

INSIGHT

Prysmian Quarterly magazine
Group 01 | 2016

SOLID RESULTS DELIVERED OVER 2015

Reaching a milestone
in power transmission

Gaining strength
in the key Gulf area

Connecting the
Netherlands to Denmark





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DOING IT BETTER

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Revenue growth. Improved profitability. And a solid financial structure. We can safely say that 2015 has closed with better than ever-expected results. According to CEO Valerio Battista, Prysmian's ability to defend the more strategic, high value-added businesses 'continues to be decisive', and the market has rewarded the Group's project execution capability, which has been further enhanced by investments in technological innovation, namely in the Submarine business.

Innovation is the name of the game, as Prysmian achieved a milestone in power transmission with the new 525 kV cable system for HVDC applications, allowing the doubling of capacity for more efficient and cost-effective grids.

In our FOCUS ON section we report on how Prysmian has managed to further strengthen its position in the key region of the Gulf, as it agrees to raise its stake to 51% in Oman Cables Industry, a top manufacturer in the area.

The GLOBAL SCENARIO section of this issue sees Prysmian's Oil & Gas established as a new business area, in a move aimed at creating synergies, better management of main customers and further leveraging of Group positioning in a key market. In the same section we take our readers on a journey to Turkey, where training meets production thanks to the new Manufacturing Academy of Prysmian established in Mudanya, where the Group boasts a long-established presence. DOING BUSINESS bears the fruit of our endeavours over the last few months, as Prysmian secured several important contracts across the world. Also to be mentioned, a major project for a submarine power cable link from the Netherlands to Denmark that will be the key to a sustainable European energy landscape. Additionally, we have a project on the cards to provide extra power to the city of Manama in Bahrain and we're the suppliers of HV cables for a Siberian Natural Gas plant. Prysmian even appeared in the fashion world, as the Group supplied LV and MV cables for the Armani space in Milan.

OBJECTIVES ACHIEVED AMID GOOD SALES GROWTH

The results of Prysmian Group for the FY 2015 approved by the Board of Directors showed improved profitability and a better-than-expected financial position.

The year has closed with better-than-expected results,” commented CEO Valerio Battista. He stressed that the company’s “ability to defend the more strategic, high value-added businesses continued to be decisive”. The market for submarine cables and systems has benefited the Group’s project execution capability, which has been further enhanced by investments in technological innovation, production capacity and in installation with the new cable-laying vessel Cable Enterprise.

In the Telecom business, the recovery of optical fibre competitiveness and the ability to develop innovative technological solutions for broadband allowed Prysmian to take full advantage of the opportunities in what is proving to be a solid market. The Group has also continued its commitment to containing costs and reorganising its manufacturing footprint.

Combined with careful financial management, this has helped to ensure strong cash flows and a considerably better than expected net financial position.

Having achieved the original profit targets, the Board proposed a dividend in line with 2014 to the shareholders. In 2015, gross capital expenditure increased to €210 million and was aimed at high-impact projects (excluding acquisition cash out). Prysmian also invested €73 million in Research & Development. The process of regionalising structures in Europe progressed in 2015, with the aim of improving commercial synergies and the supply chain in an increasingly integrated market context, while the Group continued to devote even more attention to Corporate Social Responsibility.

Sales amounted to €7.361 billion, posting organic growth of 5.3%, mainly thanks to the sharp growth in the Energy Project segment, and especially the Submarine and SURF businesses, while Underground High Voltage sales stabilised at 2014's level. The Energy Products segment posted a slight recovery thanks to good progress in Energy & Infrastructure, resulting from a slight increase in Trade & Installers business and stronger growth in Power Distribution. This was partially offset by the decline of the Industrial cables business, which was hurt by the downturn in the Oil & Gas and Automotive businesses. Finally, the Telecom segment benefited from the continued growth in demand for optical cables and fibre worldwide.

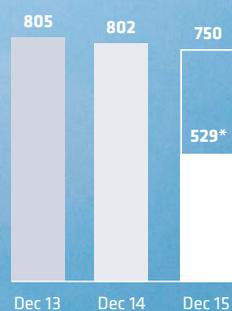
Adjusted EBITDA jumped 22.6% to €623 million, which, excluding the adverse impact of the Western Link project, would have been €649 million, versus €603 million in 2014. The improvement in profitability was steady throughout the year, particularly in the Energy Projects and Telecom segments.

The Group's Net Financial Position improved to €750 million at the end of 2015, from €802 million one year earlier. Excluding the impact of two acquisitions which were finalised during the Q4 in 2015, the Net Financial Position would have resulted in €529m, well below initial forecasts.

Net Profit amounted to €214 million, posting a sharp increase of 86.2% on €115 million recorded in 2014.

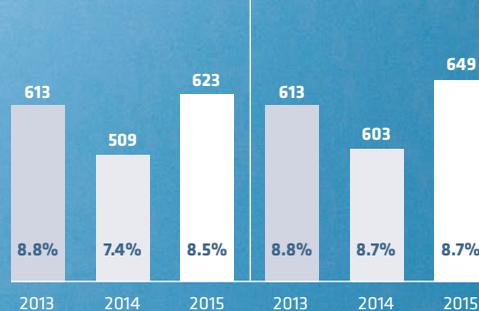
FY 2015 Key Financials

Net Financial Position



*Excl. OCI and GCDT

Adjusted EBITDA



(1) Adjusted excluding non-recurring income/expenses

SOUND EXECUTION IN ENERGY PROJECTS

Excellent performances all-round, with an increase in Submarine and SURF demand, and continued stability for our HV Cables division, despite volatile economic conditions.

