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Testo del comunicato

Vedi allegato.

PRESS RELEASE

PRYSMIAN S.P.A. FY 2017 RESULTS

STABLE ORGANIC GROWTH DURING THE YEAR (-0.1%), MARKEDLY IMPROVING IN 4Q (+2.9%)

IMPROVEMENT IN PROFITABILITY WITH ADJ EBITDA AT €733M (+3.1%)

HIGHER MARGINS FOR ENERGY PROJECTS (17.8%) AND TELECOM (17.0%)

NET FINANCIAL DEBT IMPROVES TO €436M (€537M AT THE END OF 2016)

PROPOSED DIVIDEND €0.43 PER SHARE

€500M CAPITAL INCREASE PROPOSED

Milan, 27/2/2018. The Board of Directors of Prysmian S.p.A. has examined today the Company's consolidated financial statements and separate financial statements for 2017[1].

"Financial year 2017 has closed in line with expectations – explained Valerio Battista, Prysmian Group CEO – reporting stable organic sales with an improvement in the fourth quarter. Profitability is up, with Adjusted EBITDA rising to €733 million and a significant improvement in margins for the higher value-added businesses of Energy Projects and Telecom. The robust order intake for submarine cables and systems of around one billion euros confirms the Group's technological and market leadership. We have won important projects, like the cabling of the first offshore wind farms in France and the IFA2 interconnector between Britain and France. The progress in Energy Projects margins has been fostered by the insourcing of important project execution activities, thanks to the new installation vessels. The Telecom business continues to see strong growth in demand for optical cables, supported by the development of broadband networks and investments in preparation for 5G.

These combined positive performances have allowed us to achieve our guidance targets once again in 2017 and to propose our shareholders a dividend of €0.43 per share. Lastly, looking to the future, we reiterate our satisfaction for the General Cable shareholders' approval of our acquisition proposal and confirm our expectation of closing the transaction by the third quarter of 2018. The €500 million capital increase being submitted for our shareholders' approval is intended to maintain sufficient financial flexibility for the Company."

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION
(in millions of Euro)

	2017	2016	% Change	% organic sales change
Sales	7,901	7,567	4.4%	-0.1%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	691	680	1.7%	
Adjusted EBITDA	733	711	3.1%	
EBITDA	657	645	1.9%	
Adjusted operating income	556	538	3.3%	
Operating income	421	447	-5.8%	
Profit/(Loss) before taxes	305	368	-17.1%	
Net profit/(loss) for the year	223	262	-14.9%	
Net profit attributable to owners of the parent	227	246	-7.9%	

(in milions of Euro)	31 December 2017	31 December 2016	Change
Net capital employed	2,466	2,595	(129)
Employee benefit obligations	355	383	(28)
Equity	1,675	1,675	-
of which attributable to non-controlling interests	188	227	(39)
Net financial debt	436	537	(101)

[1] The statutory audit of the consolidated financial statements and separate financial statements had not yet been completed as at today's date.

FINANCIAL RESULTS

Group **Sales** amounted to €7,901 million, posting an organic variation of -0.1% assuming the same group perimeter and excluding metal price variation and exchange rate effects. Fourth-quarter performance was of particular note, with organic growth of +2.9% reflecting strong sales of optical cables and gradual recovery for the E&I and Industrial & Network Components businesses.
The solid market trend for Energy Projects was confirmed with order intake for cables and submarine systems amounting to approximately €1 billion in 2017, boosting the Group's global leadership in this market. Sales were largely stable for Energy & Infrastructure, with building wires (Trade & Installers) slightly improving. Industrial & Network Components turned in an overall positive performance, while Oil & Gas underperformed due to lower volumes for SURF (Subsea, Umbilicals, Risers Flowlines), only partially absorbed by a recovery in Core Oil&Gas Cables. Lastly, the Telecom segment continued to enjoy vigorous growth, with underlying sales driven by strong global demand for optical cables.

Adjusted EBITDA[2] climbed to €733 million from €711 million in the previous year (+3.1%), despite adverse exchange rate effects of €11 million versus 2016. The largest contribution came from excellent earnings performances by Energy Projects and Telecom. In particular, the Adjusted EBITDA margin on Energy Projects sales improved to 17.8% (15.9% in 2016), while the Telecom segment's margin increased to 17.0% (14.0% in 2016). The Oil&Gas segment also had better margins, with an Adjusted EBITDA margin on sales of 3.4% (2.7% in 2016), while slippages were recorded by both Energy & Infrastructure (Adjusted EBITDA on sales of 4.0%, down from 5.1% in 2016) and Industrial & Network Components (Adjusted EBITDA on sales of 7.9%, down from 9.5% in 2016).

EBITDA[3] amounted to €657 million compared with €645 million in 2016 (+1.9%), including net expenses for business reorganisation, net non-recurring expenses, other net non-operating expenses and General Cable acquisition-related costs totalling €76 million (€66 million in 2016).

Group **Operating Income** came to €421 million compared with €447 million in 2016 (-5.8%).

Net Finance Costs came to €116 million, up from €79 million in 2016, mainly attributable to the non-cash cost of the new convertible bond and the impact of derivatives related to the General Cable acquisition.

Net Profit amounted to €223 million (€227 million attributable to owners of the parent) compared with €262 million in 2016 (€246 million attributable to owners of the parent).

Net Financial Debt amounted to €436 million at the end of December 2017, having improved from €537 million at the close of 2016. The principal factors influencing the year-end balance were:

- €613 million in cash flow provided by operating activities (before changes in net working capital)
- €88 million in reductions in net working capital
- €104 million in tax payments
- €10 million in dividends received from equity-accounted companies
- €7 million in net cash outflow for acquisitions and disposals
- €254 million in net operating capital expenditure
- €70 million in outflows for net finance costs
- €101 million in dividend pay-outs
- €100 million to buy back the Company's shares

Net financial debt has also benefited from €48 million for the equity component of the convertible bond issued in January 2017 and from the partial conversion of the convertible bond issued in 2013.

[2] Adjusted EBITDA is defined as EBITDA, as defined in the following note, before income and expense for business reorganisation, before non-recurring items and before other non-operating income and expense and costs related to the General Cable acquisition.

[3] EBITDA is defined as earnings/(loss) for the year, before the fair value change in metal derivatives and in other fair value items, amortisation, depreciation and impairment, finance costs and income, dividends from other companies and taxes.

