

PRESS RELEASE

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

GROUP SALES AT €7,293M, OF WHICH €1,246M ATTRIBUTABLE TO GENERAL CABLE

+3.8% ORGANIC GROWTH (+7.4 IN Q3)

TELECOM ON THE RISE, DRIVEN BY OPTICAL & CONNECTIVITY

UPTREND OF HIGH VOLTAGE UNDERGROUND, INDUSTRIAL AND TRADE & INSTALLERS BUSINESSES

ADJ EBITDA AT €577M, OF WHICH €74M ATTRIBUTABLE TO GENERAL CABLE

TELECOM MARGINS DRIVEN BY GROWTH OF VOLUMES AND INDUSTRIAL EFFICIENCIES

PROFITABILITY IMPROVEMENT IN HIGH VOLTAGE UNDERGROUND

FOCUS ON THE INTEGRATION WITH GENERAL CABLE, SYNERGIES IN LINE WITH EXPECTATIONS

NET FINANCIAL DEBT IN LINE WITH EXPECTATIONS AT €2,877M (€1,052M AT 30/9/2017), INCLUDING €2,599M

ATTRIBUTABLE TO THE ACQUISITION OF GENERAL CABLE

Milan, 14/11/2018. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first nine months of 2018 (unaudited).

"The integration with General Cable, which began promptly after the closing of the acquisition, is proceeding according to plan, and the achievement of synergies is progressing in line with expectations," stated Chief Executive Officer Valerio Battista. "The results for the first nine months of the year were essentially positive, with sound organic sales growth and improving results (net of the Western Link provisions). In the Energy Projects business, order intake for submarine cables is consistent with Prysmian's market share, with a first part of the year marked by a slowdown in the awards of some important projects and their postponement to the last part of the year or to 2019. In High Voltage Underground, the tendering process has begun for the large projects SüdLink and SüdOstLink in Germany, which represent important opportunities. The investment in the new cable-laying vessel for submarine cables, which will allow Prysmian to strengthen its leadership in terms of resources and assets, has been confirmed. In Telecom, the Group is a strategic partner in several of the world's biggest broadband projects. The market has responded well to innovative new businesses such as the monitoring of power grids using Pry-Cam technology and Monitoring & Maintenance services for submarine cables. 2018 profitability targets are confirmed, with full-combined adjusted EBITDA in the range between €860 and €920 million."

CONSOLIDATED HIGHLIGHTS (in millions of Euro)

	9 months 2018 (*)		9 months 2017 (**)	
	Total	Of which General Cable	Prysmian	% Consolidated change
Sales	7,293	1,246	5,867	24.3%
% organic sales change	3.8%			
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	527	74	511	3.1%
Adjusted EBITDA	577	74	547	5.5%
EBITDA	534	44	514	3.9%
Adjusted operating income	425	55	415	2.4%
Operating income	323	16	343	-5.8%
Profit/(Loss) before taxes	250	10	271	-7.7%
Net profit/(loss) for the period	183	6	194	-5.7%
Net profit attributable to owners of the parent	183	6	196	-6.6%

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

(in millions of Euro)

		30 September 2018	30 September 2017 (**)
	Total	of which General Cable	Total
Net fixed assets	4,838	2,135	2,598
<i>of which: goodwill</i>	1,677	1,237	439
<i>of which: intangible assets</i>	295	18	304
<i>of which: property, plants & equipment</i>	2,560	880	1,632
Net working capital	1,447	625	743
<i>of which: derivatives</i>	4	9	20
<i>of which: Operative Net working capital</i>	1,443	616	723
Provisions & deferred taxes	(472)	(184)	(334)
Net Capital Employed	5,813	2,576	3,007
Employee provisions	440	108	369
Shareholders' equity	2,496		1,586
<i>of which: attributable to minority interest</i>	186		190
Net financial debt	2,877		1,052
Total financing and equity	5,813		3,007

(**) The previously published figures for 2017 have been adjusted following the introduction of IFRSs 9 and 15.

