

PRESS RELEASE

**PRYSMIAN S.P.A. NINE-MONTH RESULTS 2017**

**SALES AT €5,865 M (ORGANIC GROWTH -1.1%, SEQUENTIALLY IMPROVING TO -0.4% IN Q3)**

**POSITIVE TREND FOR TELECOM (+5.9%) AND STABLE FOR ENERGY PRODUCTS (-0.2%)**

**ADJ EBITDA CLIMBS TO €545 M (+3.3%)**

**MAJOR IMPROVEMENT IN MARGINS FOR STRATEGIC BUSINESSES OF ENERGY PROJECTS (17.2%) AND TELECOM (17.6%)**

**NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT €196 MILLION (+4.3%)**

**NET FINANCIAL DEBT AT €1,052 M, AFTER €100 M CASH-OUT FOR SHARE BUYBACK (€1,017 M AT 30/9/2016)**

**FY 2017 GUIDANCE CONFIRMED WITH ADJ EBITDA IN RANGE €710 M – €750 M**

Milan, 7/11/2017. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first nine months of 2017.

"The results for the first nine months of 2017 display an improvement in profitability despite broadly stable revenues, showing signs of some upward movement in the third quarter," commented CEO Valerio Battista. "In particular, we're seeing significant growth in volumes and margins for Telecom, driven by rising demand for optical cables, and improving margins for Energy Projects thanks to progressive insourcing of submarine cable installation services. Cable technology is demonstrating it can make a significant contribution to digitization projects, with the development of new broadband networks, and to the use of renewable energy sources, by helping make sectors like offshore wind farms more and more competitive.

The market scenario in which we're operating therefore offers good opportunities that we intend to pursue by focusing on product and service innovation. We confirm the FY 2017 earnings guidance communicated to the market, despite the negative impact of results reported by the subsidiary Oman Cable Industries and of adverse exchange rate movements," concluded Battista.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

(in millions of Euro)

	9 months 2017	9 months 2016	% Change	% organic sales change
Sales	5,865	5,660	3.6%	-1.1%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	509	503	1.3%	
Adjusted EBITDA	545	527	3.3%	
EBITDA	512	488	5.0%	
Adjusted operating income	413	398	3.8%	
Operating income	341	333	2.4%	
Profit/(Loss) before taxes	269	275	-2.2%	
Net profit/(loss) for the period	194	198	-2.0%	
Group net profit / (loss) for the period	196	188	4.3%	

(in millions of Euro)

	30 September 2017	30 September 2016	Change
Net capital employed	3,044	2,968	76
Employee benefit obligations	369	393	(24)
Equity	1,623	1,558	65
of which attributable to non-controlling interests	190	223	(33)
Net financial debt	1,052	1,017	35

## FINANCIAL RESULTS

Group **Sales** amounted to €5,865 million in the first nine months of 2017, recording organic growth of -1.1% (assuming the same group perimeter and excluding metal price and exchange rate effects), with the negative gap narrowing in the third quarter (-0.4%) thanks to further revenue acceleration in Telecom's optical business and to a recovery in Trade & Installers.

Group **Adjusted EBITDA**<sup>1</sup> climbed 3.3% to €545 million (before net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €33 million), posting a margin on sales of 9.3%, stable compared with the first nine months of 2016 (9M 2016). There was a marked improvement in profitability by the strategic businesses of Telecom (Adjusted EBITDA margin of 17.6% versus 14.9% in 9M 2016), and Energy Projects (margin of 17.2% versus 14.6% in 9M 2016). This positive progress has absorbed not only the effects of less upbeat earnings performance by other business segments and the subsidiary Oman Cable Industries, but also the adverse impacts of exchange rate movements (a negative €4 million compared with the corresponding period of 2016).

Group **EBITDA**<sup>2</sup> climbed to €512 million (+5.0% on 9M 2016), stated after net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €33 million (€39 million in 9M 2016). Such adjustments in the first nine months of 2017 mainly comprise costs for reorganising and improving efficiency and increases in and releases of the provisions for risks and charges relating to the remaining unsettled antitrust matters.

