



H1 2016 Financial Results

Milan – July 28th, 2016

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

- **H1 2016 Highlights**
 - **Group overview**
 - Results by business
 - Outlook

- Financial results

- Appendix



- **Organic Growth at +1.8%**, supported by continued strong performance of Energy Projects business and solid growth of Telecom business.



- **Adj. EBITDA at € 347m** (9.2% on Sales), with a significant improvement vs. €314m of H1 2015 also considering that:

- H1 2015 benefitted from € 24m WL previous loss write-up
- H1 2016 is impacted by € 8m bad debt provision in Telecom business in Brazil



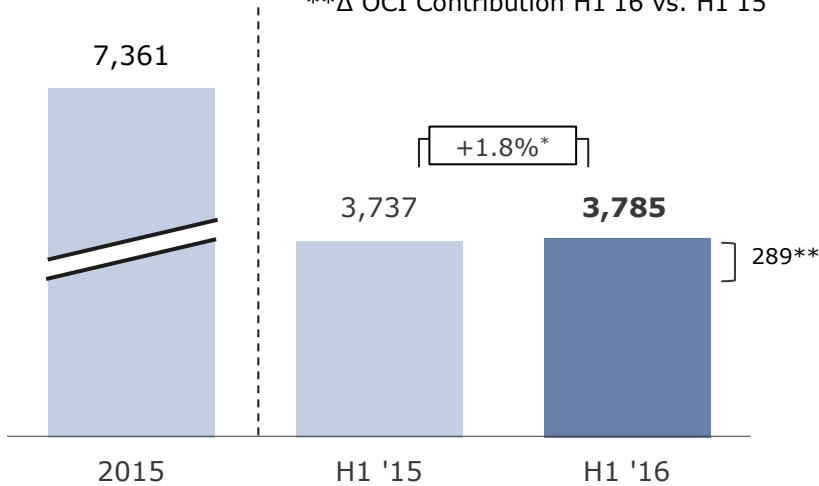
- **Net Financial Position at €1,031m** (€811m excl. OCI and GCDT acquisition impact). LTM Free cash flow before acquisitions at €318m.