FINANCIAL RESULTS

Sales amounted to €7,293 million, including €1,246 million generated by General Cable, consolidated as of June 2018; excluding the General Cable's contribution and net of metal price variation and exchange rate effects, organic growth was +3.8% compared to 9M 2017 (accelerating in Q3: +7.4%). Growth was chiefly driven by the Optical Cables business and connectivity systems for broadband telecommunication networks, as well as the uptrend in High Voltage Underground, Industrial and Trade & Installers. Full-combined Group sales, i.e., including General Cable sales in 9M 2018, amounted to €8,712 million (of which €2,665 million referring to General Cable), with +3.4% organic growth over 9M 2017. General Cable's operations in Europe reported a good performance of the Optical Cables and Projects businesses (which slowed down in Q3), in North America they showed a growth by volume in the Construction and Automotive cable segment, in addition to signs of recovery of the Power Distribution business in Q3. Sales of overhead transmission lines declined in South America.

The Group's **Adjusted EBITDA¹** (before net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €43 million) amounted to €577 million, improving compared to €547 million for the same period of 2017. The positive contribution of General Cable, consolidated as of June 2018, was €74 million, whereas the adverse effect of the additional costs for the Western Link project totalled €70 million. Exchange rates had an impact of €28 million compared to the same period of 2017, excluding General Cable from the consolidation area. A positive contribution to the Group's result was given by the expansion of margins of the Telecom segment, thanks to the volume increase, industrial efficiencies and the contribution of the subsidiary YOFC. Net of the Western Link provisions, the profitability of the Energy Projects segment was stable, also owing to the improved profitability of High Voltage Underground.

Full-combined adjusted EBITDA, thus including General Cable in 9M 2018, was €651 million (of which €148 million attributable to General Cable) compared to €714 million in 9M 2017 (of which €167 million attributable to General Cable).

EBITDA² amounted to €534 million, including €44 million attributable to General Cable, consolidated as of June 2018. EBITDA included a €25 million impact generated by reorganisation and efficiency improvement costs (of which €15 million for streamlining the acquisition perimeter), €26 million costs related to the acquisition and integration of General Cable and the €16 million effect on sales of finished products measured at fair value upon acquisition. The income related to the listing of YOFC on the Shanghai stock exchange amounted to €36 million.

Operating income was €323 million compared to €343 million in 9M 2017. The positive effect generated by the inclusion of General Cable in the consolidation area amounted to €16 million. The decline in Operating Income of

¹ Adjusted EBITDA¹ 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.

Prysmian's pre-acquisition consolidation area was €36 million, mainly attributable to the Western Link provisions and the decline in fair value of metals derivatives.

The balance of **net finance costs** amounted to €73 million, compared to €72 million in 9M 2018.

Net Profit attributable to owners of the Parent was €183 million (€196 million for 9M 2017), to which General Cable contributed for €6 million.

Net Financial Debt amounted to €2,877 million at 30 September 2018 (€436 million at 31 December 2017). The main factors that influenced the Net Financial Debt in 9M 2018 were:

- the impact generated by the acquisition of General Cable amounting to €2,599 million, made up of the share price paid (€1,290 million), ancillary costs for the transaction (€94 million) and net debt refinancing (€1,215 million);
- operating cash flows (before changes in working capital) positive at €403 million;
- increase in net working capital amounting to €570 million, largely attributable to Energy Projects;
- net operating investments totalling €162 million;
- net finance costs paid in the amount of €38 million;
- taxes paid amounting to €78 million;
- dividend pay-out of €105 million;
- conversion into capital of the 2013 Convertible Bond amounting to €283 million;
- net income arising from capital increase totalling €496 million;
- other increases amounting to €71 million.

FOCUS ON THE PERFORMANCE OF OPERATIONS INCLUDED IN THE GENERAL CABLE PERIMETER (FULL COMBINED 9M 2018) IN THE DIFFERENT GEOGRAPHICAL AREAS

North America

Sales of the operating segment North America amounted to €1,604 million in 9M 2018 (of which €762 million consolidated in the Prysmian Group perimeter), with 2.6% organic growth, mainly attributable to the uptrend of the Construction and Automotive businesses, partly offset by a reduction in the MMS business (improving in Q3). Power Distribution recovered in Q3 2018. Adjusted EBITDA was €101 million (of which €50 million consolidated in the Group's perimeter), down by €21 million compared to the 9M 2017 (the reduction was mainly related to the €7 million negative impact of exchange rates and the impact of the rise in raw material and transport costs). Q3 Adjusted EBITDA improved compared to the previous year, as a result of both the improvement in the Power Distribution and Multimedia Solutions businesses and the achievement of the first cost-related synergies.