Group **Operating Income** for the first nine months of 2017 showed a year-on-year improvement of 2.4% to €341 million.

**Net Finance Costs** of €72 million in the first nine months of 2017 compare with €58 million in the previous year. The increase of €14 million is mainly attributable to the non-cash cost of the new convertible bond, to higher non-operating finance costs and exchange rate differences.

**Net Profit** attributable to owners of the parent reached €196 million, recording an increase of +4.3% from €188 million in 9M 2016.

**Net Financial Debt** amounted to €1,052 million at 30 September 2017 compared with €1,017 million a year earlier, having made €100 million in share buybacks since January. The principal factors influencing Net Financial Debt in the past 12 months have been:

- €617 million in net cash flow provided by operating activities before changes in net working capital
- €99 million in cash used by increased net working capital
- €101 million in tax payments
- €239 million in net operating capital expenditure in the past 12 months, including €46 million to acquire the High Voltage assets in China
- €28 million in net cash inflows provided by acquisitions and disposals of investments
- €61 million in outflows for net finance costs
- €103 million in dividend payouts
- €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.

<sup>1</sup> Adjusted EBITDA is defined as EBITDA, as described in the following note, before income and expense for business reorganisation, before non-recurring items, as presented in the consolidated income statement, and before other non-operating income and expense. The definition of this performance measure is consistent with CONSOB's adoption of the new ESMA guidelines (reference ESMA/2015/1415)

<sup>2</sup> EBITDA: is defined as earnings/(loss) for the period, 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.

## ENERGY PROJECTS

- **NEGATIVE Q3 ORGANIC GROWTH AFTER POSTPONING INSTALLATION MILESTONES DUE TO ROUGH WEATHER IN THE NORTH SEA**
- **GROWTH IN SUBMARINE BUSINESS PROFITABILITY**
- **THIRD-QUARTER STABILISATION FOR HIGH VOLTAGE UNDERGROUND AFTER POOR START TO THE YEAR**

Energy Projects sales to third parties came to €1,039 million in the first nine months of 2017 (reflecting an organic trend of -6.7% on 9M 2016). Profitability improved, with Adjusted EBITDA at €179 million (+4.1% on 9M 2016) and a margin on sales of 17.2%, up from 14.6% in 9M 2016.

In the Submarine Cables and Systems business, the strategy of insourcing part of its installation activities, combined with a favourable execution mix, helped boost profitability. Business prospects are encouraging, especially in the increasingly competitive offshore wind farm segment, also thanks to advances in the technological solutions offered by the cable industry (higher voltage higher capacity cables to support larger turbines).

High Voltage Underground sales were affected by flagging demand in France, Northern Europe and the United States, only partly mitigated by growth in Asia Pacific. The business has witnessed a progressive stabilisation over the course of the year. Profitability was affected by the change in the Group's perimeter in China, only partially tempered by positive performance in Asia Pacific.

The underground and submarine power transmission order book currently stands at €2,500 million, slightly higher than in December 2016.

(in millions of Euro)

	9 months 2017	9 months 2016	% Change	% organic sales change
Sales	1,039	1,172	-11.4%	-6.7%
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>179</b>	<b>172</b>	<b>3.9%</b>	
% of sales	17.2%	14.6%		
<b>Adjusted EBITDA</b>	<b>179</b>	<b>172</b>	<b>4.1%</b>	
% of sales	17.2%	14.6%		
<b>EBITDA</b>	<b>162</b>	<b>169</b>	<b>-4.1%</b>	
% of sales	15.6%	14.4%		
Amortisation and depreciation	(30)	(26)		
<b>Adjusted operating income</b>	<b>149</b>	<b>146</b>	<b>1.9%</b>	
% of sales	14.3%	12.4%		

