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Testo del comunicato

Vedi allegato.

Prysmian Group

PRYSMIAN Draka

PRESS RELEASE

PRYSMIAN S.P.A. FIRST-QUARTER RESULTS 2017

SLIGHT DECLINE IN ORGANIC SALES DUE TO ENERGY PROJECT PHASING (-3.7%)

STRONG GROWTH FOR TELECOM (+12.3%); PARTNERSHIP WITH VERIZON: $300M IN OPTICAL CABLES FOR 5G AND BROADBAND (FTTH)

SOLID ORDER INTAKE WITH €700M IN NEW CONTRACTS AWARDED BETWEEN JANUARY AND APRIL 2017

IMPROVEMENT IN PROFIT MARGIN WITH ADJ EBITDA AT €154 MILLION (+2.5%)

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT €36 MILLION (+16%)

GUIDANCE FOR FY 2017, ADJ EBITDA OUTLOOK TO RISE IN RANGE €710M – €750M (€711M IN 2016)

Milan, 10/5/2017. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first quarter of 2017[1] (which are not subject to audit).

"The first quarter of 2017 underlines the competitiveness of the Group's offering in high-tech, high value-added markets" commented Valerio Battista, CEO of Prysmian Group. "This is witnessed by the award of projects like the IFA2 subsea interconnector between France and Britain and the system commissioned by RTE to connect three wind farms in France to the mainland grid, as well as the partnership agreement signed a few days ago with Verizon to realise the "One Fiber" project in the USA. In terms of results, the Telecom business has delivered another excellent performance, in a market scenario not showing any signs of slowing. Organic sales growth was slightly weaker essentially due to the timing of project execution; however, this is a temporary trend that we expect will be re-absorbed in coming quarters. Profitability was slightly up, driven by Telecom growth and a largely stable Energy Projects segment, whose drop in sales was offset by growth in margins thanks to a more profitable mix. The expansion, rationalisation and technological enhancement of the Group's industrial and manufacturing footprint has continued as has the focus on product innovation. The outlook for 2017 as a whole is positive, albeit with some caution due to uncertainties in various markets and geographical areas, and allow us to set higher profitability targets with Adjusted EBITDA in the range of €710-€750 million."

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION
(in millions of Euro)

	3 months 2017	3 months 2016 (*)	% Change	% organic sales change
Sales	1,849	1,810	2.2%	-3.7%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	144	143	1.0%	
Adjusted EBITDA	154	150	2.5%	
EBITDA	130	140	-7.3%	
Adjusted operating income	110	107	2.8%	
Operating income	78	72	8.3%	
Profit/(Loss) before taxes	52	54	-3.7%	
Net profit/(loss) for the year	37	37	0.0%	

(in millions of Euro)

	31 March 2017	31 March 2016 (*)	Change
Net capital employed	3,085	2,884	201
Employee benefit obligations	381	332	49
Equity	1,706	1,514	192
of which attributable to non-controlling interests	212	221	(9)
Net financial position	998	1,038	(40)

(*)The figures in the consolidated statement of financial position and consolidated income statement have been restated compared with those previously published in the Quarterly Financial Report at 31 March 2016. This restatement is due to the purchase price allocation of Oman Cables Industry (SAOG).

[1] Notwithstanding the fact that the law has abolished the obligation to publish interim management statements, the Company has elected to provide the market with quarterly voluntary reporting on a consolidated basis, in continuity with the past.

FINANCIAL RESULTS

Group **Sales** amounted to €1,849 million, posting an organic change of -3.7% assuming the same group perimeter and excluding metal price and exchange rate effects. This result is largely due to the phasing of project execution, as well as the mix of projects in the submarine portfolio, which had recorded strong volume growth in the same period of 2016. Energy Projects therefore saw its organic sales retreat by -15.2%. However, Telecom continued to perform strongly, with an organic sales increase of +12.3%. A slight contraction in Energy Products volumes in Europe, partly offset by good performance in the Nordics and growth in some Asian countries, caused organic sales to weaken by -2.7%. Lastly, the situation for Oil & Gas remained negative: despite a slight recovery by Core Oil & Gas cables with the growth in onshore projects, the segment posted a -21.2% change in underlying sales (versus -33.9% in the first quarter of 2016) essentially due to weakness in the SURF business, which has longer recovery times.