H1 2016 Key Financials

Euro Millions, % on Sales

Sales

**Δ OCI Contribution H1'16 vs. H1'15

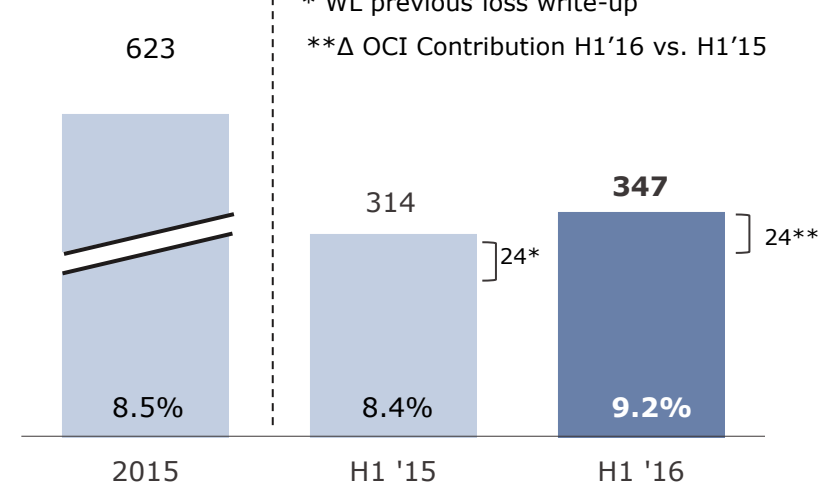


* Org. Growth

Adjusted EBITDA ⁽¹⁾

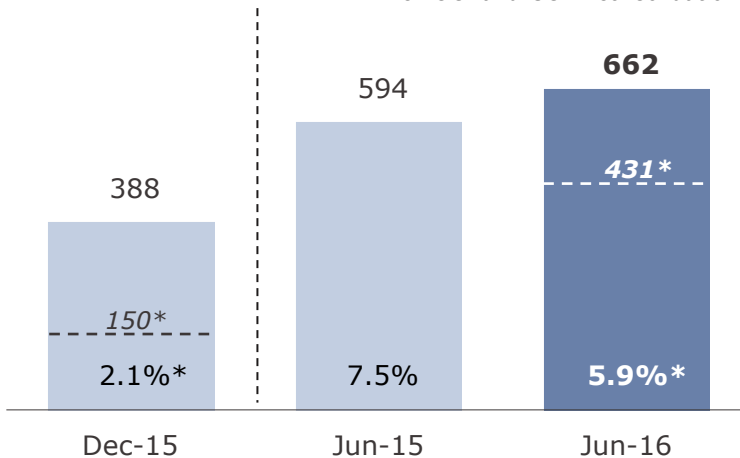
* WL previous loss write-up

**Δ OCI Contribution H1'16 vs. H1'15



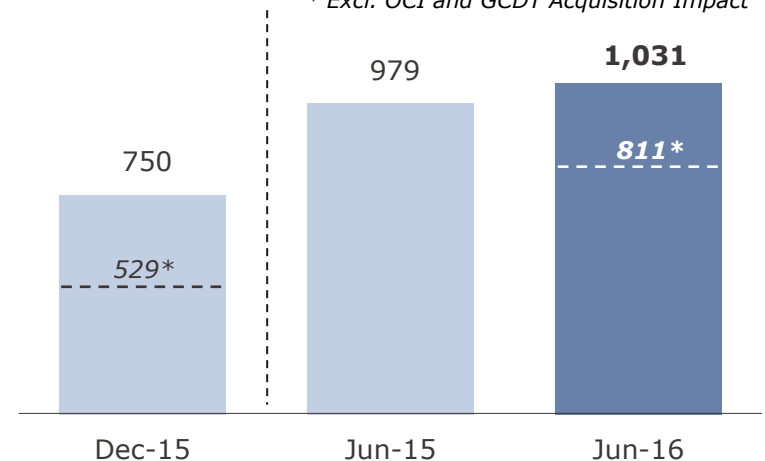
Operative Net Working Capital ⁽²⁾

* Excl. OCI and GCDT consolidation



Net Financial Position

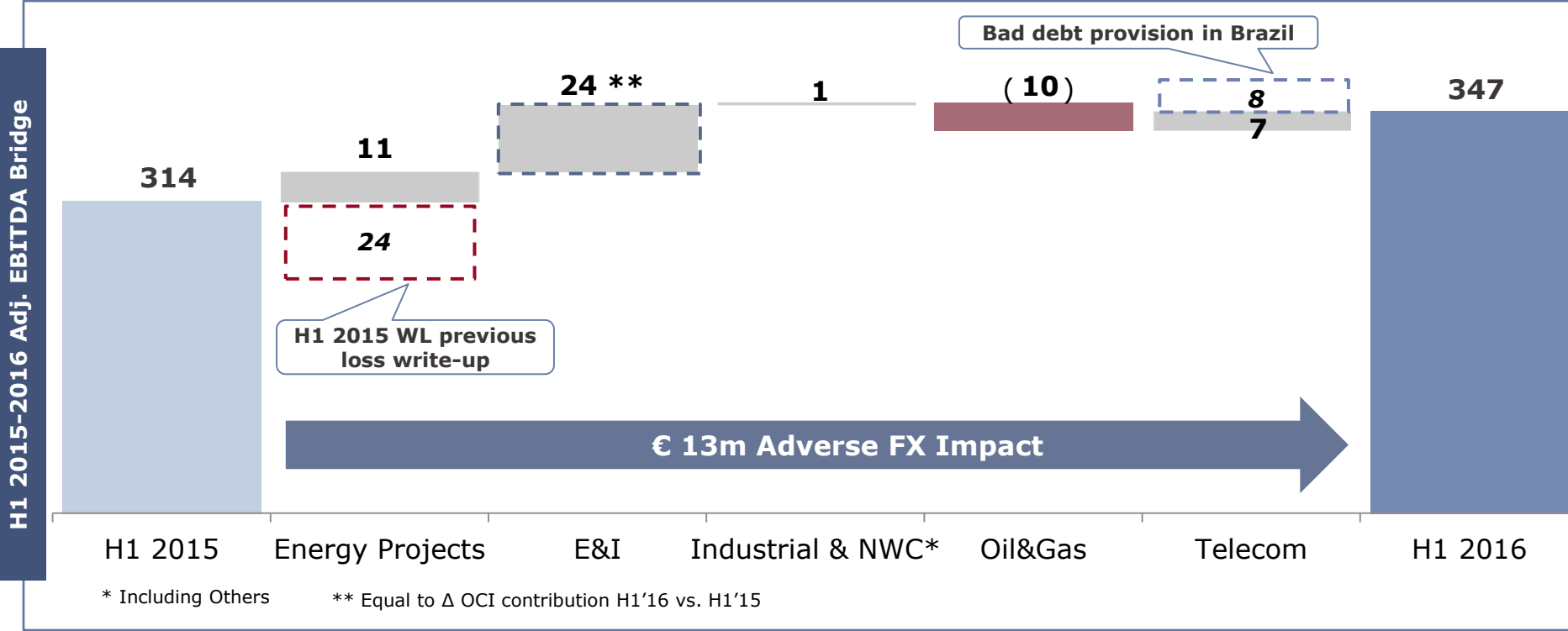
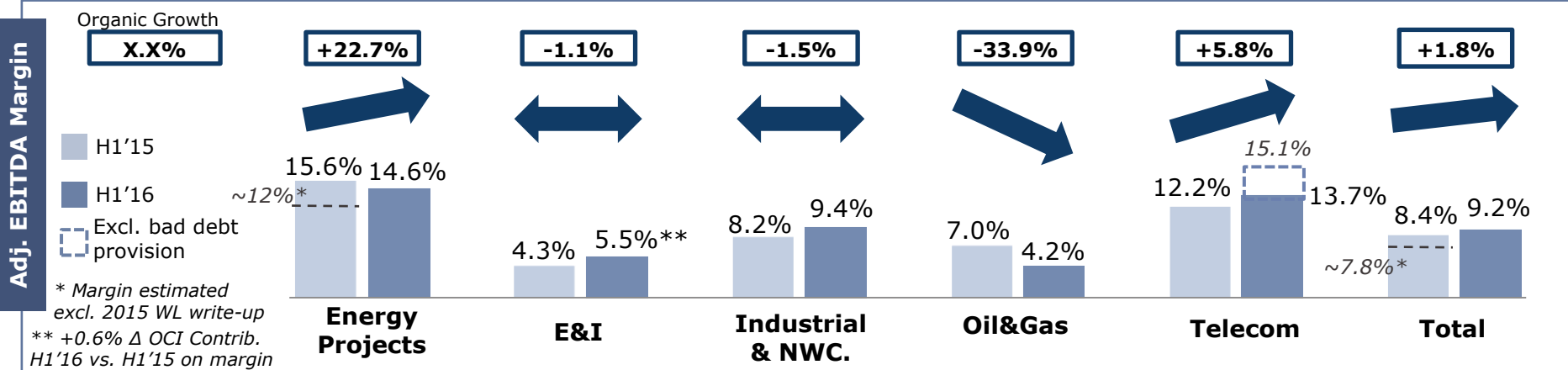
* Excl. OCI and GCDT Acquisition Impact



(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 driven by Energy Projects, Telecom and OCI consolidation



Focus on Margin Growth

Key strategic drivers.

Focus on Margin Growth



Energy Projects

- Investing in installation capabilities
- Strengthening project management



Telecom

- Continued fiber cost reduction
- Extension of optical cable capacity in Eastern Europe



OCI Acquisition

- Margin accretive acquisition
- Strategic geographic position



Cost Efficiency

- Focus on fixed cost reduction
- Continued footprint optimization

Strengthening our installation capacity.

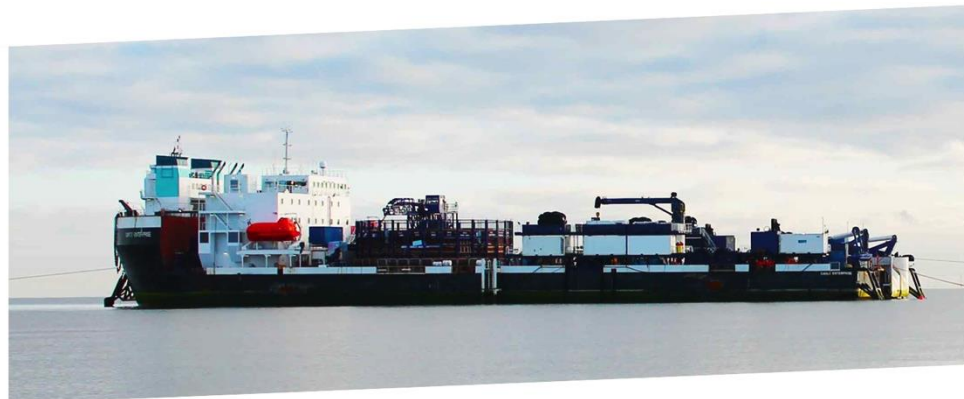
New shallow water installation barge "Ulisse" added to the fleet.

GIULIO VERNE



- Main activity: Deep-water Installation
- On duty since: 1989
- Length overall: 133.2m
- Transport capacity: 7,000 tons

CABLE ENTERPRISE



- Main activity: Mid-water depth Installation
- On duty since: 2012
- Length overall: 124m
- Transport capacity: 4,500 tons

ULISSE



- Main activity: Shallow-water Installation
- On duty since: July 2016
- Length overall: 120.2m
- Transport capacity: 7,000 tons

- **H1 2016 Highlights**
 - Group overview
 - **Results by business**
 - Outlook

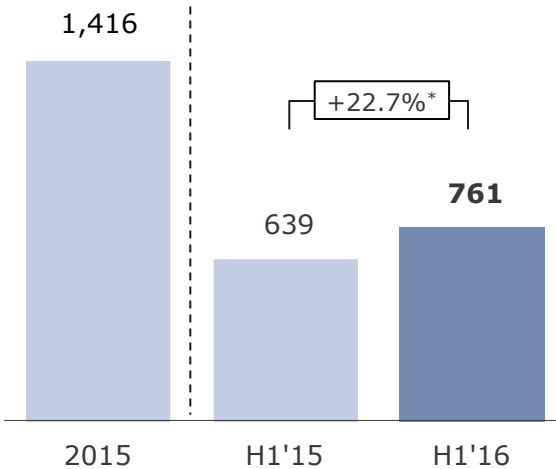
- Financial results

- Appendix

Energy Projects

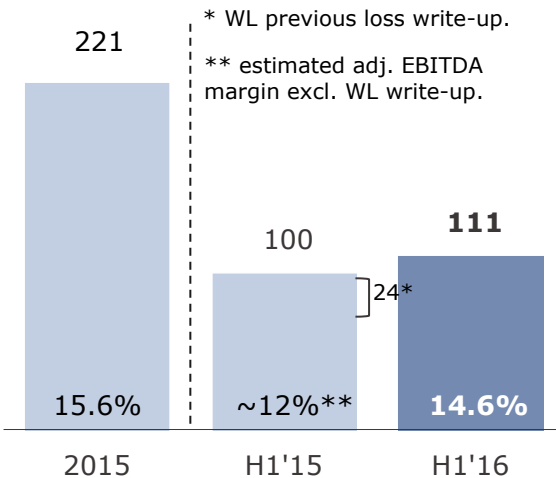
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