LINKING THE FUTURE: DEVELOPMENT OF THE GROWTH STRATEGY

Acquisition of General Cable

On 4 December 2017, Prysmian Group and General Cable Corporation announced that they had entered into a merger agreement under which Prysmian would acquire 100% of the shares in General Cable for approximately USD 3 billion, including the company's net debt and other liabilities. “The acquisition of General Cable represents a landmark moment for Prysmian Group and a strategic and unique opportunity to create value for our shareholders and customers” said Valerio Battista, Prysmian Group CEO. On 16 February 2018 a meeting of the General Cable Corporation shareholders, attended by approximately 75.34% of the share capital entitled to vote, returned a vote of some 99% in favour of the acquisition. Subject to regulatory approvals and other customary closing conditions, the completion of the acquisition is expected to take place by the third quarter of 2018.

Innovation for smart and sustainable electricity grids and next-generation broadband networks

Approximately €84 million was spent on R&D in 2017, in line with 2016. Prysmian has conducted research into ultra-deep submarine cables (for depths up to 3,000 metres), it has developed "Leadless" technology for the manufacture of lead-free metallic sheaths and it has produced a new prototype for 525 kV HVDC cable systems using P-Laser technology to achieve recyclable, eco-friendly cables that also provide higher transmission capacity. The Telecom segment's Flextube optical cable has achieved another first thanks to its 3,456 fibres, allowing a reduction in the impact of civil works during installation. In the Oil&Gas segment, the Group has added a new technology to produce steel tube umbilicals for dynamic applications. Prysmian Electronics has also continued to develop its Pry-Cam electrical grid monitoring technologies.

Fast Forward Operations: efficiency of manufacturing footprint and new centres of technological excellence

Capital expenditure amounted to €257 million in 2017, about 10% higher than the year before (€233 million). The principal strategic drivers have been concentration of investments in high value-added tech-driven businesses, with the creation of centres of excellence, and pursuit of manufacturing efficiencies in the lower value-added segments. In addition, the Group has announced a three-year €250 million capital expenditure plan, aimed at expanding its global production capacity to meet growing demand for optical cables serving the development of new high-speed telecommunication networks. Through the Fast Forward Operations Project, the Group has driven forward the process of making its industrial footprint more competitive by launching in 2017 the first Factory 4.0 pilot project at the optical cables plant in Calais (France).

People: 50% of Prysmian employees are also shareholders

In the course of 2017 the Group continued to operate several talent development and recruiting programs for both employees and potential candidates: 2,200 employees have passed through the doors of the Prysmian Group Academy and the new Manufacturing Academy; the Graduate Program, now in its seventh year, has resulted in the recruitment of 50 new high-potential resources; the year saw the launch of a new edition of the "Make it" recruitment program to recruit 50 engineers and technicians, and the launch of the new "Sell It" program for 50 young high-potential sales staff, for a total of some 150 new young recruits to the Group. The YES share purchase plan for employees has also continued, with the number of employee-shareholders climbing to almost 7,400, representing approximately 53% of those entitled.

ENERGY PROJECTS OPERATING SEGMENT PERFORMANCE AND RESULTS

- **SOUND ORDER INTAKE AND BETTER PROFITABILITY FOR SUBMARINE CABLES**
- **CHANGE IN SCOPE IN CHINA DEPRESSES HIGH VOLTAGE UNDERGROUND RESULTS**
- **ORDER BOOK €2,450 MILLION**

Energy Projects sales to third parties reached €1,490 million in 2017, posting an organic decline of -4.8% on 2016, while profitability was sharply up, with Adjusted EBITDA climbing to €266 million (+2.3% on 2016) and the margin to 17.8% (15.9% in 2016) underpinned by the higher level of vertical integration in installation activity and sound execution.

In the market segment of Submarine Cables and Systems for power transmission, the Group secured a number of important contracts in 2017 not only to build interconnectors, such as the IFA2 submarine link between Britain and France and the project for a new interconnection in the Philippines awarded to Prysmian by the grid operator NGCP (National Grid Corporation of the Philippines), but also for offshore wind farm connections, like the projects awarded by RTE (Réseau De Transport D'Electricité) to link three offshore wind farms to the French electricity grid. The robust order intake of around one billion euros confirms the Group's undisputed technological and market leadership in the submarine cables and systems business. Higher profitability was supported by the growing vertical integration of installation activities and sound execution. The Group is ever more focused on developing a turnkey approach, going from project engineering, to cable design and manufacture, through to monitoring the operation and efficiency of electrical networks, using technologies developed by Prysmian Electronics.

In the market segment of High Voltage Underground power transmission cables, the Group saw a sharp uptrend in sales in South East Asia and the execution of turnkey projects in EMEA and the Middle East. EBITDA was affected by the change in scope in China and by weak performance in Britain, the Nordics and Russia, while positive results were recorded in Asia Pacific and France. The new Prysmian Technology Jiangsu is now up and running in China, making it possible to offer a wide range of high voltage products and technologies in this country and Asia.

The Energy Projects order book stood at €2,450 million as at 31 December 2017.

(in millions of Euro)

	2017	**2016**	**% Change**	**% organic sales change**
Sales	1,490	1,634	-8.8%	-4.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**265**	**260**	**2.1%**	
% of sales	17.8%	15.9%		
Adjusted EBITDA	**266**	**260**	**2.3%**	
% of sales	17.8%	15.9%		
EBITDA	**246**	**275**	**-10.5%**	
% of sales	16.5%	16.8%		
Amortisation and depreciation	(41)	(36)		
Adjusted operating income	**225**	**224**	**0.3%**	
% of sales	15.1%	13.7%		

ENERGY PRODUCTS OPERATING SEGMENT PERFORMANCE AND RESULTS

- **MODERATE ORGANIC SALES GROWTH**
- **TRADE & INSTALLERS BENEFIT FROM CPR; MARGINAL RETREAT FOR POWER DISTRIBUTION**
- **INDUSTRIAL & NWC: POSITIVE ORGANIC SALES GROWTH; PROFITABILITY IN DECLINE**

Energy Products sales to third parties amounted to €4,880 million, posting organic growth of +0.9%, attributable to positive performance in North America and Asia, while volumes contracted in some countries in Central and Southern Europe and in North America. Adjusted EBITDA amounted to €244 million (-12.9% on 2016).

