



# Prysmian Group Company Presentation

March 2017

PLATFORM TO ENHANCE CUSTOMER SERVICE **LINKING THE FUTURE** STRONGER  
LEADING TECHNOLOGY LEADING TECHNOLOGY  
WORLDWIDE LEADER IN RENEWABLE ENERGY  
**EXTENDED PRODUCT OFFERING IN OGP AND IN**

**Prysmian**  
Group

 **PRYSMIAN**

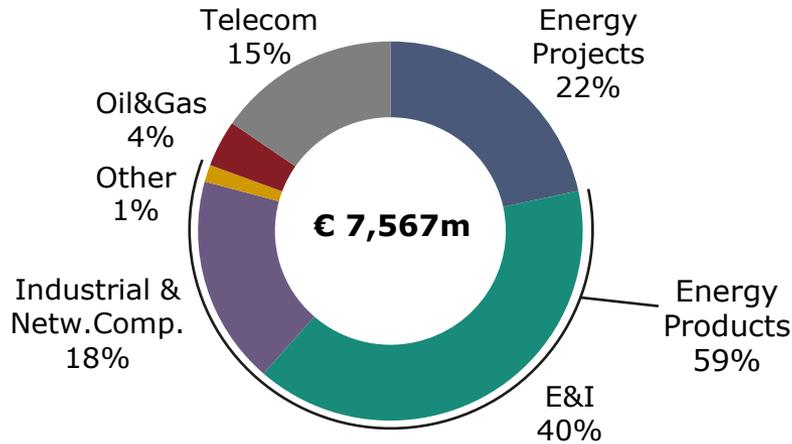
 **Draka**

- **Group overview**
- Results by business
- Financial Results
- Appendix

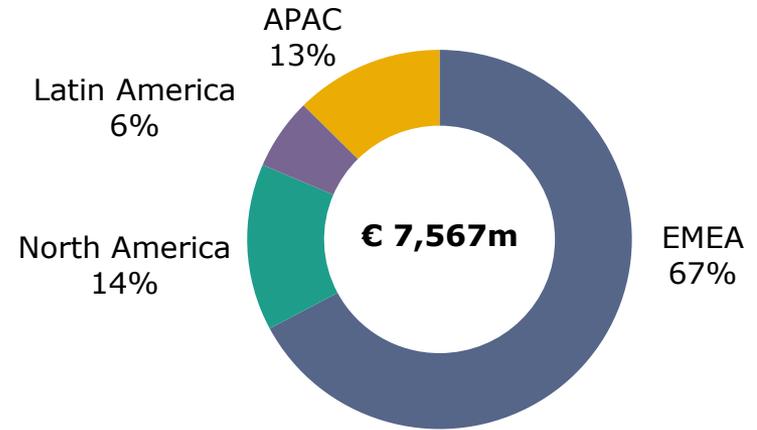
# Prysmian group at a glance

FY 2016 Financial Results

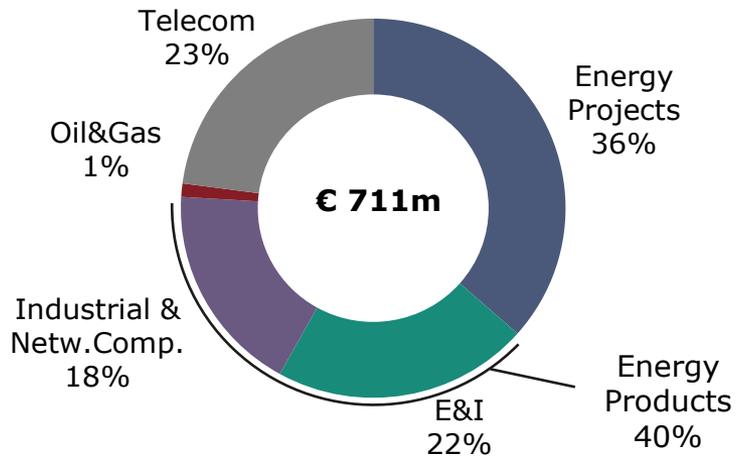
## Sales breakdown by business



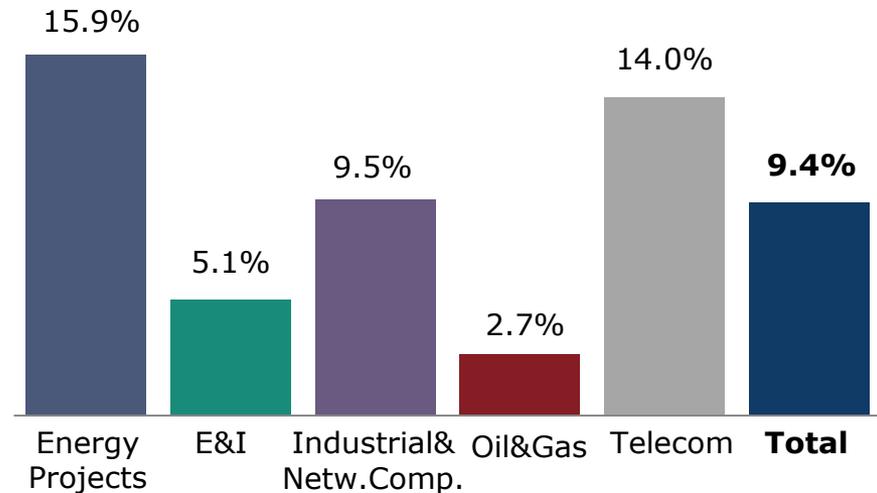
## Sales breakdown by geography



## Adj. EBITDA by business



## Adj. EBITDA margin

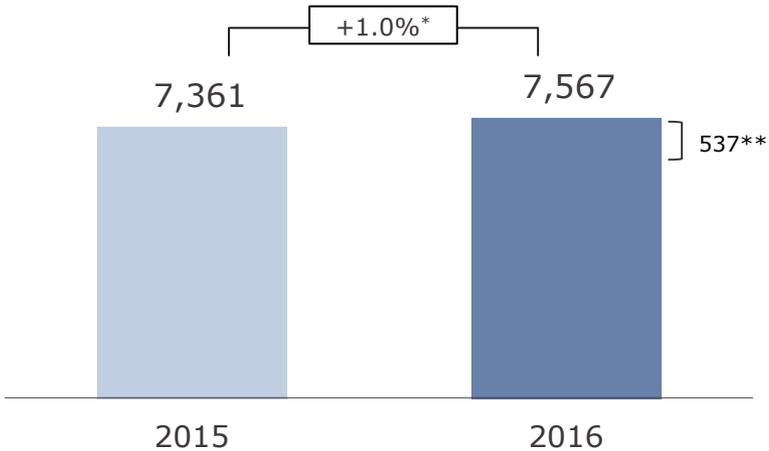


# FY 2016 Key Financials

Euro Millions, % on Sales

## Sales

\*\*Δ OCI Contribution FY'16 vs. FY'15

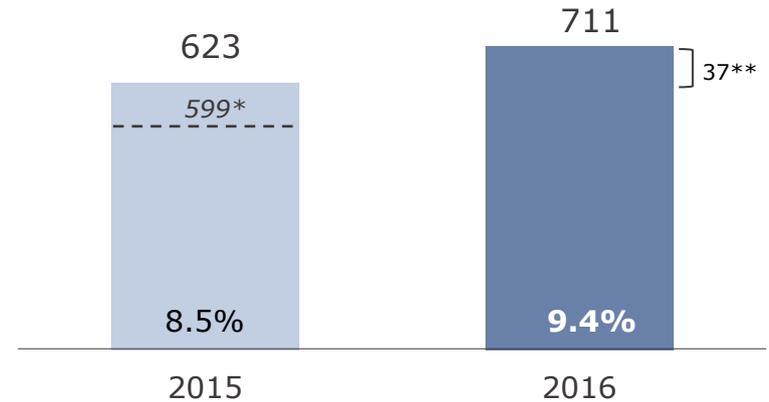


\* Org. Growth

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

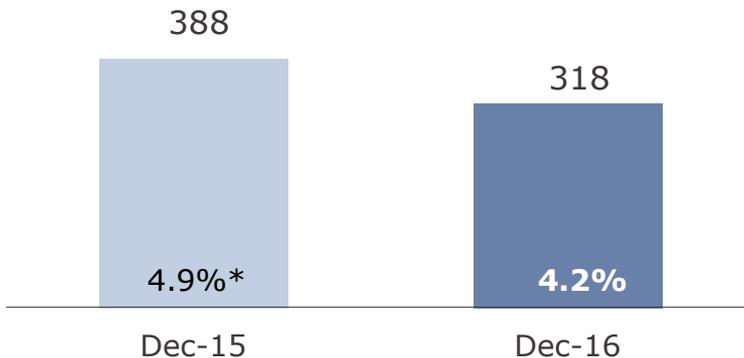
\* Excl. €24m WL previous loss write-up

\*\*Δ OCI Contribution FY'16 vs. FY'15

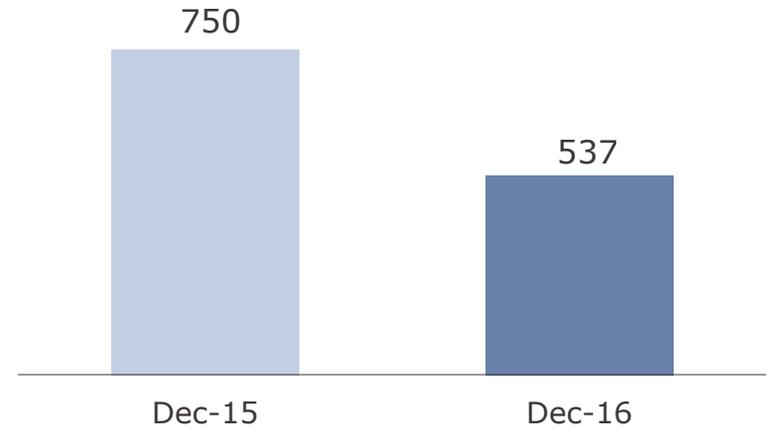


## Operative Net Working Capital <sup>(2)</sup>

\* Calculated on pro-forma annualized Q4 2015 Sales including OCI.



## Net Financial Position

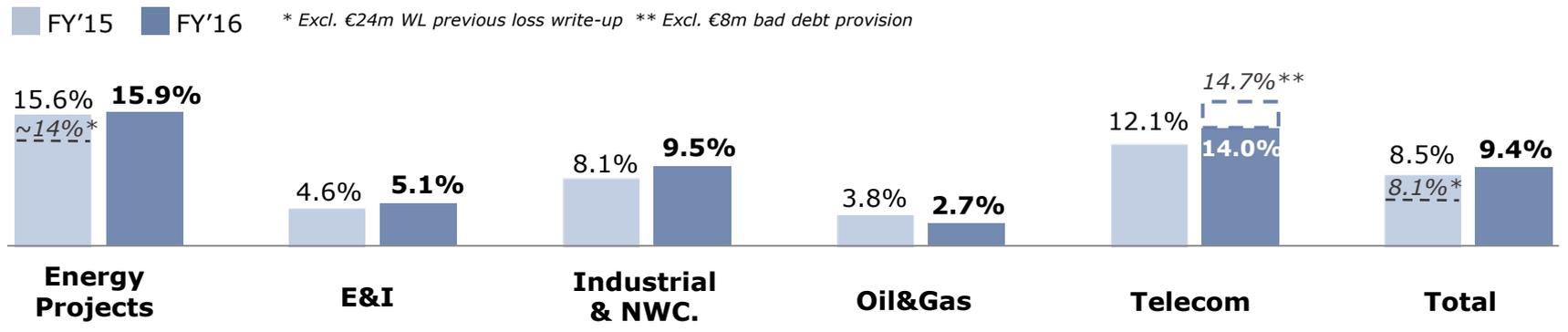


(1) Adjusted excluding non-recurring income/expenses, restructuring costs and other non-operating income (expenses); (2) Defined as NWC excluding derivatives; % on sales is defined as Operative NWC on annualized last quarter sales;