Submarine

- Double-digit organic growth benefitting from solid execution and favourable project phasing.
- Strong project management and new installation assets driving a significant margin improvement.
- H1 2015 Adj. EBITDA was helped by € 24m WL write-up.
- Market outlook remains solid, with an expected opportunities arising from Offshore wind projects in 2016/2017 (France, UK, Netherlands).

Underground High Voltage

- Very strong performance driven by the on-going execution of DC project in France and project execution North America and APAC.
- Intense tendering activity in the Middle East.

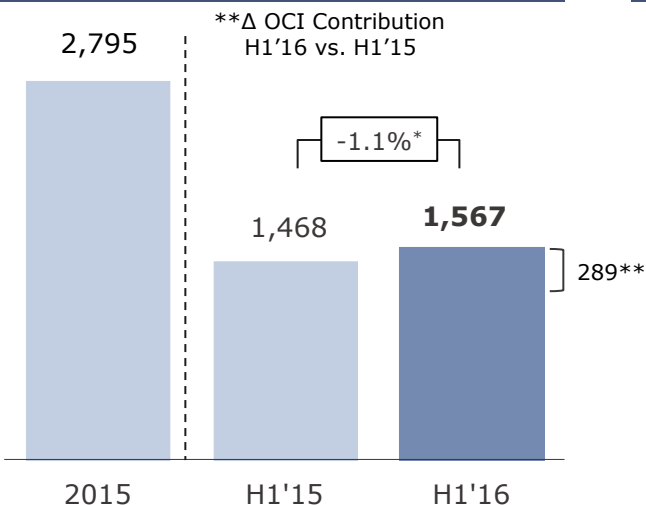
Transmission - Orders Backlog Evolution (€m)

	Dec '13	Dec '14	Jun '15	Dec '15	Jun '16
Underground HV	~450	~450	~600	~600	~500
Submarine	~2,050	~2,350	~2,900	~2,600	~2,450
Group	~2,500	~2,800	~3,500	~3,200	~2,950

Energy & Infrastructure

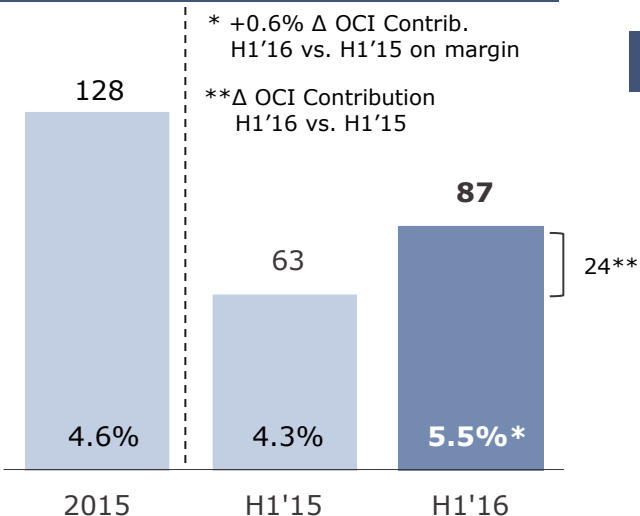
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

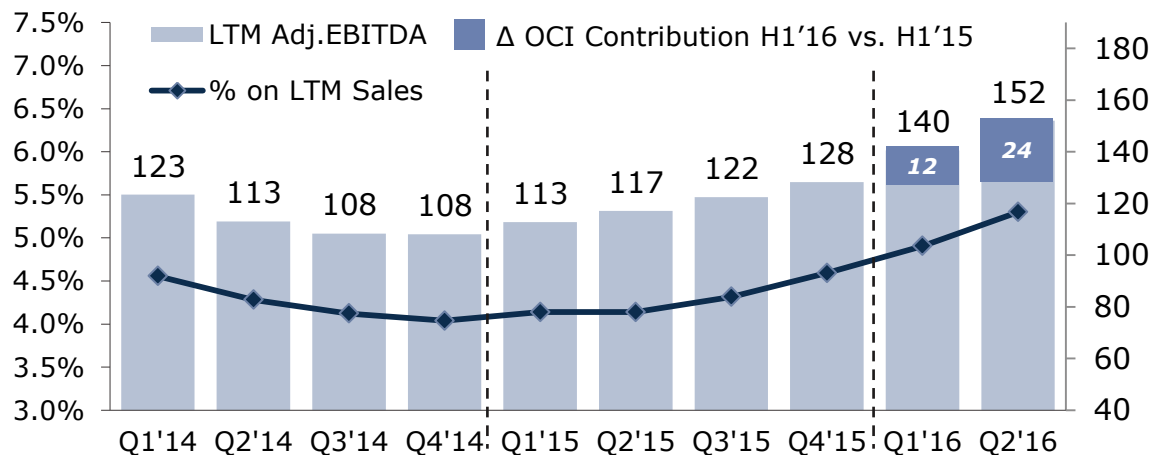
Trade & Installers

- Low single-digit organic decrease also driven by mix improvement strategy in Europe.
- Positive trend in the Nordics, UK, Eastern Europe and Oceania more than offset by the slowdown in the other geographies (mainly South America).

Power Distribution

- Positive organic trend, slightly softening in Q2 as a result of slowing demand in Germany, in line with expectations.
- Solid performance in the Nordics, Netherlands, North America and APAC, partially offset by the slowdown and adverse FX in Argentina.

