

PRESS RELEASE

PRYSMIAN S.P.A. RESULTS AT 30 JUNE 2018*

GROUP SALES AT €4,364M, OF WHICH €381M ATTRIBUTABLE TO GENERAL CABLE (+2.0% ORGANIC GROWTH vs H1 2017)

SOLID UPTREND OF TELECOM CONFIRMED

GROWTH OF HIGH VOLTAGE UNDERGROUND AND TRADE & INSTALLERS

ADJ EBITDA AT €339M, OF WHICH €25M ATTRIBUTABLE TO GENERAL CABLE

TELECOM GREW SHARPLY WITH RISING MARGINS THANKS TO HIGHER VOLUMES AND INDUSTRIAL EFFICIENCIES

NET FINANCIAL DEBT AT €3,014M (€1,000M AT 30/06/2017), INCLUDING €2,547M FOR THE ACQUISITION OF GENERAL CABLE

€500M CAPITAL INCREASE SUCCESSFULLY COMPLETED IN JULY 2018

FY 2018 GUIDANCE CONFIRMED, ADJ EBITDA FORECAST IN THE RANGE €860M-€920M

INTEGRATION STARTED AND FIRST SYNERGIES FROM PROCUREMENT AND REORGANISATION YIELDED

CLAUDIO DE CONTO APPOINTED CHAIRMAN OF THE BOARD OF DIRECTORS AFTER THE PREVIOUSLY ANNOUNCED RESIGNATION OF MASSIMO TONONI

FRANCESCO GORI NEW MEMBER OF THE BOARD OF DIRECTORS

Milan, 18/9/2018. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first half of 2018.

"The first half of the year recorded positive business performances leading to a good organic revenue growth," stated CEO Valerio Battista. "Profitability was affected by the impact of provisions for the Western Link project; net of such provisions, the profitability of the Projects business was stable. The most significant contribution to Adjusted EBITDA was attributable to the margins improvement of the Telecom business. The integration with General Cable started in record times, with the launch of the new organisation, just ten days after the closing on 6 June 2018, and the rapid start of works for the procurement area and of the organisational streamlining. Expected synergy targets were thus confirmed at €150 million, with impacts as early as 2018 year-end results. For the remainder of this year, we confirm the forecasts for full-combined adjusted EBITDA in the range between €860 and €920 million."

		1 st half 2018 (*)	1 st half 2017 (**)	% Consolid. change
	Total	Of which General Cable	Prysmian	
Sales	4,364	381	3,938	10.8%
% organic sales change	2.0%			
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	303	25	345	-12.2%
Adjusted EBITDA	339	25	364	-6.9%
EBITDA	293	16	333	-12.0%
Adjusted operating income	246	20	276	-10.9%
Operating income	160	6	209	-23.4%
Profit/(Loss) before taxes	114	3	160	-28.8%
Net profit/(loss) for the period	82	3	113	-27.4%

(*) General Cable's results were consolidated for the period 1 June - 30 June 2018.

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Net profit attributable to owners of the parent	82	3	113	-27.4%
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SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION (in millions of Euro)

(in millions of Euro)		30 June 2018	30 June 2017 (**)
	Total	of which General Cable	Total
Net fixed assets	4,571	1,913	2,599
<i>of which: goodwill</i>	1,905	1,466	441
<i>of which: intangible assets</i>	303	18	318
<i>of which: property, plants & equipment</i>	2,096	429	1,625
Net working capital	1,091	720	649
<i>of which: derivatives</i>	22	12	9
<i>of which: Operative Net working capital</i>	1,069	708	640
Provisions & deferred taxes	(305)	(9)	(343)
Net Capital Employed	5,357	2,624	2,905
Employee provisions	449	116	371
Shareholders' equity	1,894		1,534
<i>of which: attributable to minority interest</i>	185		199
Net financial debt	3,014		1,000
Total financing and equity	5,357		2,905

(*) General Cable's results were consolidated for the period 1 June - 30 June 2018.

(**) The previously published figures for 2017 have been adjusted following the introduction of IFRS 15.

FINANCIAL RESULTS

Sales amounted to €4,364 million, including €381 million sales generated by General Cable in June 2018; excluding the General Cable's contribution and net of metal price variation and exchange rate effects, organic growth was +2.0% compared to H1 2017. Full-combined Group sales, i.e., including General Cable sales for the entire H1 2018, amounted to €5,782 million (of which €1,799 million attributable to General Cable), with an organic growth of +2.7% compared to H1 2017.

With reference to General Cable's operations included in the new consolidation area, the High Voltage Submarine, High Voltage Underground and Optical Cables businesses reported a positive performance in Europe, whereas sales volumes of cables for the construction and automotive industries rose in North America, offset by a decline in sales volumes of overhead transmission lines and Utilities.