Prysmian Group's Energy Projects operating segment saw sales reach €1.587 billion in 2015 – an organic growth of 15 percent. Even taking on board the adverse impact of the Western Link project, profitability has been significantly higher, with Adjusted EBITDA at €246 million, (+ 59.7 percent on €154 million in 2014). If we exclude the Western Link numbers, this increase would be an impressive €272 million versus the €248 million of 2014.

Sales from **Submarine Cables and Systems** are very buoyant, particularly thanks to our ability to execute the numerous projects currently in the order book efficiently.

The Group has worked on completing major contracts, including the Italy-Montenegro, Dardanelles Strait and Greece-Cyclades interconnectors, connections for offshore wind farms such as BorWin3 and DolWin3 in Germany, and the ExxonMobil project in the United States.

We've worked hard to develop production process efficiency in order to accelerate the Western Link Project's execution, reducing its negative impact by €30 million. The order backlog for Submarine Projects stood at €2.6 billion at the end of 2015, with order intake exceeding €1 billion that year alone.

High Voltage Underground Systems has been generally stable compared



with 2014, despite weak demand for new energy infrastructure in some European markets, and the geopolitical uncertainties in Russia. We've also witnessed stable performance in the two major markets of North America and China, with positive results in Britain and the Middle East.

Sales figures for our **SURF division** (products and services for offshore oil production) have been particularly strong thanks to high umbilical demand

in Brazil, and orders in the region of €1 billion. We've also seen promising growth in our Down Hole Technology (DHT) business, which is benefitting from the Group's expanded geographic presence and product portfolio.

We're also confirming our commitment to developing this important value-added market segment by completing the acquisition of Gulf Coast Down Hole Technologies in North America.

SLIGHT VOLUME RECOVERY IN ENERGY PRODUCTS

The Group's Trade & Installers division posted a slight recovery throughout the year, and Power Distribution scored positively. Industrial & Network Components recorded a negative trend, mainly due to the sharp drop in O&G investments, and the automotive business downturn.

Overall sales from the Group's Energy Products operating segment have amounted to €4.665 million – a positive organic growth of 1.2% – due to volume recovery in Europe, North America, Oceania and Argentina. Adjusted EBITDA has risen by 2.1% to €243 million, from €239 million in 2014.

Energy & Infrastructure sales have risen organically by 3% to €2.795 million in a market still facing uncertainties in demand for energy and related infrastructure in parts of Europe, and marked by persistent difficulties in Brazil. Adjusted EBITDA came in at €128 million, having improved from €108 million in 2014.

Thanks to demand in North America, Britain, Northern Europe, Spain and some Asian markets, the Group's **Trade & Installers** business area witnessed static organic growth and stable prices, however, business decreased in South America, primarily due to the challenges in Brazil. The Group will continue to focus on large customers, while enhancing its range of high value-added products, such as fire-resistant and LSOH cables.



Power Distribution recorded a positive sales performance, benefiting from the volume recovery in Northern Europe and strong demand in Germany, North America and Argentina. The Group has reinforced its commitment here to developing higher value-added products like P-Laser, which is gaining ever-increasing recognition from the utilities sector.

Industrial & Network Components sales amounted to €1.749 million, affected by the instability of demand in some sectors, but partly offset by the wide geographic spread and breadth of products and applications offered by the Group.

In the **Oil & Gas division**, the reduction in investments caused by falling oil prices has impacted the more capital-intensive business areas, such as Offshore and Maintenance, Repair and Operations.

Specialities & OEM posted good results for crane, railway and nuclear applications, particularly in North America and Europe, in contrast with rolling stock cables and marine applications.

The **Renewables Energy division** saw solar succeed in North America, while demand for onshore wind applications slowed in China and North Europe.

Elevators performed extremely well in nearly all geographic markets, particularly APAC and EMEA.

Network Components enjoyed strong sales in China and North America, but weaker demand for High Voltage in Europe. Adjusted EBITDA came in at €113 million as the downturn in The Group's Oil & Gas division was partially offset by our other businesses.



INCREASED SALES AND IMPROVED MARGINS FOR TELECOM SOLUTIONS

This operating segment has seen growth in global demand for optical cables, sales volumes and profitability, with an additional upward trend in multimedia solutions.

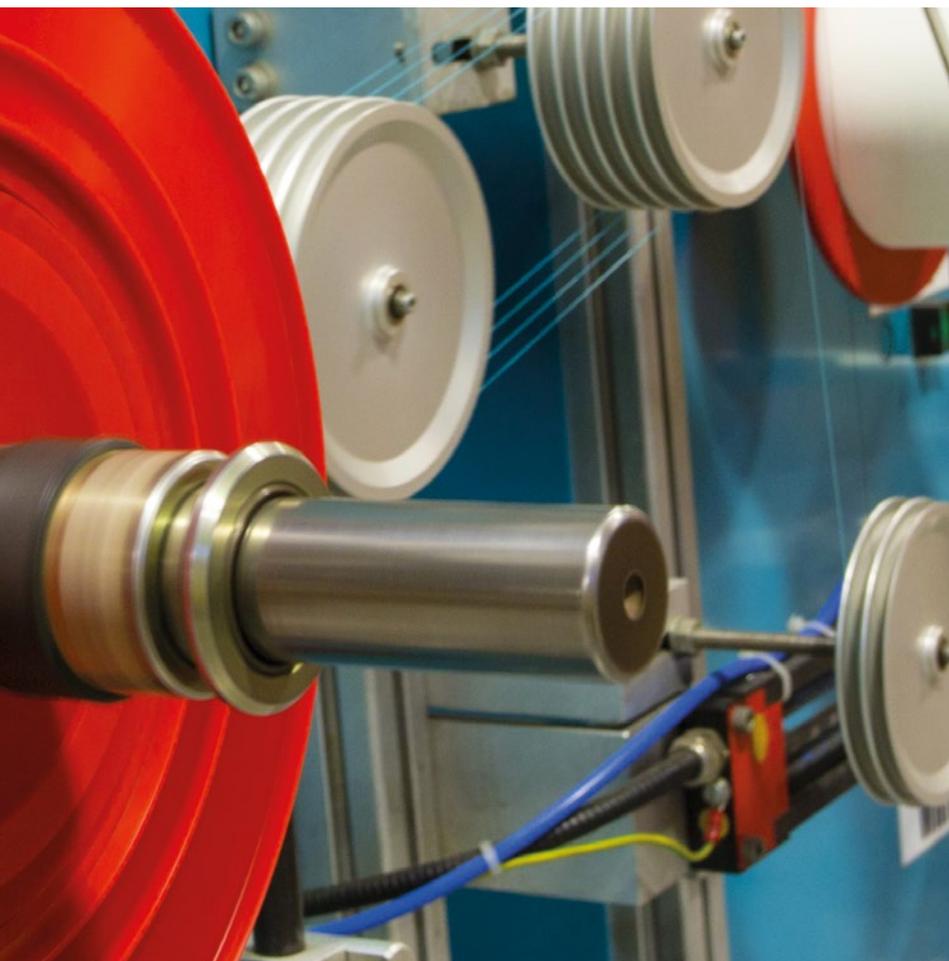
The Group's Telecom division posted a strong organic growth in sales, to €1,109 million – up by 9.9% on 2014 – and an Adjusted EBITDA increase of 14.9% to €134 million. These higher margins were achieved as a result of actions taken to rationalise the manufacturing footprint and regain fibre cost competitiveness.