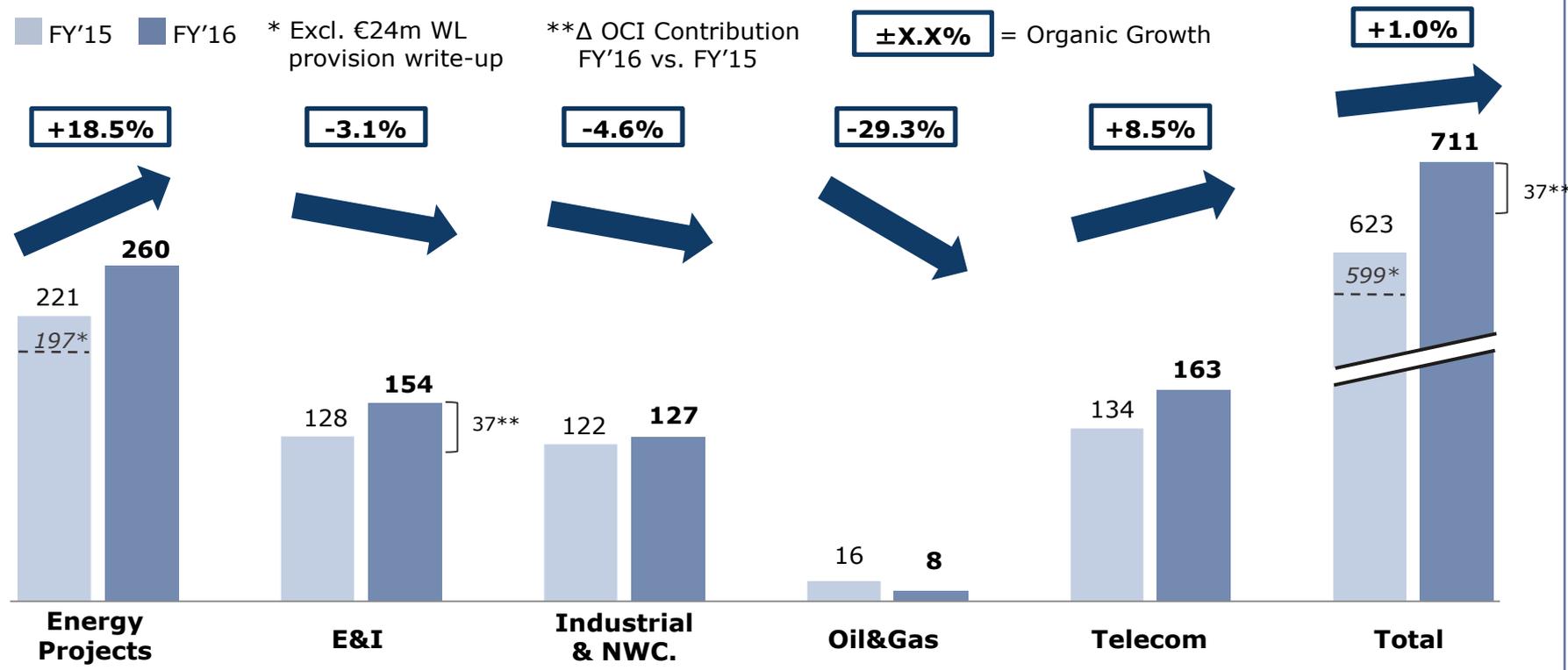
# Continued profitability improvement

Underlying margin increase in all business excluding Oil&Gas

Adj. EBITDA Margin



Adj. EBITDA (€ million) / % Org. Growth

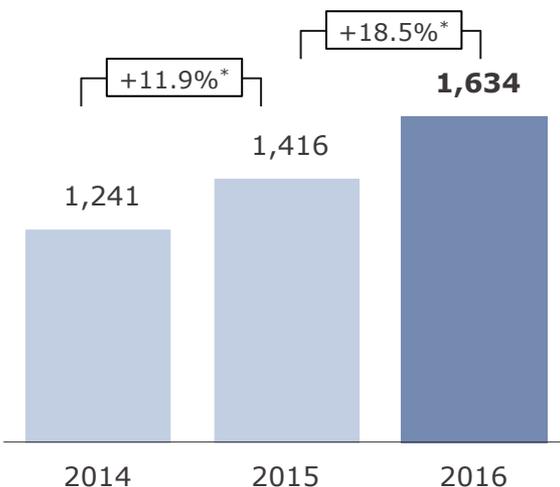


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# Energy Projects

Euro Millions, % on Sales

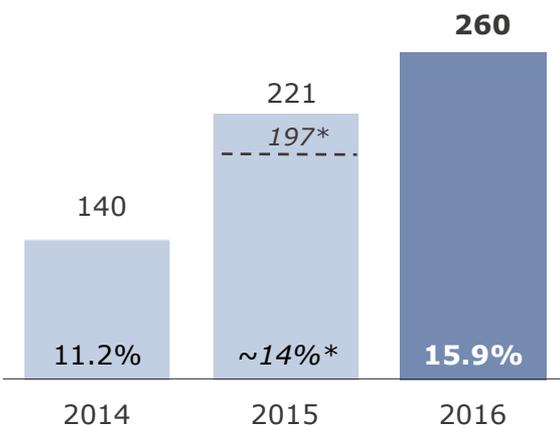
## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales

\* Excl. €24m WL previous loss write-up.



## Highlights

### Submarine

- Sound double-digit organic growth benefitting from a favourable project phasing and effective execution.
- Adj.EBITDA margin driven by strong revenue growth, sound execution and new installation assets.
- Strong market outlook in 2017 with expected awards both in offshore wind farms and interconnections. New contract awarded in Q1 2017 worth more than €300m for offshore wind farm grid connection in France.

### Underground High Voltage

- Positive performance, both in terms of sales increase and profitability. North America and APAC recorded a sound growth.
- Strengthened industrial presence in China: acquisition of 100% manufacturing plant focused on HV cables and divestment of the 67% stake in Baosheng JV.
- New contract worth approximately € 79m for a new interconnection between France and UK through the channel tunnel confirms sound market prospective.

## Orders Backlog Evolution (€m)

	Dec '13	Dec '14	Dec '15	Jun '16	Dec '16
Underground HV	~450	~450	~600	~500	~350*
Submarine	~2,050	~2,350	~2,600	~2,450	~2,050
<b>Group</b>	<b>~2,500</b>	<b>~2,800</b>	<b>~3,200</b>	<b>~2,950</b>	<b>~2,400</b>

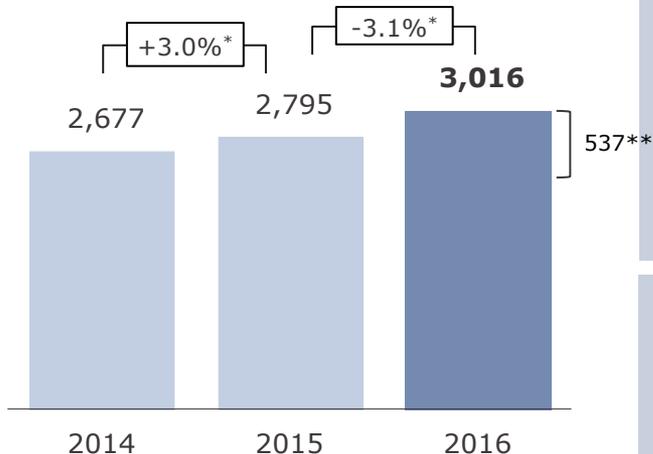
\* Excluding € 70m backlog of China and new project awarded in Q1 2017.

# Energy & Infrastructure

Euro Millions, % on Sales

## Sales

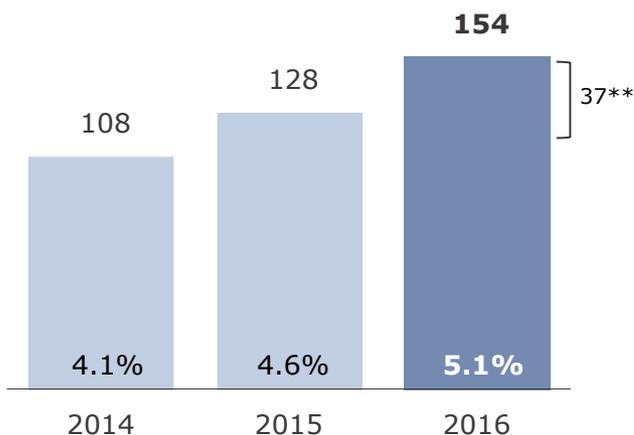
\*\*Δ OCI Contribution FY'16 vs. FY'15



\* Org. Growth

## Adj. EBITDA / % of Sales

\*\* Δ OCI Contribution FY '16 vs. FY '15



## Highlights

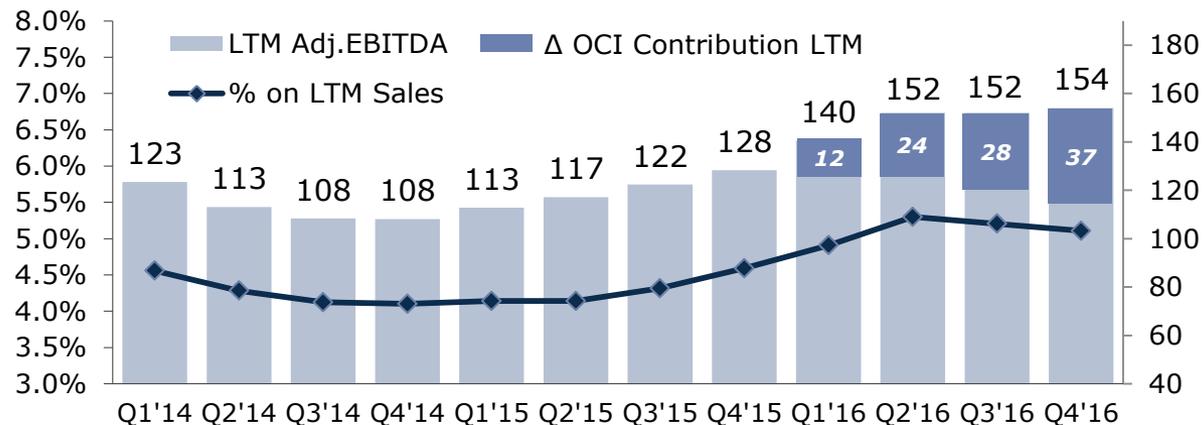
### Trade & Installers

- Negative organic trend driven by sharp decline in South America and moderate slowdown in Central Eastern and Southern Europe. Positive performance in the Nordics and Australia.
- Footprint optimization, better mix and full consolidation of OCI supported Adj.EBITDA margin.

### Power Distribution

- 2016 sales substantially stable, with slowdown in Q4 in line with expectations. Adj.EBITDA margin benefitted from a better mix.
- Nordics and APAC regions showed a solid trend during the year, offset by slowdown in South America and strong reduction of the utilities investments in Germany in line with expectations.

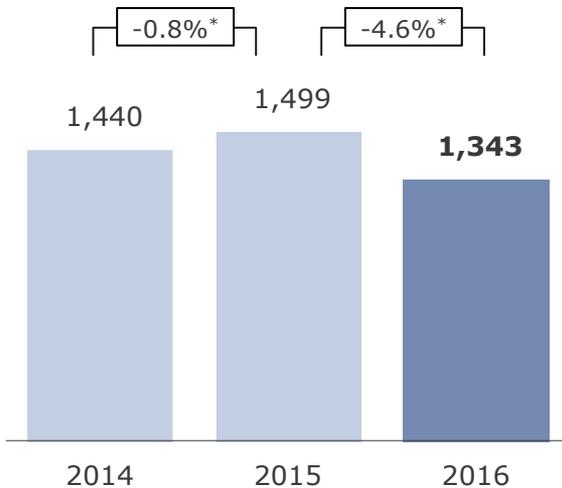
## LTM Adj. EBITDA Evolution / % on LTM Sales



# Industrial & Network Components

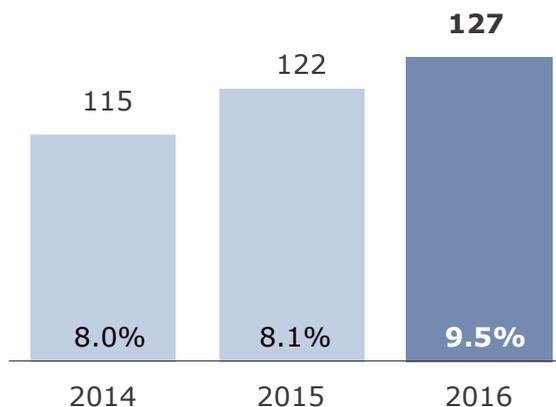
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales



## Highlights

### Specialties, OEMs & Renewables

- Mid single digit organic decline, due to slowdown in Renewables segment (mainly China) and volume drop in Mining, Nuclear and Railway, partially offset by the strong performance in Defense and Marine.
- Sound results in North America; general weakness in Europe, Turkey and Argentina.
- Profitability sustained by favourable product and country mix.

### Elevator

- Sound growth driven by a solid performance in North America and EMEA, partially offset by weakening trend in China.
- Increasing penetration in after market products and services supported margin growth.

### Automotive

- Stable volume with better margin benefitting from re-footprint in Europe and favourable product mix. Solid market demand in APAC compensated the weakness of Latin America.

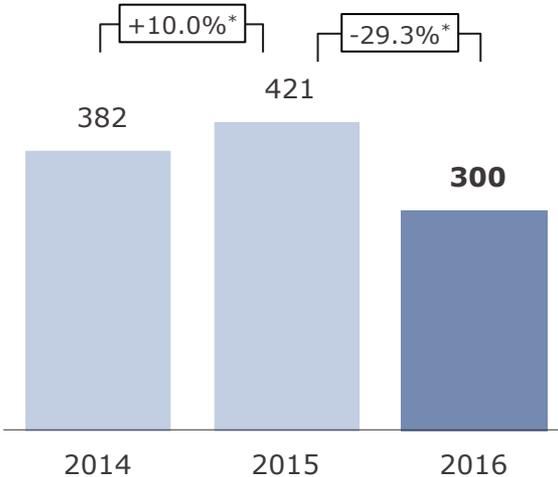
### Network Components

- Sound performance in HV and Extra HV supported by footprint optimization in Europe and China and the launch of new products.
- Soft demand in MV and LV accessories in Europe, offset by good performance in North America and APAC.

# Oil & Gas

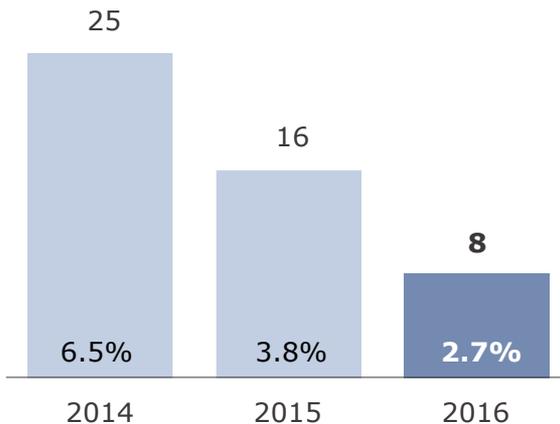
Euro Millions, % on Sales

## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales



## Highlights

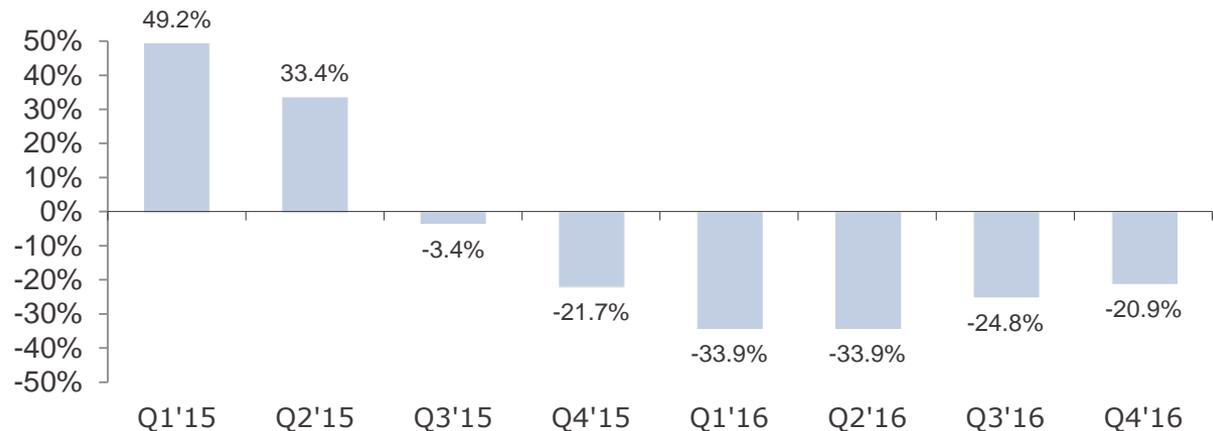
### SURF

- **Umbilical:** Sharp volumes drop, in line with the expected market evolution due to Petrobras limited orders in 2016.
- **DHT:** Slight decline in Sales and Adj.EBITDA, partially compensated by the consolidation of GCDT since October 2015. Continue pressure from customers' inventory reduction and projects postponement.