Adjusted EBITDA amounted to €154 million, up from €150 million in the first quarter of 2016 (+2.5%). In fact, the decline in sales did not affect margins, with the Adjusted EBITDA margin stable at 8.3% on sales. The analysis of profitability by business shows the resilience of Energy Projects, with an improvement in margins, and significant growth by Telecom. Energy Products recorded a moderate decline in profitability, while Oil & Gas suffered from SURF weakness in Brazil.

EBITDA amounted to €130 million, compared with €140 million in the first quarter of 2016 (-7.3%), inclusive of €24 million in adjustments (€10 million in the first three months of 2016). These adjustments in the first three months of 2017 mainly consist of costs for reorganising and improving industrial efficiency and of increases in the provisions for risks and charges relating to ongoing Antitrust issues.

Operating Income came to €78 million, compared with €72 million in the first quarter of 2016 (+8.3%).

Net Finance Costs came to €26 million in the first three months of 2017, versus €18 million in the same period last year (+44.0%). The increase of €8 million is mainly attributable to the non–cash cost of the new convertible bond, to higher non-operating finance costs and exchange rate trends.

Net Profit came to €37 million, in line with the corresponding period of 2016. Net Profit attributable to owners of the parent was €36 million, compared with €31 million in the corresponding prior year period (+16%).

Net Financial Debt stood at €998 million at 31 March 2017 (€1,038 million at 31 March 2016), after around €50 million to buy back the Company's shares.
The principal factors that influenced this change during the 12 months ended 31 March 2017 were:

- €617 million in net cash flow provided by operating activities before changes in net working capital;
- €122 million in cash flow used by the increase in net working capital, mainly due to project phasing and the increased copper price;
- €72 million in tax payments and €11 million in dividend receipts;
- €245 million in net operating capital expenditure in the past 12 months, of which €44 million to acquire the assets of Shen Huan;
- €31 million in net positive cash flow provided by acquisitions and disposals of investments;
- €64 million in finance costs paid, down thanks to the lower cost of borrowing and a reduction in average net financial debt;
- €91 million to pay dividends paid and €49 million for the buyback of the Company's shares and other changes;
- €48 million in net cash inflow as a result of accounting for the equity component of the convertible bond issued in January 2017.

ENERGY PROJECTS OPERATING SEGMENT PERFORMANCE AND RESULTS

- **€700 MILLION IN NEW TRANSMISSION PROJECTS AWARDED IN THE FIRST FOUR MONTHS OF 2017**
- **IMPROVEMENT IN MARGINS AND ADJUSTED EBITDA STABLE; PROJECT EXECUTION PHASING IMPACTS REVENUE RECOGNITION**
- **BETTER MARGINS ALSO IN HV UNDERGROUND, DESPITE NEGATIVE IMPACT OF PERIMETER CHANGE IN CHINA**

Energy Projects sales to third parties were affected by the phasing of project execution and the different mix of submarine projects, coming in at €275 million (organic change of -15.2%). Profitability improved slightly, with Adjusted EBITDA climbing to €40 million from €39 million in the same period of 2016 accompanied by a significant improvement in margins to 14.4% from 11.2%.