(in millions of Euro)

	2017	2016	% Change	% organic sales change
Sales	4,880	4,469	9.2%	0.9%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**240**	**277**	**-13.4%**	
% of sales	4.9%	6.2%		
Adjusted EBITDA	**244**	**280**	**-12.9%**	
% of sales	5.0%	6.3%		
EBITDA	**223**	**216**	**2.9%**	
% of sales	4.6%	4.8%		
Amortisation and depreciation	(79)	(82)	-4.0%	
Adjusted operating income	**165**	**198**	**-16.5%**	
% of sales	3.4%	4.4%		

Energy & Infrastructure

Energy & Infrastructure sales to third parties came to €3,271 million, with an organic trend of -0.2% on 2016. Adjusted EBITDA amounted to €130 million (€154 million in 2016), with a margin on sales of 4.0% versus 5.1% the year before.

The results in the Trade & Installers market showed a moderate improvement, supported by the final implementation in July 2017 of the new European Construction Products Regulation (CPR), especially evident in certain markets (Italy, Spain and the Netherlands). This legislation represents an important opportunity for the Group, which is positioned at the high-end of the market. In terms of the business's profitability, this was negatively impacted by market weakness in the Middle East (Oman).

Power Distribution reported a decline in organic sales, with a slight recovery posted in the fourth quarter. Positive performances in North America and Asia Pacific made up for subdued markets in Central and Eastern Europe, Britain and the Middle East. Profitability was negatively impacted by market weakness in the Middle East.

Industrial & Network Components

Industrial & Network Components sales to third parties amounted to €1,460 million, with underlying growth of +3.5%, achieved thanks to the Group's ability to offer a wide range of products for different fields of application and highly customisable solutions. Adjusted EBITDA amounted to €115 million, down from €127 million in 2016, with the margin on sales at 7.9% versus 9.5% in 2016.
Specialties & OEMs enjoyed positive organic sales growth, accelerating in the fourth quarter, with good performance in the Railway and Infrastructure sectors, partly offset by a slowdown in Renewables, Defence and Crane. The year-end order book remained at a high level, supported by sustained demand in Australia and North America. Profitability was impacted by the unfavourable product mix. The Elevators business recorded a minor increase in organic sales, driven by volume growth in Europe. Profitability was affected by the unfavourable mix in the United States and the slowdown in volumes in China, as well as by adverse exchange rate effects. Sustained demand and a growth in market share in North America, APAC and Brazil allowed the Automotive business to achieve double-digit organic sales growth. Optimisation of the manufacturing footprint in Europe and the growth in volumes both had positive effects on profitability. The Network Components business recorded a slight decline in organic sales due to the high voltage slowdown in APAC and Europe, while medium and low voltage accessories performed well. Adjusted EBITDA was hampered by the slowdown for high voltage accessories and by the medium voltage business in France.

OIL & GAS

- **DECLINE IN SURF SALES VOLUMES CONTINUES TO AFFECT OIL & GAS**
- **IMPROVED PERFORMANCE IN CORE OIL & GAS CABLES**
- **FOCUS ON OPTIMISING MANUFACTURING FOOTPRINT AND SUPPLY CHAIN EFFICIENCY**

The performance of the Oil & Gas segment continued to be penalised by the adverse performance of the SURF business, while sales in the Core Oil & Gas Cables business picked up. Sales to third parties came to €273 million, posting negative organic growth of -10.8% on 2016, with signs of improvement in the fourth quarter (4Q 2017 organic sales were -4.3% on 4Q 2016). Adjusted EBITDA amounted to €9 million, a slight improvement from €8 million in 2016, with the margin on sales at 3.4% (2.7% in 2016).

The Core Oil & Gas Cables business recorded a recovery in sales volumes thanks to resumed demand for onshore projects in the Middle East, Russia and United States. The offshore market remained weak. Profitability improved thanks to resurgence in volumes, optimisation of the manufacturing footprint and reduction in manufacturing costs (design-to-cost).

In the SURF business (Subsea, Umbilicals, Risers and Flowlines), the performance of umbilicals was affected by the deterioration in volumes and margins in the wake of low order intake in 2016 and price pressure in the Brazilian market. The market conditions in Brazil remain extremely challenging. The Downhole Technology business reported a slight downturn due to the low level of activity in international and offshore markets, only partially offset by the recovery of shale activity in the United States.

(in millions of Euro)

	2017	2016	% Change	% organic sales change
Sales	273	300	-9.0%	-10.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**9**	**8**	**15.6%**	
% of sales	3.4%	2.7%		
Adjusted EBITDA	**9**	**8**	**15.6%**	
% of sales	3.4%	2.7%		
EBITDA	**7**	**8**	**-17.7%**	
% of sales	2.4%	2.7%		
Amortisation and depreciation	(16)	(15)		
Adjusted operating income	**(7)**	**(7)**	**-2.8%**	
% of sales	-2.5%	-2.4%		

TELECOM OPERATING SEGMENT PERFORMANCE AND RESULTS

- **CONTINUED DOUBLE-DIGIT ORGANIC GROWTH FOR OPTICAL CABLES**
- **MARKED IMPROVEMENT IN PROFITABILITY**

Sales of Telecom cables and systems to third parties amounted to €1,258 million, with organic growth of +5.3% on 2016. Adjusted EBITDA climbed to €214 million, an increase of +31.1% on 2016; margins also improved with Adjusted EBITDA representing 17.0% of sales - its highest ever level - compared with 14.0% in 2016, benefiting from the investments made to improve fibre manufacturing efficiency, from the growth in volumes and the contribution of YOFC.

The optical cables business recorded double-digit organic growth in 2017. This performance was underpinned by favourable market conditions, particularly in North America and Europe (France and Italy in particular), where strong demand was supported by investment expenditure on broadband and preparations for the introduction of 5G technology.
In North America, Prysmian has signed a three-year agreement to supply optical fibre cables starting from January 2018 to Verizon, one of the major US operators, in connection with its multi-year investment plans. The Group has concurrently announced it will increase the production capacity of its North American plants to support this growth.

The weakness of the copper cable business, in line with expectations, was mainly due to conclusion of the National Broadband Network project in Australia.

The high value-added business of optical connectivity accessories performed well thanks to the development of new FTTx networks (last mile broadband access) in Europe, particularly in France and Britain.

The recent tender issued by China Mobile for the procurement of optical cables confirms the sustainability of market growth also in 2018.