### Core Oil&Gas Cables

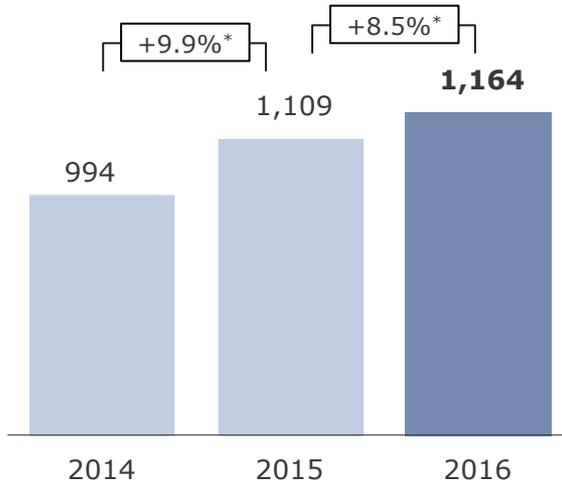
- Organic sales slump driven by the shortfall of market activity in Drilling, Offshore projects and ESP (Electrical Submersible Pump) segments.
- Stabilizing trend in Q4.
- Focus on cost-effective supply chain initiatives and footprint optimization to limit margin erosion.

## Quarterly organic growth\* evolution



\* % change vs. same quarter of previous year

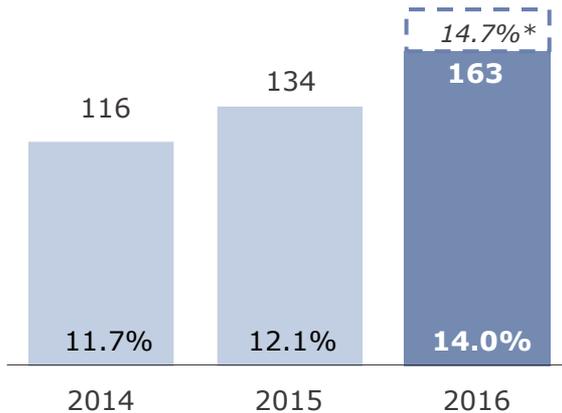
## Sales



\* Org. Growth

## Adj. EBITDA / % of Sales

\* Adj. EBITDA margin excl. €8m In bad debt provision in Brazil



## Highlights

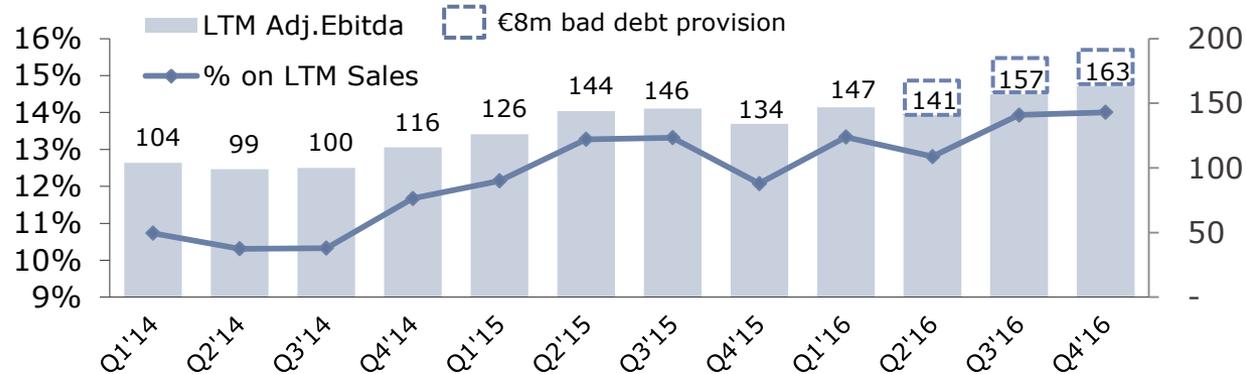
### Telecom Solutions

- Positive trend in Optical cables and fiber, accelerating in Q4, driven by solid performance in the US, France, Eastern Europe and Australia.
- Investments in fiber manufacturing efficiency paying off.
- Adj.EBITDA Margin benefitting from production footprint rationalization with the creation of excellence centres worldwide.
- Double-digit organic trend in copper cables fuelled by the positive market momentum in Australia.

### MMS

- Profitable growth in Europe supported by production capacity extension in copper cables business and footprint optimization in fiber cable. Positive performance in South America.

## Quarterly LTM Adj. EBITDA and % on Sales evolution



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# Profit and Loss Statement

Euro Millions

	FY 2016	FY 2015	Δ OCI contrib. FY '16 vs. FY '15
<b>Sales</b>	<b>7,567</b>	<b>7,361</b>	<b>537</b>
<i>YoY total growth</i>	2.8%		
<i>YoY organic growth</i>	1.0%		
<b>Adj.EBITDA</b>	<b>711</b>	<b>623</b>	<b>37</b>
<i>% on sales</i>	9.4%	8.5%	
Adjustments	(66)	(1)	(5)
<b>EBITDA</b>	<b>645</b>	<b>622</b>	<b>32</b>
<i>% on sales</i>	8.5%	8.4%	
<b>Adj.EBIT</b>	<b>538</b>	<b>473</b>	<b>10</b>
<i>% on sales</i>	7.1%	6.4%	
Adjustments	(66)	(1)	(5)
Special items	(25)	(73)	-
<b>EBIT</b>	<b>447</b>	<b>399</b>	<b>5</b>
<i>% on sales</i>	5.9%	5.4%	
Financial charges	(79)	(89)	(2)
<b>EBT</b>	<b>368</b>	<b>310</b>	<b>3</b>
<i>% on sales</i>	4.9%	4.2%	
Taxes	(106)	(96)	(2)
<i>% on EBT</i>	(28.8%)	(31.0%)	
<b>Net Income</b>	<b>262</b>	<b>214</b>	<b>1</b>
<i>% on sales</i>	3.5%	2.9%	
Minorities	16	-	8
<b>Group Net Income</b>	<b>246</b>	<b>214</b>	<b>(7)</b>
<i>% on sales</i>	3.3%	2.9%	

# Adjustments and Special Items on EBIT

Euro Millions

	FY 2016	FY 2015
Non-recurring Items (Antitrust Investigation)	1	29
Restructuring	(50)	(48)
Other Non-operating Income / (Expenses)	(17)	18
<b>EBITDA adjustments</b>	<b>(66)</b>	<b>(1)</b>
Special items	(25)	(73)
<i>Gain/(loss) on metal derivatives</i>	54	(27)
<i>Assets impairment</i>	(30)	(21)
<i>Other</i>	(49)	(25)
<b>EBIT adjustments</b>	<b>(91)</b>	<b>(74)</b>

# Financial Charges

Euro Millions

	FY 2016	FY 2015
<b>Net interest expenses</b>	<b>(62)</b>	<b>(73)</b>
<i>of which non-cash conv.bond interest exp.</i>	<i>(8)</i>	<i>(8)</i>
Bank fees amortization	(4)	(4)
Gain/(loss) on exchange rates	(9)	(31)
Gain/(loss) on derivatives <sup>1)</sup>	(3)	12
Non recurring effects	(2)	(2)
Other	1	9
<b>Net financial charges</b>	<b>(79)</b>	<b>(89)</b>

# Statement of financial position (Balance Sheet)

Euro Millions

	31 Dec 2016	31 Dec 2015*
Net fixed assets	2,630	2,581
<i>of which: goodwill</i>	448	452
<i>of which: intangible assets</i>	344	371
<i>of which: property, plants &amp; equipment</i>	1,631	1,552
Net working capital	325	347
<i>of which: derivatives assets/(liabilities)</i>	7	(41)
<i>of which: Operative Net working capital</i>	318	388
Provisions & deferred taxes	(360)	(330)
<b>Net Capital Employed</b>	<b>2,595</b>	<b>2,598</b>
Employee provisions	383	341
Shareholders' equity	1,675	1,507
<i>of which: attributable to minority interest</i>	227	229
Net financial position	537	750
<b>Total Financing and Equity</b>	<b>2,595</b>	<b>2,598</b>

\* Restated figures

# Cash Flow

Euro Millions

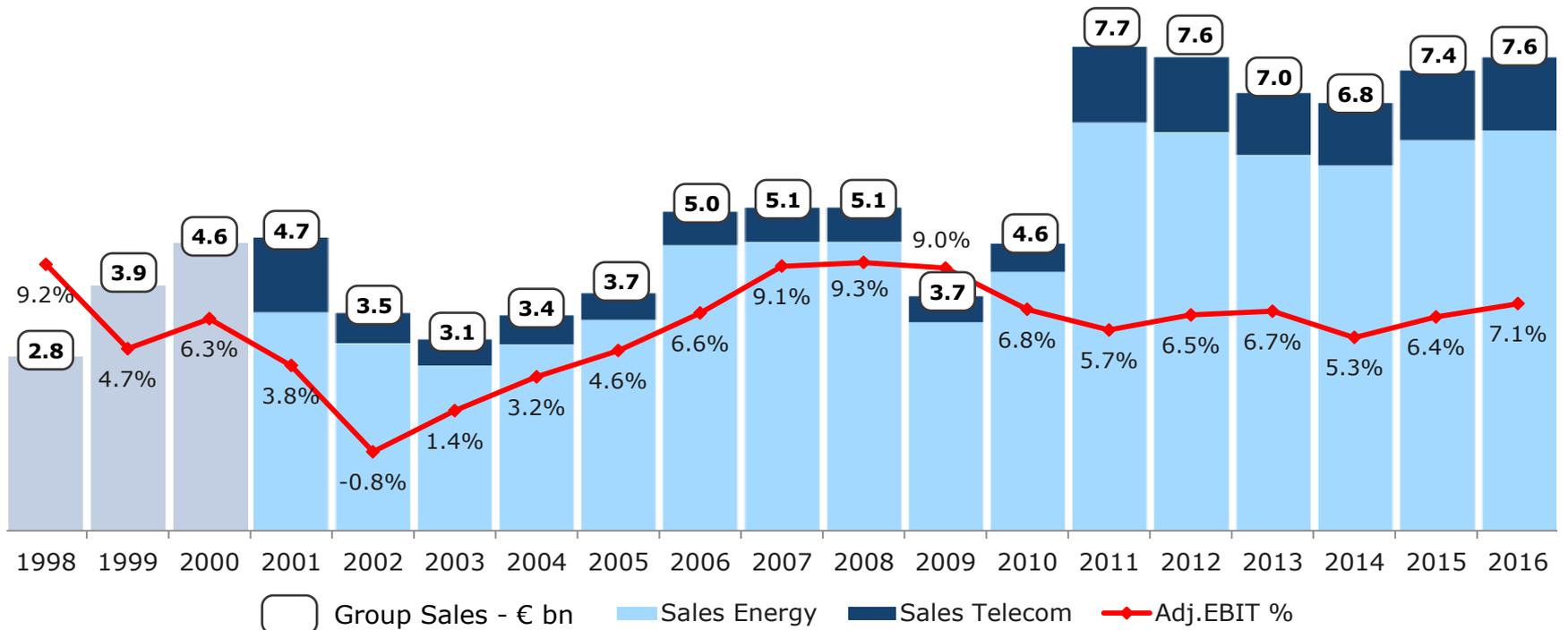
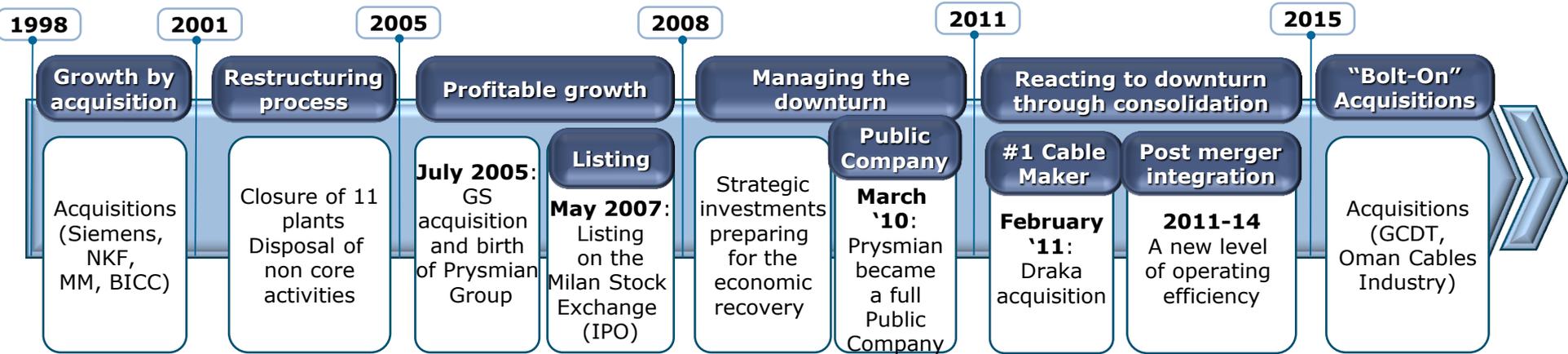
	FY 2016	FY 2015	Full OCI FY 2016 Cash-flow
<b>Adj.EBITDA</b>	<b>711</b>	<b>623</b>	<b>52</b>
Adjustments	(66)	(1)	(5)
<b>EBITDA</b>	<b>645</b>	<b>622</b>	<b>47</b>
Net Change in provisions & others	-	(75)	-
Share of income from investments in op.activities	(31)	(39)	-
<b>Cash Flow from operations (bef. WC changes)</b>	<b>614</b>	<b>508</b>	<b>47</b>
Working Capital changes	67	243	55
Dividends received	10	17	-
Paid Income Taxes	(76)	(71)	(6)
<b>Cash flow from operations</b>	<b>615</b>	<b>697</b>	<b>96</b>
Acquisitions & Disposals	31	(138)	-
Net Operative CAPEX	(227)	(200)	(6)
<i>of which acquisitions of assets of ShenHuan</i>	<i>(11)</i>	-	-
<b>Free Cash Flow (unlevered)</b>	<b>419</b>	<b>359</b>	<b>90</b>
Financial charges	(68)	(100)	(1)
<b>Free Cash Flow (levered)</b>	<b>351</b>	<b>259</b>	<b>89</b>
<b><i>Free Cash Flow (levered) excl. Acquisitions &amp; Disposals**</i></b>	<b><i>331</i></b>	<b><i>397</i></b>	<b><i>89</i></b>
Dividends	(102)	(91)	(11)*
Treasury shares buy-back & other equity movements	-	3	-
<b>Net Cash Flow</b>	<b>249</b>	<b>171</b>	<b>78</b>
<b>NFP beginning of the period</b>	<b>(750)</b>	<b>(802)</b>	
Net cash flow	249	171	
Other variations	(36)	(119)	
<b>NFP end of the period</b>	<b>(537)</b>	<b>(750)</b>	

\*\* Calculated as FCF (levered) excluding acquisitions of assets of ShenHuan and "Acquisitions & Disposals".