The uptrend of the Optical Cables and Connectivity business and the High Voltage Underground and Trade & Installers segments was confirmed.

The Group's **Adjusted EBITDA**¹ (before net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €46 million) amounted to €339 million, of which €25 million attributable to General Cable, which was consolidated for June 2018 only. The decrease compared to H1 2017 was essentially attributable to the €70 million provisions (of which €50 million already recognised in Q2 2018, as announced in the press release dated 22 June, and €20 million in Q1) for issues concerning the execution of the Western Link Project, and to the exchange rate effects, which had an impact of €24 million compared to H1 2017; excluding the provisions allocated, the profitability of the Energy Projects business was stable. The Telecom business contributed the most to the results reported, with improved margins thanks to increased volumes, industrial efficiencies, the YOFC's contribution and the release of bad debt provisions in Brazil.

Full-combined adjusted EBITDA, i.e., including General Cable sales for the entire H1 2018, amounted to €413

¹ 'Adjusted EBITDA' means EBITDA, as defined in the following note, before expenses and income for company reorganisation, non-recurring expense and income as recognised in the Consolidated Income Statement and other non-operating expense and income. The definition of this indicator was changed following CONSOB's adoption of the ESMA/2015/1415 document.

² EBITDA defined as Operating income (loss), gross of the fair value change in metal derivatives and in other fair value items, amortisation, depreciation and impairment.

million compared to €477 million in H1 2017. General Cable's profitability decreased, due to the €9 million negative impact of exchange rates, the unfavourable North American sales mix and the impact on margins generated by the price trend of raw materials and transports.

EBITDA² amounted to €293 million, of which €16 million attributable to General Cable, consolidated in June 2018. EBITDA included adjustments associated with reorganisation and efficiency improvement costs amounting to €14 million (partially regarding the post-acquisition reorganisation), costs related to the acquisition and integration of General Cable totalling €22 million and the €5 million effect on sales of finished products measured at fair value upon acquisition.

The Group's **Operating Income** was €160 million, down compared to €209 million in H1 2017. The effect generated by the inclusion of General Cable in the consolidation area amounted to positive €6 million, including the negative effect arising from the adjustment to fair value of finished product stocks, the reorganisation costs and the decrease in the fair value of metal hedging derivatives. The decline in Operating Income of Prysmian's pre-acquisition consolidation area was €55 million, mainly attributable to the provisions related to the WesternLink project.

The balance of **net finance costs** amounted to €46 million, compared to €49 million in H1 2017. The €3 million decrease was mainly attributable to lower finance costs following the conversion of the 2013 convertible bond, net of the increase generated by the acquisition of General Cable and the refinancing of the latter's debt.

Net Profit attributable to owners of the Parent was €82 million (€113 million in H1 2017), to which General Cable contributed for €3 million. The decline was attributable to the Western Link provisions and the costs for acquiring and integrating the operations included in the new consolidation area.

Net Financial Debt amounted to €3,014 million at 30 June 2018 (€436 million at 31 December 2017), benefitting from the conversion of the 2013 convertible bond, which had an impact of €283 million. The main factors that influenced the Net Financial Debt in H1 2018 were:

- the impact generated by the acquisition of General Cable amounting to €2,547 million, made up of the share price paid (€1,290 million), debt refinancing (€1,215 million) and transaction costs (€43 million);
- EBITDA at €293 million;
- €290 million negative change in net working capital (net of €43 million of net working capital increase due to the transaction costs paid);
- taxes paid in the amount of €45 million;
- net operating investments totalling €103 million, including €66 million mainly attributable to projects aimed at increasing productivity and developing new products;
- net finance costs paid in the amount of €39 million;
- dividend pay-out of €103 million.

ENERGY PROJECTS (EXCLUDING GENERAL CABLE PERIMETER)

- **ORGANIC GROWTH AT +1.8%. PROFITABILITY IMPACTED BY PROVISIONS RELATED TO THE WESTER LINK PROJECT**
- **POSITIVE PERFORMANCES OF THE HIGH VOLTAGE UNDERGROUND BUSINESS IN APAC, SOUTHERN EUROPE AND SOUTH AMERICA MARKETS**
- **PLANNING PROGRESS AND GREATER VISIBILITY ON THE TIMING OF THE HVDC "CORRIDORS" SÜDLINK AND SÜDOSTLINK IN GERMANY**

Energy Projects sales reached €684 million in H1 2018, with an organic growth of +1.8%. Adjusted EBITDA was €50 million (€118 million in H1 2017), negatively impacted by the €70 million provisions for the Western Link project for H1 2018. Excluding the Western Link provisions, adjusted EBITDA was €120 million. Adjusted EBITDA ratio to sales went to 7.4% from 17.2% for H1 2017.