(in millions of Euro)

	2017	**2016**	**% Change**	**% organic sales change**
Sales	1,258	1,164	8.1%	5.3%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**177**	**135**	**31.1%**	
% of sales	14.0%	11.6%		
Adjusted EBITDA	**214**	**163**	**31.1%**	
% of sales	17.0%	14.0%		
EBITDA	**206**	**158**	**30.5%**	
% of sales	16.4%	13.6%		
Amortisation and depreciation	(41)	(40)		
Adjusted operating income	**173**	**123**	**40.0%**	
% of sales	13.8%	10.6%		

BUSINESS OUTLOOK

The global macroeconomic cycle got stronger in 2017, with all the main geographical areas improving, primarily driven by recovery of the Eurozone economies and by resumption of growth in certain emerging countries, such as Brazil and Russia. In the United States growth has become steadily stronger thanks to improvements in domestic consumption and external demand and to positive effects of the Trump administration's tax reform. China's growth was solid throughout 2017, outperforming government forecasts and analyst expectations; such expansion was supported by sectors operating in new technologies and services, which helped make up for slowing investment in traditional industries and construction. The Middle East and North Africa region was the main area of weakness in 2017, beset by its uncertain geopolitical situation and highly oil-dependent local economy.

In such a context, the Prysmian Group's expectation for FY 2018 is that demand in the cyclical businesses of building wires and industrial applications will be higher than in 2017, reflecting stronger European demand as partially tempered by weakness in the Middle East (Oman), while demand for medium voltage cables for utilities should be stable, reflecting a mixed performance between the different geographical areas. With market expansion forecast, Prysmian Group's Energy Projects segment anticipates consolidating its leadership in Submarine cables and systems while boosting the business's profitability through the strategy of insourcing installation activities. The Group expects High Voltage underground cables and systems to make a moderate recovery from 2017, with a steady improvement in results anticipated in China thanks to the new manufacturing footprint. In the Oil & Gas segment, the Group expects cable demand for Onshore projects (primarily in North America and the Middle East) to be stable thanks to the gradual rise in oil prices, while the SURF business is forecast to remain weak due to price pressures in the Brazilian market. The Telecom segment should see solid underlying sales growth in 2018, underpinned by strong growth in demand for optical cables in North America and Europe, while copper telecom cables can expect to flag further due to declining demand in Australia.
In addition, assuming exchange rates remain at the same level as at the date of the present document, the effect of translating Group company results into the reporting currency can be expected to have a negative impact on the Group's forecast operating income for 2018.
Lastly, the Prysmian Group will continue in 2018 to rationalise its activities with the objective of achieving projected cost efficiencies and greater competitiveness in all areas of its business.

OTHER MATTERS RESOLVED BY THE BOARD OF DIRECTORS

Notice of Annual General Meeting
The Board of Directors has given the Chairman of the Board of Directors and the Chief Executive Officer several authorities to perform all the formalities to convene the Annual General Meeting (AGM) for Thursday, 12 April 2018, in single call.

Based on the results for 2017, the Board of Directors will recommend to the forthcoming AGM that a dividend of €0.43 per share be declared, involving a total payout of approximately €96 million.

If approved, the dividend will be paid out from 25 April 2018, with record date 24 April 2018 and ex-div date 23 April 2018.

Presentation of a candidate slate by the Board of Directors for board renewal
In view of the expiry of its three-year term in office and as permitted in the By-laws, the Board of Directors has voted to present its own slate of candidates for the office of director to be submitted to the forthcoming AGM required to vote, among other things, on the appointment of the new Board of Directors. This slate will be made publicly available, together with any slates submitted by eligible shareholders, at the locations and within the deadlines required by applicable regulations.

Share buy-back programme
The Board of Directors has decided to request the forthcoming AGM for authorisation to undertake a programme for the buy-back and disposal of treasury shares, after revoking the previous resolution adopted at the AGM on 12 April 2017.

The programme will provide the opportunity to purchase, on one or more occasions, a number of shares whose total cannot exceed 10% of share capital, taking account of treasury shares already purchased in execution of previous shareholder resolutions and not yet disposed of. Purchases may not exceed the amount of available reserves reported in the most recently approved annual financial statements. The programme will last for a maximum of 18 months commencing from the date of approval by the shareholders in AGM.

The shareholders' approval is being requested:

- to provide the Company with a portfolio of treasury shares (a so-called "stock of shares"), including those already held by the Company, that can be used for any extraordinary corporate actions (for example, mergers, demergers, purchases of equity investments);
- in order to use the treasury shares purchased to service the exercise of rights arising from convertible debt instruments or instruments exchangeable with financial instruments issued by the Company, its subsidiaries or by third parties (for example, in takeovers bids and/or stock swaps);
- to use treasury shares to satisfy share-based incentive plans or share purchase plans reserved for Prysmian Group directors and/or employees;
- to allow efficient management of the Company's capital, by creating an investment opportunity, also for its available liquidity.

Treasury shares will be bought back and sold in accordance with applicable laws and regulations:

i. at a minimum price no more than 10% below the stock's official price reported in the trading session on the day before carrying out each individual transaction;
ii. at a maximum price no more than 10% above the stock's official price reported in the trading session on the day before carrying out each individual transaction.

As at 27 February 2018, Prysmian S.p.A. directly and indirectly held 6,493,329 treasury shares.

The legally required documentation will be made available to shareholders and the public at the locations and within the deadlines required by applicable regulations.

Corporate bonds

- A bond known as "Prysmian S.p.A. €500,000,000 Zero Coupon Equity Linked Bonds due 2022" was placed with institutional investors on 12 January 2017. The shareholders approved the convertibility of this bond at their meeting of 12 April 2017;
- The convertible bond, known as "*€300,000,000 1.25 per cent. Equity Linked Bonds due 2018*", will reach maturity on 8 March 2018.

Manager responsible for preparing corporate accounting documents

Following the appointment to a new position in the Prysmian Group of Mr. Andreas Bott, formerly Head of Planning & Controlling, as well as manager responsible for preparing corporate accounting documents together with Mr. Carlo Soprano (Head of Financial Statements & Compliance), the Board of Directors of Prysmian S.p.A. has appointed, with effect from 1 April 2018, Mr. Alessandro Brunetti, together with the previously appointed Mr. Soprano, as manager responsible for preparing corporate accounting documents, pursuant to art. 154-bis of Legislative Decree 58/1998.
This appointment has been made with the favourable opinion of the Board of Statutory Auditors and in compliance with the integrity and competence requirements established by applicable legislation and the Company's By-laws.