## ENERGY PRODUCTS

- **TRADE & INSTALLERS: IMPROVING SALES IN Q3 ALSO HELPED BY CPR**
- **NEGATIVE PERFORMANCE IN MIDDLE-EAST (OMAN) AFFECTED BY WEAK REGIONAL ECONOMY**
- **INDUSTRIAL & NWC: IMPROVED ORGANIC GROWTH BUT BUSINESS MIX STILL WEAKER THAN PREVIOUS YEAR**

Energy Products sales to third parties amounted to €3,672 million, largely in line with the corresponding period of 2016 (with organic growth of -0.2%), with the contraction in volumes in Europe and North America partly absorbed by positive performance in the Nordics and by growth in some Asian nations. Adjusted EBITDA amounted to €194 million (-10.9% on the same period of 2016), with a 5.3% margin on sales (6.4% in 9M 2016).

(in millions of Euro)

	9 months 2017	9 months 2016	% Change	% organic sales change
Sales	3,672	3,398	8,1%	-0.2%
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>190</b>	<b>216</b>	<b>-11.8%</b>	
% of sales	5.2%	6.3%		
<b>Adjusted EBITDA</b>	<b>194</b>	<b>217</b>	<b>-10.9%</b>	
% of sales	5.3%	6.4%		
<b>EBITDA</b>	<b>189</b>	<b>188</b>	<b>0.7%</b>	
% of sales	5.1%	5.5%		
Amortisation and depreciation	(60)	(62)	-4.1%	
<b>Adjusted operating income</b>	<b>134</b>	<b>155</b>	<b>-13.7%</b>	
% of sales	3.7%	4.6%		

### Energy & Infrastructure

Energy & Infrastructure sales to third parties amounted to €2,467 million, with a negative underlying change of -1.2% on 9M 2016. Adjusted EBITDA was €107 million compared with €123 million in the corresponding period of 2016 (with the margin on sales at 4.3% versus 5.4% in 2016). The decline in profitability is largely due to negative performance in the Middle East (Oman).

The 2017 nine-month results for Trade & Installers showed a recovering trend in Europe, after a weak start of the year, with much of the renewed momentum coming from business in the Netherlands, Italy, Spain and the Nordics, demonstrating how the Group is making the most of opportunities arising from implementation of the new Construction Products Regulation (CPR) which has raised the industry's quality standards. Performance was also positive in Asia Pacific, while less encouraging in the Middle East (Oman) affected by the regional economic downturn.

Power Distribution reported a slight fall in underlying sales, essentially due to the anticipated market slowdown in Central and Eastern Europe. Positive performances were registered in the Nordics, USA and Asia Pacific. The adverse market conditions in the Middle East (Oman) have also had an impact on this business's results.

### Industrial & Network Components

Industrial & Network Components sales to third parties amounted to €1,100 million, with underlying growth of +2.2%, confirming the positive trend by OEM and Automotive applications. Adjusted EBITDA came in at €88 million versus €95 million in 9M 2016 (with the margin on sales at 8.0% versus 9.3%), basically due to an unfavourable mix of applications. Specialties, OEMs & Renewables enjoyed positive organic sales growth, fuelled by APAC, North America and Turkey. Railway posted good volumes and Infrastructure turned in a solid performance, helping significantly boost the order book. Mining continued to recover while Crane, Marine and Defence were still weak after peaking in 2016. In terms of profitability, margins were squeezed due to an unfavourable mix of business. The Elevators business recorded a positive trend in Europe, but continued contraction in sales in China which, combined with the unfavourable product mix in North America, negatively impacted profitability. Automotive enjoyed further double-digit sales growth in the third quarter, thanks to the favourable market environment and the growth in market share in Asia Pacific, North America and Latin America. Profitability posted an improvement, also thanks to investments in industrial efficiency in Europe. Lastly, the Network Components business recorded a slight increase in third-quarter volumes, despite continuing signs of High Voltage slowdown in China, France and the Netherlands. Medium and low voltage performed well in Europe and the United States. Margins were affected by the unfavourable product mix.

