PRESS RELEASE

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

ADJ EBITDA UP TO €362 M (+4.3% ON H1 2016)

CONTINUED IMPROVEMENT IN MARGINS (ADJ EBITDA/SALES) FOR ENERGY PROJECTS (17%) AND TELECOM (16.8%)

SALES AT €3,936 M (-1.5% ORGANIC GROWTH ON H1 2016, UPTICK IN Q2 TO +0.6%)

INDUSTRIAL & NWC BETTER

RECOVERING TREND FOR ENERGY PROJECTS AFTER WEAK START

TELECOM CONFIRMS SOLID GROWTH

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT €113 M IN LINE WITH €115 M IN H1 2016

NET FINANCIAL DEBT IMPROVES TO €1,000 M (€1,031 M AT 30/6/2016), INCLUDING €99 M TO BUY BACK SHARES

Milan, 27/7/2017. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first half of 2017.

"The first half of the year has seen a sharp increase in profitability, with improving margins in the strategic Energy Projects and Telecom businesses," explained CEO Valerio Battista. "Sales have posted a marked improvement in the second quarter after a poor start due to adverse phasing in the Energy Projects business. The Group's profitability has continued to grow thanks to the contribution of the Telecom and Energy Projects businesses. The Industrial business has also enjoyed a positive trend with an order backlog providing a strong outlook for the rest of the year. The major projects awarded not only in the Energy Projects business for the IFA2 interconnector and new offshore wind farm cabling in France but also in the Telecom business with the $300 million Verizon agreement, validate the Group's investment strategy aimed at building up submarine project execution capabilities and optical fibre and optical cable production capacity. The FY 2017 outlook is confirmed with an increase of Adjusted EBITDA forecast in the range of €710-€750 million."

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

(in millions of Euro)

	1st half 2017	1st half 2016	% Change	% organic sales change
Sales	3,936	3,785	4.0%	-1.5%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	343	333	2.9%	
Adjusted EBITDA	362	347	4.3%	
EBITDA	331	322	2.6%	
Adjusted operating income	274	261	5.0%	
Operating income	207	217	-4.6%	
Profit/(Loss) before taxes	158	180	-12.2%	
Net profit/(loss) for the period	113	124	-8.9%	

(in millions of Euro)

	30 June 2017	30 June 2016	Change
Net capital employed	2,942	2,912	30
Employee benefit obligations	371	393	(22)
Equity	1,571	1,488	83
of which attributable to non-controlling interests	199	223	(24)
Net financial debt	1,000	1,031	(31)

FINANCIAL RESULTS

Group **Sales** amounted to €3,936 million, displaying a second-quarter recovery (organic growth +0.6%) thanks to recovery of the phasing in the Energy Projects segment and to an improvement for Industrial & Network Components. Six-month organic sales retreated by –1.5% on the first half of 2016. As already mentioned, six-month organic sales for Energy Projects were still negative (-5.3%) despite a sharp second-quarter trend reversal with a return to growth (+3.0%). The Telecom segment has continued to enjoy solid growth (+7.5%) thanks to rising global demand for optical fibre, while copper cable volumes are gradually reducing as expected. There was also resumed growth in Industrial & NWC sales (+2.5%), while Energy & Infrastructure was still weak (-3.3%), with a potential second-half improvement expected in certain European markets following the introduction of the new Construction Products Regulation (CPR). Although the second quarter showed some improvement relative to the earlier part of the year, the Oil & Gas segment continued to perform poorly (–14.8%) mainly due to weakness in the SURF business.

Adjusted EBITDA[1] climbed 4.3% on the first half of 2016 to €362 million (before net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €31 million). There was a marked improvement in profitability in the Energy Projects segment (Adjusted EBITDA margin 17.0% versus 14.6%), also benefiting from full use of the new cable-laying vessel "Ulisse" and of new installation technologies and equipment. Margins were also up in the Telecom segment (Adjusted EBITDA margin 16.8% versus 13.7%), thanks to growth in volumes and the effects of investments in fibre manufacturing efficiency as well as the absence of doubtful debt provisions adversely affecting the 2016 result (€8 million in provisions in Brazil).

EBITDA[2] amounted to €331 million, improving by 2.6% from €322 million in the first half of 2016; it is stated after net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €31 million (€25 million in the first half of 2016), mainly involving costs for reorganising and improving efficiency and for increases in the provisions for antitrust-related issues.