The decline in sales for Submarine cables and systems due to project phasing and differences in mix compared with the same period in 2016 did not impact profitability. Margins improved considerably thanks to the favourable mix of projects, the growing importance of maintenance and repair activities and the full deployment of the new installation capabilities and technologies, such as Ulisse, the Group's third cable-laying vessel, and special equipment for cable burial, allowing the Group to bring back in-house high-margin activities previously handled by third parties.
With order intake close to €700 million since the start of the year, the Group has consolidated its leading position in a still growing and high-potential market. Among the most important projects secured, the IFA2 submarine electrical interconnector between France and Britain awarded to the Prysmian Group by IFA2 Ltd, a joint venture between RTE and National Grid, worth €350 million, and the project to connect three offshore wind farms in France to the mainland grid, awarded to Prysmian by RTE France and worth €300 million. The total value of the Group's submarine cables and systems order book stands at around €2.2 billion, ensuring sales visibility for a period of about two years.

Demand for High Voltage Underground Cables reported a slight weakening in the French, Dutch and North American markets, which, together with the change in the scope of consolidation in China, was reflected in an organic decline in sales. However, the favourable mix and growth in services generated an improvement in margins. The order book for High Voltage Underground cables stands at around €400 million.

(in millions of Euro)

	3 months 2017	3 months 2016	% Change	% organic sales change
Sales	275	346	-20.5%	-15.2%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**40**	**39**	**1.2%**	
% of sales	14.4%	11.2%		
Adjusted EBITDA	**40**	**39**	**1.4%**	
% of sales	14.4%	11.2%		
EBITDA	**25**	**38**	**-35.0%**	
% of sales	9.0%	11.0%		
Amortisation and depreciation	(10)	(8)		
Adjusted operating income	**30**	**31**	**-4.0%**	
% of sales	10.7%	8.8%		

ENERGY PRODUCTS OPERATING SEGMENT PERFORMANCE AND RESULTS

- **WEAK START TO THE YEAR FOR T&I IN SOME MARKETS**
- **STABLE VOLUMES FOR POWER DISTRIBUTION, WITH IMPROVEMENT IN PROFITABILITY**
- **INDUSTRIAL AND NWC: GROWTH IN SALES AND MARGINS FOR AUTOMOTIVE BUSINESS; STABLE PERFORMANCE FOR ACCESSORIES; WEAKNESS IN OEM AND RENEWABLES.**

Energy Products sales to third parties amounted to €1,180 million, posting an organic change of -2.7%, primarily attributable to contraction in volumes in Central and Eastern Europe, as partially offset by positive performance in the Nordic region and growth in some Asian markets. Adjusted EBITDA amounted to €61 million (€66 million in the first quarter of 2016), with a slight fall in margins (Adjusted EBITDA 5.2% on sales versus 6.0% in Q1 2016).

(in millions of Euro)

	3 months 2017	3 months 2016 (*)	% Change	% organic sales change
Sales	1,180	1,110	6.3%	-2.7%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**59**	**66**	**-10.3%**	
% of sales	5.0%	6.0%		
Adjusted EBITDA	**61**	**66**	**-7.7%**	
% of sales	5.2%	6.0%		
EBITDA	**57**	**60**	**-5.0%**	
% of sales	4.8%	5.4%		
Amortisation and depreciation	(20)	(20)	24.9%	
Adjusted operating income	**41**	**46**	**-18.0%**	
% of sales	3.5%	4.1%		

(*) The previously published figures of energy products have been restated for the Purchase Price Allocation of Oman Cables Industry (SAOG).

Energy & Infrastructure

Energy & Infrastructure sales to third parties amounted to €806 million, with a negative underlying change of -2.3%. Adjusted EBITDA was €35 million compared with €38 million in the first quarter of 2016.

Trade & Installers were penalised in the first part of the year by weak performance in Central and Eastern Europe, Turkey and Argentina, as partially offset by positive trends in the Nordic region and Oceania. The rise in copper prices temporarily affected profitability. It should be noted that the European Construction Products Regulation (CPR) will come into force from 1 July 2017, imposing higher standards of quality and safety and representing an important opportunity for the Group, which already boasts a competitive range of products at the top end of the market.