## OIL & GAS

- **POSITIVE PERFORMANCE BY CORE CABLE OIL & GAS**
- **SURF STILL AFFECTED BY SOFT DEMAND IN BRAZIL**
- **DHT SEES ONSHORE RECOVERY, BUT OFFSHORE STILL WEAK**

Oil & Gas sales to third parties came to €201 million in the first nine months of 2017, reflecting negative organic growth of -13.0%, a slight improvement from the -14.8% reported in the first six months of 2017. Adjusted EBITDA was €5 million in the first nine months of 2017 (€9 million in 9M 2016), with a margin on sales of 2.3% (4.1% in 9M 2016).

The Core Cable Oil & Gas business recorded a positive performance that accelerated in the third quarter, particularly driven by onshore projects in North America and the Middle East, while offshore remained weak. The recovery in volumes along with the efficiencies achieved have supported profitability.

The SURF business (Subsea Umbilicals, Risers and Flowlines) continued to be affected by challenging market conditions in Brazil, impacting both volumes and margins.

The Downhole Technology business saw onshore volumes recover in the USA thanks to the shale oil market, contrasting with generally soft demand in the offshore and international markets.

(in millions of Euro)

	9 months 2017	9 months 2016	% Change	% organic sales change
Sales	201	225	-10.9%	-13.0%
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>5</b>	<b>9</b>	<b>-50.7%</b>	
% of sales	2.3%	4.1%		
<b>Adjusted EBITDA</b>	<b>5</b>	<b>9</b>	<b>-50.4%</b>	
% of sales	2.3%	4.1%		
<b>EBITDA</b>	<b>3</b>	<b>8</b>	<b>-64.5%</b>	
% of sales	1.6%	3.6%		
Amortisation and depreciation	(13)	(11)		
<b>Adjusted operating income</b>	<b>(8)</b>	<b>(2)</b>		
% of sales	-3.8%	-1.0%		

## TELECOM

- **STRONG UPSURGE IN OPTICAL CABLE SALES**
- **FURTHER LEAP IN PROFITABILITY**
- **CAPACITY EXPANDED IN NORTH AMERICA AND EUROPE**

Telecom sales to third parties amounted to €953 million in the first nine months of 2017, reflecting organic growth of +5.9%, with optical cables confirming their double-digit pace of growth in the third quarter (despite the challenging basis of comparison with the corresponding period of 2016) and the anticipated decline in copper tlc cables, primarily on the Australian market. Adjusted EBITDA continued to forge ahead, climbing to €167 million, +30.3% year-on-year. The Adjusted EBITDA margin on sales also improved to 17.6% from 14.9% in 9M 2016, benefiting not only from increased volumes but also from investments in optimising the manufacturing footprint, from efficiency gains in optical fibre manufacturing and from improved results by the subsidiary YOFC.

Growth in Europe has proven solid, with major projects to develop broadband networks in France (the Trés Haut Débit project) and Italy, where Prysmian has secured orders for optical fibre cables both from the TIM incumbent and for the government plan being implemented by Open Fiber. There has also been a steady growth in demand in the United States, thanks to investments to upgrade the fixed and mobile networks in preparation for 5G technology.

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

The Group continues to invest in boosting its production capacity for both optical cables and fibre in support of the medium-term growth prospects for this business.

(in millions of Euro)

	<b>9 months 2017</b>	<b>9 months 2016</b>	<b>% Change</b>	<b>% organic sales change</b>
Sales	953	865	10.2%	5.9%
<b>Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies</b>	<b>135</b>	<b>106</b>	<b>28.1%</b>	
% of sales	14.2%	12.2%		
<b>Adjusted EBITDA</b>	<b>167</b>	<b>129</b>	<b>30.3%</b>	
% of sales	17.6%	14.9%		
<b>EBITDA</b>	<b>165</b>	<b>128</b>	<b>29.8%</b>	
% of sales	17.3%	14.7%		
Amortisation and depreciation	(29)	(30)		
<b>Adjusted operating income</b>	<b>138</b>	<b>99</b>	<b>39.8%</b>	
% of sales	14.5%	11.4%		