Group **Operating Income** came to €207 million, compared with €217 million in the first half of 2016 (-4.6%), adversely affected by the fair value change in metal derivatives (negative impact of €11 million versus positive impact of €20 million in the first half of 2016).

Net Finance Costs came to €49 million, versus €37 million in the first half of 2016. The increase of €12 million is mainly attributable to the non–cash cost of the new convertible bond, to higher non-operating finance costs and exchange rate differences, which were positive last year.

Net Profit attributable to owners of the parent was €113 million, basically stable compared with €115 million in the first half of 2016.

Net Financial Debt amounted to €1,000 million at 30 June 2017, having improved from €1,031 million at 30 June 2016, also including €99 million for share buybacks since January.
The principal factors influencing Net Financial Debt in the past 12 months have been:

- €636 million in net cash flow provided by operating activities before changes in net working capital
- €74 million in working capital increases
- €74 million in tax payments
- €237 million in net operating capital expenditure in the past 12 months, including €46 million to acquire the High Voltage assets in China
- €31 million in net cash inflows provided by acquisitions and disposals of investments
- €71 million in net payments of finance costs
- €102 million in dividend payouts
- €99 million to buy back the Company's shares

[1] 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 has been modified following CONSOB's implementation of the new ESMA guidelines (reference ESMA/2015/1415).
[2] EBITDA: is defined as operating income before the fair value change in metal price derivatives and in other fair value items and before amortisation, depreciation and impairment.

Prysmian Group

PRYSMIAN Draka

ENERGY PROJECTS

- **SECOND-QUARTER GROWTH FOR SUBMARINE AFTER WEAK FIRST QUARTER**
- **SLIGHT RECOVERY IN HIGH VOLTAGE UNDERGROUND BUT STILL PENALISED BY GROUP PERIMETER CHANGE IN CHINA**
- **SHARP IMPROVEMENT IN PROFITABILITY ALSO THANKS TO NEW SUBMARINE CABLE INSTALLATION ASSETS**

Energy Projects sales to third parties came to €685 million in the first half of 2017. Organic growth improved considerably in the second quarter after a negative start to the year due to unfavourable phasing (six-month underlying sales growth was -5.3%). Profitability was well up, with Adjusted EBITDA at €116 million (+4.6% on the first half of 2016) and a margin on sales of 17.0%, up from 14.6% in the first half of 2016.

Submarine Cables and Systems increased their sales in the second quarter, recovering a good part of the ground lost at the start of the year. Profitability improved significantly, having also benefited from investments in new installation assets like the "Ulisse" cable-laying vessel and the new jetting system, which have allowed a large proportion of high-margin activities to be performed in-house. The Group sees major growth opportunities in the offshore wind farm market, where it is able to offer a competitive range of technologies and turnkey services, from project engineering and management to design and production of innovative cable solutions, right through to system installation, monitoring and maintenance.

The growth prospects of the submarine cable business are supported by the much greater competitiveness of offshore wind power generation, measured by the reduction in the so-called Levelized Revenues of Energy (LRoE), featuring in the award of recent tenders in Germany.

High Voltage Underground sales were affected by weak demand in France, the Middle East and United States, despite benefiting from solid performance in Asia Pacific thanks to strong order intake in the quarter. The result was affected by the change in the Group's perimeter in China.

The underground and submarine power transmission order book currently stands at €2,450 million, thanks to the important new projects secured by the Group in the past few months, amongst which the IFA2 interconnector between France and the UK.

(in millions of Euro)

	1st half 2017	1st half 2016	% Change	% organic sales change
Sales	685	761	-10.0%	-5.3%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**116**	**111**	**4.4%**	
% of sales	17.0%	14.6%		
Adjusted EBITDA	**116**	**111**	**4.6%**	
% of sales	17.0%	14.6%		
EBITDA	**101**	**110**	**-8.7%**	
% of sales	14.7%	14.4%		
Amortisation and depreciation	(20)	(17)		
Adjusted operating income	**96**	**94**	**1.8%**	
% of sales	14.0%	12.4%		