In the Submarine business, the Group continued to carry out the major projects underway, including both offshore wind farm interconnectors, particularly improving its installation capacities thanks to investments made in new assets and technologies. The market recorded a tendering slowdown in the first half of the year, with the postponement of some large projects towards the end of 2018 and to 2019.

On 12 September 2018, Prysmian announced that the commissioning and testing of the Western Link Interconnection had been temporarily interrupted due to the need to investigate a problem which occurred in the onshore section of the cable. Although technical investigations necessary to identify the cause of the problem and to estimate its possible financial effects are still underway, Prysmian can assume that this event appears unrelated to the fault which was detected in June 2018 in a different, submarine section of the Western Link Interconnection, and which was successfully repaired. Prysmian deems it unnecessary to allocate any further provisions, as the provisions recognized in the period are to date deemed sufficient to cover the costs related to the repair works and the ensuing further delay in the delivery of the link, in case they are to be borne by Prysmian.

In the High Voltage Underground business, the positive results were driven chiefly by the sharp growth in demand in Asia Pacific, Southern Europe and South America, which offset the weakness recorded in the UK and the Netherlands in the same period. The significant progress in the execution of the HVDC projects in Europe was also noteworthy.

The (underground and submarine) power transmission order book totalled €2,150 million. In the Submarine business, tendering activities are expected to accelerate in H2 2018 and in 2019, whereas in the High Voltage Underground business the procurement process has started for major interconnection projects in Germany (SüdLink and SüdOstLink), with greater visibility of the timing of the launch of such projects.

(in millions of Euro)

	1st half 2018	1st half 2017 (*)	% Prysmian change	% organic sales change
Sales	684	687	-0.4%	1.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	50	118	-57.6%	
% of sales	7.4%	17.2%		
Adjusted EBITDA	50	118	-57.6%	
% of sales	7.4%	17.2%		
EBITDA	49	103	-52.4%	
% of sales	7.3%	15.0%		
Amortisation and depreciation	(21)	(20)		
Adjusted operating income	29	98	-70.4%	
% of sales	4.2%	14.3%		

(*) The previously published figures for H1 2017 have been adjusted following the introduction of IFRS 15.

ENERGY PRODUCTS (EXCLUDING GENERAL CABLE PERIMETER)

- **T&I ORGANIC GROWTH TREND IMPROVED, WITH VOLUMES RECOVERY IN Q2 IN EUROPE AND NORTH AMERICA**
- **POWER DISTRIBUTION: STABLE VOLUMES IN Q2, WITH RECOVERY IN FRANCE, ITALY, NORTHERN EUROPE AND OCEANIA**
- **INDUSTRIAL & NWC: ORGANIC UPTREND CONFIRMED IN H1**

Energy Products sales amounted to €2,521 million, with +1.6% organic growth mainly attributable to volumes growth in Europe. Adjusted EBITDA was €120 million, down compared to €135 million in H1 2017, mainly attributable to the negative effect of exchange rates and the unfavourable business trend in the Middle East (particularly in Oman).

(in millions of Euro)

	1 st half 2018	1 st half 2017	% Prysmian change	% organic sales change
Sales	2,521	2,467	2.2%	1.6%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	118	132	-11.4%	
% of sales	4.7%	5.4%		
Adjusted EBITDA	120	135	-11.4%	
% of sales	4.8%	5.5%		
EBITDA	113	128	-13.3%	
% of sales	4.4%	5.2%		
Amortisation and depreciation	(40)	(39)	2.2%	
Adjusted operating income	80	96	-16.9%	
% of sales	3.2%	3.9%		

Energy & Infrastructure

Energy & Infrastructure sales amounted to €1,681 million, with an organic growth (+0.2%) compared to H1 2017. Adjusted EBITDA was €61 million (-18.6% compared to H1 2017), with a ratio to Sales of 3.6% compared to 4.5%.

The results in the Trade & Installers market for H1 2018 showed an uptrend, improving in Q2, driven by a recovery of volumes in North America and the continued positive performance in Europe, particularly in Germany, the Netherlands, Italy and Spain. The profitability decrease was chiefly attributable to the negative effect of exchange rates and the slowdown in the Middle East area, which was partly offset by the entrance into effect of the new CPR (Construction Products Regulation) as of 1 July 2017 in all EU countries, and a general volumes recovery in Europe.

Power Distribution reported positive performances in France, Italy, Northern Europe and Oceania, with a stabilisation in Q2 after the slowdown experienced in the early months of the year. Unfavourable exchange rates and the weakness reported in the Middle East area affected this business' profitability.

Industrial & Network Components

Industrial & Network Components sales amounted to €764 million, with +4.8% organic growth. Adjusted EBITDA was €59 million, compared to €62 million in H1 2017, with a ratio to Sales of 7.7% compared to 8.3%. Specialties, OEMs & Renewables reported a positive sales performance, stabilizing in Q2, with a sharp growth of Railway and Rolling Stock and the recovery of Crane, whereas Nuclear and Mining showed a slowdown. The Renewables business declined compared to H1 2017, particularly in the wind power segment and due to a reduction of low-margin volumes in China.