Optical cables displayed a solid upward trend in demand in nearly all major markets, particularly North America, Europe and Australia. Prices have also stabilised after the pressures experienced throughout 2014.

In Europe, the Group has won contracts for major projects to help establish backhaul links and FTTH connections for leading operators that include Orange and Free in France, and Telecom Italia in Italy. The development of ultra-broadband and FTTH networks in North America, providing 1 Gbps internet connection, has stimulated a continuous increase in demand. In contrast, investments continued to slow in Brazil, with a drop in order volumes.

The Group maintains a constant focus on developing innovative solutions for ultra-broadband networks, such as the hybrid energy-telecom cable system, developed in at the end of 2015. Our high value-added Optical Connectivity business enjoyed a positive trend, thanks to the development of new FTTH networks (for last mile broadband access) in Europe and North America.

Multimedia Solutions also reported a positive trend, particularly in Europe, with the business's recovery in earnings reflecting an improved product portfolio and cost-efficiency measures. The Group is now focused on developing higher value-added products, such as data centres, in Europe.



FY RESULTS WELCOMED BY MARKET ANALYSTS

Positive comments from major brokers, and upbeat expectations for 2016 after Prysmian Group's financial statements released for 2015.

Amongst others, Citigroup stated its appreciation of the cashflow generation that has facilitated the reduction of the net financial position to €750 million, and Banca IMI have cited sound figures and satisfying expectations for 2016, keeping its target price at 22.50.

Morgan Stanley put its target at 24.00, and despite a conservative outlook for 2016, displayed confidence by predicting a moderate growth and improved margins. Some brokers trimmed their targets but maintained a generally positive view. Akros have stated that results were very good, citing free cash flow; Equita are happy that 47% of the EBITDA projected for 2016 will be coming from resilient businesses such as Submarine and Telecom, with the earning per share expected to grow 7%, and Kepler Cheuvreux cut its earning estimates for 2016 to 2018 by 3%.

Stability and some growth predicted for 2016

The macro environment of 2015 remained robust in the US, and gradually stabilised across the Eurozone. In contrast, persistent geopolitical tensions in the Middle East and Russia, alongside the slowdown of the economies of China and Brazil, continued to raise doubts over these nations' contribution to world economic growth.

In such an economy, the Group predicts that in 2016, demand in the cyclical business of medium voltage cables for utilities and building wires will witness slight recovery and price stabilisation. Regarding our Energy Projects division, the Group confirms an improving trend, with growth of Submarine, general stability of High Voltage Underground, and only a slight contraction of SURF divisions.

The plan we initiated in response to the problems of the Western Link Project is proceeding as expected.

In the Oil & Gas division, reduction in oil industry investments is likely to continue

to have a negative impact. Telecom is expected to see continued growth in optical demand, albeit at a slower pace than that of 2015.

Exchange rates are forecast to have a negative impact on FY 2016 results – assuming constancy of the levels seen at the start of the year – due to the conversion of profits from other currencies into The Group's reporting currency.

Prysmian Group will continue throughout 2016 to rationalise its activities with the objective of not only achieving its projected cost efficiencies, but also improving competitiveness in all areas.

A MILESTONE IN POWER TRANSMISSION

Prysmian Group's new 525 kV cable system for HVDC applications doubles capacity, for more efficient and cost-effective grids.

Prysmian Group has reached an important technology break through in the field of power transmission, [with the successful development and testing of the new 525 kV cable system](#) for HVDC applications. Testing of the new cable system, witnessed by a third-party certification body, was carried out according to Cigré testing protocols. A breakthrough innovation in cable technology, this achievement will enable a massive increase in the maximum transmission capacity of bi-pole systems of up to more than 2.6 GW – more than double the value reached using the 320 kV DC systems currently in service. Such doubling of capacity will enable more efficient and cost-effective power transmission grids.