ENERGY PRODUCTS

- **GOOD PERFORMANCE FOR T&I IN NORTH EUROPE, OCEANIA AND CHINA, WEAK IN OMAN, TURKEY, ARGENTINA AND NORTH AMERICA**
- **POWER DISTRIBUTION: SLOWDOWN IN CENTRAL-EAST EUROPEAN MARKET AS EXPECTED**
- **INDUSTRIAL RESUMES GROWTH: GOOD PERFORMANCE FOR SPECIALTIES & OEMS AND AUTOMOTIVE**

Energy Products sales to third parties amounted to €2,467 million, posting an organic change of -1.5%, particularly attributable to contraction in cyclical business volumes in Europe, only partially offset by positive performance of certain applications in the industrial cables sector. Adjusted EBITDA amounted to €135 million in the first half of 2017 versus €151 million in the corresponding period of 2016 (-10.3%), with a 5.5% margin on sales (6.6% in the corresponding period of 2016).

(in millions of Euro)

	1st half 2017	1st half 2016	% Change	% organic sales change
Sales	2,467	2,298	7.4%	-1.5%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**132**	**150**	**-11.5%**	
% of sales	5.4%	6.5%		
Adjusted EBITDA	**135**	**151**	**-10.3%**	
% of sales	5.5%	6.6%		
EBITDA	**128**	**134**	**-4.4%**	
% of sales	5.2%	5.8%		
Amortisation and depreciation	(39)	(41)	-5.4%	
Adjusted operating income	**96**	**110**	**-12.2%**	
% of sales	3.9%	4.8%		

Energy & Infrastructure

Energy & Infrastructure sales to third parties amounted to €1,658 million, with a negative underlying change of -3.3%. Adjusted EBITDA was €74 million compared with €87 million in the corresponding period of 2016 (with the margin on sales at 4.5% versus 5.5%). The decline in profitability is largely due to the drop in volumes in Oman.

The Trade & Installers business had mixed results in the first half of 2017, with positive performances in North Europe, Oceania and China failing to make up for weakness in Oman, Turkey and Argentina. North America's new policies regarding renewable energy investments also had a negative impact. The implementation of the Construction Products Regulation (CPR) in Europe will lead to a general rise in quality standards and represents an opportunity for the Group thanks to its established position at the top end of the market.

Power Distribution reported a positive performance in Asia Pacific, North Europe and North America, while the market slowdown in Germany and Eastern Europe was in line with expectations. The challenging market conditions in Central and Eastern Europe and Oman adversely affected the business's profitability.

Industrial & Network Components

Industrial & Network Components sales to third parties amounted to €739 million, with a positive underlying change of +2.5%, a sharp improvement after the decline seen at the start of the year, driven by solid performance in the OEMs and Automotive markets. Adjusted EBITDA was largely stable at €62 million versus €64 million in the first half of 2016 (with the margin on sales at 8.3% versus 9.4%).
Specialties, OEMs & Renewables all enjoyed positive organic sales growth, with solid performances by Railway and Infrastructure and a recovery by Mining and Renewables. Crane, Marine and Defence were still weak after peaking in 2016. The strengthening of the order book provides a positive outlook for the rest of the year. The Elevators business recorded a positive trend in Europe, but a contraction in sales in China which, combined with the unfavourable product mix in North America, affected profitability. Automotive sales enjoyed a positive performance particularly in Asia Pacific and North America, while remaining stable in Europe. Profitability improved also thanks to investments in industrial efficiency in Europe. Lastly, the Network Components business recorded weaker volumes and margins due to slowdown in the High Voltage sector in Europe and China. Medium and low voltage performed well in Europe and the United States.

OIL & GAS

- **CORE CABLE VOLUMES UP, THANKS TO RECOVERY IN ONSHORE PROJECTS WITH GOOD TREND IN PROFITABILITY**
- **WEAK PERFORMANCE BY UMBILICALS DUE TO TOUGH MARKET CONDITIONS IN BRAZIL**
- **DHT GOOD ONSHORE DEMAND IN USA, BUT WEAK DEMAND BY OTHER MARKETS**

Oil & Gas sales to third parties came to €138 million, reflecting negative organic growth of -14.8%. The quarterly sales figures indicate that the worst seems to be over (in fact, the organic sales change in the second quarter of 2017 was -7.6% compared with -21.2% in the first quarter). Adjusted EBITDA was €2 million in the first six months of 2017 (€7 million in the first six months of 2016), with a margin on sales of 1.1% (4.2% in the first half of 2016).