## BUSINESS OUTLOOK

The global economy has steadily improved over the course of 2017, as witnessed by the rise in consumer and business confidence indices in many geographical areas and by better-than-expected GDP growth by both more developed economies (Eurozone, Japan, United States and Canada) and developing countries (Russia, China and other emerging Asian economies). After a disappointing start to the year, the US economy has reported an improvement, fuelled by domestic consumer spending, with Hurricanes Irma and Harvey having negative impact. The Chinese economy has maintained a robust pace of growth throughout the year; this has been driven by positive consumer spending and trade figures, which have more than made up for the slowdown in industrial investment and construction.

In such a context, the Prysmian Group's expectation for FY 2017 is that demand in the cyclical business of building wires will be marginally higher than in 2016, reflecting recovery in European demand as partially offset by weakness in the Middle East, while demand for medium voltage cables for utilities will be slightly down, reflecting a mixed performance between the different geographical areas. The industrial cables business is forecast to make an overall improvement thanks to growth prospects for some OEM applications and for Automotive. With the Energy Projects segment seeing a slight growth in market, the Prysmian Group anticipates consolidating its leadership in Submarine cables and systems while boosting the profitability of this business through the strategy of insourcing installation activities. High Voltage underground cables and systems are expected to record a slight downturn partly due to the change in the scope of consolidation after reorganising the manufacturing footprint in China. In the Oil & Gas segment, the stabilisation of the oil price is underpinning resumed demand for cables for Onshore projects (primarily in North America and the Middle East), while activity in the Offshore projects sector remains weak, like in the SURF business, which is being affected by the softness of demand in Brazil. The Telecom segment is forecast to record strong underlying sales growth for 2017, reflecting growing demand for optical cables in North America and Europe, tempered by a slowdown in copper cable demand in Australia, in line with expectation.

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 is forecast to have a negative impact on the Group's expected operating income for 2017.

The Group is forecasting Adjusted EBITDA for FY 2017 in the range of €710-€750 million, up from the €711 million reported in 2016. This forecast is not only based on the Company's current business perimeter but also takes into account the existing order book.

*The Prysmian Group's Quarterly Financial Report at 30 September 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.. It will also be available on the corporate website at [www.prysmiangroup.com](http://www.prysmiangroup.com) and in the authorised central storage mechanism used by the company at [www.emarketstorage.com](http://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 nine-month results at 30 September 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 available on the Group's website: [www.prysmiangroup.com](http://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](http://www.prysmiangroup.com), and can be viewed on the Borsa Italiana website [www.borsaitaliana.it](http://www.borsaitaliana.it) and in the central storage mechanism for regulated information at [www.emarketstorage.com](http://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 of over €7.5 billion in 2016, 21,000 employees across 50 countries and 82 plants, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.*

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## ANNEX A

### Consolidated statement of financial position

(in millions of Euro)