Power Distribution reported stable volumes and higher profits despite the challenging basis of comparison with the corresponding period of 2016. The Nordics and APAC performed well, while Central/Eastern Europe and Argentina were weak.

Industrial & Network Components

Industrial & Network Components sales to third parties amounted to €340 million, posting an organic change of -3.7%. Three-month Adjusted EBITDA was €27 million compared with €29 million in the first quarter of 2016.
Order book started to recover after two consecutive quarters of decline. Specialties OEM & Renewables reported weak organic sales. Growth in APAC was not sufficient to offset the slowdown in Europe and North America. Railway sales were good, while those of Renewables, Crane and Nuclear soft. The Elevators business recorded a slight slowdown due to the delay of some projects in China. Double-digit organic growth and improved margins marked the results of the Automotive business, thanks to solid performance in North America, South America and APAC, while reorganisation of the manufacturing footprint in Europe improved the business's competitiveness in the region. Lastly, the Network Components business recorded a positive performance for Medium and Low Voltage accessories, offsetting the weakness in High and Extra High Voltage. France, Italy and the Netherlands were affected by unfavourable market conditions, while the United States, Britain and Brazil recorded solid growth.

OIL & GAS OPERATING SEGMENT PERFORMANCE AND RESULTS

- **CORE OIL & GAS SHOWS FIRST SIGNS OF RECOVERY**
- **LOWER VOLUMES AND PRICES FOR UMBILICALS IN LINE WITH EXPECTATION**
- **MODERATE DECLINE IN DOWNHOLE TECHNOLOGY, WITH RESULTS RECOVERING IN NORTH AMERICA**

Oil & Gas segment performance is still influenced by the oil crisis, which is affecting decisions by the major industry players. Sales to third parties came to €66 million in the first three months of 2017, posting a negative organic change of -21.2%. Adjusted EBITDA was a break-even, down from €3 million in the same period of 2016.

In the SURF business (Subsea Umbilicals Risers and Flowlines), the contraction in Umbilical volumes and prices was as expected and reflected the low level of orders in Brazil. Price pressure in tenders during the first few months of 2017 continued.

The Downhole Technology business posted a positive performance in North America thanks to a resumption of activity in the shale oil & gas industry which partially offset the negative effects of delays for some major deepwater projects.

There were signs of recovery in the Core Oil & Gas business with an improvement in underlying sales thanks to onshore projects in the Middle East, Russia and ASEAN and to the resumption of drilling activities in North America. The Group continued to keep a tight focus on Design-to-Cost and actions in the supply chain to limit the impact of lower prices.

(in millions of Euro)

	3 months 2017	**3 months 2016**	**% Change**	**% organic sales change**
Sales	66	82	-19.4%	-21.2%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**-**	**3**	**-95.5%**	
% of sales	-	3.8%		
Adjusted EBITDA	**-**	**3**	**-95.6%**	
% of sales	-	3.8%		
EBITDA	**(1)**	**3**	**-122.1%**	
% of sales	-0.9%	3.2%		
Amortisation and depreciation	(4)	(5)		
Adjusted operating income	**(4)**	**(2)**		
% of sales	-6.5%	-1.8%		

TELECOM OPERATING SEGMENT PERFORMANCE AND RESULTS

- **SOLID PERFORMANCE DRIVEN BY DEMAND FOR OPTICAL CABLES**
- **PROFITABILITY IMPROVES AGAIN**
- **POSITIVE MARKET TREND IN EUROPE AND NORTH AMERICA**

Telecom sales to third parties amounted to €328 million in the first three months of 2017, with organic growth of +12.3% driven by strong demand for optical cables. Adjusted EBITDA increased by 26.8% to €53 million, with margins improving to 16.3% from 15.4% in the first quarter of 2016.