\* Considering only dividends paid to minority shareholders

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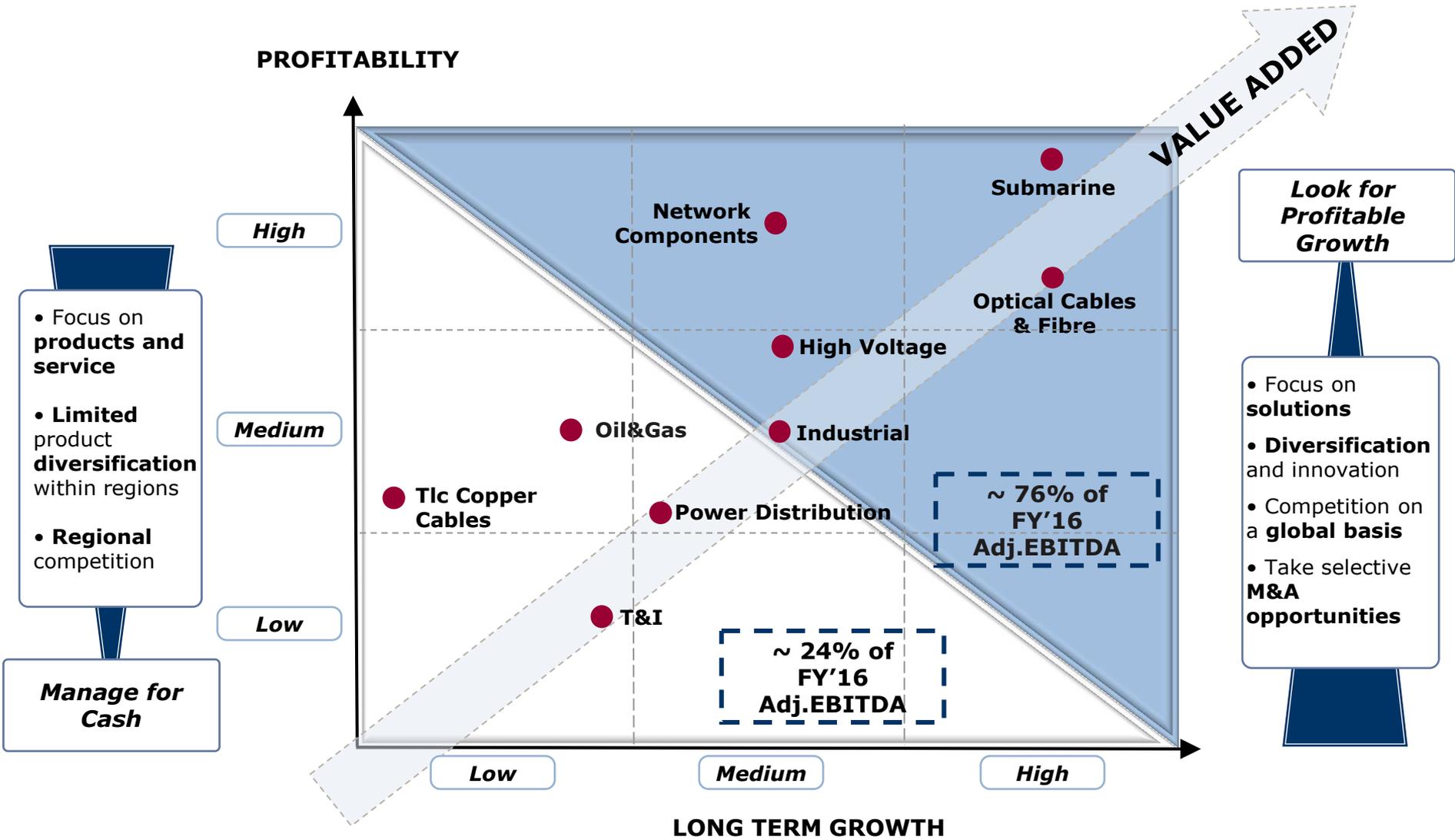
# Key milestones



Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2010 Prysmian accounts, data reported under IFRS; 2011 Draka full combined; 2011-2013 restated in application of IFRS 10-11 and reclassification of share of net income

# Prysmian Group business portfolio

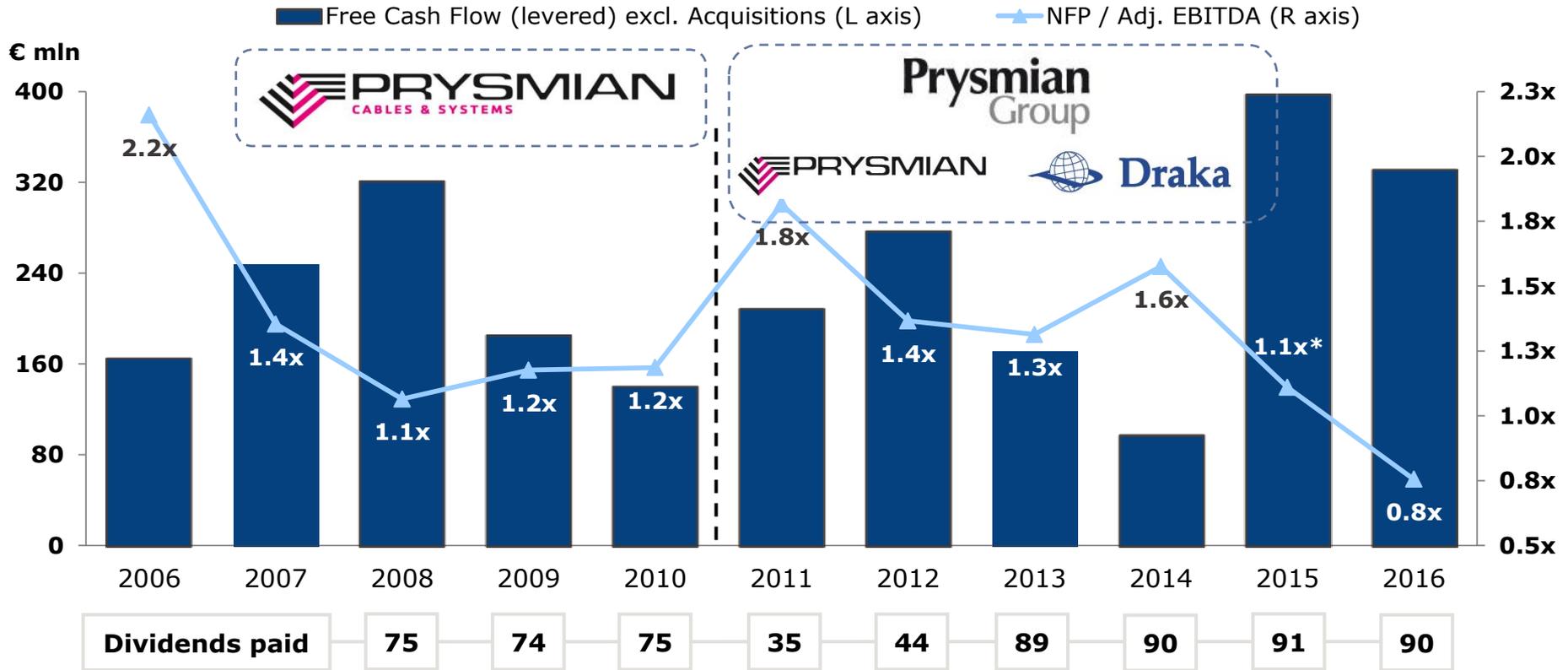
Focus on high value added segments



# Cash Flow generation as key priority to create value for shareholders

Growing capabilities to invest organically/acquisitions and remunerate shareholders

## Cash Flow generation



Approx. € 230m average free cash flow per year generated in 2006-16

Almost €670m distributed to shareholders since IPO

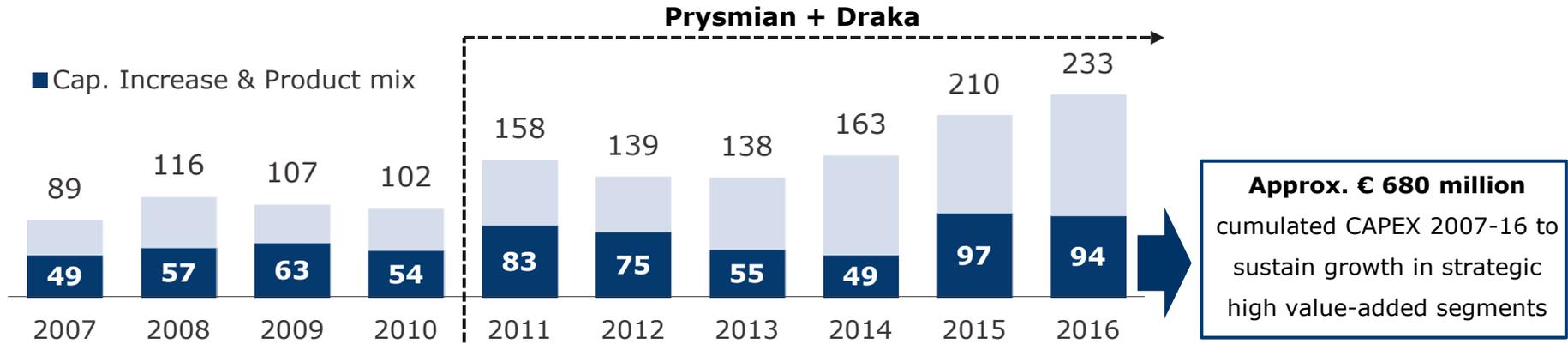
\*Calculated as NFP reported as of 31 December 2015 divided by Pro-Forma FY2015 EBITDA including OCI and GCDT full contributions.

Note: 2011 combined; 2012-13 restated in application of IFRS 10-11 and reclassification of share of net income

# Disciplined Capex to grow in high margin business and out of Europe

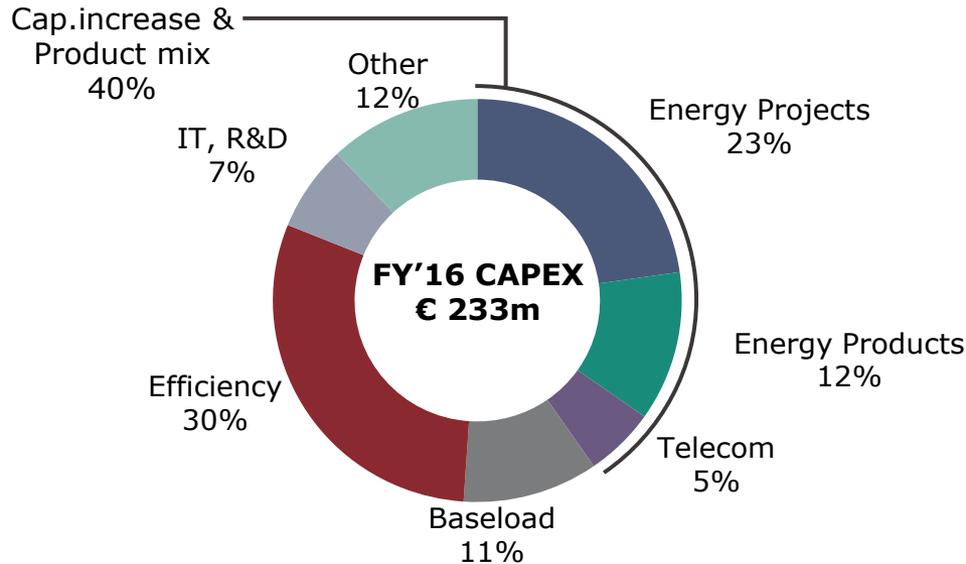
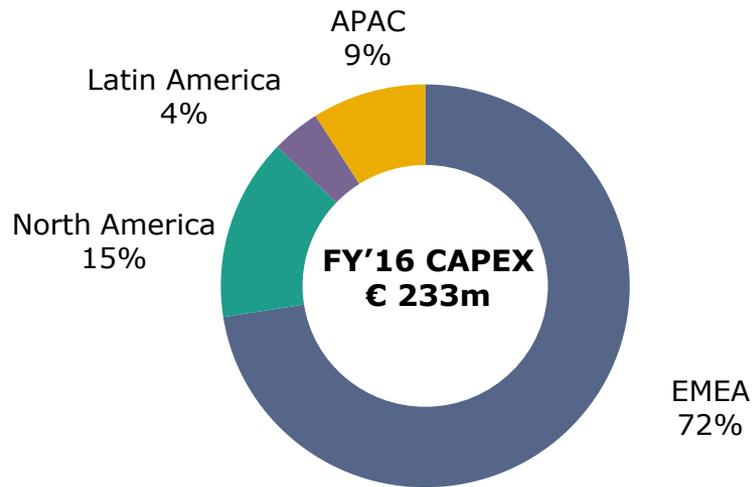
Investments focused on business with long term drivers and high entry barriers

