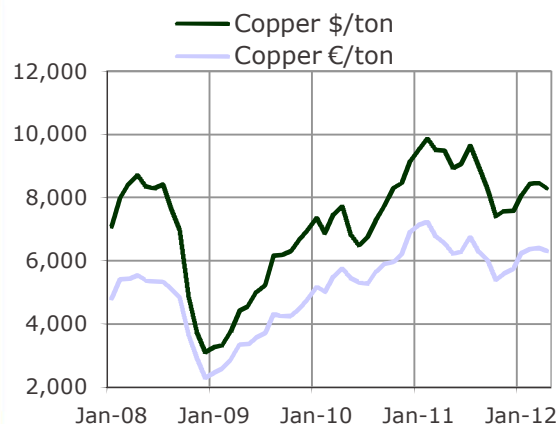
# Reference Scenario

## Commodities & Forex

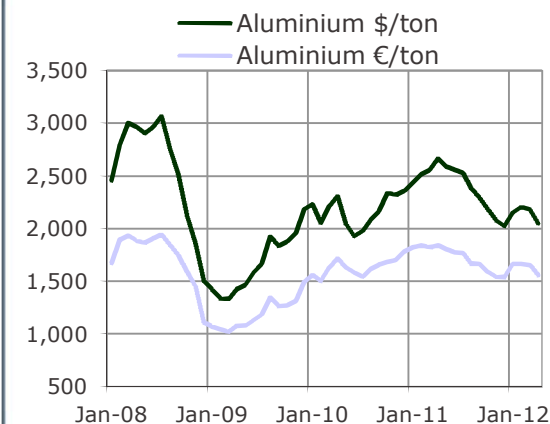
**Brent**



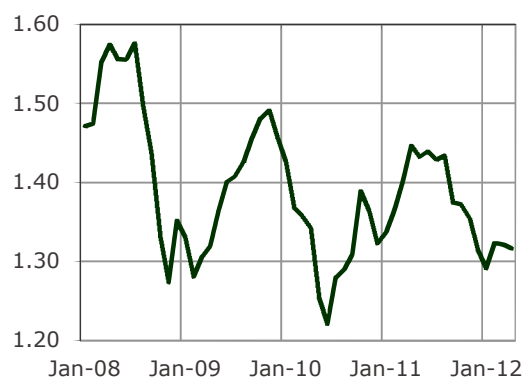
**Copper**



**Aluminium**



**EUR / USD**



**EUR / GBP**



**EUR / BRL**



Based on monthly average data  
Source: Thomson Reuters



# Disclaimer

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