The Telecom Solutions business won important contracts with leading operators in Europe for the construction of backhaul links and FTTH connections. The network development plan in rural areas is progressing in the Netherlands, and the broadband project (Trés Haut Débit) in France continues to be rolled out, while the development of new ultra-wideband networks in North America is generating a steady increase in domestic demand. As part of a massive multi-year investment program by Verizon, Prysmian has signed a three-year agreement to supply 17 million fibre km of cables worth about $300 million. In Brazil, there has been a slight recovery in investments by the major telecom operators.

The results of the Multimedia Solutions business mainly reflected increased volumes on the European market for copper data cables at a local level, also observed, albeit to a lesser extent, in South America. The Group's investments in expanding production capacity in Europe, with the acquisition of the Corning plant in Germany, also made a substantial contribution to these results by allowing it to meet growing market demand.

The high value-added business of optical connectivity also confirmed positive results, thanks to the development of new FTTx networks (providing last mile broadband) in Europe (particularly in France and Britain).

(in millions of Euro)

	3 months 2017	**3 months 2016**	**% Change**	**% organic sales change**
Sales	328	272	20.6%	12.3%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**45**	**35**	**30.6%**	
% of sales	13.9%	12.9%		
Adjusted EBITDA	**53**	**42**	**26.8%**	
% of sales	16.3%	15.4%		
EBITDA	**52**	**42**	**25.4%**	
% of sales	15.9%	15.3%		
Amortisation and depreciation	(10)	(10)		
Adjusted operating income	**43**	**32**	**35.5%**	
% of sales	13.2%	11.7%		

BUSINESS OUTLOOK

During the first few months of 2017, the macroeconomic environment saw moderate but steady growth in the Eurozone's major economies, with a gradual improvement in the consumer and business confidence indicators. Growth in the United States was lower than expected in first quarter 2017 and slower than in 2016, mainly due to uncertainty pending the announced reforms. Among the major emerging economies, Russia and Brazil have continued to show signs of gradual improvement, while Chinese economic growth has exceeded expectations due to government-driven infrastructure investments.

In such a context, the Prysmian Group's expectation for FY 2017 is that cable demand in the cyclical businesses of building wires and medium voltage cables for utilities will be largely stable compared with the previous year. With the Energy Projects segment enjoying a growing market, the Prysmian Group expects to consolidate its market leadership and improve profitability in the Submarine cables business, while it expects a slight decline in the High Voltage underground business partly due to the change in the scope of consolidation following reorganisation of its manufacturing footprint in China. In the Oil & Gas segment, the gradual strengthening of oil prices is for the time being setting in motion a recovery in Core Oil & Gas cables, thanks to onshore drilling activities in North America and onshore projects in the Middle East, ASEAN and Russia. Conversely, the SURF business, featuring longer project cycles, is expected to continue to perform poorly this year due to the adverse market conditions in Brazil. In the Telecom segment, the underlying growth in the Group's turnover is expected to remain strong in 2017, thanks to growth in demand in North America and Europe, accompanied by a gradual stabilisation in volumes in Australia.
In addition, assuming exchange rates remain at the same level as at the date of the present document, the effect of translating the results of other group companies into the reporting currency is not expected to have a material impact on 2017 operating income.
The Group is forecasting Adjusted EBITDA for FY 2017 in the range of €710-750 million, up from the €711 million reported in 2016. This forecast is not only based on the Company’s current business perimeter but also takes into account the current order book.