The Core Cables Oil & Gas business recorded a positive performance with a growth in sales, particularly in connection with onshore projects in North America, Russia and Middle East. The recovery in volumes along with the efficiencies achieved have supported profitability even in a difficult situation with prices under pressure due to weak demand.

The SURF business (Subsea Umbilicals Risers and Flowlines) has been affected by the steep downturn in the umbilicals market in Brazil, after a slump in new project awards in 2016.
The Downhole Technology business saw onshore volumes recover in the USA thanks to the shale oil market, contrasting with generally weak demand in other markets, and margins under pressure due to the unfavourable product mix (onshore vs. offshore).

(in millions of Euro)

	1st half 2017	1st half 2016	% Change	% organic sales change
Sales	138	156	-11.7%	-14.8%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**2**	**7**	**-76.5%**	
% of sales	1.1%	4.2%		
Adjusted EBITDA	**2**	**7**	**-76.4%**	
% of sales	1.1%	4.2%		
EBITDA	**1**	**5**	**-89.0%**	
% of sales	0.4%	3.4%		
Amortisation and depreciation	(9)	(8)		
Adjusted operating income	**(7)**	**(1)**		
% of sales	-5.1%	-0.8%		

TELECOM

- **SOLID SALES (ORGANIC GROWTH +7.5%) DRIVEN BY DEMAND FOR OPTICAL CABLES**
- **GROUP LAUNCHES THREE-YEAR INVESTMENT PLAN IN OPTICAL FIBRE AND CABLES FOR €250 MILLION**
- **GROWTH IN VOLUMES AND MARGINS FOR MULTIMEDIA SOLUTIONS**

Telecom sales to third parties amounted to €646 million, with organic growth of +7.5% mainly due to constant growth in demand for optical cables driven by major investment projects by operators in Europe and North America. Adjusted EBITDA was up 38.6% year-on-year to €109 million in the first six months of 2017; the Adjusted EBITDA margin on sales also improved to 16.8% from 13.7% in the first half of 2016.

The Telecom Solutions business won important contracts with leading operators in Europe for the construction of backhaul links and FTTH connections. In North America, the development of new ultra-broadband networks is generating a steady increase in demand from which Prysmian is benefiting, as evidenced by the three-year $300 million agreement with Verizon to supply optical fibre cable from January 2018. With the goal of consolidating its competitive position, the Group has embarked on a three-year €250 million investment plan to boost production capacity and efficiency. There was a weak market for copper cables.
Lastly, the high value-added business of optical connectivity also confirmed positive results, driven by the development of new FTTx networks (providing last mile broadband) in Europe (particularly in France and Britain).

The Multimedia Solutions business recorded higher volumes and improved margins in Europe and Asia Pacific, partly thanks to the improvement in the industrial set-up in Europe. Demand is being particularly driven by growing investments in Datacentres.

(in millions of Euro)

	1st half 2017	1st half 2016	% Change	% organic sales change
Sales	646	570	13.4%	7.5%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**93**	**65**	**40.7%**	
% of sales	14.3%	11.5%		
Adjusted EBITDA	**109**	**78**	**38.6%**	
% of sales	16.8%	13.7%		
EBITDA	**106**	**77**	**37.8%**	
% of sales	16.4%	13.5%		
Amortisation and depreciation	(20)	(20)		
Adjusted operating income	**89**	**58**	**51.4%**	
% of sales	13.7%	10.3%		

BUSINESS OUTLOOK

Global economic growth in the first half of 2017 was higher than expected thanks to performance by emerging countries (Brazil, China and Mexico) and consolidation of the positive trend by more developed economies. After an uncertain start to the year marked by lower-than-expected growth, positive jobs data in the United States indicate a clear recovery since the second quarter. China recorded improved economic growth in the second quarter.