Europe

Sales of the operating segment Europe amounted to €654 million in 9M 2018 (of which €300 million consolidated in Prysmian's perimeter), with 9.8% organic growth driven by the uptrend of the Projects business (but slowing in Q3) and of the optical cables market. Adjusted EBITDA was €25 million (of which €15 million consolidated in the Group's perimeter), up €7 million compared to the same period of 2017. The increase was mainly attributable to the favourable sales mix. General Cable's contribution was also noteworthy as through its subsidiary NSW, it acquired a major contract for the development of a submarine Interarray cable system for the Northwester 2 offshore wind farm in the North Sea.

Latin America

Sales of the operating segment Latin America totalled €407 million in 9M 2018 (of which €184 million consolidated in the Group's perimeter), with a -8.0% organic decline mainly attributable to the decrease in business volumes of overhead transmission lines. Adjusted EBITDA was €22 million in 9M 2018 (of which €9 million consolidated in the Group's perimeter), down by €5 million compared to 9M 2017, mainly due to the weak performance of overhead lines.

ENERGY PROJECTS (EXCLUDING GENERAL CABLE PERIMETER)

- **ORGANIC GROWTH, STABLE PROFITABILITY IN 2018, NET OF THE WESTERN LINK PROVISIONS**
- **DECREASE IN THE ORDER BOOK AT 30 SEPTEMBER 2018 DUE TO THE POSTPONEMENT OF SOME IMPORTANT PROJECTS; PRYSMIAN'S MARKET SHARE STABLE**
- **POSITIVE PERFORMANCES OF HIGH VOLTAGE UNDERGROUND CONFIRMED IN APAC, SOUTHERN EUROPE AND SOUTH AMERICA.**

Energy Projects sales reached €1,086 million in 9M 2018 (+6.4% organic growth). Adjusted EBITDA was €117 million (€181 million in 9M 2017), negatively impacted by the €70 million provisions related to the Western Link project in 9M 2018; excluding the impact of Western Link provisions, Adjusted EBITDA was €187 million, up compared to €181 million in 9M 2018. Adjusted EBITDA ratio to sales went to 10.8% from 17.4% in 9M 2017.

The organic growth of Submarine Cables and Systems was affected by the impact associated with the Western Link project. The main projects for the period were the connections of the offshore wind farms Borwin3 and 50 Hertz, the NSL between Norway and Great Britain, the Cobra cable link between the Netherlands and Denmark, and the IFA2 interconnector between France and Great Britain. The completion of several Interarray connections – such as the Wiking project, one of the most important offshore wind farms in the Baltic Sea, was also significant.

Prysmian Group also confirmed an investment of about €170 million for building up a new cable-laying vessel, which is expected to be operational by Q2 2020. The new vessel is intended to be the most capable cable layer in the market and to offer the enhanced project versatility required to develop offshore wind farm interconnection and cabling projects thanks to state-of-the-art features and systems, thereby supporting the Group's long term growth prospects on the submarine cable system market.

In High Voltage Underground, the positive results already recorded in H1 2018, driven mainly by the growth in demand in Asia Pacific, Southern Europe and South America, were confirmed also in Q3. During the period, the procurement process started for major interconnection projects in Germany (SüdLink and SüdOstLink), which represent significant opportunities. The Group has recently secured new projects for a total value of approximately €80 million.

The (underground and submarine) power transmission order book totalled about €1,900 million. The projects awarded to the Group were essentially consistent with Prysmian's historical market share, and the order book does not include two major contracts worth €220 million and €125 million (which have not received the "Notice to Proceed" yet). The Group was awarded these two contracts between August and October, respectively to provide the design, supply and installation of Interarray cables for the two offshore wind farms of Fécamp and Courseulles-sur-Mer and for the interconnection between the island of Crete and mainland Greece in the Peloponnese region.

2018 market performance is expected to be in line with the historical value ranging between €2,600 and €2,800 million.

(in millions of Euro)

	9 months 2018	9 months 2017 (*)	% Prysmian change	% organic sales change
Sales	1,086	1,041	4.3%	6.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	117	181	-35.4%	
% of sales	10.8%	17.4%		
Adjusted EBITDA	117	181	-35.4%	
% of sales	10.8%	17.4%		
EBITDA	115	164	-29.9%	
% of sales	10.6%	15.8%		
Amortisation and depreciation	(32)	(30)		
Adjusted operating income	85	151	-43.7%	
% of sales	7.8%	14.5%		

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

ENERGY PRODUCTS (EXCLUDING GENERAL CABLE PERIMETER)