Sustainability Report

The Board of Directors has approved the Sustainability Report for 2017 (Consolidated Non-Financial Statement pursuant to Italian Decree 254/16, regarding the disclosure of non-financial information). The figures and information refer to the companies belonging to the Prysmian Group as at 31.12.2017 and fully consolidated within the Annual Financial Report. The Sustainability Report therefore covers all the Group's plants, to which (except for exclusions) approximately 80 indicators have been applied from the international sustainability reporting standard GRI G4 (Global Reporting Initiative), Core option (with exceptions duly indicated within the body of the Report).
As required by Decree 254/16, the Sustainability Report for 2017 (Non-Financial Statement) covers environmental, social and personnel-related aspects, respect for human rights, and the fight against active and passive corruption. The contents of the Report have also been defined through materiality assessment providing an aggregate view of the relevant aspects for the Group and its stakeholders: ethics and integrity, waste production and recycling, human and worker rights, technological development and eco-design innovation.
The Sustainability Report also reports the results of the Group with reference to 16 quantitative indicators which express Sustainability performance in Economic, Environmental and Social terms. The fourth Multi-Stakeholder Engagement event took place in Delft, in the Netherlands, as part of the process of strengthening dialogue with stakeholders on sustainability issues. Lastly, particular attention has been paid to the position in the principal international sustainability indexes and assessments, including FTSE4Good, CDP and Dow Jones Sustainability Index, in which the Group's has seen a 6-point improvement.

Capital Increase
The Board of Directors resolved to convene the Extraordinary Shareholders' Meeting of the Company for 12 April 2018 in order to approve a capital increase for an amount of up to Euro 500,000,000.00, including any share premium, to be implemented by the Board of Directors by no later than 31 July 2019 in separable form, with the issue of new ordinary shares with regular entitlement to dividends (each, a **New Share**), to be offered in pre-emption to all the Company's shareholders and to any holder of convertible bonds, pursuant to Article 2441, paragraphs 1, 2 and 3 of the Italian Civil Code (the **Capital Increase**), subject to the completion of the acquisition of General Cable Corporation (**GCC**).

Reasons for the Capital Increase
As announced on 4 December 2017, Prysmian has entered into a merger agreement with GCC pursuant to which (subject to the timely satisfaction of certain conditions precedent) Prysmian will acquire 100% of the share capital of GCC (the **GCC Acquisition**), a US company with shares listed on the New York Stock Exchange. The GCC Acquisition values GCC at approximately USD 3 billion, including debt and certain other GCC liabilities; the consideration per share payable by Prysmian to GCC shareholders shall be equal to USD 30.00.

The GCC Acquisition will be effected by way of the merger of Alisea Corp. (a wholly owned subsidiary of the Company incorporated under the laws of the State of Delaware) with GCC (the **Merger**). As specified in the press release issued on 16 February 2018 (and available on Prysmian website www.prysmiangroup.com), the Merger was approved on that date by the shareholders' meeting of GCC.

The Capital Increase is intended to rebalance and thus optimize the financial structure of Prysmian Group following the closing of the GCC Acquisition (the **Closing**), since it would allow Prysmian Group to reduce its net debt and to improve its net financial leverage ratio, as compared to the position immediately following the Closing.

Underwriting discussions
Prysmian has held preliminary discussions with primary national and international financial institutions which will act as joint global coordinators and as joint bookrunners in the context of the Capital Increase.

Private placement and shareholders willing to subscribe the new shares
Given that the Capital Increase will not exclude the pre-emptive rights of the Company's existing shareholders, no private offering or private placement of New Shares is contemplated. No declarations of willingness to subscribe the Capital Increase have been neither sought nor received by the Company to date.

Expected period for the implementation of the Capital Increase
As indicated, the Capital Increase will be effected only upon the occurrence of the Closing.
In accordance with market practice, the Board of Directors proposed the Extraordinary Shareholders' meeting to grant said Board of Directors appropriate powers to define, shortly before the launch of the Capital Increase offer (the **Offer**), the final terms of the Capital Increase, including:

- the timetable for the various phases of the Capital Increase, including the Offer;
- the final amount of the Capital Increase, subject to the maximum aggregate amount of Euro 500,000,000.00;
- the issue price (the **Issue Price**) of each of the New Shares and, as a consequence, the portion of the Issue Price to be allocated to the share premium reserve;
- the number of New Shares to be issued and the option ratio applicable to each of the existing shares and convertible bonds of the Company; and

the date as of which the subscription of the New Shares will be effective, taking into account the final deadline of 31 July 2019.

Group employee incentive plan and amendment of by-laws
Having obtained the approval of the Compensation, Nomination and Sustainability Committee, the Board of Directors has adopted a resolution to submit to the forthcoming AGM a new long-term incentive plan (the "Plan") for Prysmian Group Management with an upper limit of around 600 participants, including the four executive Directors of Prysmian S.p.A. and three key managers of the Group.
The Plan qualifies as "of particular relevance" within the meaning of art. 84-bis, par. 2 of the Issuer Regulations.
The Plan involves the grant of new ordinary shares obtained from a capitalisation issue through the allocation of profits or retained earnings pursuant to art. 2349 of the Italian Civil Code.
A condition of access to the Plan, which is solely share-based, is that participants co-invest a portion of their annual bonus for 2018, 2019 and 2020, if achieved and payable, which will be conditional on achieving minimum financial performance targets in the period 2018-2020.

The Plan has the following objectives:

- to generate strong commitment by the Group's management to achieving the targets for additional growth in profits and return on capital employed over the next three years;
- to align the interests of management with those of shareholders by using share-based incentives, and promoting stable share ownership of the Company;
- to ensure the long-term sustainability of the Group's annual performance through the mechanism of co-investing part of the annual bonus;
- to support synergies and the development of a one-company identity by defining a common performance objective and introducing a retention mechanism, conditional upon completion of the acquisition of 100% of the share capital of General Cable Corporation.

The information memorandum relating to the incentive scheme and report on the amendments to the by-laws in connection with the proposed share capital increase serving the Plan, will be published within the legally required deadline.

Group employee share purchase plan
Having obtained the approval of the Compensation, Nomination and Sustainability Committee, the Board of Directors has adopted a resolution to submit to the forthcoming AGM some additions to the Employee Share Purchase Plan (the "Plan").