## CAPEX 2007-2016 (€ mln)

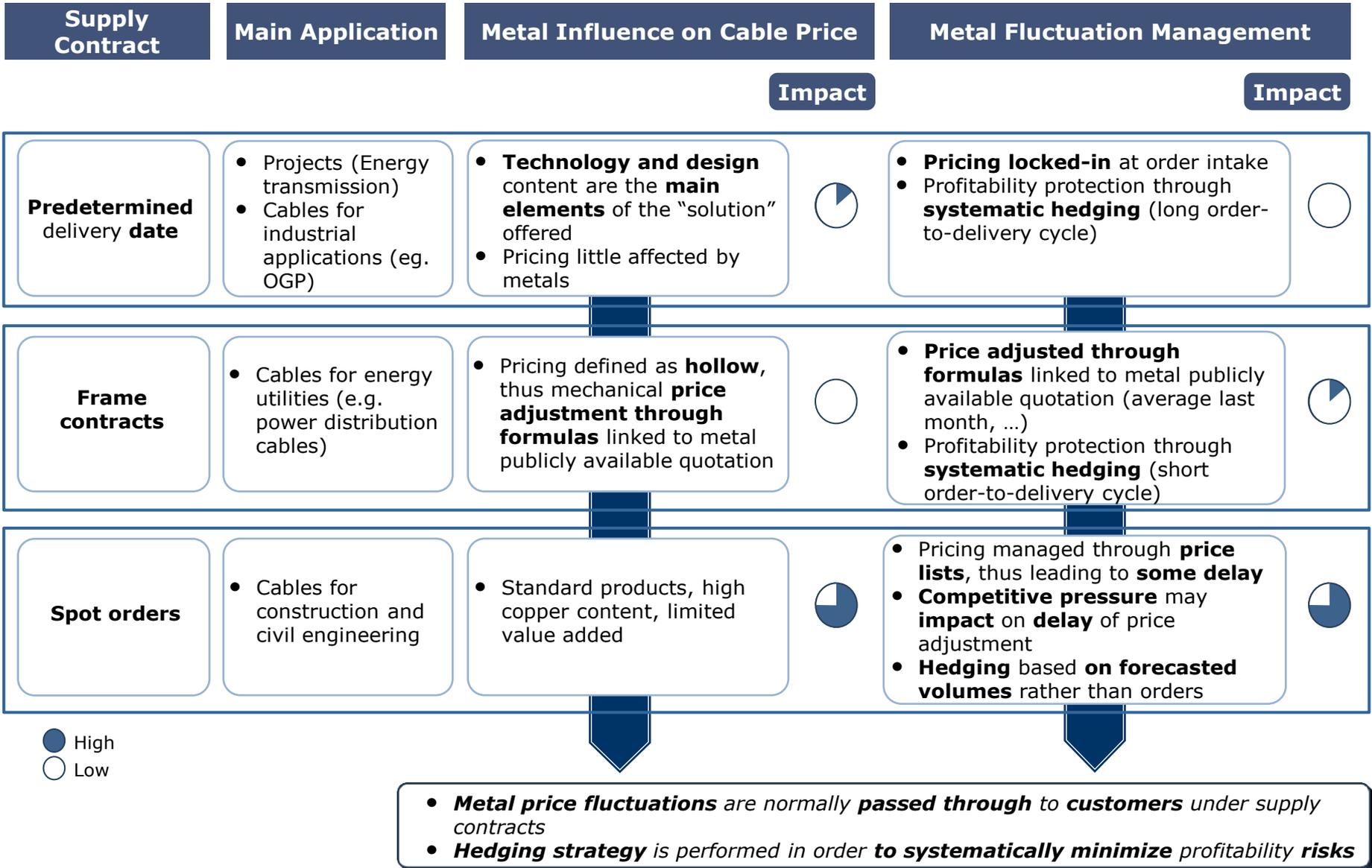


2011 Combined; 2012-13 restated in application of IFRS 10-11 and reclassification of share of net income

## CAPEX 2015 breakdown



# Metal Price Impact on Profitability



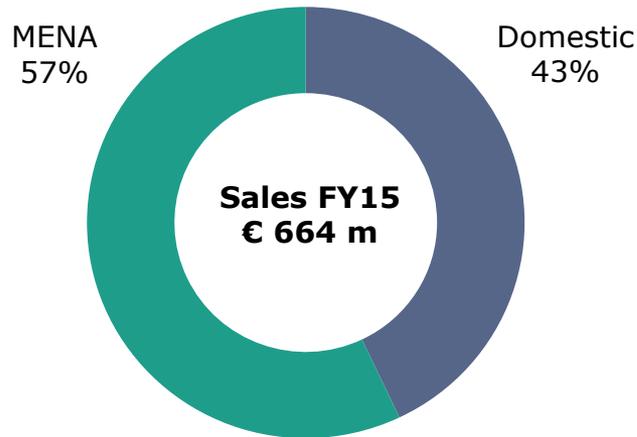
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# Focus on Oman Cables Industry Acquisition

A perfect example of "Bolt-on" acquisition.

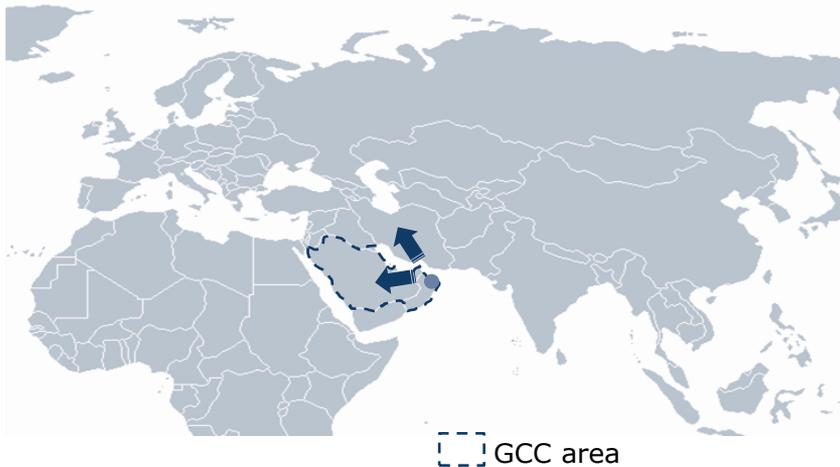


## 2015 Sales Breakdown (€ million <sup>(1)</sup>)



(1) 2015 average EUROMR spot FX rate 0.4268

## Strategic Position



## Structure of the Deal

### STRUCTURE OF THE DEAL

- Acquisition of approx. 16% stake in listed company OCI
- Total cash consideration € 105 million
- OCI Balance Sheet consolidated at 31 Dec 2015; P&L consolidated as of 1<sup>st</sup> Jan 2016.

### STRATEGIC RATIONALE

- Geographic diversification toward middle-east region.
- No import duties in GCC market.
- Low integration risk. Solid track record.

## Product Range



- Building Wire and Cable
- LV and MV power cables (up to 33kV)
- Control cables for industrial applications

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Euro Millions

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<i>% on sales</i>	9.4%	8.5%		9.7%
of which share of net income	31	39	(15)	-
Adjustments	(66)	(1)	(5)	(5)
<b>EBITDA</b>	<b>645</b>	<b>622</b>	<b>32</b>	<b>47</b>
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<i>% on sales</i>	3.3%	2.9%		1.4%

# Energy Projects Segment – Profit and Loss Statement

Euro Millions

	FY 2016	FY 2015
<b>Sales to Third Parties</b>	<b>1,634</b>	<b>1,416</b>
<i>YoY total growth</i>	<i>15.4%</i>	
<i>YoY organic growth</i>	<i>18.5%</i>	
<b>Adj. EBITDA</b>	<b>260</b>	<b>221</b>
<i>% on sales</i>	<i>15.9%</i>	<i>15.6%</i>
<b>Adj. EBIT</b>	<b>224</b>	<b>187</b>
<i>% on sales</i>	<i>13.7%</i>	<i>13.2%</i>

# Energy Products Segment – Profit and Loss Statement

Euro Millions

	FY 2016	FY 2015	Δ OCI Contribution FY '16 vs. FY '15	
Sales to Third Parties	<b>E&amp;I</b>	<b>3,016</b>	<b>2,795</b>	<b>537</b>
	<i>YoY total growth</i>	7.9%		
	<i>YoY organic growth</i>	(3.1%)		
	<b>Industrial &amp; Netw. Comp.</b>	<b>1,343</b>	<b>1,499</b>	-
	<i>YoY total growth</i>	(10.4%)		
	<i>YoY organic growth</i>	(4.6%)		
	<b>Other</b>	<b>110</b>	<b>121</b>	-
<i>YoY total growth</i>	(8.6%)			
<i>YoY organic growth</i>	(4.4%)			
<b>ENERGY PRODUCTS</b>	<b>4,469</b>	<b>4,415</b>	<b>537</b>	
<i>YoY total growth</i>	1.2%			
<i>YoY organic growth</i>	(3.6%)			
Adj. EBITDA	<b>E&amp;I</b>	<b>154</b>	<b>128</b>	<b>37</b>
	<i>% on sales</i>	5.1%	4.6%	
	<b>Industrial &amp; Netw. Comp.</b>	<b>127</b>	<b>122</b>	-
	<i>% on sales</i>	9.5%	8.1%	
	<b>Other</b>	<b>(1)</b>	<b>2</b>	-
<i>% on sales</i>	(0.8%)	1.9%		
<b>ENERGY PRODUCTS</b>	<b>280</b>	<b>252</b>	<b>37</b>	
<i>% on sales</i>	6.3%	5.7%		
Adj. EBIT	<b>E&amp;I</b>	<b>92</b>	<b>93</b>	<b>10</b>
	<i>% on sales</i>	3.0%	3.3%	
	<b>Industrial &amp; Netw. Comp.</b>	<b>108</b>	<b>100</b>	-
	<i>% on sales</i>	8.0%	6.7%	
	<b>Other</b>	<b>(2)</b>	-	-
<i>% on sales</i>	(1.9%)			
<b>ENERGY PRODUCTS</b>	<b>198</b>	<b>193</b>	<b>10</b>	
<i>% on sales</i>	4.4%	4.4%		

# Oil&Gas Segment – Profit and Loss Statement

Euro Millions

	FY 2016	FY 2015
<b>Sales to Third Parties</b>	<b>300</b>	<b>421</b>
<i>YoY total growth</i>	<i>(28.9%)</i>	
<i>YoY organic growth</i>	<i>(29.3%)</i>	
<hr/>		
<b>Adj. EBITDA</b>	<b>8</b>	<b>16</b>
<i>% on sales</i>	<i>2.7%</i>	<i>3.8%</i>
<hr/>		
<b>Adj. EBIT</b>	<b>(7)</b>	<b>3</b>
<i>% on sales</i>	<i>(2.4%)</i>	<i>0.7%</i>
<hr/>		

# Telecom Segment – Profit and Loss Statement

Euro Millions

	FY 2016	FY 2015
<b>Sales to Third Parties</b>	<b>1,164</b>	<b>1,109</b>
<i>YoY total growth</i>	<i>4.9%</i>	
<i>YoY organic growth</i>	<i>8.5%</i>	
<b>Adj. EBITDA</b>	<b>163</b>	<b>134</b>
<i>% on sales</i>	<i>14.0%</i>	<i>12.1%</i>
<b>Adj. EBIT</b>	<b>123</b>	<b>90</b>
<i>% on sales</i>	<i>10.6%</i>	<i>8.1%</i>

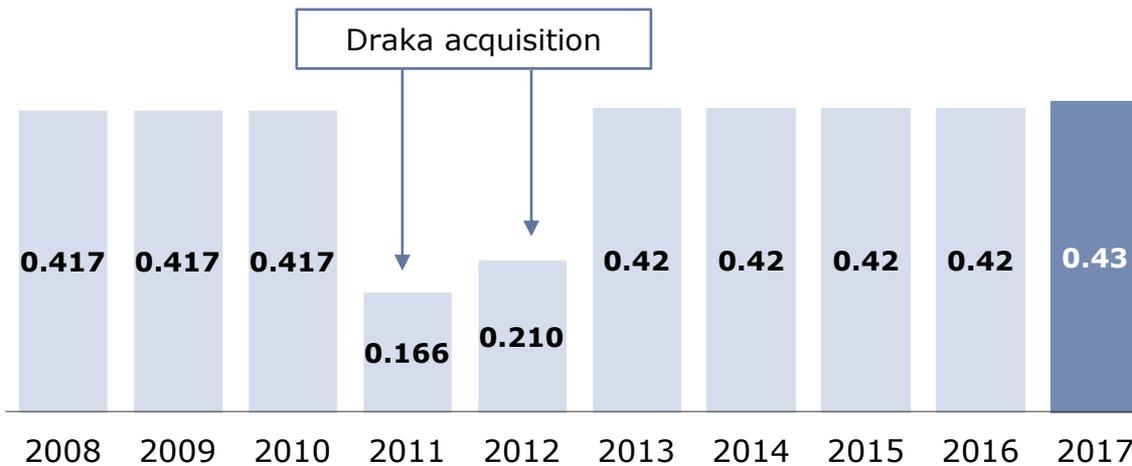
# Dividend proposal

Dividend proposed to the forthcoming Shareholders' Meeting

**Dividend Per Share € 0.43**

- Ex-dividend date: 24 April 2017
- Record date: 25 April 2017
- Payment date: 26 April 2017

DPS evolution (Euro per share)



**Total Shares <sup>(1)</sup>**

**216,720,922**

**Shares with dividend right <sup>(2)</sup>**

**213,014,694**

**Dividend Yield <sup>(3)</sup>**

**2.1%**

(1) Outstanding shares as of February 24, 2017

(2) Shares with dividend right: Total shares outstanding (216,720,922) – Treasury shares owned by the Company (3,706,228) as of February 24, 2017.

(3) Based on 2016 average price (€ 20.93)

# Successful placement of €500m equity-linked bond

## Equity-linked Bond

### Key Features:

- Total amount: € 500 million
- Coupon: Zero Coupon
- Initial Conversion Price: €34.2949 (41.25% premium)
- Maturity: January 2022 (5 Years)
- Redemption at maturity: 100%
- Issuer call (130% trigger): 1 February 2020

1. Finance possible M&A deals

2. Fund shares buy-back

3. General corporate purposes

## New Shares Buy-Back Programme

AMOUNT	TREASURY SHARES CURRENTLY OWNED	PERIOD	OBJECTIVES
<ul style="list-style-type: none"> <li>▪ Up to €125 mln</li> </ul>	<ul style="list-style-type: none"> <li>▪ 3.706.228 shares*</li> <li>▪ Of which 1.087.911 purchased as of February 24, 2017 since the beginning of the program on January 23, 2017.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Start 23 Jan. 2017</li> <li>▪ End 30 Sep. 2017</li> </ul>	<ul style="list-style-type: none"> <li>▪ To serve possible M&amp;A deals with shares exchange</li> <li>▪ To serve any conversion right under the bond</li> </ul>

\* Treasury shares as of February 24, 2017.