- **T&I GROWTH THANKS TO AN INCREASE IN VOLUMES IN EUROPE AND NORTH AMERICA AND IMPROVEMENT IN THE MIDDLE EAST**
- **POWER DISTRIBUTION: ORGANIC GROWTH IN Q3. SLOWDOWN IN THE MIDDLE EAST (IN H1). NORDIC COUNTRIES NEGATIVELY IMPACTED PROFITABILITY**
- **INDUSTRIAL & NWC: GOOD ORGANIC GROWTH AND MIX IMPROVEMENT**

Energy Products sales amounted to €3,793 million, with +2.6% organic growth, thanks to volumes growth in Europe and North America. Adjusted EBITDA was €180 million (-7.1% compared to the same period of 2017), with a 4.7% ratio of Adjusted EBITDA to sales (5.3% in 9M 2017).

(in millions of Euro)

	9 months 2018	9 months 2017	% Prysmian change	% organic sales change
Sales	3,793	3,672	3.3%	2.6%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	177	190	-6.9%	
% of sales	4.7%	5.2%		
Adjusted EBITDA	180	194	-7.1%	
% of sales	4.7%	5.3%		
EBITDA	166	189	-12.9%	
% of sales	4.3%	5.1%		
Amortisation and depreciation	(62)	(60)	4.2%	
Adjusted operating income	118	134	-12.1%	
% of sales	3.1%	3.7%		

Energy & Infrastructure

Energy & Infrastructure sales amounted to €2,533 million, with +1.7% organic growth in 9M 2017. Adjusted EBITDA was €92 million compared to €107 million in 9M 2017 (3.6% ratio of adjusted EBITDA to sales compared to 4.3% for 9M 2017).

The results in the Trade & Installers business in 9M 2018 showed an uptrend, consolidated also in Q3, thanks to the ongoing growth in volumes in North America and Europe — particularly in Germany, Italy and Spain — and the trend improvement in the Middle East in Q3, with Oman Cable Industry. Adjusted EBITDA benefitted from both the favourable sales mix following the entrance into effect of the new CPR (Construction Products Regulation) and the increase in volumes in Europe. The exchange rate effect and the downtrend compared to 9M 2017 had a negative impact in the Middle East.

Power Distribution reported a positive sales trend in Q3 2018, particularly in Europe (France and Germany). Unfavourable exchange rates, the slowdown in the Middle East (in H1), and the weakness reported by Northern Europe affected this business' profitability.

Industrial & Network Components

Industrial & Network Components sales amounted to €1,146 million, with a sharp +4.9% organic growth confirmed in Q3. Adjusted EBITDA was €88 million, in line with €88 million in 9M 2017 (7.6% ratio of Adjusted EBITDA to Sales from 8.0%). The *Specialties, OEMs & Renewables* market recorded an organic growth of sales, with a good performance of Railways, Rolling Stock and Crane applications and a recovery of Mining and Renewables. The growth recorded in all geographical areas was mainly driven by North America and South America and the recovery of the APAC area, whereas profitability was affected by the unfavourable exchange rates.

The growth reported by the *Elevators* business, also confirmed in Q3, was supported by the favourable market conditions in North America, whereas profitability was affected by exchange rates and steel price inflation. The sales uptrend of the *Automotive* business was driven by growth in North America and South America, whereas the APAC area reported a slowdown. Adjusted EBITDA benefitted from the increase in volumes, the improvement of industrial performances and the reduction of costs in Europe and North America. Lastly, *Network Components* showed a solid performance, supported by the volume increase in China and North America.

TELECOM (EXCLUDING GENERAL CABLE PERIMETER)

- **SHARP SALES UPTREND THANKS TO TREND ACCELERATION IN Q3 IN EUROPE AND LATIN AMERICA**
- **PROFITABILITY INCREASE THANKS TO THE GROWTH IN VOLUME, EFFICIENCIES AND OPTIMIZATION OF MANUFACTURING SET-UP**
- **SOLID MMS PERFORMANCE THANKS TO EUROPEAN DEMAND FOR DATA CENTERS AND DATA CABLES**

Telecom sales in 9M 2018 amounted to €974 million, with 6.5% organic growth driven by the Q3 trend improvement in Europe and Latin America. Adjusted EBITDA climbed to €204 million compared to €167 million for the same period of 2017. Margins also improved with a 20.9% ratio of Adjusted EBITDA to Sales from 17.6% in 9M 2017, benefitting from the increase in volumes, the recovery of industrial efficiencies and the positive results of the subsidiary YOFC in China. Positive €11 million one-off impact from the release of the write-down of a receivable due by a Brazilian client, written down in 2016, and from the carry over of 2017 positive results of YOFC.