The Elevators business reported an acceleration of the organic growth in Q2, driven by the growth in the EMEA area and volumes recovery in North America and South America, despite the weakness of the APAC market. In North America and China, margins were affected by exchange rates and raw material price increases. The Automotive business' sales performance was positive, driven by the growth in North America and South America. Adjusted EBITDA improved compared to the same period of the previous year and benefitted from better industrial performances, as well as cost reductions in Europe and North America.

Lastly, Network Components posted a solid performance thanks to the increase in volumes in China and the performance of Medium Voltage products in North America.

OIL & GAS (EXCLUDING GENERAL CABLE PERIMETER)

- **ORGANIC GROWTH IMPROVED IN Q2 (+9.9%)**
- **CORE CABLES: ONSHORE ACTIVITIES IMPROVED IN NORTH AMERICA AND THE MIDDLE EAST; PROFITABILITY IMPROVED SLIGHTLY**
- **DHT VOLUMES GREW THANKS TO SOLID DEMAND IN NORTH AMERICA AND THE MIDDLE EAST**

Oil & Gas sales amounted to €134 million, with organic growth of +0.8% on H1 2017. Adjusted EBITDA for H1 2018 was €3 million, slightly improving compared to €2 million in H1 2017, with a ratio to sales of 1.9% (1.1% in H1 2017).

The Core Cables Oil & Gas business showed an improvement in onshore projects (particularly Petrochemical, Refinery and LNG) in North America and the Middle East, despite the reduction in offshore volumes. The Adjusted EBITDA improvement was attributable to a reduction in fixed costs and design-to-cost initiatives.

The performance of the SURF (Subsea Umbilicals, Risers e Flowlines) business improved in Q2, after a negative year-start, thanks to the favourable phasing of the projects underway in Brazil. Demand grew in the Downhole Technology business, mainly thanks to the step-up of Shale Oil & Shale Gas production in North America and the Middle East, where the offshore market showed small signs of improvement.

(in millions of Euro)

	1 st half 2018	1 st half 2017	% Prysmian change	% organic sales change
Sales	134	138	-3.1%	0.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	3	2	69.1%	
% of sales	1.9%	1.1%		
Adjusted EBITDA	3	2	69.1%	
% of sales	1.9%	1.1%		
EBITDA	2	1	220.4%	
% of sales	1.4%	0.4%		
Amortisation and depreciation	(5)	(9)		
Adjusted operating income	(2)	(7)	-68.0%	
% of sales	-1.7%	-5.1%		

TELECOM (EXCLUDING GENERAL CABLE PERIMETER)

- **SHARP PROFITABILITY GROWTH (+29.7%) DRIVEN BY STRONG DEMAND FOR OPTICAL CABLES AND INDUSTRIAL EFFICIENCY IMPROVEMENT**
- **OPTICAL & CONNECTIVITY: SALES UPTREND CONTINUED THANKS TO DEMAND IN THE USA AND FRANCE**
- **SOLID MMS PERFORMANCE THANKS TO EUROPEAN DEMAND FOR DATA CENTRES**

Telecom sales amounted to €645 million, with organic growth of +4.4% compared to H1 2017, mainly driven by the constant growth of demand for optical and MMS (Multimedia Solutions) cables. Adjusted EBITDA for H1 2018 also grew reaching €141 million, +29.7% compared to H1 2017; margins improved as well, with adjusted EBITDA ratio to Sales reaching 21.8% compared to 16.8% for H1 2017. The increase in Adjusted EBITDA benefitted from fibre manufacturing process efficiencies and the optimisation of production footprint (particularly in the growth of volumes produced in the Slatina plant, in Romania), in addition to the positive results achieved by the subsidiary YOFC in China and the release of the bad debt provision for a receivable due by a Brazilian customer.

In the Telecom Solutions business, the Group was awarded important projects by the main operators in Europe for the construction of backhauled and FTTH links. In North America, the development of new ultra-broadband networks is generating a constant rise in demand which benefits Prysmian, as testified by the three-year agreement worth \$300 million signed with Verizon for the supply of optical cables starting in January 2018. With the aim of strengthening its competitive position, the Group has launched a three-year investment plan for a total of €250 million to step up production capacity and efficiency. As expected, copper cables continued to show a gradual decline as a result of the phase-out of the NBN project in Australia.

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

Multimedia Solutions volumes rose and margins improved, particularly in Europe, where demand was chiefly driven by the growing investments in Data Centres.