- Group overview
- Results by business
- Financial Results
- **Appendix**
  - Prysmian at a glance
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  - Financials
  - **Energy Projects and Energy Products**
  - Telecom

# Investing in submarine to increase ROCE

Strengthening production and installation capabilities



- Main projects in execution/orders backlog:**
- Western Link
  - BorWin 3 / DolWin 3
  - Messina II
  - Dardanelles 2
  - Mon.Ita.
  - Hainan 2
  - Shannon River
  - West of Adlergrund
  - Cyclades
  - Philippines
  - Wikingen
  - COBRA cable



- Length overall: 120.1m
- Depth moulded: 7.6m
- Gross tonnage: 10.157 t



- Length overall: 133.2m
- Depth moulded: 7.6m
- Gross tonnage: 10,617 t

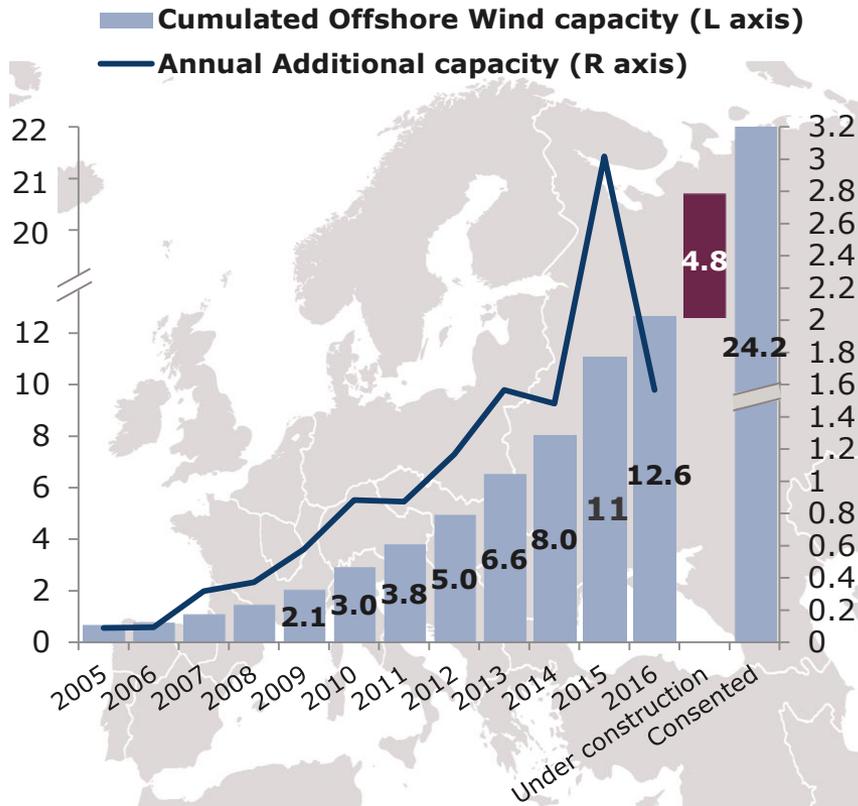


- Length overall: 124m
- Depth moulded: 6.8m
- Gross tonnage: 8,328 t

# Off-shore wind development in Europe

High visibility on new projects to be awarded next quarters

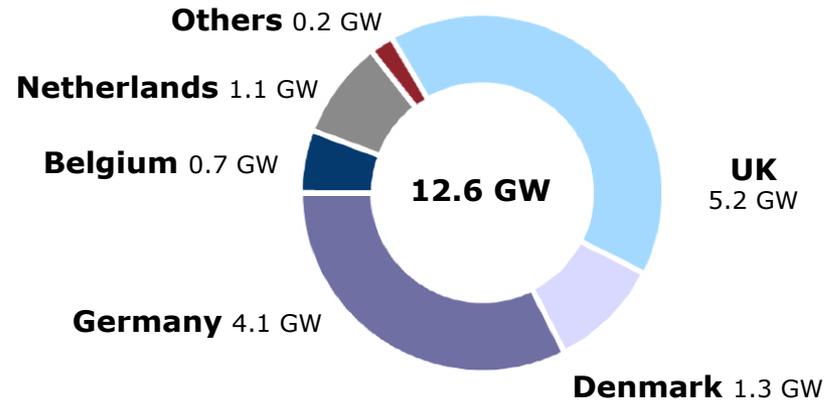
## Europe Offshore Wind capacity (GW)



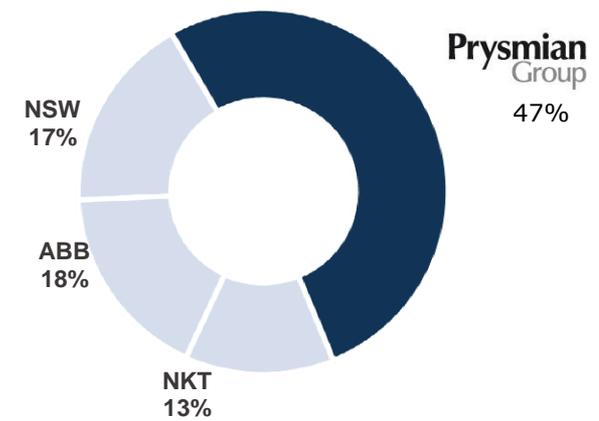
- **Capacity Increase: 1.6 GW** in 2016 (-18% vs. 2015)
- **Total capacity: 12.6 GW** at end 2016 (+14% vs. 2015)
- **Under construction: 4.8 GW** at end 2016
- **Consented: 24.6 GW**

Source: EWEA (January 2017)

## Europe 2016 Cumulated Capacity by Country



## Mkt share of export cable suppliers in 2016 \*



\* Calculated on no. of cables fully or partially completed, percentage. EWEA (January 2017)

# Major transmission projects to be awarded

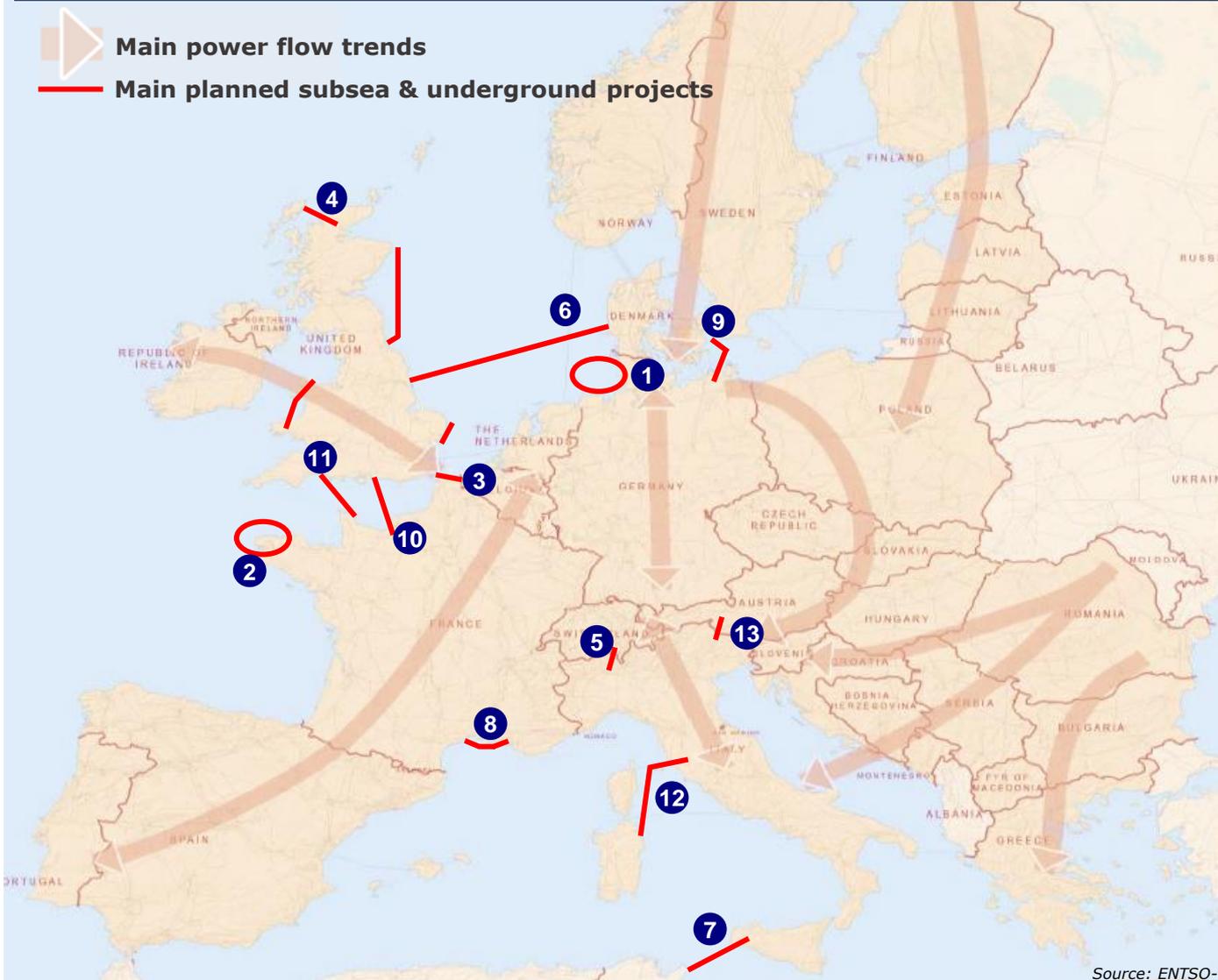
Large pipeline of pan-European projects under development

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



Main power flow trends

Main planned subsea & underground projects



Source: ENTSO-E

## List of main projects

1. Germany (HVDC Grid Offshore)
2. France Off-Shore (Export cable awarder, Inter-array to be awarded)
3. France - UK (Eurotunnel)
4. Western Isles Link
5. Italy-Switzerland
6. Denmark - UK (Viking Link)
7. Tunisia - Italy
8. Marseille - Languedoc
9. Denmark - Germany
10. France - UK (IFA2)
11. France - UK (FAB)
12. SACOI 3
13. Italy - Austria

Other Projects: Spain-France (sub), Ireland-France (sub), Israel-Cyprus-Crete-Greece (sub), Ireland-UK (sub), Egypt-Saudi Arabia (sub), North-South Germany (underground).

# Latest submarine projects awarded

## 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 ships

## Action plan

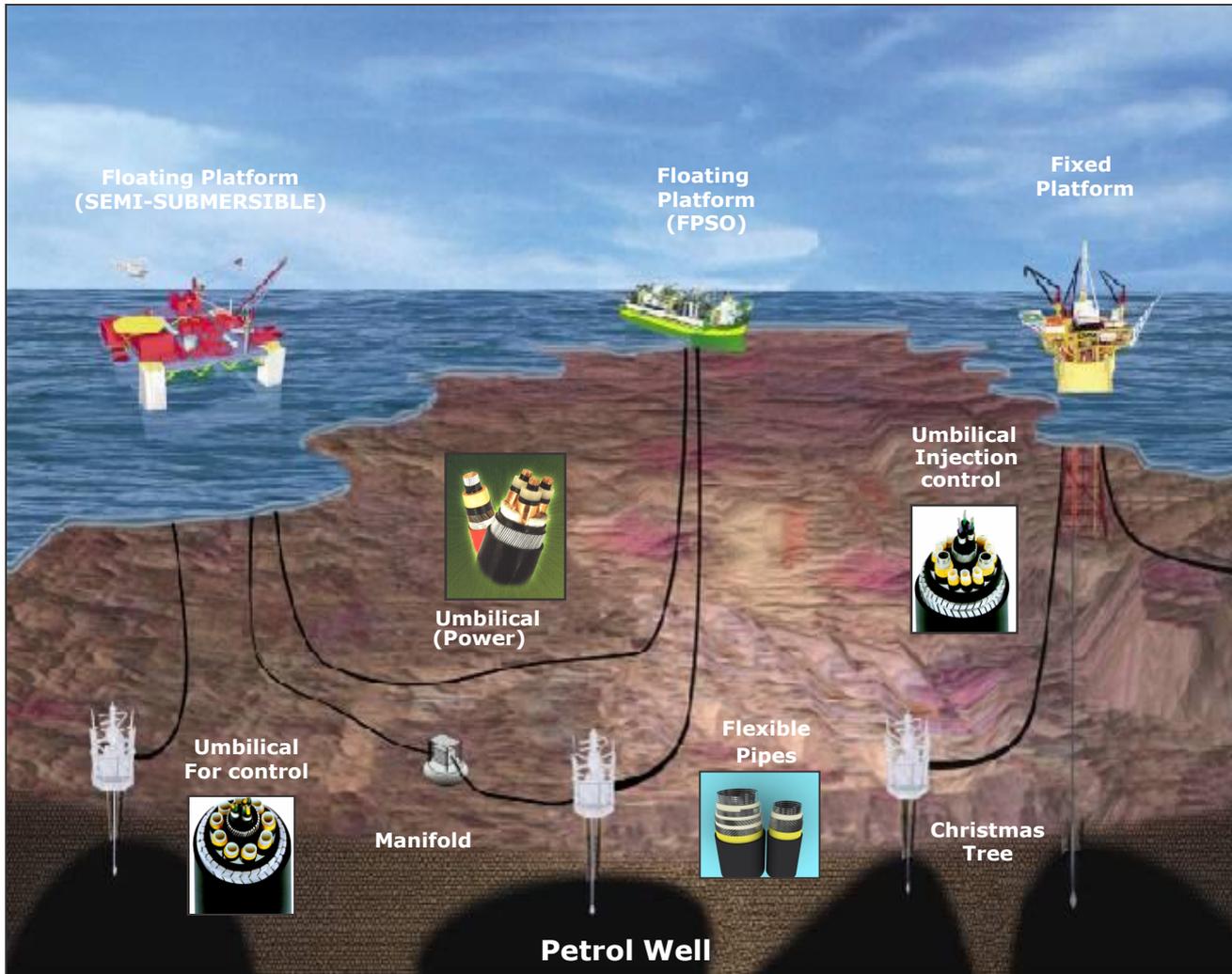
- Cable Enterprise vessel conversion to improve installation capacity
- New investment worth approx. €40m in Pikkala and Arco Felice to enhance the production capability to meet the order backlog requirements
- Leverage on strong off-shore wind-farms trend
- Secure orders to protect long-term growth
- Focus on execution