Organic growth of sales of the Telecom Solutions business was due to the Group's ability to seize the ongoing growth of demand for optical cables by operators that are developing broadband networks. In Europe, the volume trend was positive and the price level remained constant. 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. Brazil and Argentina also showed an increase in investments by the main telecom operators. In Australia, works related to the construction of NBN's new "multi-technology" platform continued successfully, although volumes are declining as the project is entering the completion phase.

In the reporting period, Prysmian announced the implementation of the FlexRibbon™ line, with two new products containing 1728 and 3456 fibres. Designed applying the MassLink™ and FlexRibbon™ technologies, they can fit the maximum fiber count in the smallest possible cable, reaching a high level of flexibility. These products will support broadband data centers managed by the major companies worldwide.

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 showed a solid performance, particularly in Europe, where demand was also driven by the growing investments in Data Centers and the strong demand for data cables for industrial applications and residential buildings.

(in millions of Euro)

	9 months 2018	9 months 2017	% Prysmian change	% organic sales change
Sales	974	953	2.1%	6.5%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	157	135	15.4%	
% of sales	16.1%	14.2%		
Adjusted EBITDA	204	167	21.4%	
% of sales	20.9%	17.6%		
EBITDA	235	165	42.1%	
% of sales	24.1%	17.3%		
Amortisation and depreciation	(33)	(29)		
Adjusted operating income	171	138	23.5%	
% of sales	17.5%	14.5%		

OIL&GAS (EXCLUDING GENERAL CABLE PERIMETER)

Oil & Gas sales amounted to €194 million, virtually in line with the figure in 9M 2017 (-0.4% organic change compared to 9M 2017). Adjusted EBITDA in 9M 2018 amounted to €2 million (€5 million in 9M 2017), with a 1.3% ratio to sales (2.3% in 9M 2017).

In the Core Cables Oil & Gas business, demand in the on-shore projects market remained constant. Profitability was also stable, despite the reduction in volumes of the off-shore and MRO (Maintenance Repair Overhaul) segments.

In the SURF (Subsea Umbilicals, Risers and Flowlines) business, the market of umbilical cables shrank in Brazil and profitability declined due to increased competitiveness.

Demand improved in the Downhole Technology business, compared to the same period of 2017, benefitting from the production increase of Shale Oil & Gas in North America.

(in millions of Euro)

	9 months 2018	9 months 2017	% Prysmian change	% organic sales change
Sales	194	201	-3.6%	-0.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	2	5	-46.5%	
% of sales	1.3%	2.3%		
Adjusted EBITDA	2	5	-46.5%	
% of sales	1.3%	2.3%		
EBITDA	2	3	-20.8%	
% of sales	1.3%	1.6%		
Amortisation and depreciation	(6)	(13)		
Adjusted operating income	(4)	(8)	-50.3%	
% of sales	-2.0%	-3.8%		

BUSINESS OUTLOOK

Global economic growth remained in positive territory in the first nine months of 2018, with a sharp acceleration in the United States driven by rising domestic consumption and investments, whereas China continued to show the positive trend seen at the beginning of the year, despite the imposition of tariffs on goods imported from China by the current U.S. administration. Growth in Europe, while still positive, in the second half of the year has started to soften. Growth continues to lag behind the world's two other major economies, held back by the rising uncertainty triggered by the trade war between the U.S. and China and the imminent conclusion of the quantitative easing plan, expected to occur at the end of the year. In Brazil there were signs of a slowdown following the recovery that had begun already in the second half of 2017, due primarily to rising inflation and pressure on exchange rates.

Within this macroeconomic scenario, Prysmian Group expects that FY 2018 demand in the cyclical construction and industrial cable businesses will be higher than in 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 at the level of the various geographical areas. In the Submarine systems and cables business, despite the slowdown in order flow in the first half of the year, Prysmian Group is aiming to maintain its leading position, also in light of the expected increase in the volume of projects awarded in the final part of the year. In the High Voltage Underground systems and cables business, the Group expects a recovery compared with 2017, with a gradual improvement in expected performance in China and South-East Asia due to the new manufacturing set-up. Finally, for the Telecom segment the Group expects that growth will remain solid in 2018, driven by the increase in demand for optical cables in Europe and North America, whereas the copper cable segment is expected to slow due to a reduction in volumes on the Australian market.