(in millions of Euro)

	1 st half 2018	1 st half 2017	% Prysmian change	% organic sales change
Sales	645	646	-0.1%	4.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	107	93	15.8%	
% of sales	16.6%	14.3%		
Adjusted EBITDA	141	109	29.7%	
% of sales	21.8%	16.8%		
EBITDA	137	106	29.2%	
% of sales	21.3%	16.4%		
Amortisation and depreciation	(22)	(20)		
Adjusted operating income	119	89	34.0%	
% of sales	18.4%	13.7%		

BUSINESS OUTLOOK

Global economic growth remained positive in the first six months of 2018, with a sharp acceleration in the United States in the second quarter thanks to higher domestic consumption and investments, whereas China continued the positive trend seen at the beginning of the year, despite the introduction of tariffs on imports of Chinese goods by the current U.S. administration. Growth in Europe, while positive, remains slower than in the world's two largest economies, affected by the increasing uncertainty triggered by the trade war between the U.S. and China and the imminent conclusion of the quantitative easing plan previously announced by the European Central Bank. In Brazil, there were signs of slowing following the recovery that began back in the second half of 2017, chiefly due to rising inflation and pressure on exchange rates.

Within this macroeconomic scenario, for 2018 Prysmian Group expects an increase in demand in the cyclical construction and industrial cable businesses compared to 2017, driven by the recovery of European demand, partially offset by the weakness in the Middle East (Oman), whereas the medium voltage utilities cable business is expected to remain essentially stable, with uneven performances across the various geographical areas. In the Submarine cables and systems business, despite the slowdown in the award of contracts in the first half of the year, the Group aims to retain its leadership, maintaining its share in a market that is expected to recover, with an increase in the volume of projects awarded in the second half of the year. The Group expects the High Voltage Underground cables and systems to recover compared to 2017, with a gradual improvement in performance expected in China and South East Asia due to the new manufacturing set-up. Finally, the Group foresees that growth will remain solid in the Telecom segment in 2018, supported by growing demand for optical cables in Europe and North America, whereas the copper cable segment is expected to slow due to the reduction in volumes on the Australian market.

It may also be expected that if exchange rates remain stable at the levels seen at the time of this press release the translation effect of converting subsidiaries' results into the consolidated reporting currency will yield a negative impact on the Group's operating performance.

In the light of these considerations, the Group forecasts an adjusted EBITDA within a range of €860-920 million in all of 2018, an increase on the €733 million reported in 2017.

This forecast also includes the results of the recently acquired General Cable business for all of 2018, in addition to the provision (recognised in the first half of the year) of €70 million for the Western Link project.

Prysmian (excluding the effects of the acquisition of General Cable) is expected to record an adjusted EBITDA for all of 2018 of between €680 million and €720 million, compared to the €733 million recorded in 2017. In keeping with the performance for the first half of the year, this forecast assumes an increase in volumes and margins in the Telecom operating segment and an improvement in sales volumes in the E&I and Industrial & Network Components segments. This forecast also reflects the adverse impact of exchange rate performance of approximately €30 million and the provision of €70 million already recognised in the first half of 2018 due to the additional costs associated with delays in the Western Link project.

The forecasts for the General Cable operations for 2018 have been prepared by the management on the basis of the most up-to-date projections and assumptions regarding the price of strategic metals, exchange rates and the expected macroeconomic scenario. Accordingly, the adjusted EBITDA forecast for all of 2018 (i.e., for 12 months) ranges between €175 and €190 million, based on a euro/USD exchange rate of 1.20. This estimate incorporates the expected negative impact of approximately €10 million due to the performance of the USD/euro exchange rate compared to the previous year. The General Cable operations have been included in Prysmian Group's consolidated financial statements with effect from 1 June 2018 and thus will be included in the 2018 income statement for a period of seven months.

In addition to the above-mentioned effects, the Group forecasts synergies deriving from the integration of the General Cable business of €5 to €10 million relating to the period from the closing date of the GCC acquisition (6 June 2018) to the end of 2018.

This forecast is based on the company's current scope of operations and reflects the current order book.

OTHER BOARD OF DIRECTORS' RESOLUTIONS

The Board of Directors appointed Claudio De Conto Chairman of the Board of Directors.

Prysmian's Board of Directors also acknowledged the resignation tendered by Massimo Tononi on 25 July 2018 (see the press release issued on the same date) with effect as of today's meeting of the Board of Directors, from his positions as Chairman, member of the Board of Directors and member of the Remuneration, Nomination and Sustainability Committee of the Company.

The Board of Directors wholeheartedly thanked Massimo Tononi for the important work he has carried out since July 2010, first as member of the Board and then, as of April 2012, as Chairman, in a period marked by strong development and changes for Prysmian Group.