Latest Key projects	Customers	Period	€m*
Frence Offshore	RTE	2018-20	>300
Eleclink	Groupe Eurotunnel	2017-19	79
COBRA cable	TenneT – Energinet.dk	2016-18	250
Hainan II	China South Grid	2016-19	\$140m
NSN Link	Statnett SF – National Grid	2015-21	550
West of Adlergrund Option	50Hertz Offshore GmbH	2015-18	230
Wikinger	Iberdrola Renovables Offshore	2015-17	60
Philippines	NGCP	2015-16	90
Dardanelles 2	TEIAS	2015-16	64
Cyclades	IPTO	2015-16	95
West of Adlergrund	50Hertz Offshore GmbH	2015-18	480
Shannon River Crossing	ESB	2014-16	40
Zakum offshore oil field	Emirates Holding	2014-15	30
BorWin3	TenneT	2014-17	250
Capri	Terna	2014-15	70
US Offshore platforms	ExxonMobil's	2014-15	\$100m
Balearic Islands	Red Eléctrica de España	2014-15	85
DolWin3	TenneT	2014-16	350
Normandie 3	Jersey Electricity plc	2013-14	45
Mon.Ita	Terna	2013-17	400
Dardanelles	TEIAS	2012-14	67
Phu Quoc	EVNSPC	2012-14	67
Western Link	National Grid-Scottish Power JV	2012-17	800
HelWin2	TenneT	2012-15	200
Hudson Project	Hudson Transm. Partners LLC	2012-13	\$175m
SylWin1	TenneT	2012-15	280

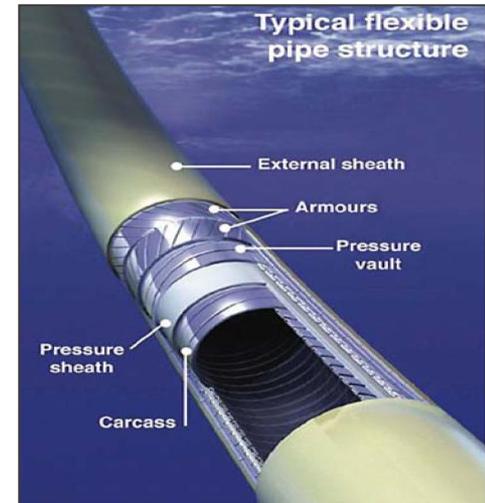
\* Prysman portion of the project

# SURF – Off-shore oil exploration

## Oilfield structure

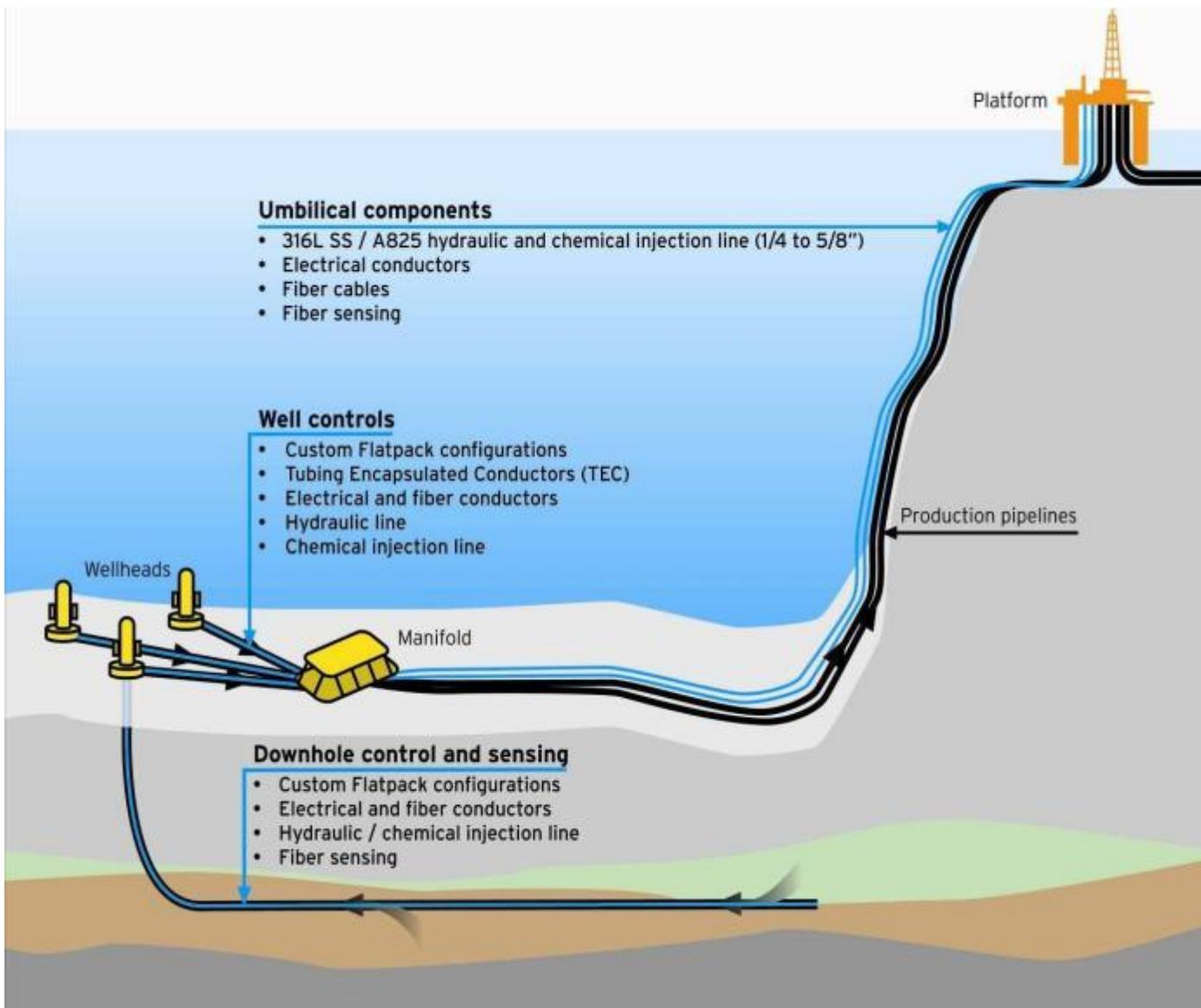


## Flexible Pipes

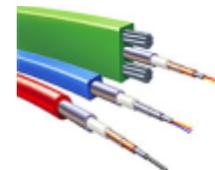


# SURF – Off-shore oil exploration

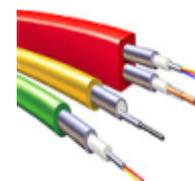
Cross selling opportunities driven by the Downhole technology business contributed by Draka



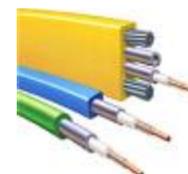
## Downhole Technology (DHT)



HYBRID ELECTRO-OPTIC



FIBER OPTIC



ELECTRICAL



GAS & FLUID TUBING



PACKAGED GAS & FLUID TUBING

# Trade & Installers – Overview

## BUSINESS DESCRIPTION

- Building wires, Low and Medium voltage cables for residential, commercial, industrial and infrastructure constructions
- Partner of the World best Wholesalers, Installers, Contractors & Specialized Distributors; with a clear focus on their needs following a Customer Centricity approach
- Complete product range of solutions for the construction world, including residential, commercial, industrial and infrastructure with focus on high performance products: best in class Fire Resistant cables, LSOH, Green cables, Easy to Install and Total Cost of Ownership reduction solutions

## KEY SUCCESS FACTORS

-  Global partner with strong local presence
-  Full Product range
-  Technological leadership and product excellence
-  Customer centric approach
-  Capillary logistical distribution network and service
-  Technical support
-  Extra services
-  Unique industry expertise

## KEY CUSTOMERS

### Contractors & Installers



### Wholesalers



### Specialized distributors



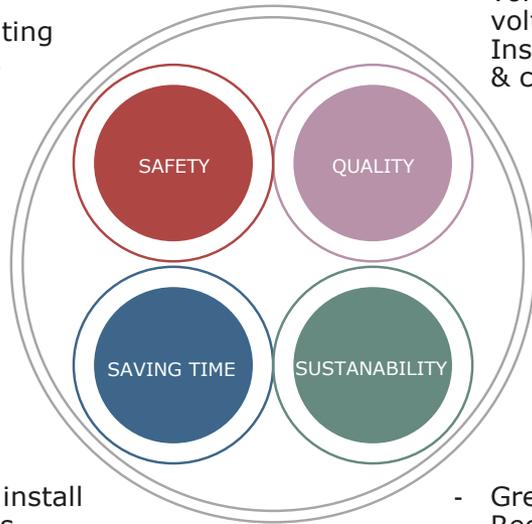
## Offer overview

**RESIDENTIAL – COMMERCIAL –  
INDUSTRIAL - INFRASTRUCTURE**

- POWER SUPPLY
- EMERGENCY CIRCUITS
- CONNECTIONS
- MACHINERY (MOBILE OR NOT)
- SWITCHBOARD
- LIGHTING (INTERIOR/EXTERIOR)
- BRANCHES
- CONTROL/DATA
- ELECTRICAL APPLIANCES

### BEST IN CLASS FIRE RESISTANT AND LSOH CABLES

- Fire fighting systems



- Full range quality Building Wires, Low voltage, Medium voltage, Instrumentation & control

- Easy to install solutions
- Smart Packaging
- Hybrid cables Energy + Data

- Green products
- Recycled packaging
- Full life cycle assessment approach

### A MAJOR ROLE IN MILAN 2015 EXPO



Special fire safety and eco-friendly cables for the site hosting the **Milan Universal Exposition** of 2015: 50 km of medium voltage P-Laser cables and 300 km of low voltage Afumex cables

### TAKING SAFETY TO NEW HEIGHTS



Approximately 350 km of high-tech fire-resistant cables for power distribution supplied within the **Shard skyscraper**, the tallest building in London and Western Europe. Prysmian chosen as global supplier of BASEC and LPCB certified cables and components, and of support and advice to the construction company on the best installation methods to use

### THE LIVES OF THESE PEOPLE DO NOT HANG BY A THREAD



Around 500 km of cables for **Tele2 Arena**, a new, ultra-modern multi-purpose stadium in Stockholm. Prysmian Group has supplied halogen-free cables for the stadium's power, telecommunication, and lighting systems, selected by the customer as the latest technology to guarantee safety

# Industrial & Network Components – Overview

## Business description

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

### Specialties & OEM

Products for mining, crane, marine, railway, rolling stock, nuclear, renewables, defense and other niches



### 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



### Automotive

Standard and specialist cables for the automotive and transport industry, collaborating with the sector's leading international manufacturers



### Network Components

Network accessories and components to connect cables and other network elements



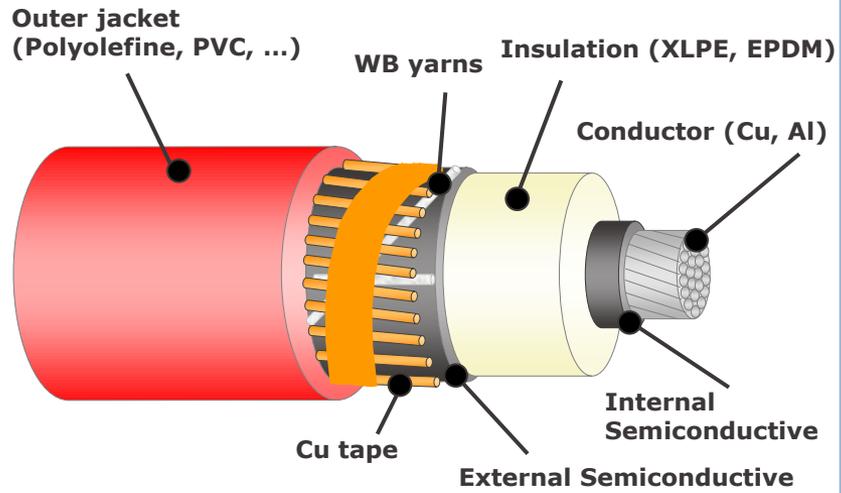
## Key customers

Large and differentiated customer base generally served through direct sales

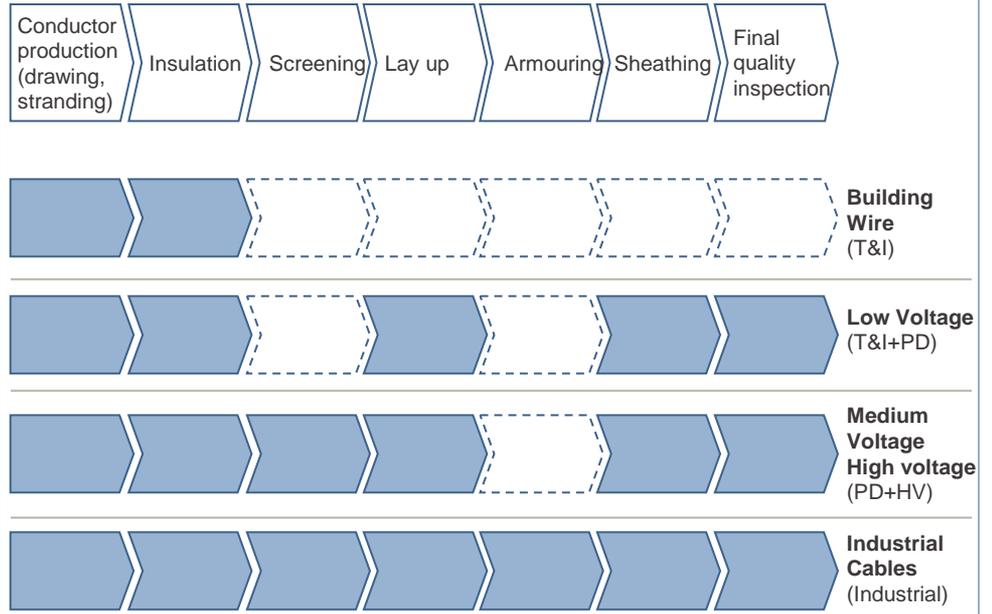


# Macro-structure of Energy Cables

## Product macro structure



## Production process



- Group overview
- Results by business
- Financial Results
- **Appendix**
  - Prysmian at a glance
  - OCI Acquisition
  - Financials
  - Energy Projects and Energy Products
  - **Telecom**