In such a context, the Prysmian Group's expectation for FY 2017 is that cable demand in the cyclical businesses of building wires and medium voltage cables for utilities will be largely stable compared with the previous year, while the various applications in the industrial business will have a mixed but positive performance thanks to an uptick in the Automotive and OEM markets. With the Energy Projects segment enjoying a growing market, the Prysmian Group expects to consolidate its leadership as well as improving profitability in the Submarine cables business, while it expects a slight decline in the High Voltage underground business partly due to the change in the scope of consolidation in China. In the Oil & Gas segment, the stabilisation of the oil price in the region of 40-50 USD/barrel is underpinning a resumption of onshore projects, while offshore activities remain weak, like the SURF business, which is being affected by the low project awards in Brazil. In the Telecom segment, the underlying growth in the Group's turnover is expected to remain strong in 2017, thanks to growing demand for optical cables in North America and Europe, accompanied by a gradual stabilisation in volumes in Australia.
In addition, assuming exchange rates remain at the same level as at the date of the present document, the effect of translating the results of other Group companies into the reporting currency is expected to have a mildly negative impact on the Group's 2017 operating income.
The Group is forecasting Adjusted EBITDA for FY 2017 in the range of €710-750 million, up from the €711 million reported in 2016. This forecast is not only based on the Company’s current business perimeter but also takes into account the current order book.

OTHER RESOLUTIONS BY THE BOARD OF DIRECTORS

Spin-off of part of the assets of a wholly-owned direct subsidiary
At today's meeting the Board of Directors approved, pursuant to art. 2505, par. 2 of the Italian Civil Code, the spin-off to Prysmian S.p.A. of part of the assets of Prysmian Cavi e Sistemi S.r.l., a single shareholder company directed and coordinated by Prysmian S.p.A. and directly owned by the latter, comprising trademarks, designs and patents, along with the company's product development staff, as well as its 47.835% equity interest in the share capital of the Dutch company Draka Holding B.V., as previously announced on 10 May 2017.

The minutes of the meeting, in the process of being filed with the Milan Register of Companies, will be publicly available at the Company's registered office and on its website at www.prysmiangroup.com, on the website of Borsa Italiana at www.borsaitaliana.it, and in the authorised storage mechanism at www.emarketstorage.com once the filing with the Register of Companies is complete.

Corporate bonds
An equity-linked five-year zero-coupon bond for a total nominal amount of €500 million was placed with institutional investors on 12 January 2017.
At their meeting held on 12 April 2017, the Company's shareholders subsequently authorised:
- the convertibility of the Equity-Linked Bond;
- the proposal to increase share capital for cash, in single or multiple issues with the exclusion of pre-emptive rights, by a maximum nominal amount of €1,457,942.70, by issuing, in single or multiple instalments, up to 14,579,427 ordinary shares of the Company, with the same characteristics as its other outstanding ordinary shares, exclusively and irrevocably to serve the Bond’s conversion.
The initial conversion price of the Bonds of €34.2949 was set by applying a 41.25% premium to the weighted average price of the Company's ordinary shares recorded on the Milan Stock Exchange between the start and end of the book-building process during the morning of 12 January 2017. The bonds are traded on the Third Market (a multilateral trading facility or MTF) on the Vienna Stock Exchange.

In addition, it is recalled that the convertible bond, known as "€300,000,000 1.25 per cent. Equity Linked Bonds due 2018", maturing on 8 March 2018 and reserved for institutional investors, will reach maturity within eighteen months of the end of 2016.

The Prysmian Group's Half-Year Financial Report at 30 June 2017, approved by the Board of Directors today, will be available to the public from the Company's registered office in Via Chiese 6, Milan, and from Borsa Italiana S.p.A. by the legally required deadline. 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 emarketstorage.com. The present document may contain forward-looking statements relating to future events and future operating, economic and financial results of the Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual future results may differ materially from what is expressed in forward-looking statements for a variety of factors.
The managers responsible for preparing corporate accounting documents (Carlo Soprano and Andreas Bott) hereby declare, pursuant to art. 154-bis par. 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

The results at 30 June 2017 will be presented to the financial community during a conference call to be held today at 18:00 CET, a recording of which will be subsequently made available on the Group's website: www.prysmiangroup.com.
The documentation used during the presentation will be available today in the Investor Relations section of the Prysmian website at www.prysmiangroup.com, and can be viewed on the Borsa Italiana website at www.borsaitaliana.it and in the central storage mechanism for regulated information at www.emarketstorage.com.