It is also to be expected that, assuming that exchange rates remain at their current levels at the time of this press release, the translation effect of converting subsidiaries' results into the consolidated reporting currency will have a negative impact on the Group's operating performance.

In light of these considerations, the Group expects an adjusted EBITDA for FY 2018 in the range of €860-920 million.

This forecast considers the inclusion of the recently acquired General Cable business for all 2018, in addition to the provision (already recognised in H1) of €70 million for the Western Link project.

With reference to Prysmian perimeter (i.e., excluding the effects of the General Cable acquisition), adjusted EBITDA for FY 2018 is expected to range between €680 and €720 million, compared with €733 million in 2017. This forecast, in line with the 9M performance, considers an increase in the Telecom operating segment's volumes and margins and an improvement in the sales volumes of the E&I and Industrial & Network Components segments. The forecast also considers the negative impact of exchange rate trends of approximately €30 million and the provision of €70 million already recognised in H1 2018 deriving from the additional costs associated with the delays in the Western Link project.

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

In addition to the above effects, the Group expects that the integration of the General Cable operations will generate synergies amounting to between €5 million and €10 million, relating to the period from the acquisition closing (6 June 2018) until the end of 2018.

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

Prysmian Group's Financial Report at 30 September 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 today 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 Article 154-bis paragraph 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 September 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 almost 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

(in millions of Euro)

	9 months 2018 (*)			
	North America	European	Latin American	Total General Cable
Sales	762	300	184	1,246
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	50	15	9	74
% of sales	6.5%	4.8%	5.1%	6.0%
Adjusted EBITDA	50	15	9	74
% of sales	6.5%	4.8%	5.1%	6.0%
EBITDA	31	9	4	44
% of sales	4.1%	3.0%	2.1%	3.6%
Amortisation and depreciation	(10)	(6)	(3)	(19)
Adjusted operating income	40	9	6	55
% of sales	5.1%	2.8%	3.3%	4.3%

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

ANNEX A

Consolidated Statement of Financial Position

(in millions of Euro)

	30 September 2018	31 December 2017 (*)
Non-current assets		
Property, plant and equipment	2,560	1,646
Intangible assets	1,972	735
Equity-accounted investments	293	217
Other investments at fair value through other comprehensive income	13	12
Financial assets at amortised cost	5	2
Derivatives	8	14
Deferred tax assets	162	149
Other receivables	45	18
Total non-current assets	5,058	2,793
Current assets		
Inventories	1,647	954
Trade receivables	1,843	1,131
Other receivables	960	419
Financial assets at fair value through income statement	17	40
Derivatives	31	45
Financial assets at fair value through other comprehensive income	10	11
Cash and cash equivalents	363	1,335
Total current assets	4,871	3,935
Total assets	9,929	6,728
Equity attributable to the Group:	2,310	1,451
Share capital	27	22
Reserves	2,100	1,188
Net profit/(loss) for the period	183	241
Equity attributable to non-controlling interests:	186	188
Share capital and reserves	186	192
Net profit/(loss) for the period	-	(4)
Total equity	2,496	1,639
Non-current liabilities		
Borrowings from banks and other lenders	3,158	1,466
Other payables	31	8
Provisions for risks and charges	69	33
Derivatives	2	2
Deferred tax liabilities	158	103
Employee benefit obligations	440	355
Total non-current liabilities	3,858	1,967
Current liabilities		
Borrowings from banks and other lenders	129	370
Trade payables	2,092	1,686
Other payables	865	692
Derivatives	37	35
Provisions for risks and charges	407	321
Current tax payables	45	18
Total current liabilities	3,575	3,122
Total liabilities	7,433	5,089
Total equity and liabilities	9,929	6,728

(*) The previously published figures of the Consolidated Financial Statements have been adjusted following the adoption of IFRSs 15 and 9.