## 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

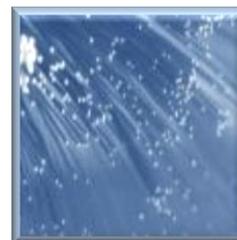
Railway infrastructure: Buried distribution & railfoot cables for long distance telecommunication and advanced signalling cables for such applications as light signalling and track switching



### 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

### 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 data traffic
  - 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

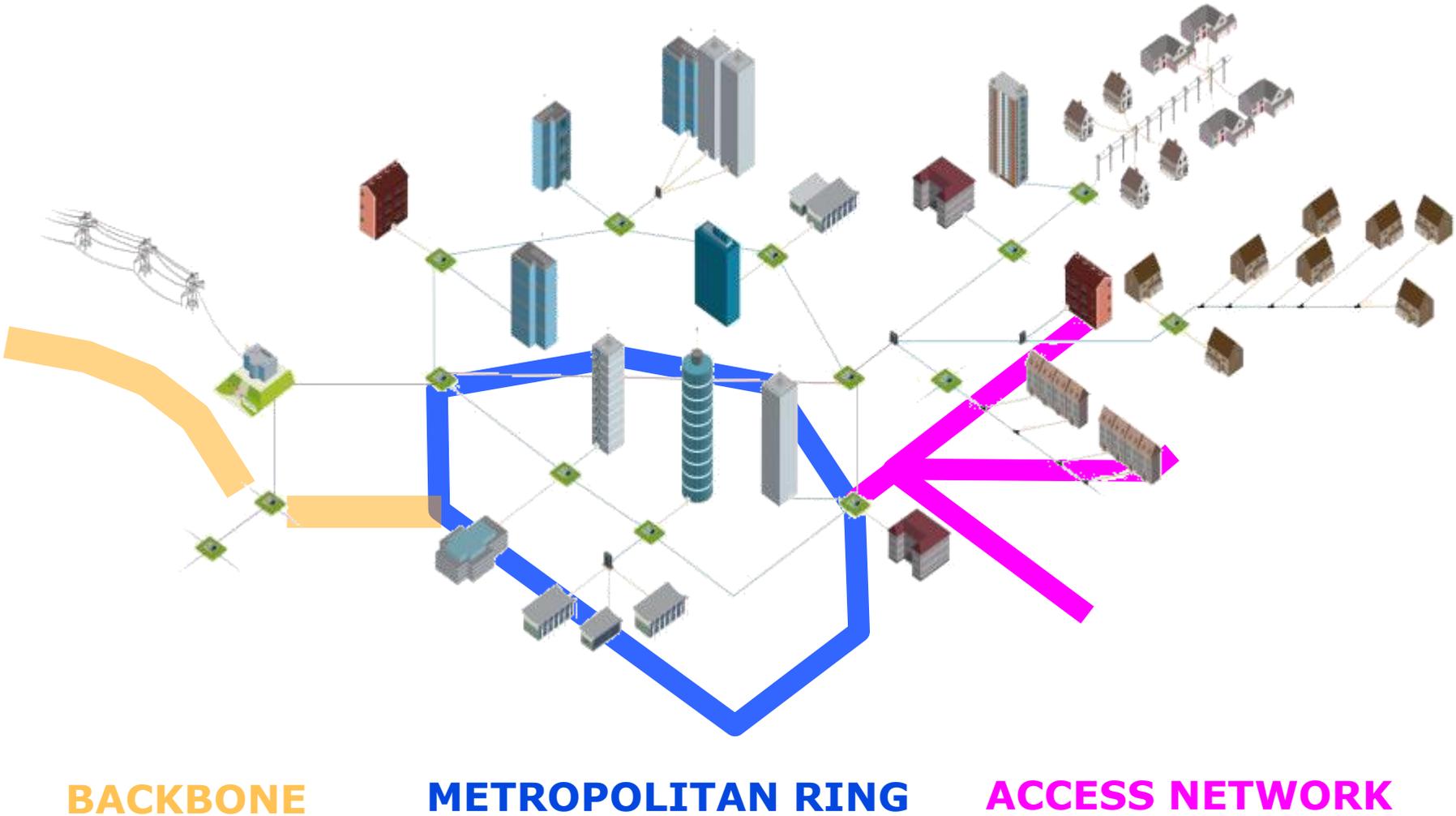
### Strategic value of fibre

- Fiber optic represents the major single component cost of optical cables
- Fiber optic production has high entry barriers:
  - Proprietary technology or licenses difficult to obtain
  - Long time to develop know-how
  - Capital intensity
- When fiber 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**

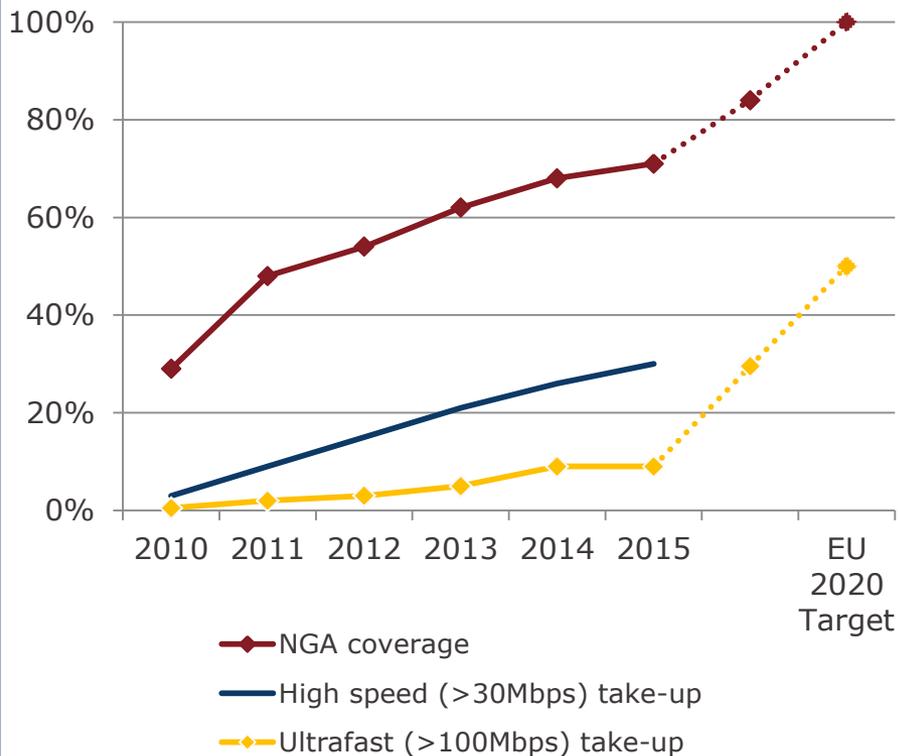
**METROPOLITAN RING**

**ACCESS NETWORK**

# Telecom – Market trend

Growth opportunities coming from the development of broadband in Europe

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



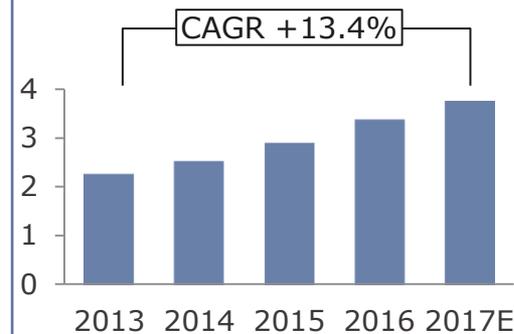
- Coverage of NGA technologies doubled since 2010, but further efforts are requested to meet 2020 target of 100% coverage
- Take-up of ultrafast (>100Mbps) broadband remains marginal (3% of homes) still faraway from 2020 target (50%)

Source: European Commission Digital Agenda Scoreboard 2016

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

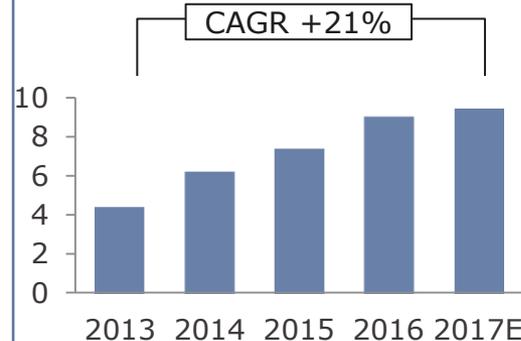
Consumption of fiber optic cable ('000,000 fiber km)

### Italy



- NGA coverage at 36% in 2014 Vs EU average of 68%
- More than €10bn investment announced by telecom operators for the development of NGA in the coming years.

### France



- Coverage of NGA in France (43%) well below EU average (68%) at end 2014
- THD plan to attract €20bn public/private investments in 2012-22 to develop high speed and ultrafast infrastructures

Source: CRU, January 2017; European Commission Digital Agenda Scoreboard 2016

# Telecom – FTTA as key driver of optical demand

4G and Long Term Evolution (LTE) deployments require Fiber-to-the-Antenna (FTTA)

## Global LTE Growth Forecast

# of users



Source: Informa Telecoms & Media, WCIS+, March 2014

**Roof top antenna towers for urban applications**

**Antenna towers used by 4G and LTE networks**

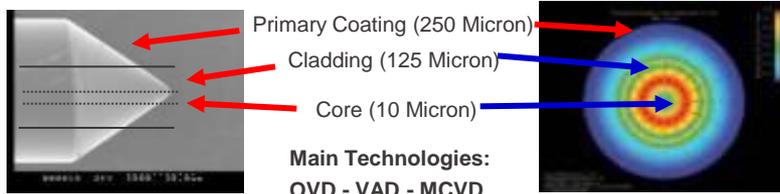
**Distributed antenna systems for dense mobile populations areas**

# Macro-structure of Telecom Cables

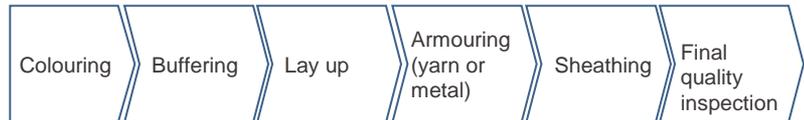
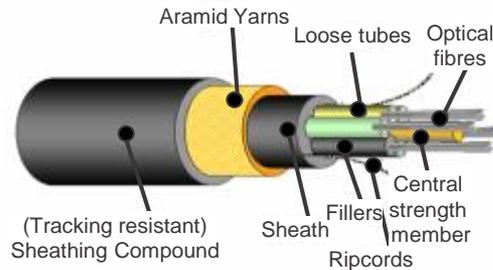
## Product macro structure

## Production process

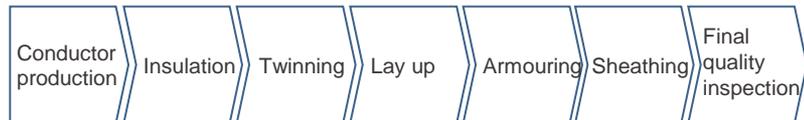
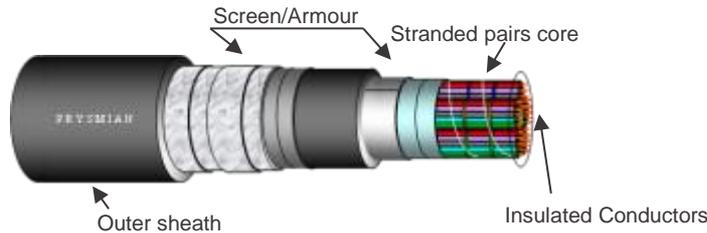
### Fibre optic



### Optical cables



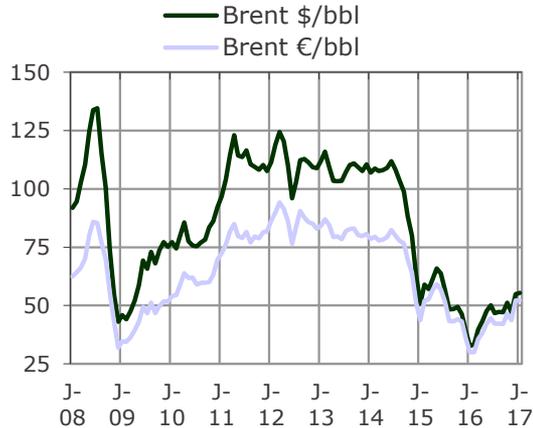
### Copper cables



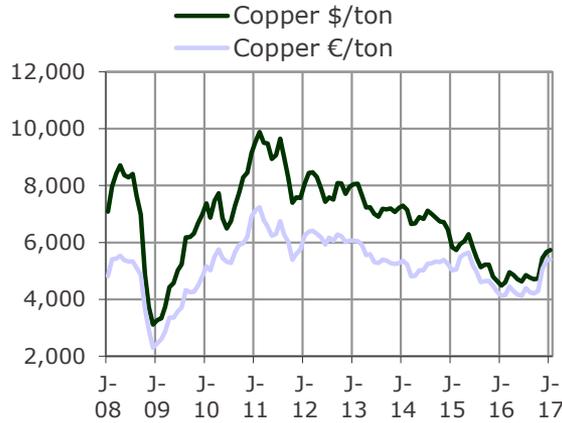
# Reference Scenario

## Commodities & Forex

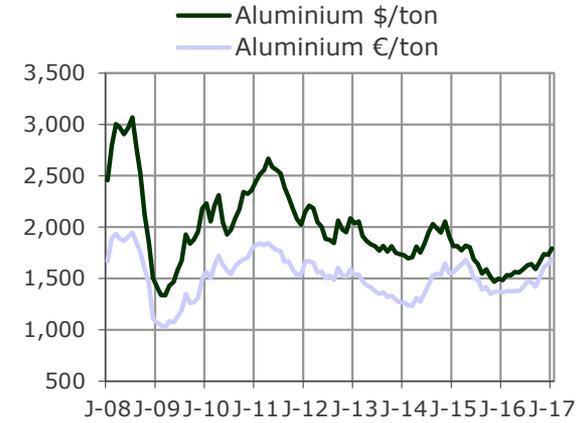
### Brent



### Copper



### Aluminium



### EUR / USD



### EUR / GBP



### EUR / BRL



Based on monthly average data  
Source: Nasdaq OMX

# Disclaimer

- The managers responsible for preparing the company's financial reports, A.Bott and C.Soprano, declare, pursuant to paragraph 2 of Article 154-bis of the Consolidated Financial Act, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.
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- In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.