	30 September 2017	31 December 2016
<b>Non-current assets</b>		
Property, plant and equipment	1,632	1,631
Intangible assets	743	792
Equity-accounted investments	211	195
Available-for-sale financial assets	12	12
Financial assets held to maturity	2	2
Derivatives	10	3
Deferred tax assets	136	130
Other receivables	16	21
<b>Total non-current assets</b>	<b>2,762</b>	<b>2,786</b>
<b>Current assets</b>		
Inventories	1,069	906
Trade receivables	1,265	1,088
Other receivables	770	788
Financial assets held for trading	61	57
Derivatives	28	40
Available-for-sale financial assets	11	-
Cash and cash equivalents	627	646
<b>Total current assets</b>	<b>3,831</b>	<b>3,525</b>
<b>Total assets</b>	<b>6,593</b>	<b>6,311</b>
<b>Equity attributable to the Group:</b>	<b>1,433</b>	<b>1,448</b>
Share capital	22	22
Reserves	1,215	1,180
Net profit/(loss) for the year	196	246
<b>Equity attributable to non-controlling interests:</b>	<b>190</b>	<b>227</b>
Share capital and reserves	192	211
Net profit/(loss) for the period	(2)	16
<b>Total equity</b>	<b>1,623</b>	<b>1,675</b>
<b>Non-current liabilities</b>		
Borrowings from banks and other lenders	1,360	1,114
Other payables	17	18
Provisions for risks and charges	35	40
Derivatives	1	12
Deferred tax liabilities	119	111
Employee benefit obligations	369	383
<b>Total non-current liabilities</b>	<b>1,901</b>	<b>1,678</b>
<b>Current liabilities</b>		
Borrowings from banks and other lenders	402	172
Trade payables	1,564	1,498
Other payables	699	875
Derivatives	18	24
Provisions for risks and charges	330	339
Current tax payables	56	50
<b>Total current liabilities</b>	<b>3,069</b>	<b>2,958</b>
<b>Total liabilities</b>	<b>4,970</b>	<b>4,636</b>
<b>Total equity and liabilities</b>	<b>6,593</b>	<b>6,311</b>

**Consolidated income statement**

(in millions of Euro)

	<b>9 months 2017</b>	<b>9 months 2016</b>
Sales of goods and services	5,865	5,660
Change in inventories of work in progress, semi-finished and finished goods	122	(9)
Other income	54	47
Raw materials, consumables used and goods for resale	(3,728)	(3,339)
Fair value change in metal derivatives	(2)	24
Personnel costs	(801)	(783)
<i>of which personnel costs for company reorganisation</i>	(7)	(22)
<i>of which personnel costs for stock option fair value</i>	(37)	(35)
Amortisation, depreciation, impairment and impairment reversal	(132)	(144)
<i>of which (impairment) and impairment reversals related to company reorganization</i>	-	(1)
<i>of which other (impairment) and impairment reversals</i>	-	(14)
Other expenses	(1,073)	(1,147)
<i>of which non-recurring (other expenses) and releases</i>	(17)	-
<i>of which (other expenses) for company reorganisation</i>	(5)	(5)
Share of net profit/(loss) of equity-accounted companies	36	24
<b>Operating income</b>	<b>341</b>	<b>333</b>
Finance costs	(323)	(362)
<i>of which non-recurring finance costs</i>	(2)	(1)
Finance income	251	304
<b>Profit/(loss) before taxes</b>	<b>269</b>	<b>275</b>
Taxes	(75)	(77)
<b>Net profit/(loss) for the period</b>	<b>194</b>	<b>198</b>
<b>Attributable to:</b>		
Owners of the parent	196	188
Non-controlling interests	(2)	10
<b>Basic earnings/(loss) per share (in Euro)</b>	<b>0.92</b>	<b>0.88</b>
<b>Diluted earnings/(loss) per share (in Euro)</b>	<b>0.90</b>	<b>0.86</b>

**Consolidated income statement - 3rd quarter**

(in millions of Euro)

	<b>3rd quarter 2017</b>	<b>3rd quarter 2016</b>
Sales of goods and services	1,929	1,875
Change in inventories of work in progress, semi-finished and finished goods	4	(16)
Other income	17	22
Raw materials, consumables used and goods for resale	(1,166)	(1,064)
Fair value change in metal derivatives	9	4
Personnel costs	(257)	(260)
<i>of which personnel costs for company reorganisation</i>	(1)	(13)
<i>of which personnel costs for stock option fair value</i>	(12)	(11)
Amortisation, depreciation, impairment and impairment reversal	(44)	(43)
Other expenses	(375)	(412)
<i>of which non-recurring (other expenses) and releases</i>	(2)	-
<i>of which (other expenses) for company reorganisation</i>	(2)	(3)
Share of net profit/(loss) of equity-accounted companies	17	10
<b>Operating income</b>	<b>134</b>	<b>116</b>
Finance costs	(117)	(113)
<i>of which non-recurring finance costs</i>	(1)	-
Finance income	94	92
<b>Profit/(loss) before taxes</b>	<b>111</b>	<b>95</b>
Taxes	(30)	(21)
<b>Net profit/(loss) for the period</b>	<b>81</b>	<b>74</b>
<b>Attributable to:</b>		
Owners of the parent	83	73
Non-controlling interests	(2)	1