We're proud to be able to offer the most advanced technologies for power

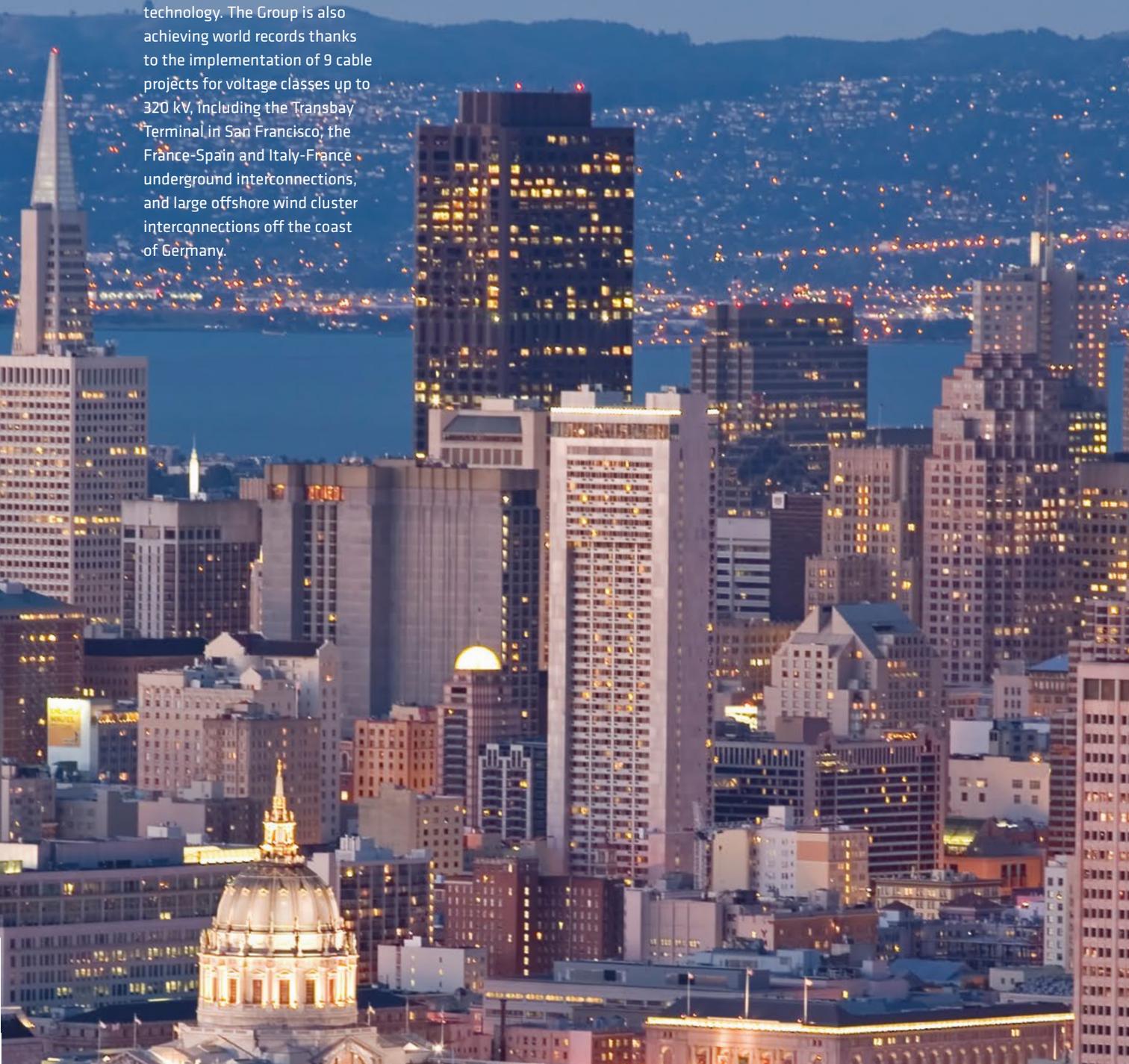


transmission, including proprietary 600 kV MI PPL insulation technology, a high-performance cable system reaching up to 3.3 GW, to important customers, such as transmission system operators. According to Massimo Battaini, Senior Vice President Energy Projects at Prysmian, “This important milestone confirms the Group’s commitment and prominent role in the sector of cutting-edge technologies for innovative HVDC power transmission solutions.” HVDC cable links are key components of sustainable energy systems, transmitting large amounts of electricity over long distances, often across or between countries. This achievement will put Prysmian in a good position to support the forthcoming tenders for cable system undergrounding projects along HVDC corridors, such as those being developed in Germany.



World-class and world-first projects

Over the years Prysmian Group has successfully developed, tested and delivered the world's first 200 kV and 320 kV HVDC projects, utilising extruded insulation cable technology. The Group is also achieving world records thanks to the implementation of 9 cable projects for voltage classes up to 320 kV, including the Transbay Terminal in San Francisco, the France-Spain and Italy-France underground interconnections, and large offshore wind cluster interconnections off the coast of Germany.





Innovation and materials knowledge is the key to success

Prysmian Group has always been at the forefront of innovative technological solutions. INSIGHT talked with Marcelo Andrade, Prysmian Group Research and Development Director, to find out what's next for his department.

“Prysmian Group is highly focused on innovation, especially concerning power transmission and HV interconnections. We're targeting the further increase of DC voltage levels in the range of 600-800 kV, as well as the increase of Ampacity, (the

maximum amount a conductor can carry) with the aim of enhancing overall power for customers, at reduced costs”.

“Another important market in which the Group is innovating is Submarine. We're developing new materials and technologies such as composite materials, special jointing technologies, lead replacement (conductive jackets) and optimised thermoplastic layers (low thermal resistance). We hope these will be game-changers for the MV and EHV industry”. “Materials knowledge is fundamental to



the development of high-performance compounds. For example, the new high-performance materials studied within nanotechnologies are showing promise for development and application in the cable industry”.

“The potential is huge, and Prysmian Group is determined to stay ahead in all associated fields.