Following the above-mentioned resignation of Massimo Tononi, the Board of Directors passed the following resolutions:

- it appointed as Chairman of the Board of Directors Claudio De Conto, non-executive and independent Director pursuant to Legislative Decree No. 58/98 ("TUF");
- upon proposal of the Remuneration, Nomination and Sustainability Committee, it appointed by co-option as new member of the Board of Directors, as allowed by Article 14 of the By-laws and Article 2386 of the Italian Civil Code, Francesco Gori, who has already accepted his appointment and will remain in office until the Company's next General Shareholders' Meeting;
- it acknowledged Francesco Gori's compliance with the independence requirements pursuant to TUF and the Corporate Governance Code;
- it reviewed the composition of its internal Committees which are currently made up as follows:

Control and Risks Committee:

- Francesco Gori (Chairman), non-executive and independent Director, pursuant to TUF and the Corporate Governance Code;
- Maria Letizia Mariani, non-executive and independent Director pursuant to TUF and the Corporate Governance Code;
- Joyce Victoria Bigio, non-executive and independent Director pursuant to TUF and the Corporate Governance Code.

Remuneration, Nomination and Sustainability Committee:

- Monica De Virgiliis (Chairwoman), non-executive and independent Director pursuant to TUF and the Corporate Governance Code;
- Paolo Amato, non-executive and independent Director pursuant to TUF and the Corporate Governance Code;
- Claudio De Conto, non-executive and independent Director pursuant to TUF.

The resume of the newly appointed Director Francesco Gori is available on the website www.prysmiangroup.com in the section Investors/Corporate governance/Corporate Boards.

Change to the 2018 Corporate Events Calendar

The meeting to be held to analyse the quarterly financial report at 30 September 2018, originally scheduled for 8 November 2018, has been postponed to 14 November 2018. The change was deemed appropriate in light of the expansion of the consolidation area of Prysmian S.p.A., following the acquisition of General Cable Corporation.

Prysmian Group's Financial Report at 30 June 2018, 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. This 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 results may differ materially from those reflected in forward-looking statements due to a variety of factors.

The managers responsible for preparing corporate accounting documents (Carlo Soprano and Alessandro Brunetti) 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 30 June 2018 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 www.emarketstorage.com.

Prysmian Group

Prysmian Group is world leader in the energy and telecom cable systems industry. With nearly 140 years of experience, sales exceeding €11 billion (pro-forma as of 31/12/2017), about 30,000 employees in over 50 countries and 112 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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GENERAL CABLE

1st half 2018 (*)

(in millions of Euro)

	North America	European	Latin American	Adjustm ents	Total General Cable
Sales	216	109	57	(1)	381
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	14	9	2		25
% of sales	6.4%	8.4%	4.7%		6.7%
Adjusted EBITDA	14	9	2		25
% of sales	6.4%	8.4%	4.7%		6.7%
EBITDA	7	8	1		16
% of sales	3.4%	7.6%	2.2%		4.4%
Amortisation and depreciation	(3)	(1)	(1)		(5)
Adjusted operating income	11	8	1		20
% of sales	5.1%	7.0%	3.0%		5.4%

(*) General Cable's results were consolidated for the period 1 June - 30 June 2018.

ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	30 June 2018	31 December 2017	1 January 2017
		(*)	(*)
Non-current assets			
Property, plant and equipment	2,096	1,646	1,631
Intangible assets	2,208	735	792
Equity-accounted investments	251	217	195
Other investments at fair value through other comprehensive income	13	12	12
Financial assets at amortised cost	5	2	2
Derivatives	14	14	3
Deferred tax assets	189	149	146
Other receivables	48	18	21
Total non-current assets	4,824	2,793	2,802
Current assets			
Inventories	1,717	954	906
Trade receivables	1,859	1,131	1,088
Other receivables	800	419	735
Financial assets at fair value through profit/(loss)	20	40	57
Derivatives	33	45	40
Financial assets at fair value through other comprehensive income	10	11	-
Cash and cash equivalents	802	1,335	646
Total current assets	5,241	3,935	3,472
Asset held for sale	3	-	-
Total assets	10,068	6,728	6,274
Equity attributable to the Group:	1,709	1,451	1,411
Share capital	24	22	22
Reserves	1,603	1,188	1,143
Net profit/(loss) for the period	82	241	246
Equity attributable to non-controlling interests:	185	188	227
Share capital and reserves	185	192	211
Net profit/(loss) for the period	-	(4)	16
Total equity	1,894	1,639	1,638
Non-current liabilities			
Borrowings from banks and other lenders	3,163	1,466	1,114
Other payables	13	8	18
Provisions for risks and charges	63	33	40
Derivatives	2	2	12
Deferred tax liabilities	116	103	111
Employee benefit obligations	449	355	383
Total non-current liabilities	3,806	1,967	1,678
Current liabilities			
Borrowings from banks and other lenders	701	370	172
Trade payables	2,240	1,686	1,498
Other payables	1,040	692	875
Derivatives	34	35	24
Provisions for risks and charges	315	321	339
Current tax payables	38	18	50
Total current liabilities	4,368	3,122	2,958
Total liabilities	8,174	5,089	4,636
Total equity and liabilities	10,068	6,728	6,274

(*) The previously published consolidated financial statements have been adjusted following the adoption of IFRSs 15 and 9.