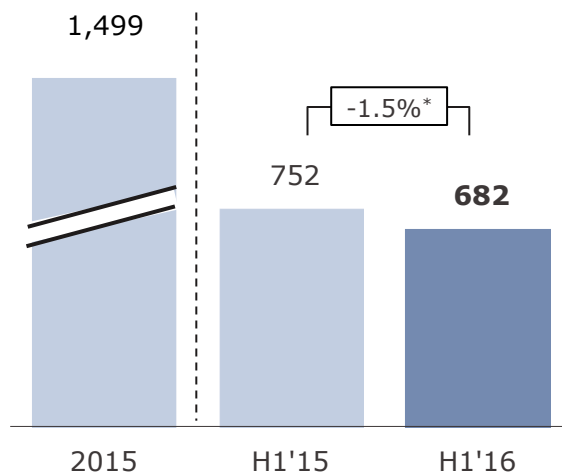
LTM Adj. EBITDA Evolution / % on LTM Sales



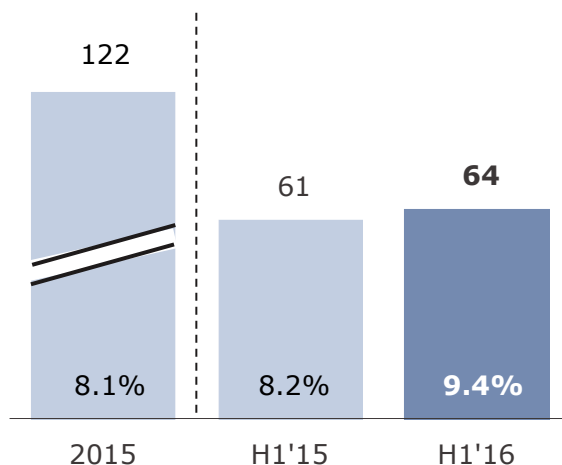
Industrial & Network Components

Euro Millions, % on Sales

Sales



Adj. EBITDA / % of Sales



Highlights

Specialties & OEMs

- Organic trend substantially flat in H1 but softening in Q2, with sound growth in Defense, Crane and Marine offset by weak Nuclear, Railways and Mining.
- In Renewables, slowdown in wind (mainly China)
- South America still struggling in a challenging macroeconomic environment.

Elevator

- Solid organic growth supported by market share expansion in North America and APAC, mainly thanks to the growth of accessories and after-market activities.

Automotive

- Improving organic trend in Q2, thanks to good performance in China and Eastern Europe benefitting from new manufacturing set-up.

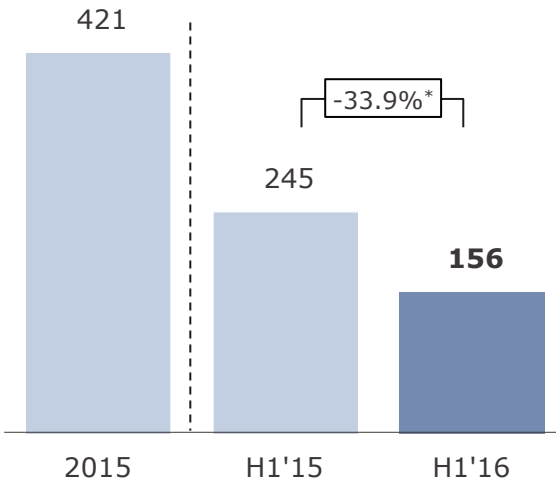
Network Components

- Adj. EBITDA growth mainly driven by footprint optimization and better product mix in the HV business.

Oil & Gas

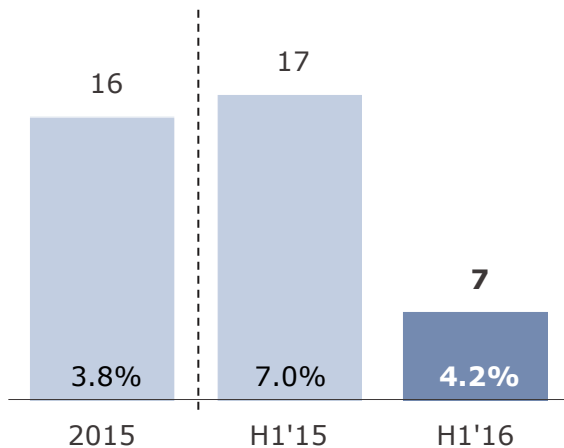
Euro Millions, % on Sales

Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

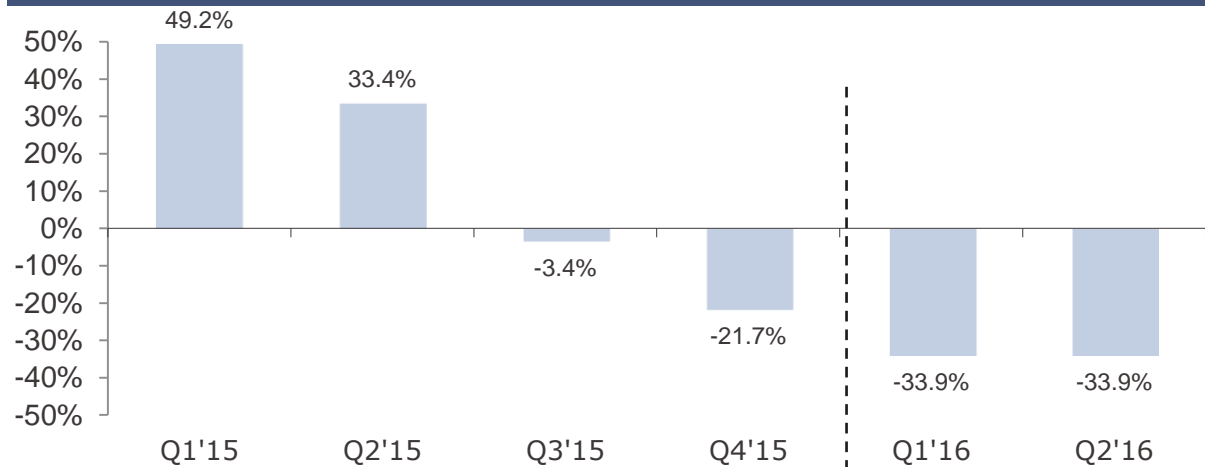
SURF

- **Umbilical:** results in line with expectations, reflecting the framework agreement. Supply chain optimization and integration with key suppliers progressing well.
- **DHT:** Financials benefitting from the synergies generated from the integration with GCDT. Sub Saharan Africa & Middle East key markets.

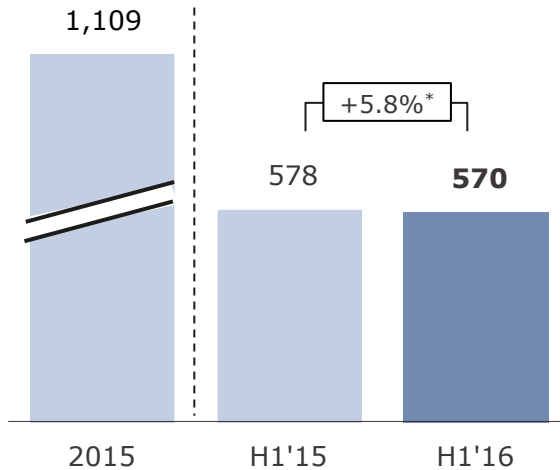
Core Oil&Gas Cables

- Prices and volumes drop reflecting the difficult market scenario both in new projects and in drilling/MRO segments.
- Continued effort on manufacturing efficiency and leverage on Asian supply chain to improve economics.