Prysmian Group
Prysmian Group is world leader in the energy and telecom 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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Prysmian Group

PRYSMIAN
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ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	30 June 2017	31 December 2016
Non-current assets		
Property, plant and equipment	1,625	1,631
Intangible assets	759	792
Equity-accounted investments	202	195
Available-for-sale financial assets	13	12
Derivatives	5	3
Deferred tax assets	136	130
Other receivables	15	21
Total non-current assets	**2,755**	**2,784**
Current assets		
Inventories	1,042	906
Trade receivables	1,298	1,088
Other receivables	795	788
Financial assets held for trading	60	59
Derivatives	24	40
Cash and cash equivalents	639	646
Total current assets	**3,858**	**3,527**
Total assets	**6,613**	**6,311**
Equity attributable to the Group:	**1,372**	**1,448**
Share capital	22	22
Reserves	1,237	1,180
Net profit/(loss) for the period	113	246
Equity attributable to non-controlling interests:	**199**	**227**
Share capital and reserves	199	211
Net profit/(loss) for the period	-	16
Total equity	**1,571**	**1,675**
Non-current liabilities		
Borrowings from banks and other lenders	1,267	1,114
Other payables	17	18
Provisions for risks and charges	32	40
Derivatives	2	12
Deferred tax liabilities	104	111
Employee benefit obligations	371	383
Total non-current liabilities	**1,793**	**1,678**
Current liabilities		
Borrowings from banks and other lenders	442	172
Trade payables	1,589	1,498
Other payables	772	875
Derivatives	20	24
Provisions for risks and charges	357	339
Current tax payables	69	50
Total current liabilities	**3,249**	**2,958**
Total liabilities	**5,042**	**4,636**
Total equity and liabilities	**6,613**	**6,311**

Consolidated income statement

(in millions of Euro)

	1st half 2017	1st half 2016
Sales of goods and services	3,936	3,785
Change in inventories of work in progress, semi-finished and finished goods	118	7
Other income	37	25
Raw materials, consumables used and goods for resale	(2,562)	(2,275)
Fair value change in metal derivatives	(11)	20
Personnel costs	(544)	(523)
of which personnel costs for company reorganisation	*(6)*	*(9)*
of which personnel costs for stock option fair value	*(25)*	*(24)*
Amortisation, depreciation, impairment and impairment reversal	(88)	(101)
of which (impairment) and impairment reversals related to company reorganisation	-	*(1)*
of which other (impairment) and impairment reversals	-	*(14)*
Other expenses	(698)	(735)
of which non-recurring (other expenses) and releases	*(15)*	-
of which (other expenses) for company reorganisation	*(3)*	*(2)*
Share of net profit/(loss) of equity-accounted companies	19	14
Operating income	**207**	**217**
Finance costs	(206)	(249)
of which non-recurring finance costs	*(1)*	*(1)*
Finance income	157	212
of which non-recurring finance income	-	-
Profit/(loss) before taxes	**158**	**180**
Taxes	(45)	(56)
Net profit/(loss) for the period	**113**	**124**
Attributable to:		
Owners of the parent	113	115
Non-controlling interests	-	9
Basic earnings/(loss) per share (in Euro)	**0.53**	**0.54**
Diluted earnings/(loss) per share (in Euro)	**0.52**	**0.54**

Consolidated income statement - 2nd quarter

(in millions of Euro)

	2nd quarter 2017	2nd quarter 2016
Sales of goods and services	2,087	1,975
Change in inventories of work in progress, semi-finished and finished goods	18	-
Other income	21	12
Raw materials, consumables used and goods for resale	(1,318)	(1,178)
Fair value change in metal derivatives	(14)	18
Personnel costs	(277)	(266)
of which personnel costs for company reorganisation	*(4)*	*(5)*
of which personnel costs for stock option fair value	*(14)*	*(12)*
Amortisation, depreciation, impairment and impairment reversal	(44)	(43)
of which (impairment) and impairment reversals related to company reorganisation	-	-
of which other (impairment) and impairment reversals	-	-
Other expenses	(353)	(380)
of which non-recurring (other expenses) and releases	-	-
of which (other expenses) for company reorganisation	-	-
Share of net profit/(loss) of equity-accounted companies	9	7
Operating income	**129**	**145**
Finance costs	(99)	(95)
of which non-recurring finance costs	-	*(1)*
Finance income	76	76
of which non-recurring finance income	-	-
Profit/(loss) before taxes	**106**	**126**
Taxes	(30)	(39)
Net profit/(loss) for the period	**76**	**87**
Attributable to:		
Owners of the parent	77	84
Non-controlling interests	(1)	3