Consolidated income statement

(in millions of Euro)

	1st half 2018	1st half 2017 (*)
Sales of goods and services	4,364	3,938
Change in inventories of work in progress, semi-finished and finished goods	70	118
Other income	47	37
Raw materials, consumables used and goods for resale	(2,903)	(2,562)
Fair value change in metal derivatives	(25)	(11)
Personnel costs	(564)	(544)
<i>of which personnel costs for company reorganisation</i>	(12)	(6)
<i>of which personnel costs for stock option fair value</i>	(14)	(25)
Amortisation, depreciation, impairment and impairment reversal	(94)	(88)
<i>of which impairment</i>	(1)	-
Other expenses	(771)	(698)
<i>of which non-recurring (other expenses) and releases</i>	-	(15)
<i>of which (other expenses) for company reorganisation</i>	(2)	(3)
Share of net profit/(loss) of equity-accounted companies	36	19
Operating income	160	209
Finance costs	(217)	(206)
<i>of which non-recurring finance costs</i>	(1)	(1)
Finance income	171	157
Profit/(loss) before taxes	114	160
Taxes	(32)	(47)
Net profit/(loss) for the period	82	113
Attributable to:		
Owners of the parent	82	113
Non-controlling interests	-	-
Basic earnings/(loss) per share (in Euro)	0.36	0.53
Diluted earnings/(loss) per share (in Euro)	0.36	0.52

(*) The previously published figures for H1 2017 have been adjusted following the introduction of IFRS 15.

Consolidated income statement - 2nd quarter

(in millions of Euro)

	2nd quarter 2018	2nd quarter 2017 (*)
Sales of goods and services	2,485	2,089
Change in inventories of work in progress, semi-finished and finished goods	(51)	18
Other income	34	21
Raw materials, consumables used and goods for resale	(1,594)	(1,318)
Fair value change in metal derivatives	1	(14)
Personnel costs	(303)	(277)
<i>of which personnel costs for company reorganisation</i>	(10)	(4)
<i>of which personnel costs for stock option fair value</i>	(5)	(14)
Amortisation, depreciation, impairment and impairment reversal	(50)	(44)
Other expenses	(435)	(353)
<i>of which (other expenses) for company reorganisation</i>	(1)	-
Share of net profit/(loss) of equity-accounted companies	16	9
Operating income	103	131
Finance costs	(128)	(99)
Finance income	101	76
Profit/(loss) before taxes	76	108
Taxes	(22)	(32)
Net profit/(loss) for the period	54	76
Attributable to:		
Owners of the parent	54	77
Non-controlling interests	-	(1)

(*) The previously published figures for Q2 2017 have been adjusted following the adoption of IFRS 15.

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	1 st half 2018	1 st half 2017
Net profit/(loss) for the period	82	113
Comprehensive income/(loss) for the period:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	(6)	18
Fair value gains/(losses) on cash flow hedges - tax effect	2	(4)
Currency translation differences	(24)	(108)
Total items that may be reclassified, net of tax	(28)	(94)
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	9	5
Actuarial gains/(losses) on employee benefits - tax effect	(3)	(1)
Total items that will NOT be reclassified, net of tax	6	4
Total comprehensive income/(loss) for the period	60	23
Attributable to:		
Owners of the parent	57	41
Non-controlling interests	3	(18)

Consolidated Statement of Comprehensive Income – 2nd quarter

(in millions of Euro)

	2 nd quarter 2018	2 nd quarter 2017
Net profit/(loss) for the period	54	76
Comprehensive income/(loss) for the period:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	18	21
Fair value gains/(losses) on cash flow hedges - tax effect	(6)	(4)
Currency translation differences	6	(104)
Total items that may be reclassified, net of tax	18	(87)
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	9	5
Actuarial gains/(losses) on employee benefits - tax effect	(3)	(1)
Total items that will NOT be reclassified, net of tax	6	4
Total comprehensive income/(loss) for the period	78	(7)
Attributable to:		
Owners of the parent	69	5
Non-controlling interests	9	(12)

Consolidated statement of cash flows

(in millions of Euro)