Consolidated Income Statement

(in millions of Euro)

	9 months 2018	9 months 2017 (*)
Sales of goods and services	7,293	5,867
Change in inventories of work in progress, semi-finished and finished goods	8	122
Other income	103	54
Raw materials, consumables used and goods for resale	(4,751)	(3,728)
Fair value change in metal derivatives	(43)	(2)
Personnel costs	(920)	(801)
<i>of which personnel costs for company reorganisation</i>	(22)	(7)
<i>of which personnel costs for stock option fair value</i>	(15)	(37)
Amortisation, depreciation, impairment and impairment reversal	(153)	(132)
<i>of which impairment</i>	(1)	-
Other expenses	(1,264)	(1,073)
<i>of which non-recurring (other expenses) and releases</i>	(1)	(17)
<i>of which (other expenses) for company reorganisation</i>	(3)	(5)
Share of net profit/(loss) of equity-accounted companies	50	36
Operating income	323	343
Finance costs	(348)	(246)
<i>of which non-recurring finance costs</i>	(2)	(2)
Finance income	275	174
Profit/(loss) before taxes	250	271
Taxes	(67)	(77)
Net profit/(loss) for the period	183	194
Attributable to:		
Owners of the parent	183	196
Non-controlling interests	-	(2)
Basic earnings/(loss) per share (in Euro)	0.77	0.92
Diluted earnings/(loss) per share (in Euro)	0.77	0.90

(*) The previously published figures for the previous period have been adjusted following the introduction of IFRSs 15 and 9.

Consolidated Income Statement - Third Quarter

(in millions of Euro)

	3rd quarter 2018	3rd quarter 2017 (*)
Sales of goods and services	2,929	1,929
Change in inventories of work in progress, semi-finished and finished goods	(62)	4
Other income	56	17
Raw materials, consumables used and goods for resale	(1,848)	(1,166)
Fair value change in metal derivatives	(18)	9
Personnel costs	(356)	(257)
<i>of which personnel costs for company reorganisation</i>	(10)	(1)
<i>of which personnel costs for stock option fair value</i>	(1)	(12)
Amortisation, depreciation, impairment and impairment reversal	(59)	(44)
Other expenses	(493)	(375)
<i>of which (other expenses) for company reorganisation</i>	(1)	(2)
Share of net profit/(loss) of equity-accounted companies	14	17
Operating income	163	134
Finance costs	(131)	(40)
<i>of which non-recurring finance costs</i>	(1)	(1)
Finance income	104	17
Profit/(loss) before taxes	136	111
Taxes	(35)	(30)
Net profit/(loss) for the period	101	81
Attributable to:		
Owners of the parent	101	83
Non-controlling interests	-	(2)

(*) The previously published figures for the previous period have been adjusted following the introduction of IFRSs 15 and 9.

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	9 months 2018	9 months 2017
Net profit/(loss) for the period	183	194
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	(3)	23
Fair value gains/(losses) on cash flow hedges - tax effect	1	(6)
Evaluation of Financial assets at fair value through other comprehensive income	(1)	
Currency translation differences	(29)	(147)
Total items that may be reclassified, net of tax	(32)	(130)
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	18	5
Actuarial gains/(losses) on employee benefits - tax effect	(3)	(1)
Total items that will NOT be reclassified, net of tax	15	4
Total comprehensive income/(loss) for the period	166	68
Attributable to:		
Owners of the parent	162	86
Non-controlling interests	4	(18)

Consolidated Statement of Comprehensive Income - Third Quarter

(in millions of Euro)

	3rd quarter 2018	3rd quarter 2017
Net profit/(loss) for the period	101	81
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	3	5
Fair value gains/(losses) on cash flow hedges - tax effect	(1)	(2)
Evaluation of Financial assets at fair value through other comprehensive income	(1)	-
Currency translation differences	(5)	(39)
Total items that may be reclassified, net of tax	(4)	(36)
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	9	-
Recognition of assets related to employee benefits obligation	-	1
Actuarial gains/(losses) on employee benefits - tax effect	-	(1)
Total items that will NOT be reclassified, net of tax	9	-
Total comprehensive income/(loss) for the period	106	45
Attributable to:		
Owners of the parent	105	53
Non-controlling interests	1	(8)

Consolidated Statement of Cash Flows

(in millions of Euro)