Electrical, thermal and mechanical development offers exciting scenarios for the creation of new products in all sectors of the cable business, including Industrial, Specialist and High Voltage”.

GAINING STRENGTH IN A KEY REGION

Prysmian Group has agreed to raise its stake to 51% in Oman Cable, a top manufacturer in the Gulf area with a turnover of \$793 million.

The agreement sees an increase from the 34.78% already owned by the Group, thus achieving a share majority. Under the terms of the contract, [Prysmian Group will purchase an additional 16% \(approximately\)](#) for a total of around €100 million. CEO Valerio Battista considers the investment of strategic importance to Prysmian presence in the Middle East region. “We believe that Oman Cables Industry has already proved its ability to succeed in the market, and is now well positioned to seize new growth opportunities.” As the main shareholder, Prysmian “will be delighted to keep supporting the company by leveraging on The Group’s capabilities as a worldwide leader in the cable industry”. ▶



A top manufacturer

With a turnover of \$793 million in 2014 and more than 800 employees across two plants, Oman Cables Industry is a top manufacturer in the Gulf Cooperation Council region and is listed in the Muscat Securities Market. The company is active in the development and manufacture of a variety of electrical cables and conductors for diverse applications, and enjoys a sound

reputation in the market, complying with international standards and requirements to ensure the highest quality levels for its customers. The company has also demonstrated continued and increasing capabilities for dealing with large international engineering, procurements and construction corporations.



An established presence in the market

The Group boasts a number of important ongoing and completed projects in the Middle East, including the 400 kV power transmission system for Transco, connecting the Bahia and Saadiyat Grid Stations in Abu Dhabi; the Phase XI underground cable system in Qatar, and the MEW 06 Jaber Al Ahmed City and Jamal Abdel Nasser Street projects in Kuwait, awarded early in 2015.

Supplying power to the city of Salalah

Larsen & Toubro selected Prysmian Group to supply a new HV underground cable system for Oman Electricity Transmission Company as part of a larger overall project known as OETC 143/2014 - 132 kV. The new cable system aims to strengthen power supply to the city of Salalah.

Under the awarded contract, Prysmian is responsible for the design, engineering and production of a new HV underground cable transmission line between Sadda Grid Station and LILO, that includes 85 km of 132 kV XLPE insulated cable.

The project will be completed by the end of June 2016.

Antonio Chiantore, General Manager for Prysmian Group in the Middle East, notes that the award "confirms Prysmian's role, capacity and capabilities to support the development of major power grids in the strategic region of the Middle East".



FUELLING INDUSTRY SUCCESS WITH OIL & GAS

Aiming to accelerate our growth in the Oil & Gas market through a more integrated approach, Prysmian Group has established the new Oil & Gas Business Area, effective as of January 2016.

Entrusted to Cristiano Tortelli, who joins the Group as Senior Vice President, the Oil & Gas Business Area will include the Oil & Gas Business Unit – previously part of Energy Products – and the SURF Business Unit, originally included in Energy Projects. The goal of this new organisational structure is to position Prysmian Group



as one of the key global suppliers in the Oil & Gas market, from Subsea (Umbilical & Flexible Pipes) and Down-hole technology, to the Core Cables products portfolio. Technology will play a key role in meeting the new industry challenges, supported by a strong and multicultural project management organisation. In the context of today's oil prices, collaboration with

Major and National Oil Companies and industrial service providers will be a key strategy in redefining the new industry standards, as well as a means to simplify the way capital projects are executed.

Working together to design a fit-for-purpose system is the message that the new business area plans to promote to their customers and partners.

A truly global reach

With aggregate revenues of around 400 Million Euro, the new Oil & Gas Business Area can boast a well-established market presence in North America, Brazil, Europe and in the Asia-Pacific region. The main production facilities are located in several countries: Norway, Italy, Turkey, China, Spain, Malaysia, Brazil and US.



“Extremely wide range of solutions”

Cristiano Tortelli is excited to be taking on the challenging task of leading Prysmian Group’s Oil & Gas Business Area, as “the extremely wide range of solutions it offers can meet the most demanding requirements and thus expand the market share of the Group in this strategic space”. The core product offer includes complex and integrated power, control and instrumentation

cable systems from Upstream – both onshore and off-shore – to Downstream.

For Subsea applications, our SURF (Subsea Umbilicals, Risers and Flowlines) portfolio is well complemented by our offering of Down-hole products. The latter has been further broadened and strengthened thanks to the acquisition of Gulf Coast Downhole Technologies.

Cristiano Tortelli is “extremely confident” that Prysmian Group “will be able to accelerate growth in this attractive high-value business, thus increasing its exposure to high-tech segments”. He also stated that the aim is “to improve Customer proximity by leveraging our global footprint.”

Training meets production in Turkey

Prysmian has chosen Turkey to establish its new Manufacturing Academy, thanks to a long-established production presence in the country.

The Academy, based in Mudanya, will gather and train the most talented people in manufacturing in order to enhance the Group's manufacturing knowledge, while creating a strong community of experts.

CEO Valerio Battista believes that the Academy, "will give our people the opportunity to learn the best practices, and as such, we want current and future leaders of our factories to be trained here".

The Academy, as home to one of Prysmian's largest global production facilities and a centre of excellence and expertise, offers an unparalleled insight into the world of manufacturing. The aim of the project is to strengthen the technical, leadership and manufacturing skills of the Group's people. A positive effect on all product ranges is expected.





Sharing and enhancing knowledge

The Manufacturing Academy portfolio will offer three different programmes to Prysmian employees, based on the roles and seniority of participants: Manufacturing Fundamentals, Advanced Manufacturing and Excellence in Manufacturing.