	1st half 2018	1st half 2017 (*)
Profit/(loss) before taxes	114	160
Depreciation, impairment and impairment reversals of property, plant and equipment	72	65
Amortisation and impairment of intangible assets	22	23
Net gains on disposal of property, plant and equipment, intangible assets and acquisition purchase price adjustment	(1)	(1)
Share of net profit/(loss) of equity-accounted companies	(36)	(19)
Share-based payments	14	25
Fair value change in metal derivatives and other fair value items	25	11
Net finance costs	46	49
Changes in inventories	(128)	(168)
Changes in trade receivables/payables	(37)	(127)
Changes in other receivables/ payables	(168)	(139)
Taxes paid	(45)	(36)
Dividends received from equity-accounted companies	4	3
Utilisation of provisions (including employee benefit obligations)	(28)	(39)
Increases and/or realises of provisions (including employee benefit obligations) and other movements	56	44
A. Net cash flow provided by/(used in) operating activities	(90)	(149)
Net cash flow from acquisitions and/or disposals	(1,208)	-
Investments in property, plant and equipment	(101)	(104)
Disposals of property, plant and equipment and assets held for sale	4	4
Investments in intangible assets	(6)	(11)
Investments in financial assets at fair value through profit/(loss)	(1)	(13)
Disposal of assets at fair value through profit/(loss)	16	6
B. Net cash flow provided by/(used in) investing activities	(1,296)	(118)
Shares buyback	-	(99)
Dividend distribution	(103)	(101)
Early repayment of credit facility	-	(50)
EIB loans	(9)	(8)
Borrowings for acquisition	1,700	-
Issuance of convertible bond - 2017	-	500
Revolving credit facility	500	-
GC Convertible bond	(313)	-
Finance costs paid	(187)	(201)
Finance income received	148	156
Changes in net financial receivables/payables	(864)	73
C. Net cash flow provided by/(used in) financing activities	872	270
D. Currency translation gains/(losses) on cash and cash equivalents	(19)	(10)
E. Total cash flow provided/(used) in the period (A+B+C+D)	(533)	(7)
F. Net cash and cash equivalents at the beginning of the period	1,335	646
G. Net cash and cash equivalents at the end of the period (E+F)	802	639

(*) The previously published consolidated financial statements for H1 2017 have been adjusted following the adoption IFRSs 15.

ANNEX B

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

(in millions of Euro)

	1st half 2018	1st half 2017 (*)
Net profit/(loss) for the period	82	113
Taxes	32	47
Finance income	(171)	(157)
Finance costs	217	206
Amortisation, depreciation, impairment and impairment reversal	94	88
Fair value change in metal derivatives	25	11
Fair value change in stock options	14	25
EBITDA	293	333
Company reorganisation	14	9
<i>of which integration costs for the acquisition of General Cable</i>	5	-
Non-recurring expenses/(income):		
Antitrust	-	15
Other non-operating expenses/(income)	32	7
<i>of which General Cable acquisition related costs</i>	4	-
<i>of which General Cable acquisition integration costs</i>	18	-
<i>of which release of General Cable inventory step-up</i>	5	-
Total adjustments to EBITDA	46	31
Adjusted EBITDA	339	364

(*) The previously published figures for 2017 have been adjusted following the introduction of IFRS 15.

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

(in millions of Euro)

	1st half 2018 (*)	1st half 2017 (**)	Change
EBITDA	293	333	(40)
Changes in provisions (including employee benefit obligations)	28	5	23
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets	(1)	(1)	-
Share of net profit/(loss) of equity-accounted companies	(36)	(19)	(17)
Net cash flow provided by operating activities (before changes in net working capital)	284	318	(34)
Changes in net working capital	(333)	(434)	101
Taxes paid	(45)	(36)	(9)
Dividends from investments in equity-accounted companies	4	3	1
Net cash flow provided/(used) by operating activities	(90)	(149)	59
Cash flow from acquisitions and/or disposals	(1,290)	-	(1,290)
Net cash flow from operational investing activities	(103)	(111)	8
<i>Of which for investment in Wuhan ShenHuan</i>	-	(35)	35
Free cash flow (unlevered)	(1,483)	(260)	(1,223)
Net finance costs	(39)	(45)	6
Free cash flow (levered)	(1,522)	(305)	(1,217)
Share buy back	-	(99)	99
Dividend distribution	(103)	(101)	(2)
Capital contributions and other changes in equity	-	-	-
Net cash flow provided/(used) in the period	(1,625)	(505)	(1,120)
Opening net financial debt	(436)	(537)	101
Net cash flow provided/(used) in the period	(1,625)	(505)	(1,120)
Equity component of Convertible Bond 2017	-	48	(48)
Conversion of Convertible Bond 2013	283	-	283
Net financial debt of General Cable	(1,215)	-	(1,215)
Other changes	(21)	(6)	(15)
Closing net financial debt	(3,014)	(1,000)	(2,014)

(*) General Cable's cash flows refer to the period 1 June - 30 June 2018.

(**) The previously published figures for H1 2017 have been adjusted following the introduction of IFRS 15.

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