OTHER RESOLUTIONS BY THE BOARD OF DIRECTORS

CONCENTRATION OF OWNERSHIP OF THE GROUP'S INTELLECTUAL PROPERTY RIGHTS WITH THE PARENT COMPANY

As part of the wider project of integrating the Draka companies into the Prysmian Group, the Board of Directors has approved the concentration of ownership with Prysmian S.p.A. of all the Group's trademarks and patents (excluding the patents relating to the Fibre business unit), together with the related activities needed to coordinate their management, operation and research and development.
Under this project Prysmian S.p.A. will purchase in two separate transactions the Draka brand and ownership of the Draka patents from Draka Kabel B.V. and Draka Comteq B.V. respectively, two wholly-owned indirect Dutch subsidiaries, and will receive, through a partial spin–off, the trademarks, designs and patents owned by the Italian subsidiary Prysmian Cavi e Sistemi S.r.l., together with the latter's product development staff, as well as its 47.835% equity interest in the share capital of the Dutch company Draka Holding B.V.. Notice is hereby given that, as permitted by the Company's By-laws, the decision concerning the spin-off will be taken by the Board of Directors of Prysmian S.p.A. and that no new shares will be issued by Prysmian S.p.A.. As a result of the proposed transaction, its share capital will not undergo any change. The spin-off is exempt from the application of Consob Regulation 17221/2010 (as amended) provided for in the Company's procedures for related party transactions in respect of transactions with its subsidiaries, pursuant to art. 12 par. 3 of the same Regulation. Further details about the spin-off will be contained in the legally required documentation for this type of transaction, which will be made available in the prescribed locations and within the required deadlines.

The Prysmian Group's First-Quarter Financial Report at 31 March 2017, approved by the Board of Directors today, will be made available to the public at the Company's registered office in Via Chiese 6, Milan and at Borsa Italiana S.p.A.. It will also be available on the corporate website at www.prysmiangroup.com and in the authorised central storage mechanism used by the company at www.emarketstorage.com. The present document may contain forward-looking statements relating to future events and future operating, economic and financial results of the Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual future results may differ materially from what is expressed in forward-looking statements for a variety of factors.
The managers responsible for preparing corporate accounting documents (Carlo Soprano and Andreas Bott) hereby declare, pursuant to art. 154-bis par. 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

The results at 31 March 2017 will be presented to the financial community during a conference call to be held today at 18:00 CET, a recording of which will be subsequently made available on the Group's website: www.prysmiangroup.com.

The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmiangroup.com.

Prysmian Group

Prysmian Group is world leader in the energy and telecom cables and systems industry. With nearly 140 years of experience, sales of over €7.5 billion in 2016, 21,000 employees across 50 countries and 82 plants, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	31 March 2017	31 December 2016
Non-current assets		
Property, plant and equipment	1,653	1,631
Intangible assets	787	792
Equity-accounted investments	202	195
Available-for-sale financial assets	12	12
Derivatives	6	3
Deferred tax assets	144	130
Other receivables	18	21
Total non-current assets	**2,822**	**2,784**
Current assets		
Inventories	1,057	906
Trade receivables	1,252	1,088
Other receivables	850	788
Financial assets held for trading	66	59
Derivatives	30	40
Cash and cash equivalents	616	646
Total current assets	**3,871**	**3,527**
Assets held for sale	2	-
Total assets	**6,695**	**6,311**
Equity attributable to the Group:	**1,494**	**1,448**
Share capital	22	22
Reserves	1,436	1,180
Net profit/(loss) for the year	36	246
Equity attributable to non-controlling interests:	**212**	**227**
Share capital and reserves	211	211
Net profit/(loss) for the year	1	16
Total equity	**1,706**	**1,675**
Non-current liabilities		
Borrowings from banks and other lenders	1,557	1,114
Other payables	18	18
Provisions for risks and charges	37	40
Derivatives	6	12
Deferred tax liabilities	119	111
Employee benefit obligations	381	383
Total non-current liabilities	**2,118**	**1,678**
Current liabilities		
Borrowings from banks and other lenders	138	172
Trade payables	1,512	1,498
Other payables	797	875
Derivatives	24	24
Provisions for risks and charges	347	339
Current tax payables	53	50
Liabilities held for sale	-	-
Total current liabilities	**2,871**	**2,958**
Total liabilities	**4,989**	**4,636**
Total equity and liabilities	**6,695**	**6,311**

Consolidated income statement

(in millions of Euro)