**Consolidated Statement of Comprehensive Income**

(in millions of Euro)

	9 months 2017	9 months 2016
<b>Net profit/(loss) for the period</b>	<b>194</b>	<b>198</b>
<b>Comprehensive income/(loss) for the period:</b>		
<b>- items that may be reclassified subsequently to profit or loss:</b>		
Fair value gains/(losses) on cash flow hedges - gross of tax	23	7
Fair value gains/(losses) on cash flow hedges - tax effect	(6)	(2)
Currency translation differences	(146)	(37)
<b>Total items that may be reclassified, net of tax</b>	<b>(129)</b>	<b>(32)</b>
<b>- items that will NOT be reclassified subsequently to profit or loss:</b>		
Actuarial gains/(losses) on employee benefits - gross of tax	5	(63)
Actuarial gains/(losses) on employee benefits - tax effect	(1)	14
<b>Total items that will NOT be reclassified, net of tax</b>	<b>4</b>	<b>(49)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>69</b>	<b>117</b>
<b>Attributable to:</b>		
Owners of the parent	94	112
Non-controlling interests	(25)	5

**Consolidated Statement of Comprehensive Income - 3rd quarter**

(in millions of Euro)

	3rd quarter 2017	3rd quarter 2016
<b>Net profit/(loss) for the period</b>	<b>81</b>	<b>74</b>
<b>Comprehensive income/(loss) for the period:</b>		
<b>- items that may be reclassified subsequently to profit or loss:</b>		
Fair value gains/(losses) on cash flow hedges - gross of tax	5	2
Fair value gains/(losses) on cash flow hedges - tax effect	(2)	(1)
Currency translation differences	(38)	(16)
<b>Total items that may be reclassified, net of tax</b>	<b>(35)</b>	<b>(15)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>46</b>	<b>59</b>
<b>Attributable to:</b>		
Owners of the parent	53	59
Non-controlling interests	(7)	-

**Consolidated statement of cash flows**

(in millions of Euro)

	<b>9 months 2017</b>	<b>9 months 2016</b>
Profit/(loss) before taxes	269	275
Depreciation, impairment and impairment reversals of property, plant and equipment	98	108
Amortisation and impairment of intangible assets	34	36
Net gains on disposal of property, plant and equipment, intangible assets and acquisition purchase price adjustment	(1)	(1)
Badwill from business combinations	-	(5)
Share of net profit/(loss) of equity-accounted companies	(36)	(24)
Share-based payments	37	35
Fair value change in metal derivatives and other fair value items	2	(24)
Net finance costs	72	58
Changes in inventories	(208)	10
Changes in trade receivables/payables	(125)	17
Changes in other receivables/payables	(175)	(369)
Taxes paid	(78)	(53)
Dividends received from equity-accounted companies	9	7
Utilisation of provisions (including employee benefit obligations)	(52)	(61)
Increases in provisions (including employee benefit obligations)	32	55
<b>A. Net cash flow provided by/(used in) operating activities</b>	<b>(122)</b>	<b>64</b>
Net cash flow from acquisitions and/or disposal	(3)	-
Investments in property, plant and equipment	(154)	(147)
Disposals of property, plant and equipment and assets held for sale	4	2
Investments in intangible assets	(14)	(7)
Net investments in financial assets held for trading	(18)	(1)
Disposals of financial assets held for trading	8	24
Investments in available-for-sale financial assets	(11)	-
<b>B. Net cash flow provided by/(used in) investing activities</b>	<b>(188)</b>	<b>(129)</b>
Shares buyback	(100)	-
Dividend distribution	(102)	(101)
Early repayment of credit facility	(50)	-
EIB loan	(16)	(17)
Issuance of convertible bond - 2017	500	-
CDP Loan	100	-
Finance costs paid	(321)	(334)
Finance income received	271	277
Changes in other net financial receivables/payables	22	14
<b>C. Net cash flow provided by/(used in) financing activities</b>	<b>304</b>	<b>(161)</b>
<b>D. Currency translation gains/(losses) on cash and cash equivalents</b>	<b>(13)</b>	<b>(3)</b>
<b>E. Total cash flow provided/(used) in the period (A+B+C+D)</b>	<b>(19)</b>	<b>(229)</b>
<b>F. Net cash and cash equivalents at the beginning of the period</b>	<b>646</b>	<b>547</b>
<b>G. Net cash and cash equivalents at the end of the period (E+F)</b>	<b>627</b>	<b>318</b>
<b>Cash and cash equivalents reported in consolidated statement of financial position</b>	<b>627</b>	<b>314</b>
<b>Cash and cash equivalents included in assets held for sale</b>	<b>-</b>	<b>4</b>