The purpose of this Plan is:
- to strengthen the sense of belonging to the Group by offering employees at all levels of the organisation an opportunity to share in its successes, through equity ownership;
- to align the interests of stakeholders: the Prysmian Group, employees and shareholders, by identifying a common goal of creating long-term value;
- to strengthen employee confidence and engagement in achieving new milestones and better performance;
- to support synergies and the development of a one-company identity, conditional upon completion of the acquisition of 100% of the share capital of General Cable Corporation.

The Plan, already approved by the shareholders in their meeting of 13 April 2016, offers the opportunity to purchase Prysmian's ordinary shares on preferential terms, with a maximum discount of 25% on the stock price, given in the form of treasury shares. The shares purchased will be subject to a retention period, during which they cannot be sold. The three purchase windows of 2017, 2018 and 2019 will be extended to include 2020 and 2021.
The Plan's beneficiaries will also include the four executive Directors of Prysmian S.p.A. and key management personnel, for whom the discount will be just 1%. The Plan therefore qualifies as "of particular relevance" within the meaning of art. 84-bis, par. 2 of the Issuer Regulations. Shareholders will be requested to approve an increase in the number of treasury shares earmarked for the Plan's discount from 600,000 to 800,000.
In the Plan's implementation phase following approval by the AGM, Prysmian will define the details for the different countries, which may vary according to local laws, and reserves the right to exclude those countries where restrictions or local rules may render its implementation inappropriate or ineffective.
The proposal, which will be submitted for approval by the forthcoming AGM, calls for the Board of Directors to be vested with the powers to implement the Plan. The information memorandum relating to the Plan will be published within the required deadline.

The Prysmian Group's Annual Report at 31 December 2017, approved by the Board of Directors today, will be available to the public from the Company's registered office in Via Chiese 6, Milan and from Borsa Italiana S.p.A. by 22 March 2018. 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 December 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, and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism for regulated information at www.emarketstorage.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 €7.9 billion in 2017, 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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Prysmian Group

PRYSMIAN Draka

ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	31 December 2017	31 December 2016
Non-current assets		
Property, plant and equipment	1,646	1,631
Intangible assets	735	792
Equity-accounted investments	217	195
Available-for-sale financial assets	12	12
Financial assets held to maturity	2	2
Derivatives	14	3
Deferred tax assets	135	130
Other receivables	18	21
Total non-current assets	**2,779**	**2,786**
Current assets		
Inventories	954	906
Trade receivables	1,131	1,088
Other receivables	448	788
Financial assets held for trading	40	57
Derivatives	45	40
Available-for-sale financial assets – current	11	-
Cash and cash equivalents	1,335	646
Total current assets	**3,964**	**3,525**
Total assets	**6,743**	**6,311**
Equity attributable to the Group:	**1,487**	**1,448**
Share capital	22	22
Reserves	1,238	1,180
Net profit/(loss) for the year	227	246
Equity attributable to non-controlling interests:	**188**	**227**
Share capital and reserves	192	211
Net profit/(loss) for the year	(4)	16
Total equity	**1,675**	**1,675**
Non-current liabilities		
Borrowings from banks and other lenders	1,466	1,114
Other payables	8	18
Provisions for risks and charges	33	40
Derivatives	2	12
Deferred tax liabilities	103	111
Employee benefit obligations	355	383
Total non-current liabilities	**1,967**	**1,678**
Current liabilities		
Borrowings from banks and other lenders	370	172
Trade payables	1,686	1,498
Other payables	671	875
Derivatives	35	24
Provisions for risks and charges	321	339
Current tax payables	18	50
Total current liabilities	**3,101**	**2,958**
Total liabilities	**5,068**	**4,636**
Total equity and liabilities	**6,743**	**6,311**

Consolidated income statement

(in millions of Euro)

	2017	2016
Sales of goods and services	7,901	7,567
Change in inventories of work in progress, semi-finished and finished goods	57	(48)
Other income	81	75
Raw materials, consumables used and goods for resale	(4,912)	(4,387)
Fair value change in metal derivatives	12	54
Personnel costs	(1,086)	(1,056)
of which personnel costs for company reorganisation	*(24)*	*(31)*
of which personnel costs for stock option fair value	*(49)*	*(49)*
Amortisation, depreciation, impairment and impairment reversal	(199)	(203)
of which (impairment) and impairment reversals related to company reorganisation	*(4)*	*(5)*
of which other (impairment) and impairment reversals	*(18)*	*(25)*
Other expenses	(1,475)	(1,586)
of which non-recurring (other expenses) and releases	*(18)*	*1*
of which (other expenses) for company reorganisation	*(6)*	*(19)*
Share of net profit/(loss) of equity-accounted companies	42	31
Operating income	**421**	**447**
Finance costs	(443)	(497)
of which non-recurring finance costs	*(2)*	*(2)*
Finance income	327	418
Profit/(loss) before taxes	**305**	**368**
Taxes	(82)	(106)
Net profit/(loss) for the year	**223**	**262**
Attributable to:		
Owners of the parent	227	246
Non-controlling interests	(4)	16
Basic earnings/(loss) per share (in Euro)	**1.07**	**1.15**
Diluted earnings/(loss) per share (in Euro)	**1.05**	**1.09**

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	2017	2016
Net profit/(loss) for the year	**223**	**262**
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	28	(4)
Fair value gains/(losses) on cash flow hedges - tax effect	(9)	3
Currency translation differences	(169)	17
Total items that may be reclassified, net of tax	**(150)**	**16**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	17	(54)
Actuarial gains/(losses) on employee benefits - tax effect	(3)	10
Total items that will NOT be reclassified, net of tax	**14**	**(44)**
Total comprehensive income/(loss) for the year	**87**	**234**
Attributable to:		
Owners of the parent	119	211
Non-controlling interests	(32)	23

Prysmian Group

PRYSMIAN Draka

Consolidated statement of cash flows

(in millions of Euro)