Quarterly organic growth* evolution

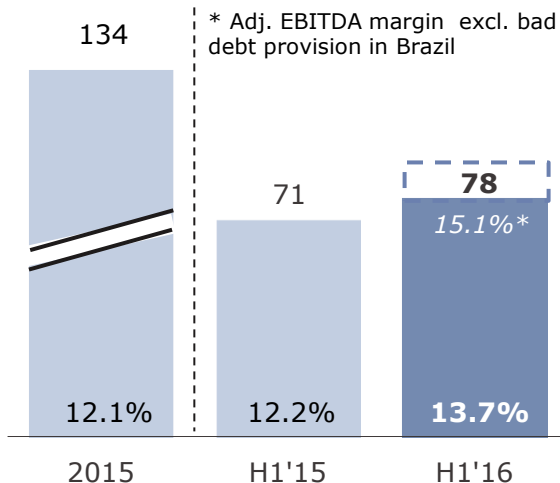


Sales



* Org. Growth

Adj. EBITDA / % of Sales



Highlights

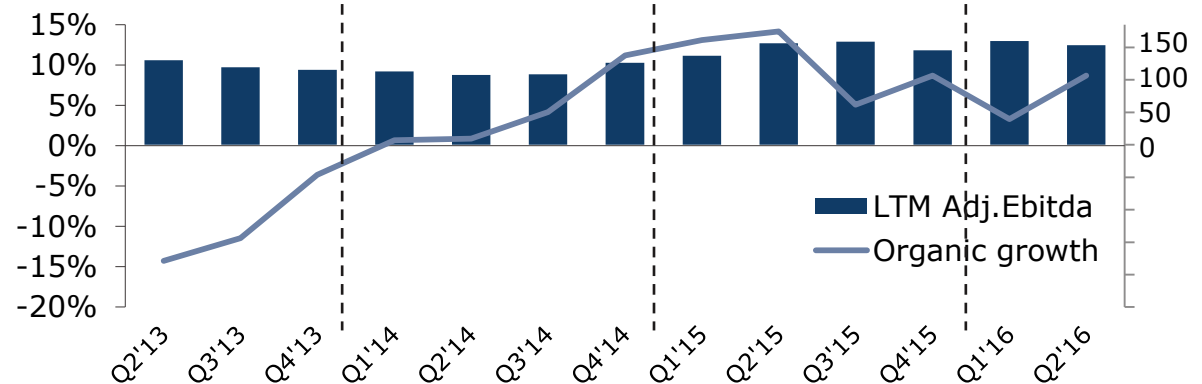
Telecom Solutions

- Optical cables and fiber business broadly stable, with a slight acceleration in Q2 thanks to strong growth in Australia, North America and France, more than offsetting the market weakness in the rest of Europe and Latam.
- Underlying margin expansion helped by optical fiber and cables manufacturing cost improvements. Adj. EBITDA impacted by € 8m one-off bad debt provision in Brazil.
- Continued sharp growth in copper telecom cables driven by strong demand in Australia.

MMS

- Steady top-line growth supported by European market and production capacity extension in the copper business.

Quarterly organic growth* and LTM Adj. EBITDA evolution



* % org. growth vs. same quarter of previous year

- **H1 2016 Highlights**
 - Group overview
 - Results by business
 - **Outlook**

- Financial results

- Appendix

FY 2016 Outlook

Margin improvement mainly driven by Energy Projects and Telecom. Negative FX.

2016 Adj.EBITDA Target (€ million)*

670

Mid-point € 695m

720

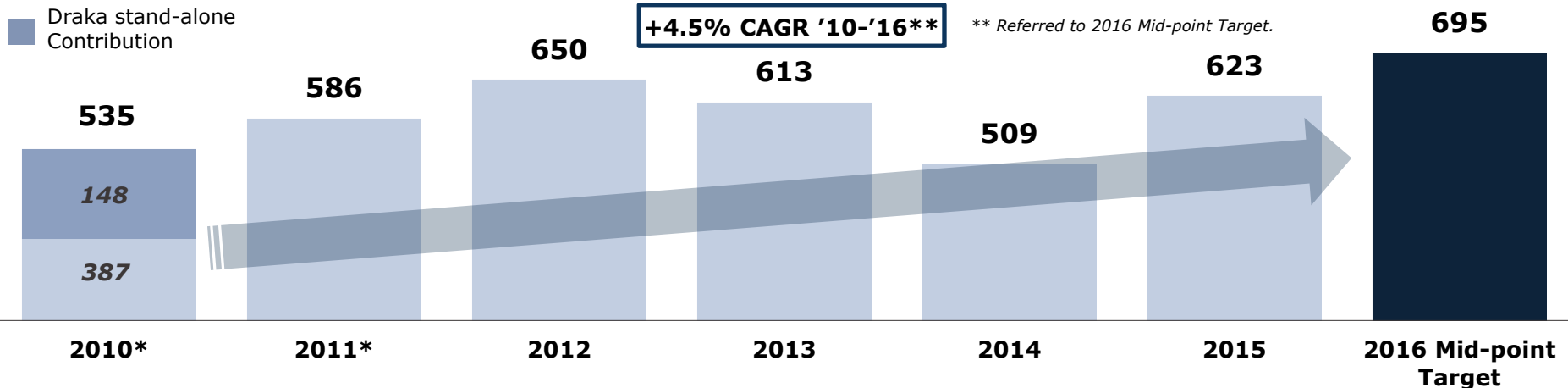
2016 Adj.EBITDA Target Assumptions (€ million)

Mid-point target assumptions:

- Positive trend in Energy Projects and Telecom
- Cyclical businesses broadly stable.
- Negative trend in Oil&Gas.
- Adverse Forex impact.

* Includes management expectations on OCI incremental contribution to FY 2016 adjusted EBITDA. Assuming current consolidation perimeter of Prysmian Group.

Actual Adj. EBITDA 2010-2015 & Guidance 2016 Mid-point Adj. EBITDA (€ million)



* Pro-forma fully combined with Draka.

- H1 2016 Highlights
 - Group overview
 - Results by business
 - Outlook

- **Financial results**

- Appendix

Profit and Loss Statement

Euro Millions

	H1 2016	H1 2015	Δ OCI contrib. H1 '16 vs. H1'15
Sales	3,785	3,737	289
<i>YoY total growth</i>	1.3%	13.7%	
<i>YoY organic growth</i>	1.8%	7.6%	
Adj.EBITDA	347	314	24
<i>% on sales</i>	9.2%	8.4%	
Adjustments	(25)	(53)	(5)
EBITDA	322	261	19
<i>% on sales</i>	8.5%	7.0%	
Adj.EBIT	261	242	10
<i>% on sales</i>	6.9%	6.5%	
Adjustments	(25)	(53)	(5)
Special items	(19)	(16)	
EBIT	217	173	5
<i>% on sales</i>	5.8%	4.6%	
Financial charges	(37)	(53)	(1)
EBT	180	120	4
<i>% on sales</i>	4.8%	3.2%	
Taxes	(56)	(42)	(1)
<i>% on EBT</i>	(31.0%)	35.0%	
Net Income	124	78	3
<i>% on sales</i>	3.3%	2.1%	
Minorities	9	(2)	5
Group Net Income	115	80	(2)
<i>% on sales</i>	3.0%	2.1%	

Adjustments and Special Items on EBIT

Euro Millions

	H1 2016	H1 2015
Non-recurring Items (Antitrust Investigation)	-	(20)
Restructuring	(11)	(28)
Other Non-operating Income / (Expenses)	(14)	(5)
EBITDA adjustments	(25)	(53)
Special items	(19)	(16)
<i>Gain/(loss) on metal derivatives</i>	20	(1)
<i>Assets impairment</i>	(15)	(7)
<i>Other</i>	(24)	(8)
EBIT adjustments	(44)	(69)

Financial Charges

Euro Millions

	H1 2016	H1 2015
Net interest expenses	(28)	(40)
<i>of which non-cash conv.bond interest exp.</i>	<i>(4)</i>	<i>(4)</i>
Bank fees amortization	(2)	(2)
Gain/(loss) on exchange rates	7	(16)
Gain/(loss) on derivatives ¹⁾	(12)	8
Non recurring effects	(1)	(2)
Other	(1)	(1)
Net financial charges	(37)	(53)