	3 months 2017	3 months 2016 (*)
Sales of goods and services	1,849	1,810
Change in inventories of work in progress, semi-finished and finished goods	100	7
Other income	16	13
of which non-recurring other income	-	-
Raw materials, consumables used and goods for resale	(1,244)	(1,097)
Fair value change in metal derivatives	3	2
Personnel costs	(267)	(257)
of which personnel costs for company reorganisation	*(2)*	*(4)*
of which personnel costs for stock option fair value	*(11)*	*(12)*
Amortisation, depreciation, impairment and impairment reversal	(44)	(58)
of which (impairment) and impairment reversals related to company reorganisation	-	*(1)*
of which other (impairment) and impairment reversals	-	*(14)*
Other expenses	(345)	(355)
of which non-recurring (other expenses) and releases	*(15)*	-
of which (other expenses) for company reorganisation	*(3)*	*(3)*
Share of net profit/(loss) of equity-accounted companies	10	7
Operating income	**78**	**72**
Finance costs	(107)	(154)
of which non-recurring finance costs	*(1)*	*(1)*
Finance income	81	136
of which non-recurring finance income	-	-
Profit/(loss) before taxes	**52**	**54**
Taxes	(15)	(17)
Net profit/(loss) for the year	**37**	**37**
Attributable to:		
Owners of the parent	36	31
Non-controlling interests	1	6
Basic earnings/(loss) per share (in Euro)	**0.17**	**0.14**
Diluted earnings/(loss) per share (in Euro)	**0.16**	**0.14**

(*) The previously published figures reported in the Consolidated income statement have been restated for the Purchase Price Allocation of Oman Cables Industry (SAOG).

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	3 months 2017	3 months 2016 (*)
Net profit/(loss) for the year	**37**	**37**
Comprehensive income/(loss) for the year:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(3)	11
Fair value gains/(losses) on cash flow hedges - tax effect	-	(2)
Release of cash flow hedge reserve after discontinuing cash flow hedging - gross of tax	-	-
Release of cash flow hedge reserve after discontinuing cash flow hedging - tax effect	-	-
Currency translation differences	(4)	(40)
Total items that may be reclassified, net of tax	**(7)**	**(31)**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	-	-
Recognition of pension plan asset ceiling	-	-
Actuarial gains/(losses) on employee benefits - tax effect	-	-
Total items that will NOT be reclassified, net of tax	**-**	**-**
Total comprehensive income/(loss) for the year	**30**	**6**
Attributable to:		
Owners of the parent	36	3
Non-controlling interests	(6)	3

(*) The previously published figures reported in the Consolidated Statement of Comprehensive Income have been restated for the Purchase Price Allocation of Oman Cables Industry (SAOG).

Consolidated statement of cash flows

(in millions of Euro)