	9 months 2018	9 months 2017 (*)
Profit/(loss) before taxes	250	271
Depreciation, impairment and impairment reversals of property, plant and equipment	118	98
Amortisation and impairment of intangible assets	35	34
Net gains on disposal of property, plant and equipment, intangible assets and capital gains from dilutions in associates	(37)	(1)
Share of net profit/(loss) of equity-accounted companies	(50)	(36)
Share-based payments	15	37
Fair value change in metal derivatives and other fair value items	43	2
Net finance costs	73	72
Changes in inventories	(67)	(208)
Changes in trade receivables/payables	(149)	(125)
Changes in other receivables/payables	(448)	(177)
Taxes paid	(78)	(78)
Dividends received from equity-accounted companies	4	9
Utilisation of provisions (including employee benefit obligations)	(48)	(52)
Increases and/or realises of provisions (including employee benefit obligations) and others	4	32
A. Net cash flow provided by/(used in) operating activities	(335)	(122)
Net cash flow from acquisitions and/or disposals	(1,208)	(3)
Investments in property, plant and equipment	(160)	(154)
Disposals of property, plant and equipment and assets held for sale	7	4
Investments in intangible assets	(9)	(14)
Investments in financial assets at fair value through profit/(loss)	(1)	(18)
Disposal of financial assets at fair value through profit/(loss)	19	8
Other investments at fair value through comprehensive income	-	(11)
B. Net cash flow provided by (used in) investing activities	(1,352)	(188)
Capital contributions and other changes in equity	496	-
Shares buyback	-	(100)
Dividend distribution	(105)	(102)
Early repayment of credit facility	-	(50)
EIB loans	(17)	(16)
Borrowings for acquisition	1,700	-
Issuance of convertible bond - 2017	-	500
CDP loan	-	100
GC Convertible bond	(396)	-
Finance costs paid	(292)	(321)
Finance income received	254	271
Changes in net financial receivables/payables	(907)	22
C. Net cash flow provided by/(used in) financing activities	734	304
D. Currency translation gains/(losses) on cash and cash equivalents	(19)	(13)
E. Total cash flow provided/(used) in the period (A+B+C+D)	(972)	(19)
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)	363	627

(*) The previously published figures of the Consolidated Financial Statements have been adjusted following the adoption of IFRSs 15 and 9.

ANNEX B

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

(in millions of Euro)

	9 months 2018	9 months 2017 (*)
Net profit/(loss) for the period	183	194
Taxes	67	77
Finance income	(275)	(174)
Finance costs	348	246
Amortisation, depreciation, impairment and impairment reversal	153	132
Fair value change in metal derivatives	43	2
Fair value change in stock options	15	37
EBITDA	534	514
Company reorganisation	25	12
<i>of which General Cable acquisition integration costs</i>	15	-
Non-recurring expenses/(income):		
Antitrust	1	17
Other non-operating expenses/(income)	17	4
<i>of which General Cable acquisition related costs</i>	6	-
<i>of which General Cable acquisition integration costs</i>	20	-
<i>of which release of General Cable inventory step-up</i>	16	-
<i>of which income from YOFC listing</i>	(36)	-
Total adjustments to EBITDA	43	33
Adjusted EBITDA	577	547

(*) The previously published figures for 2017 have been adjusted following the introduction of IFRSs 9 and 15.

Statement of Cash Flows with reference to change in Net Financial Position

(in millions of Euro)

	9 months 2018 (*)	9 months 2017 (**)	Change
EBITDA	534	514	20
Changes in provisions (including employee benefit obligations)	(44)	(20)	(24)
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets	(37)	(1)	(36)
Share of net profit/(loss) of equity-accounted companies	(50)	(36)	(14)
Net cash flow provided by operating activities (before changes in net working capital)	403	457	(54)
Changes in net working capital	(664)	(510)	(154)
Taxes paid	(78)	(78)	-
Dividends from investments in equity-accounted companies	4	9	(5)
Net cash flow provided/(used) by operating activities	(335)	(122)	(213)
Cash flow from acquisitions and/or disposal	(1,290)	(3)	(1,287)
Net cash flow used in operating activities	(162)	(164)	2
<i>Of which for investment of Wuhan ShenHuan</i>	-	(35)	35
Free cash flow (unlevered)	(1,787)	(289)	(1,498)
Net finance costs	(38)	(50)	12
Free cash flow (levered)	(1,825)	(339)	(1,486)
Share buy back	-	(100)	100
Dividend distribution	(105)	(102)	(3)
Capital contributions and other changes in equity	496	-	496
Net cash flow provided/(used) in the period	(1,434)	(541)	(893)
Opening net financial debt	(436)	(537)	101
Net cash flow provided/(used) in the period	(1,434)	(541)	(893)
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	(75)	(22)	(53)
Closing net financial debt	(2,877)	(1,052)	(1,825)

(*) The General Cable Group's cash flows refer to the period 1 June – 30 September 2018.

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