1) Includes currency and interest rate derivatives

Statement of financial position (Balance Sheet)

Euro Millions

	30 Jun 2016	New Perimeter Acquired	30 Jun 2015	31 Dec 2015*
Net fixed assets	2,565	359	2,268	2,581
<i>of which: goodwill</i>	444	67	383	452
<i>of which: intangible assets</i>	347	199	172	371
<i>of which: property, plants & equipment</i>	1,563	93	1,447	1,552
Net working capital	646	232	580	347
<i>of which: derivatives assets/(liabilities)</i>	(16)	1	(14)	(41)
<i>of which: Operative Net working capital</i>	662	231	594	388
Provisions & deferred taxes	(299)	(43)	(294)	(330)
Net Capital Employed	2,912	548	2,554	2,598
Employee provisions	393	4	362	341
Shareholders' equity	1,488	-	1,213	1,507
<i>of which: attributable to minority interest</i>	223	190	33	229
Net financial position	1,031	80	979	750
Total Financing and Equity	2,912	84	2,554	2,598

* Restated figures

Cash Flow

Euro Millions

	H1 2016	H1 2015
Adj.EBITDA	347	314
Adjustments	(25)	(53)
EBITDA	322	261
Net Change in provisions & others	(14)	8
Share of income from investments in op.activities	(14)	(18)
Cash Flow from operations (bef. WC changes)	294	251
Working Capital changes	(291)	(198)
Dividends received	2	11
Paid Income Taxes	(38)	(25)
Cash flow from operations	(33)	39
Acquisitions	-	-
Net Operative CAPEX	(101)	(72)
Free Cash Flow (unlevered)	(134)	(33)
Financial charges	(42)	(64)
Free Cash Flow (levered)	(176)	(97)
<i>Free Cash Flow (levered) excl. acquisitions</i>	<i>(176)</i>	<i>(97)</i>
Dividends	(101)	(91)
Treasury shares buy-back & other equity movements	-	2
Net Cash Flow	(277)	(186)
NFP beginning of the period	(750)	(802)
Net cash flow	(277)	(186)
Other variations	(4)	9
NFP end of the period	(1,031)	(979)