		2017	2016
	Profit/(loss) before taxes	305	368
	Depreciation, impairment and impairment reversals of property, plant and equipment	154	157
	Amortisation and impairment of intangible assets	45	46
	Net gains on disposal of property, plant and equipment, intangible assets and acquisition purchase price adjustment	(2)	(3)
	Results of operating and financial investment and divestment activities	-	(18)
	Share of net profit/(loss) of equity-accounted companies	(42)	(31)
	Share-based payments	49	49
	Fair value change in metal derivatives and other fair value items	(12)	(54)
	Net finance costs	116	79
	Changes in inventories	(101)	77
	Changes in trade receivables/payables	122	142
	Changes in other receivables/payables	67	(152)
	Taxes paid	(104)	(76)
	Dividends received from equity-accounted companies	10	10
	Utilisation of provisions (including employee benefit obligations)	(64)	(82)
	Increases in provisions (including employee benefit obligations)	64	103
A.	**Net cash flow provided by/(used in) operating activities**	**607**	**615**
	Net cash flow from acquisitions and/or disposals	(7)	31
	Investments in property, plant and equipment	(237)	(222)
	Disposals of property, plant and equipment and assets held for sale	3	6
	Investments in intangible assets	(20)	(11)
	Net investments in financial assets held for trading	(2)	(3)
	Disposals of financial assets held for trading	11	27
	Investments in available-for-sale financial assets	(13)	-
	Investments in associates	(1)	-
B.	**Net cash flow provided by/(used in) investing activities**	**(266)**	**(172)**
	Capital contributions and other changes in equity	3	-
	Share buyback	(100)	-
	Dividend distribution	(101)	(102)
	Early repayment of credit facility	(50)	-
	Reimbursement EIB loan 2013	(16)	(17)
	Proceeds of EIB loan 2017	110	-
	Issuance of Convertible Bond 2017	500	-
	Proceeds of CDP loan	100	-
	Finance costs paid	(398)	(438)
	Finance income received	328	370
	Changes in net financial receivables/payables	(7)	(152)
C.	**Net cash flow provided by/(used in) financing activities**	**369**	**(339)**
D.	**Currency translation gains/(losses) on cash and cash equivalents**	**(21)**	**(5)**
E.	**Total cash flow provided/(used) in the year (A+B+C+D)**	**689**	**99**
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)**	**1,335**	**646**

Prysmian Group

PRYSMIAN Draka

ANNEX B

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

(in millions of Euro)

	2017	2016
Net profit/(loss) for the year	223	262
Taxes	82	106
Finance income	(327)	(418)
Finance costs	443	497
Amortisation, depreciation, impairment and impairment reversal	199	203
Fair value change in metal derivatives	(12)	(54)
Fair value change in stock options	49	49
EBITDA	**657**	**645**
Company reorganisation	30	50
Non-recurring expenses/(income):		
Antitrust	18	(1)
Other non-operating expenses/(income)	12	17
General Cable acquisition–related costs	16	-
Total adjustments to EBITDA	**76**	**66**
Adjusted EBITDA	**733**	**711**

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

(in millions of Euro)

	2017	2016	Change
EBITDA	**657**	**645**	**12**
Changes in provisions (including employee benefit obligations)	-	21	(21)
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets	(2)	(3)	1
(Gains)/losses from acquisition or disposal	-	(18)	18
Share of net profit/(loss) of equity-accounted companies	(42)	(31)	(11)
Net cash flow provided by operating activities (before changes in net working capital)	**613**	**614**	**(1)**
Changes in net working capital	88	67	21
Taxes paid	(104)	(76)	(28)
Dividends from investments in equity-accounted companies	10	10	-
Net cash flow provided/(used) by operating activities	**607**	**615**	**(8)**
Cash flow from acquisitions and/or disposal	(7)	31	(38)
Net cash flow used in operating activities	(254)	(227)	(27)
Of which for investment in Wuhan ShenHuan	(35)	(11)	(24)
Free cash flow (unlevered)	**346**	**419**	**(73)**
Net finance costs	(70)	(68)	(2)
Free cash flow (levered)	**276**	**351**	**(75)**
Share buy back	(100)	-	(100)
Dividend distribution	(101)	(102)	1
Capital contributions and other changes in equity	3	-	3
Net cash flow provided/(used) in the year	**78**	**249**	**(171)**
Opening net financial debt	**(537)**	**(750)**	**213**
Net cash flow provided/(used) in the year	78	249	(171)
Equity component of Convertible Bond 2017	48	-	48
Conversion of Convertible Bond 2013	17	-	17
Other changes	(42)	(36)	(6)
Closing net financial debt	**(436)**	**(537)**	**101**

Net financial debt

(in Euro)

	31 December 2017	31 December 2016
Long-term financial payables		
CDP Loan	100	-
EIB Loans	152	58
Non-convertible bond	743	741
Convertible bond 2013	-	288
Convertible bond 2017	456	-
Finance leases	12	13
Other financial payables	3	14
Total long-term financial payables	**1,466**	**1,114**
Short-term financial payables		
EIB Loans	17	17
Non-convertible bond	14	14
Convertible bond 2013	283	1
Finance leases	1	1
Forward currency contracts on financial transactions	1	1
Revolving Credit Facility 2014	-	50
Other financial payables	55	89
Total short-term financial payables	**371**	**173**
Total financial liabilities	**1,837**	**1,287**
Long-term financial receivables	2	2
Long-term bank fees	1	2
Held-to-maturity financial assets	2	2
Forward currency contracts on financial transactions (current)	1	1
Short-term financial receivables	7	38
Short-term bank fees	2	2
Financial assets held for trading	40	57
Available-for-sale financial assets (current)	11	-
Cash and cash equivalents	1,335	646
Net financial debt	**436**	**537**

ANNEX C

Separate statement of financial position Prysmian S.p.A.

(in Euro)

	31 December 2017	31 December 2016
Non-current assets		
Property, plant and equipment	80,076,250	76,201,582
Intangible assets	92,874,639	40,969,080
Investments in subsidiaries	2,073,321,485	2,068,361,859
Derivatives	-	-
Deferred tax assets	1,751,417	1,126,378
Other receivables	1,118,870	56,296,748
Total non-current assets	**2,249,142,661**	**2,242,955,647**
Current assets		
Trade receivables	154,004,449	129,157,262
Other receivables	1,149,602,561	432,369,496
Derivatives	266,619	626,349
Cash and cash equivalents	27,504	2,344
Total current assets	**1,303,901,133**	**562,155,451**
Total assets	**3,553,043,794**	**2,805,111,098**
Share capital and reserves:		
Share capital	21,748,275	21,672,092
Reserves	1,195,056,847	1,134,077,254
Net profit/(loss) for the year	111,295,319	137,165,205
Total equity	**1,328,100,441**	**1,292,914,551**
Non-current liabilities		
Borrowings from banks and other lenders	1,460,325,162	1,098,456,770
Other payables	-	93,611
Employee benefit obligations	6,730,060	7,177,566
Total non-current liabilities	**1,467,055,222**	**1,105,727,947**
Current liabilities		
Borrowings from banks and other lenders	313,435,459	82,388,436
Trade payables	370,041,124	285,910,005
Other payables	23,488,002	14,411,481
Derivatives	17,568,206	214,737
Provisions for risks and charges	21,703,380	18,910,579
Current tax payables	11,651,960	4,633,362
Total current liabilities	**757,888,131**	**406,468,600**
Total liabilities	**2,224,943,353**	**1,512,196,547**
Total equity and liabilities	**3,553,043,794**	**2,805,111,098**

Separate income statement Prysmian S.p.A.