## ANNEX B

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

(in millions of Euro)

	9 months 2017	9 months 2016
Net profit/(loss) for the period	194	198
Taxes	75	77
Finance income	(251)	(304)
Finance costs	323	362
Amortisation, depreciation, impairment and impairment reversal	132	144
Fair value change in metal derivatives	2	(24)
Fair value change in stock options	37	35
<b>EBITDA</b>	<b>512</b>	<b>488</b>
Company reorganisation	12	27
Non-recurring expenses/(income):		
Antitrust	17	-
Other non-operating expenses/(income)	4	12
<b>Total adjustments to EBITDA</b>	<b>33</b>	<b>39</b>
<b>Adjusted EBITDA</b>	<b>545</b>	<b>527</b>

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

(in millions of Euro)

	9 months 2017	9 months 2016	Change
<b>EBITDA</b>	<b>512</b>	<b>488</b>	<b>24</b>
Changes in provisions (including employee benefit obligations)	(20)	(6)	(14)
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets	(1)	(1)	-
(Gains)/losses from acquisition or disposal	-	(5)	5
Share of net profit/(loss) of equity-accounted companies	(36)	(24)	(12)
<b>Net cash flow provided by operating activities (before changes in net working capital)</b>	<b>455</b>	<b>452</b>	<b>3</b>
Changes in net working capital	(508)	(342)	(166)
Taxes paid	(78)	(53)	(25)
Dividends from investments in equity-accounted companies	9	7	2
<b>Net cash flow provided/(used) by operating activities</b>	<b>(122)</b>	<b>64</b>	<b>(186)</b>
Cash flow from acquisitions and/or disposal	(3)	-	(3)
Net cash flow used in operating activities	(164)	(152)	(12)
<i>Of which for investment of Wuhan ShenHuan</i>	(35)	-	(35)
<b>Free cash flow (unlevered)</b>	<b>(289)</b>	<b>(88)</b>	<b>(201)</b>
Net finance costs	(50)	(57)	7
<b>Free cash flow (levered)</b>	<b>(339)</b>	<b>(145)</b>	<b>(194)</b>
Share buy back	(100)	-	(100)
Dividend distribution	(102)	(101)	(1)
<b>Net cash flow provided/(used) in the period</b>	<b>(541)</b>	<b>(246)</b>	<b>(295)</b>
<b>Opening net financial debt</b>	<b>(537)</b>	<b>(750)</b>	<b>213</b>
Net cash flow provided/(used) in the period	(541)	(246)	(295)
Equity component of Convertible Bond	48	-	48
Other changes	(22)	(21)	(1)
<b>Closing net financial debt</b>	<b>(1,052)</b>	<b>(1,017)</b>	<b>(35)</b>