Lecturers, comprising experts from both Prysmian Group globally and Prysmian Group Turkey, will share their specialised insight and experience on different topics. Participants will learn about KPIs; processes, materials and controls; blue-collar management; continuous improvement, tools and methods; best practices and efficiencies; maintenance and machinery; cost management, and interfunctional knowledge.

“The Manufacturing Academy holds very high value for the Group and its employees. This is a space where global and local experts can meet and exchange know-how and experience, a real centre of excellence in manufacturing that can enhance knowledge sharing and reinforce best technical practices.”

Fabrizio Rutschmann, *HR and Organization Senior Vice President.*

“We’re proud to see our Mudanya plant become the Group’s Centre of Excellence and Expertise in Manufacturing, and we wish to thank the local and global operations experts involved.”

Halil Kongur, *Mudanya Plant Director and Chairman of Prysmian Group Turkey.*

BLOWING IN THE WIND

In a manifesto supporting offshore and marine renewables, 20 members of the European Parliament call for an action plan for the North Sea Offshore Grid.

The aim of the initiative is to gain political support for the North Sea Offshore Grid as a key step in building an effective Energy Union. The manifesto supports the development of renewable energy located in the North Sea, surrounding Belgium, Denmark, France, Germany, Ireland, Luxembourg, the Netherlands, Sweden and the UK.

The MEPs behind the initiative have called on decision-makers from the region, together with industry, social partners, and the EU Commission, to create a new high-level political process in order to make the Northern Seas regional cooperation a showcase for the Energy Union.

The manifesto states, “The progressive, large-scale, deployment of off-shore wind farms and emerging marine renewables, along with the completion of a meshed electricity grid, should be the backbone of Northern Seas regional cooperation.” The 20 MEPs involved believe the development of stronger regional cooperation in the Northern Seas will help create local jobs and stimulate growth, reduce costs and ensure energy security, as well as establish EU technology leadership in off-shore wind and other emerging marine renewables.

World's biggest facility to be built off Yorkshire coast

Danish utility company DONG Energy is planning to build a facility generating 1.2 gigawatts of power off the UK's Yorkshire coast. Due for completion in 2020, Hornsea Project One may cost up to \$5.7 billion, according to some estimates, and is the company's largest-ever financial commitment. Offshore wind is the only major renewable energy source not to face cutbacks in subsidies since Prime Minister David Cameron's Conservatives won the election in May 2015, and London is willing to support the growth of installing turbines at sea, saying it is an area where the UK can help make a lasting technological contribution.

The UK Government awarded Hornsea Project One a 15-year contract. The initiative will be a major contributor to DONG's target to install 6.5 gigawatts of offshore wind by the end of the decade.

Fibre, the driving force, and a call to Europe



The future of fibre continues to look bright as demand for fibre optic cable around the world increases dramatically, with few signs of slowing anytime soon, according to the most recent industry data. Penetration into the Asia Pacific region passed 100 million fibre subscribers in 2015, meaning that at least 100 million people are now on fibre.

The US is a big force in the market also, and Europe witnessed a 50% increase to

14.5 million fibre subscribers as of the end of 2014 – a good level. There is also strong growth in emerging markets, such as South America, the Middle East and North Africa region. Developments in Europe are particularly interesting because of the complexity caused by the large number of countries involved, bringing different dynamics to each market and each requiring varied solutions.

The Fiber To The Home (FTTH) Council Europe has themed its recent conference in Luxembourg as “Calling for a Brighter Future” to address these specific issues. It calls on policymakers, regulators, operators and end users to attend the conference, as it believes that the only infrastructure solution for the coming years is fibre. But Member States of the Union have to be proactive, using the Commission’s directives and regulations as an impetus for action at home. The FTTH Council Europe aims to help member states by pointing them in the right direction through active debate.

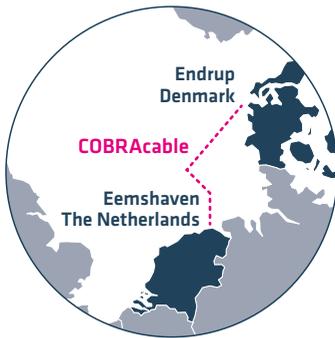
Delay for Construction Products Regulation

The launch date of the long-awaited Construction Products Regulation (CPR) has changed to 1 July 2016. The CPR therefore gives cable manufacturers, distributors and wholesalers a further six months to prepare for its provisions, which include the introduction of new testing and certification requirements and also new CE marking and labeling requirements.

The launch date has been pushed back due to the European Commission requiring completion of regulatory modifications. The final mandatory date to establish CE marking of power, control and communications cables under EN 50575 will now be 1 July 2017, as there is still a 12 month transition period.

FROM THE NETHERLANDS TO DENMARK

A major project for a submarine power cable link secured by Prysmian, and the key to a sustainable European energy landscape.



In securing a contract worth around €250 million for a [High Voltage Direct Current submarine interconnector that will link Denmark and the Netherlands](#), Prysmian Group is both doing valuable commercial work and helping to enable the integration of renewable energy grids across Europe. The project was awarded by TenneT TSO B.V. and Energinet.dk SOV, the operators of the Dutch and of the Danish power transmission grids, respectively. The COBRA (COpenhagen BRussels Amsterdam) cable will enhance the electricity grids of both countries, as it will make Dutch power capacity structurally available to Denmark and vice versa, increasing the security of supply and enabling the further integration of renewable energy into the electricity grids. The COBRACable interconnector will therefore contribute to the realisation of a sustainable international energy

landscape, a key aim of the European Union, which is supporting the project through the EEPR (European Energy Programme for Recovery). The connection will be constructed using High Voltage Direct Current (HVDC) technology, which minimises transmission losses over the long distances involved.

The commitment to smarter and greener grids.