LTM Q2 2016 Free
Cash Flow (levered)
excl. acquisitions

318

- H1 2016 Highlights
 - Group overview
 - Results by business
 - Outlook

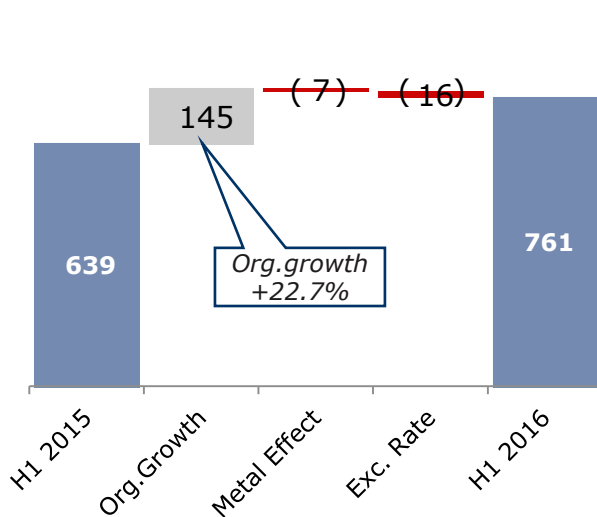
- Financial results

- **Appendix**

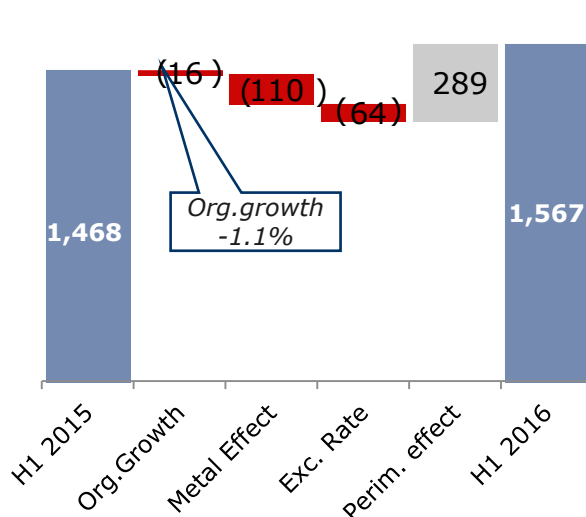
Bridge Consolidated Sales

Euro Millions

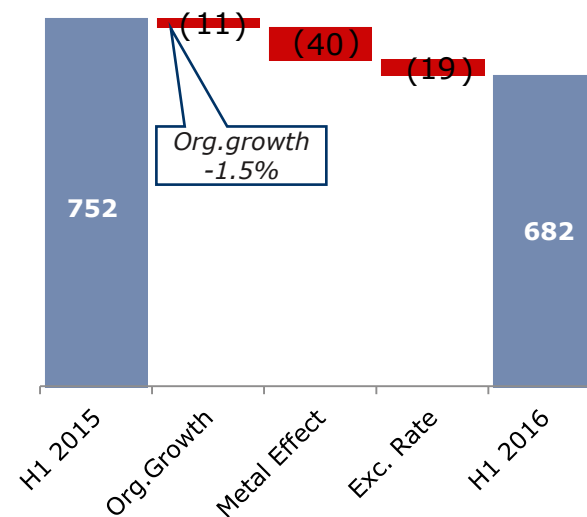
Energy Projects



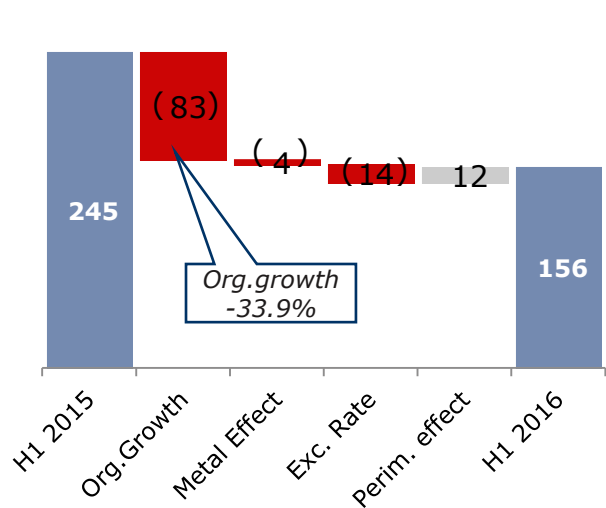
E&I



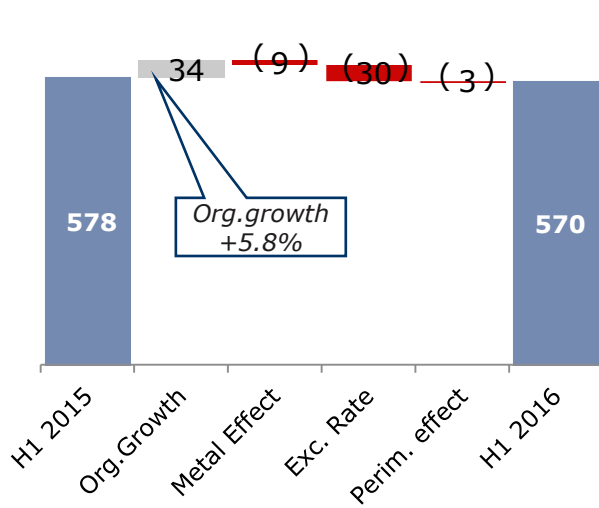
Industrial & NWC



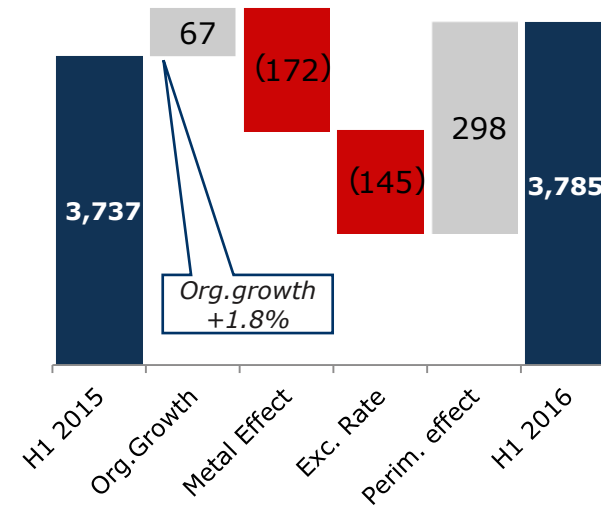
Oil & Gas



Telecom



Total Consolidated



Profit and Loss Statement

Euro Millions

	H1 2016	H1 2015	Δ OCI contrib. H1 '16 vs. H1'15	Full OCI H1'16 Results
Sales	3,785	3,737	289	289
<i>YoY total growth</i>	1.3%	13.7%		
<i>YoY organic growth</i>	1.8%	7.6%		
Adj.EBITDA	347	314	24	31
<i>% on sales</i>	9.2%	8.4%		10.6%
of which share of net income from OCI	-	7	(7)	-
Adjustments	(25)	(53)	(5)	(5)
EBITDA	322	261	19	26
<i>% on sales</i>	8.5%	7.0%		9.0%
Adj.EBIT	261	242	10	17
<i>% on sales</i>	6.9%	6.5%		6.0%
Adjustments	(25)	(53)	(5)	(5)
Special items	(19)	(16)	-	-
EBIT	217	173	5	12
<i>% on sales</i>	5.8%	4.6%		4.2%
Financial charges	(37)	(53)	(1)	(1)
EBT	180	120	4	11
<i>% on sales</i>	4.8%	3.2%		3.9%
Taxes	(56)	(42)	(1)	(1)
<i>% on EBT</i>	(31.0%)	35.0%		(12.1%)
Net Income	124	78	3	10
<i>% on sales</i>	3.3%	2.1%		3.4%
Minorities	9	(2)	5	5
Group Net Income	115	80	(2)	5
<i>% on sales</i>	3.0%	2.1%		1.6%

Energy Projects Segment – Profit and Loss Statement

Euro Millions

	H1 2016	H1 2015
Sales to Third Parties	761	639
<i>YoY total growth</i>	<i>19.3%</i>	
<i>YoY organic growth</i>	<i>22.7%</i>	
<hr/>		
Adj. EBITDA	111	100
<i>% on sales</i>	<i>14.6%</i>	<i>15.6%</i>
<hr/>		
Adj. EBIT	94	85
<i>% on sales</i>	<i>12.4%</i>	<i>13.3%</i>
<hr/>		

Energy Products Segment – Profit and Loss Statement

Euro Millions

	H1 2016	H1 2015	Δ OCI Contribution H1 '16 vs. H1'15	
Sales to Third Parties	E&I	1,567	1,468	289
	<i>YoY total growth</i>	6.8%		
	<i>YoY organic growth</i>	(1.1%)		
	Industrial & Netw. Comp.	682	752	-
	<i>YoY total growth</i>	(9.4%)		
	<i>YoY organic growth</i>	(1.5%)		
Sales to Third Parties	Other	49	55	-
	<i>YoY total growth</i>	(10.7%)		
	<i>YoY organic growth</i>	(2.9%)		
	ENERGY PRODUCTS	2,298	2,275	289
	<i>YoY total growth</i>	1.0%		
	<i>YoY organic growth</i>	(1.3%)		
Adj. EBITDA	E&I	87	63	24
	<i>% on sales</i>	5.5%	4.3%	
	Industrial & Netw. Comp.	64	61	-
	<i>% on sales</i>	9.4%	8.2%	
	Other	-	2	-
	<i>% on sales</i>	0.0%	3.2%	
Adj. EBITDA	ENERGY PRODUCTS	151	126	24
	<i>% on sales</i>	6.6%	5.5%	
	E&I	56	46	10
	<i>% on sales</i>	3.5%	3.1%	
	Industrial & Netw. Comp.	54	49	-
	<i>% on sales</i>	8.0%	6.6%	
Adj. EBIT	Other	-	1	-
	<i>% on sales</i>	0.0%	1.3%	
	ENERGY PRODUCTS	110	96	10
	<i>% on sales</i>	4.8%	4.2%	

Oil&Gas Segment – Profit and Loss Statement

Euro Millions

	H1 2016	H1 2015
Sales to Third Parties	156	245
<i>YoY total growth</i>	<i>(36.3%)</i>	
<i>YoY organic growth</i>	<i>(33.9%)</i>	
Adj. EBITDA	7	17
<i>% on sales</i>	<i>4.2%</i>	<i>7.0%</i>
Adj. EBIT	(1)	12
<i>% on sales</i>	<i>(0.8%)</i>	<i>4.7%</i>