		3 months 2017	3 months 2016 (*)
	Profit/(loss) before taxes	52	54
	Depreciation, impairment and impairment reversals of property, plant and equipment	32	46
	Amortisation and impairment of intangible assets	12	12
	Net gains on disposal of property, plant and equipment, intangible assets and acquisition purchase price adjustment	-	(1)
	Share of net profit/(loss) of equity-accounted companies	(10)	(7)
	Share-based payments	11	12
	Fair value change in metal derivatives and other fair value items	(3)	(2)
	Net finance costs	26	18
	Changes in inventories	(152)	(36)
	Changes in trade receivables/payables	(150)	(113)
	Changes in other receivables/ payables	(181)	(144)
	Changes in receivables/payables for derivatives	-	(1)
	Taxes paid	(20)	(24)
	Dividends received from equity-accounted companies	3	2
	Utilisation of provisions (including employee benefit obligations)	(23)	(17)
	Increases in provisions (including employee benefit obligations)	22	1
A.	**Net cash flow provided by/(used in) operating activities**	**(381)**	**(200)**
	Investments in property, plant and equipment	(57)	(50)
	Disposals of property, plant and equipment and assets held for sale	-	1
	Investments in intangible assets	(10)	-
	Disposal in intangible assets	-	-
	Net investments in financial assets held for trading	(14)	
	Disposals of financial assets held for trading	6	9
B.	**Net cash flow provided by/(used in) investing activities**	**(75)**	**(40)**
	Shares buyback	(49)	
	Dividend distribution	-	(11)
	Early repayment of credit facility	(50)	
	EIB loan	(8)	(8)
	Issuance of non-convertible bond - 2017	500	
	Finance costs paid	(97)	(143)
	Finance income received	85	127
	Changes in net financial payables	46	(11)
C.	**Net cash flow provided by/(used in) financing activities**	**427**	**(46)**
D.	**Currency translation gains/(losses) on cash and cash equivalents**	**(1)**	**(1)**
E.	**Total cash flow provided/(used) in the year (A+B+C+D)**	**(30)**	**(287)**
F.	**Net cash and cash equivalents at the beginning of the year**	**646**	**547**
G.	**Net cash and cash equivalents at the end of the year (E+F)**	**616**	**260**
	Cash and cash equivalents reported in statement of financial position	**616**	**254**
	Cash and cash equivalents included in assets held for sale	**-**	**6**

(*) The previously published figures reported in the Consolidated statement of cash flows have been restated for the Purchase Price Allocation of Oman Cables Industry (SAOG).

ANNEX B

Reconciliation table between net Profit/(Loss) for the year, EBITDA and adjusted EBITDA of the Group

(in millions of Euro)

	3 months 2017	3 months 2016 (*)
Net profit/(loss) for the year	37	37
Taxes	15	17
Finance income	(81)	(136)
Finance costs	107	154
Amortisation, depreciation, impairment and impairment reversal	44	58
Fair value change in metal derivatives	(3)	(2)
Fair value change in stock options	11	12
EBITDA	**130**	**140**
Company reorganisation	5	7
Non-recurring expenses/(income):		
Antitrust	15	-
Other non-operating expenses/(income)	4	3
Total adjustments to EBITDA	**24**	**10**
Adjusted EBITDA	**154**	**150**

(*) The previously published figures have been restated for the Purchase Price Allocation of Oman Cables Industry (SAOG).

Statement of cash flows with reference to change in net financial position

(in millions of Euro)

	3 months 2017	3 months 2016	Change
EBITDA	**130**	**140**	**(10)**
Changes in provisions (including employee benefit obligations)	(1)	(16)	15
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets	-	(1)	1
Results of operating and financial investment and divestment activities	-	-	-
Share of net profit/(loss) of equity-accounted companies	(10)	(7)	(3)
Net cash flow provided by operating activities (before changes in net working capital)	**119**	**116**	**3**
Changes in net working capital	(483)	(294)	(189)
Taxes paid	(20)	(24)	4
Dividends from investments in equity-accounted companies	3	2	1
Net cash flow provided by operating activities	**(381)**	**(200)**	**(181)**
Cash flow from acquisitions and/or disposals	-	-	-
Net cash flow from operational investing activities	(67)	(49)	(18)
Of which for investment of Wuhan ShenHuan	*(33)*	-	*(33)*
Free cash flow (unlevered)	**(448)**	**(249)**	**(199)**
Net finance costs	(12)	(16)	4
Free cash flow (levered)	**(460)**	**(265)**	**(195)**
Capital contributions and other equity movements	(49)	-	(49)
Dividend distribution	-	(11)	11
Net cash flow provided/(used) in the year	**(509)**	**(276)**	**(233)**
Opening net financial position	**(537)**	**(750)**	**213**
Net cash flow provided/(used) in the year	(509)	(276)	(233)
Equity component of Convertible Bond	48		48
Other changes	-	(12)	12
Closing net financial position	**(998)**	**(1,038)**	**40**

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