Massimo Battaini, Senior Vice President Energy Projects at Prysmian, pointed out that the project was also an acknowledgement of Prysmian's commitment to the development of smarter and greener power grids. The contract involves the turnkey supply and installation of an HVDC bipole - using single core cables with extruded insulation technology - that will operate at a voltage level of ± 320 kV with a rating of approximately 700 MW, equivalent to the annual electricity consumption of all households in the cities of Rotterdam and Amsterdam combined. It will run along a total route of around 325 kilometres, from Eemshaven (NL) to Endrup (DK) via the German sector of the North Sea, and will include two onshore lengths of 1 km on the Dutch side and 25 km on the Danish side, to link to the onshore converter stations, which are to be provided under separate contract by Siemens.



HV cables for a Siberian Natural Gas plant

Yamgaz, the consortium in charge of designing and building the Yamal Liquefied Natural Gas plant dedicated to the development of the natural gas resources in North West Siberia, has chosen Prysmian for the supply of High Voltage cables. The plant is located in the Yamal peninsula and should allow Russia to double its exports of liquid natural gas. The Group will supply approximately 28 km of 110 kV cable produced in the Pignataro Maggiore plant near Caserta, Italy. The proposed cable solution has been designed to be installed in air, laying on flat racks (a typical installation solution in O&G plants, but not for HV links) and at polar-cold temperatures below -20 °C. After several internal tests, the cable underwent also additional test protocols at the STRI laboratories in Ludvika, Sweden, including a successfully completed “-50 °C impulse test”.



Extra power for the city of Manama

Thanks to a contract secured in Bahrain for the supply of underground cables.

Prysmian Group has been awarded a new major order worth around €50 million for an underground high voltage cable line in Bahrain that will strengthen the power supply to the city of Manama. In total, there are approximately 65 km of Extra High Voltage underground cables to be installed inside the city.

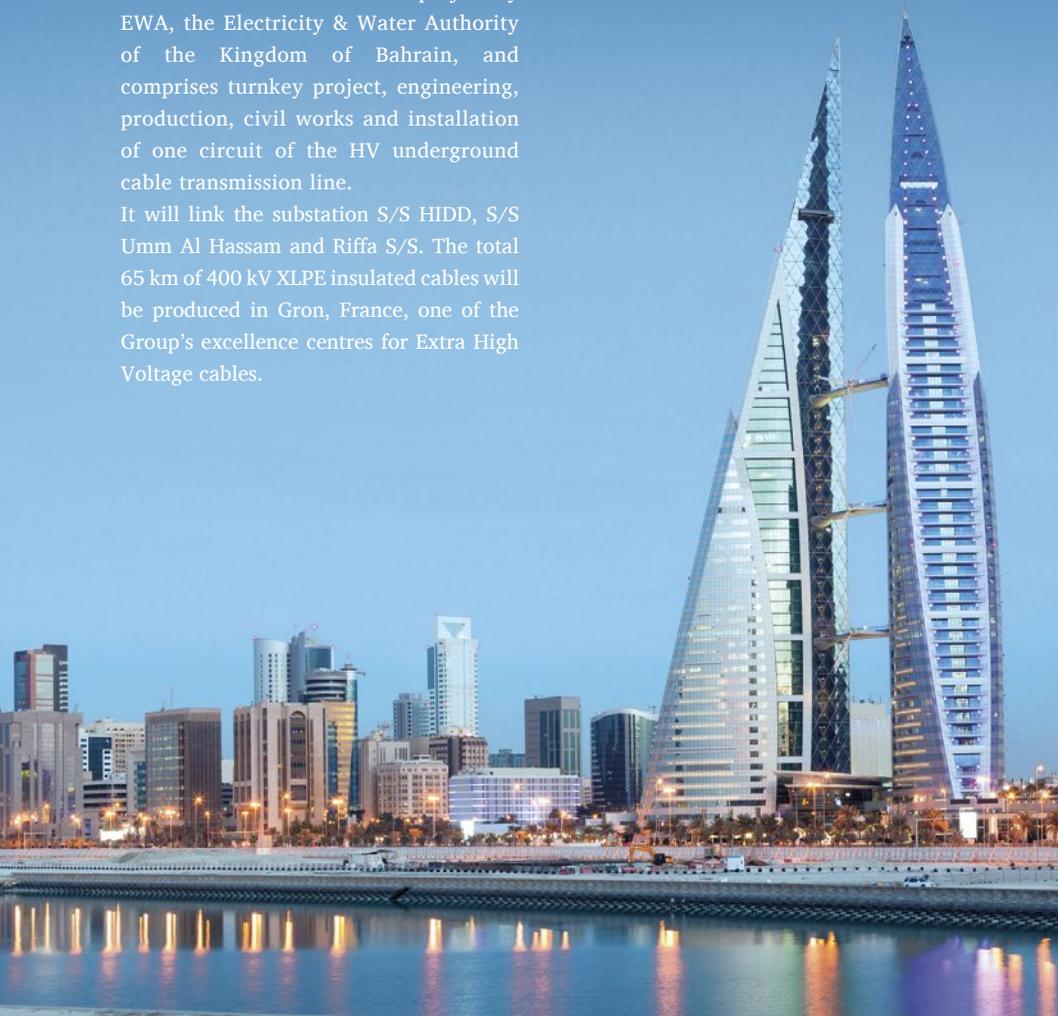
The contract refers to one circuit of the “4665/2013/3100 – 400 kV” project by EWA, the Electricity & Water Authority of the Kingdom of Bahrain, and comprises turnkey project, engineering, production, civil works and installation of one circuit of the HV underground cable transmission line.

It will link the substation S/S HIDD, S/S Umm Al Hassam and Riffa S/S. The total 65 km of 400 kV XLPE insulated cables will be produced in Gron, France, one of the Group’s excellence centres for Extra High Voltage cables.