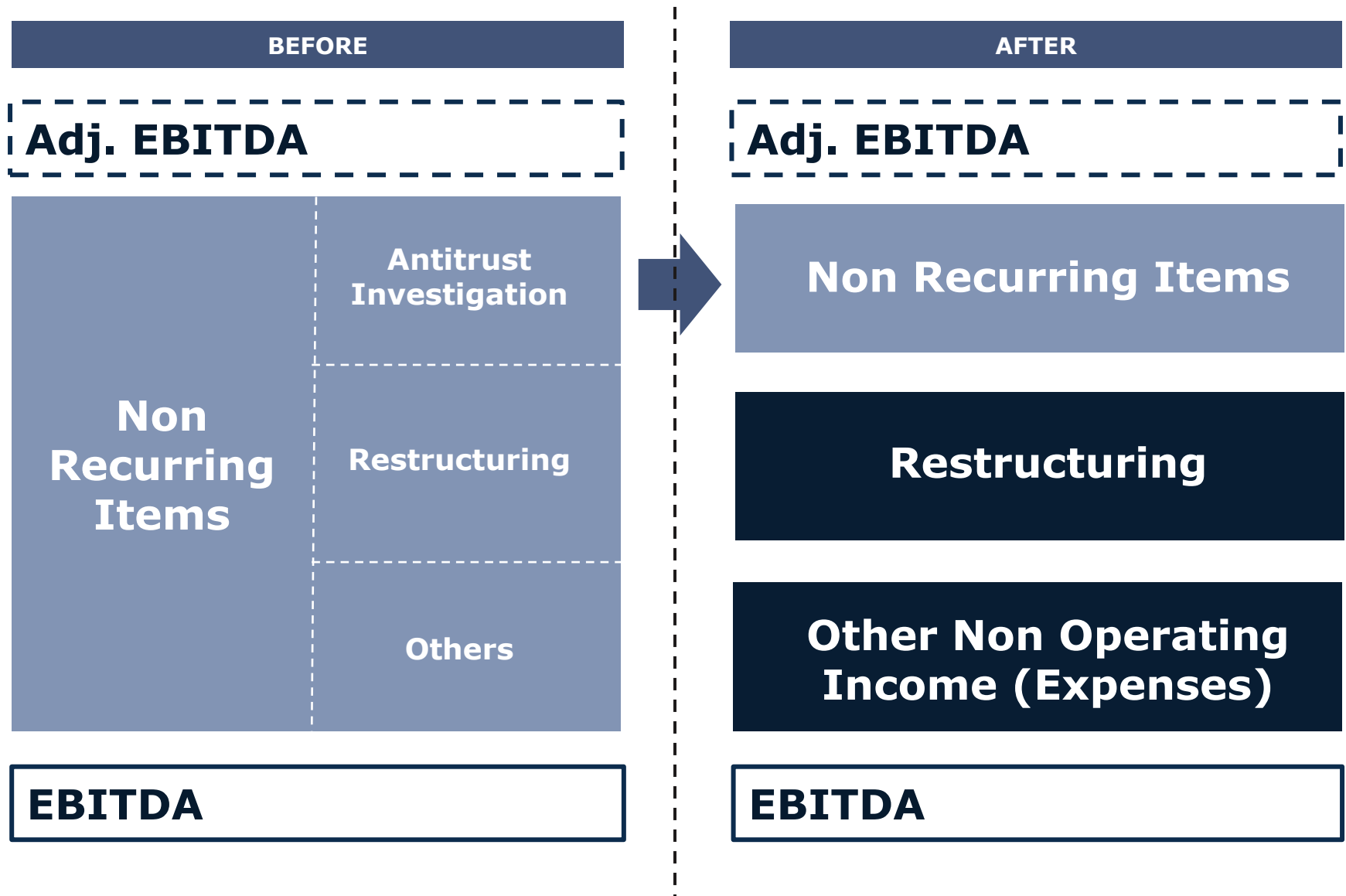
Telecom Segment – Profit and Loss Statement

Euro Millions

	H1 2016	H1 2015
Sales to Third Parties	570	578
<i>YoY total growth</i>	<i>(1.5%)</i>	
<i>YoY organic growth</i>	<i>5.8%</i>	
<hr/>		
Adj. EBITDA	78	71
<i>% on sales</i>	<i>13,7%</i>	<i>12.2%</i>
<hr/>		
Adj. EBIT	58	49
<i>% on sales</i>	<i>10.3%</i>	<i>8.5%</i>
<hr/>		

Non Recurring Items – Change in Representation

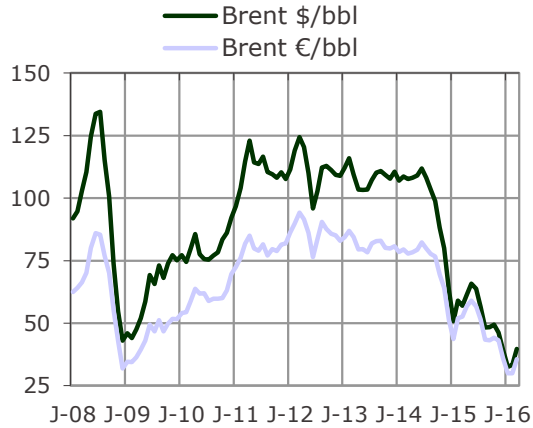
Implementing ESMA recommendation.



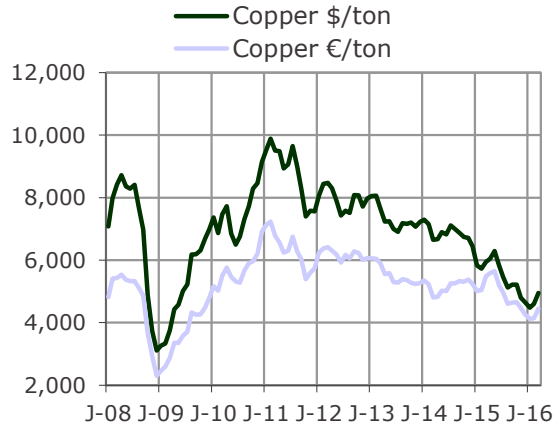
Reference Scenario

Commodities & Forex

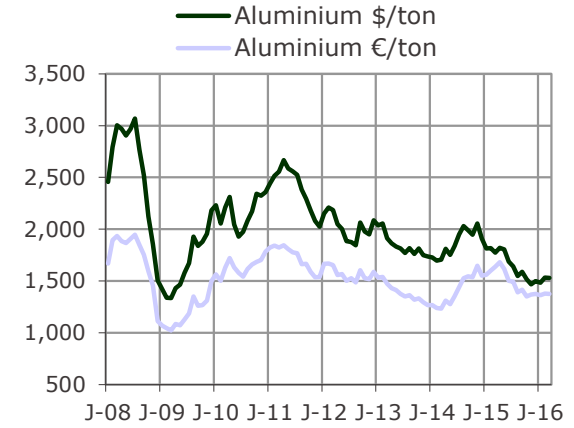
Brent



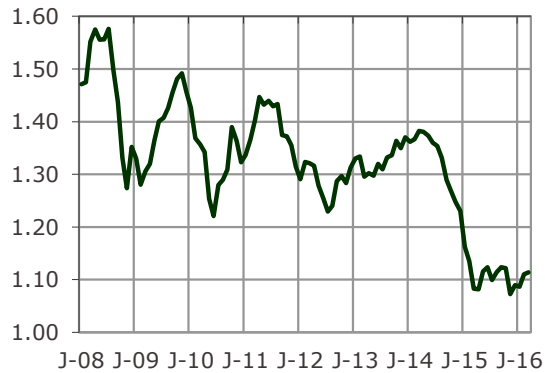
Copper



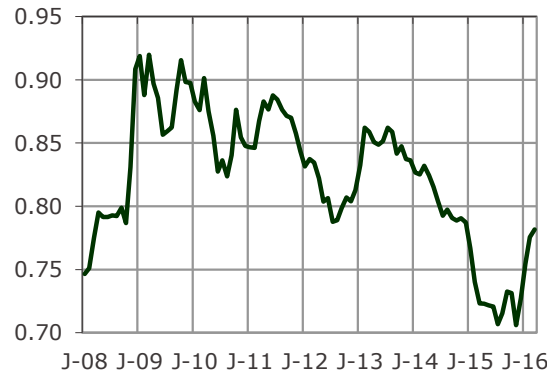
Aluminium



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.
- Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. The Company's businesses include its Energy Projects, Energy Products and Telecom Operating Segments, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting these businesses.
- Any estimates or forward-looking statements contained in this document are referred to the current date and, therefore, any of the assumptions underlying this document or any of the circumstances or data mentioned in this document may change. Prysmian S.p.A. expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these estimates or forward-looking statements or in connection with any use by any third party of such estimates or forward-looking statements. This document does not represent investment advice or a recommendation for the purchase or sale of financial products and/or of any kind of financial services. Finally, this document does not represent an investment solicitation in Italy, pursuant to Section 1, letter (t) of Legislative Decree no. 58 of February 24, 1998, or in any other country or state.
- In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.