(in Euro)

	2017	2016
Sales of goods and services	1,165,434,224	925,692,892
Change in inventories of work in progress, semi-finished and finished goods	-	-
Other income	154,427,640	122,712,260
of which non-recurring other income	*563,923*	*149,110*
Raw materials, consumables used and goods for resale	(1,167,194,154)	(926,576,141)
Fair value change in metal derivatives	-	9,354
Personnel costs	(79,095,820)	(66,802,807)
of which personnel costs for company reorganizations	*(2,551,960)*	*(2,441,596)*
of which personnel costs for stock option fair value	*(19,250,884)*	*(18,141,482)*
Amortisation, depreciation and impairment	(11,819,231)	(8,674,829)
Other expenses	(96,841,534)	(85,929,417)
of which non-recurring (other expenses) and releases	*(469,760)*	*(263,795)*
of which other (expenses) for company reorganizations	-	*(1,801,270)*
Operating income	**(35,088,876)**	**(39,568,688)**
Finance costs	(73,455,961)	(48,583,998)
of which non-recurring finance costs	*(1,021,700)*	*(789,405)*
Finance income	37,895,055	39,624,373
of which non-recurring finance income	*516,172*	*514,403*
Dividends from subsidiaries	162,522,685	192,251,074
(Impairment losses) / reversal of impairment of investments	-	(36,334,000)
Profit before taxes	**91,872,903**	**107,388,761**
Taxes	19,422,416	29,776,444
Net profit/(loss) for the year	**111,295,319**	**137,165,205**

Separate statement of comprehensive income Prysmian S.p.A.

(in thousands of Euro)

	2017	2016
Net profit/(loss) for the year	**111,295**	**137,165**
Items that will be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(173)	126
Fair value gains/(losses) on cash flow hedges - tax effect	42	(33)
Total items that may be reclassified, net of tax effect	**(131)**	**93**
Items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	33	(162)
Actuarial gains/(losses) on employee benefits - tax effect	(8)	(35)
Total items that will NOT be reclassified subsequently to profit or loss:	**25**	**(197)**
Total comprehensive income/(loss) for the year	**111,189**	**137,061**

Separate statement of cash flows Prysmian S.p.A.

(in thousands of Euro)

		2017	2016
	Profit/(loss) before taxes	91,873	107,389
	Depreciation and impairment of property, plant and equipment	2,993	1,861
	Amortisation and impairment of intangible assets	8,827	6,814
	Impairment reversal	-	36,334
	(Net gains)/losses on disposals of property, plant and equipment, intangible assets and other non-current assets	(50)	34
	Share-based payments	19,251	18,141
	Dividends from subsidiaries	(162,523)	(192,251)
	Fair value change in metal derivatives	-	(9)
	Net finance costs	35,561	8,960
	Changes in trade receivables/payables	59,342	(1,209)
	Changes in other receivables/ payables	23,705	22,032
	Taxes cashed/(paid)	28,634	12,997
	Utilisation of provisions (including employee benefit obligations)	(2,048)	(640)
	Increases in provisions (including employee benefit obligations)	2,744	3,834
A	**Net cash flow provided by/(used in) operating activities**	**108,309**	**24,287**
	Investments in property, plant and equipment	(6,902)	(26,097)
	Disposal of property, plant and equipment	8	-
	Investments in intangible assets	(60,705)	(9,619)
	Investments to recapitalise subsidiaries	-	(206,495)
	Dividends received	143,399	179,693
B	**Net cash flow provided by/(used in) investing activities**	**75,800**	**(62,518)**
	Capital contributions	-	-
	Dividend distribution	(91,154)	(89,890)
	Share buy back	(100,232)	-
	Sale of treasury shares	698	297
	Early repayment Credit Facility 2014	(50,000)	-
	Repayment EIB Loan 2013	(16,667)	(16,667)
	Proceeds of EIB Loan 2017	110,000	-
	Issuance of Convertible bond 2017	500,000	-
	Proceeds of CDP Loan	100,000	-
	Finance costs paid	(41,661)	(38,053)
	Finance income received	39,172	39,649
	Changes in other financial receivables/ payables	(634,239)	142,881
C	**Net cash flow provided by/(used in) financing activities**	**(184,083)**	**38,217**
D	**Total cash flow provided/(used) in the year (A+B+C)**	**26**	**(14)**
E	**Net cash and cash equivalents at the beginning of the year**	**2**	**16**
F	**Net cash and cash equivalents at the end of the year (D+E)**	**28**	**2**

Net financial debt Prysmian S.p.A.

(in thousands of Euro)

	2017	2016
Long-term financial payables		
CDP Loan	99,863	-
EIB Loans	151,443	58,244
Non-convertible bond	742,979	741,451
Convertible bond 2013	-	288,953
Convertible bond 2017	456,680	-
Finance leases	9,361	9,809
Total long-term financial payables	**1,460,326**	**1,098,457**
Short-term financial payables		
CDP Loan	44	-
Revolving Credit Facility 2014 in pool	40	28
EIB Loans	16,859	16,907
Non-convertible bond	13,561	13,561
Convertible bond 2013	282,441	1,197
Finance leases	490	481
Revolving Credit Facility 2014	-	50,213
Other financial payables	-	1
Total short-term financial payables	**313,435**	**82,388**
Total financial liabilities	**1,773,761**	**1,180,845**
Long-term financial receivables	49	43
Long-term bank fees	1,046	2,199
Short-term financial receivables	-	-
Short-term intercompany financial receivables	981,346	346,640
Short-term bank fees	1,536	1,646
Cash and cash equivalents	28	2
Net financial debt	**789,756**	**830,315**

Fine Comunicato n.0902-16	Numero di Pagine: 24