As optional services, Prysmian has also offered PRY-CAM, the integrated portable and wireless instrument for the automatic acquisition, processing and classification of pulse signals generated by PD phenomena, occurring in insulating materials of medium and high voltage electrical systems and components.

LV and MV cables supplied for Armani’s space

Prysmian cables have made an appearance in the fashion business, as the Group signed an agreement with Società Elettromeccanica Galli-Gruppo Eiffage to supply cables to be used in the Armani/Silos exhibition space. Prysmian will supply medium-voltage power cables with very low emissions of smoke and dangerous gases intended for use in electrical systems, which require the highest safety standards in the event of a fire, and Afumex cables, which are appropriate for fixed installation on masonry, as well as interior and exterior metal structures. Inaugurated by the Italian fashion icon in Milan in 2015, the Armani/Silos exhibition is a dynamic, immersive space that illustrates the career of celebrated designer Giorgio Armani.



SUCCESSFULLY TESTED INNOVATIVE HV CABLE SOLUTION

Prysmian has announced the successful Factory Acceptance Test and delivery of the Feltoflex-RC cable system for the DolWin3 project.

Feltoflex-RC HV flexible cable is the first and only HV cable solution for mobile applications existing worldwide.

No similar products are available from any other cable maker. It consists of a full-rubber HV single core cable containing an extra-flexible copper conductor, a high stress HEPR insulation package and a

wide range of rubber or EVA proprietary sheathings. The Feltoflex-RC cable supply is an addendum to the award secured by Prysmian in February 2013 for the offshore wind interconnection project DolWin3 by Alstom Grid, on behalf of the Dutch-German grid operator TenneT.

The Feltoflex-RC supply for the DolWin3 project consists of 7 km of 1x800 mm² 170 kV cable to interconnect the 'DolWin Gamma' converter platform with the other platforms in the DolWin cluster. Cables are produced in Wuppertal and tested in Schwerin, Germany.

Promoting digital culture

Prysmian website enters the top 10 of Webranking by Comprend 2015.

The Group has improved on its performance of the previous year, when it ranked 16th in the survey Webranking by Comprend, the purpose of which is to promote digital culture within companies and help them understand how to meet the growing expectations of stakeholders. The survey was conducted in Italy by CorrierEconomia - the economic magazine of leading Italian daily Corriere della Sera - and Lundquist, a strategic consultancy specialising in online corporate communications. The survey ranked Eni, Telecom Italia and Snam as best in class for digital corporate communications. The new names in the Top 10 are Edison International, a utility company, and Prysmian Group. Lorenzo Caruso, Corporate & Business Communication Director at Prysmian, noted that in recent years The Group has "invested time and energy in renewing our brand image and improving our reputation on the web, becoming a benchmark for our sector."

Showcasing wind products and services

Prysmian Group presented its state-of-the-art range of products and services for the wind power industry at the 2015 European Wind Energy Association Annual Event in Paris. As part of its business strategy Prysmian keeps on strengthening its commitment to the added-value market of wind energy and participated to the EWEA Event 2015 with an expanded portfolio of products and services that included: AC and DC power transmission submarine cable systems and advanced turbine cabling solutions. The latter boast a high resistance to abrasion, UV radiations, corrosion, bending and torsion stress, for increased efficiency, reliability

and safety, and are specifically designed to meet highly demanding conditions of plants and installation areas, including the Group's new Feltoflex HV cable system for moveable interconnection between platforms.



JUST 'MAKE IT!'

The launch of [Prysmian Group's new recruitment programme](#) is aimed at engineers and technical staff with manufacturing experience, and is geared towards covering key roles in the manufacturing area in one of the company's many centres of excellence located around the world. The programme is seeking process, maintenance, design and quality engineers, as well as other technical specialists. The required attributes include a degree in engineering, or equivalent, and three to five years' work experience obtained in similar positions in a previous professional context, a good command of English, and leadership qualities.

The Group aims to identify and develop the manufacturing sector's best talents, offering them the opportunity to make full use of their skills and expertise. Through a four-year professional pathway, 'Make it' offers a top training scheme involving the Prysmian Group Academy, which will focus on further developing the skills that are essential for the career of the selected candidates. The programme will include two weeks training in the Milan headquarters and two weeks in the new Manufacturing Academy in Mudanya, Turkey, a specialist centre inaugurated in January 2016.



Fabrizio Rutschmann
*Prysmian Group's Director
of Human Resources and Organisation*

“Our future lies with their growth. ‘Make it’ follows Build the Future, the placement programme aimed at young new graduates.

This demonstrates just how strongly Prysmian believes in the value of human capital and the importance of investing in young people”.

MAKE IT

A manufacturing career
at Prysmian Group

**Enjoying working
for a common goal**

Joining Prysmian as a young professional and become the youngest female plant manager at the Group. That is the story of Echo Shen, who spent more than 20 years in telecom cable manufacturing with the company, became a purchasing manager in 2011, and in 2012 moved to Suzhou Draka. In July 2015 she went back as plant director to Prysmian Wuxi, near Shanghai in Eastern China. INSIGHT asked Echo what recommendation would she give young female professionals at the Group? "First of all", Echo says, "I would recommend Prysmian, because it is the world's largest cable manufacturing company, and initiating a career here can be a great and unique starting point for your future professional life". According to Echo, Prysmian Group "is a really great platform for a young professionals to learn what they want and to grow professionally, no matter if you are male or female". Which part of her new job does she enjoy most and why? "The team working", Echo answers: "I strongly believe in the importance of building a strong and reliable relationship with your team and colleagues, in order to solve problems and to achieve together common results and goals".



Prysmian
Group



www.prysmiangroup.com

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