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	1st half 2017	1st half 2016
Net profit/(loss) for the period	**113**	**124**
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	5
Fair value gains/(losses) on cash flow hedges - tax effect	(4)	(1)
Release of cash flow hedge reserve after discontinuing cash flow hedging - gross of tax	-	-
Release of cash flow hedge reserve after discontinuing cash flow hedging - tax effect	-	-
Currency translation differences	(108)	(21)
Total items that may be reclassified, net of tax	**(94)**	**(17)**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	5	(63)
Recognition of pension plan asset ceiling	-	-
Actuarial gains/(losses) on employee benefits - tax effect	(1)	14
Total items that will NOT be reclassified, net of tax	**4**	**(49)**
Total comprehensive income/(loss) for the period	**23**	**58**
Attributable to:		
Owners of the parent	41	53
Non-controlling interests	(18)	5

Consolidated Statement of Comprehensive Income - 3rd quarter

(in millions of Euro)

	2nd quarter 2017	2nd quarter 2016
Net profit/(loss) for the year	**76**	**84**
Comprehensive income/(loss) for the year:		
- items that may be reclassified subsequently to profit or loss:		
Fair value gains/(losses) on cash flow hedges - gross of tax	21	(6)
Fair value gains/(losses) on cash flow hedges - tax effect	(4)	1
Release of cash flow hedge reserve after discontinuing cash flow hedging - gross of tax	-	-
Release of cash flow hedge reserve after discontinuing cash flow hedging - tax effect	-	-
Currency translation differences	(104)	19
Total items that may be reclassified, net of tax	**(87)**	**14**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	5	(63)
Recognition of pension plan asset ceiling	-	-
Actuarial gains/(losses) on employee benefits - tax effect	(1)	14
Total items that will NOT be reclassified, net of tax	**4**	**(49)**
Total comprehensive income/(loss) for the year	**(7)**	**49**
Attributable to:		
Owners of the parent	5	49
Non-controlling interests	(12)	-

Consolidated statement of cash flows

(in millions of Euro)

		1st half 2017	1st half 2016
	Profit/(loss) before taxes	158	180
	Depreciation, impairment and impairment reversals of property, plant and equipment	65	77
	Amortisation and impairment of intangible assets	23	24
	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	(19)	(14)
	Share-based payments	25	24
	Fair value change in metal derivatives and other fair value items	11	(20)
	Net finance costs	49	37
	Changes in inventories	(168)	(18)
	Changes in trade receivables/payables	(127)	28
	Changes in other receivables/ payables	(137)	(300)
	Changes in receivables/payables for derivatives	-	(1)
	Taxes paid	(36)	(38)
	Dividends received from equity-accounted companies	3	2
	Utilisation of provisions (including employee benefit obligations)	(39)	(44)
	Increases in provisions (including employee benefit obligations)	44	31
A.	**Net cash flow provided by/(used in) operating activities**	**(149)**	**(33)**
	Investments in property, plant and equipment	(104)	(99)
	Disposals of property, plant and equipment and assets held for sale	4	1
	Investments in intangible assets	(11)	(4)
	Net investments in financial assets held for trading	(13)	
	Disposals of financial assets held for trading	6	14
B.	**Net cash flow provided by/(used in) investing activities**	**(118)**	**(88)**
	Share buyback	(99)	-
	Dividend distribution	(101)	(101)
	Early repayment of credit facility	(50)	-
	EIB loan	(8)	(8)
	Issuance of non-convertible bond - 2017	500	
	Finance costs paid	(201)	(254)
	Finance income received	156	212
	Changes in net financial payables	73	18
C.	**Net cash flow provided by/(used in) financing activities**	**270**	**(133)**
D.	**Currency translation gains/(losses) on cash and cash equivalents**	**(10)**	**(1)**
E.	**Total cash flow provided/(used) in the period (A+B+C+D)**	**(7)**	**(255)**
F.	**Net cash and cash equivalents at the beginning of the period**	**646**	**547**
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**639**	**292**
	Cash and cash equivalents reported in statement of financial position	**639**	**288**
	Cash and cash equivalents included in assets held for sale	**-**	**4**

ANNEX B

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

(in millions of Euro)

	1st half 2017	1st half 2016
Net profit/(loss) for the period	113	124
Taxes	45	56
Finance income	(157)	(212)
Finance costs	206	249
Amortisation, depreciation, impairment and impairment reversal	88	101
Fair value change in metal derivatives	11	(20)
Fair value change in stock options	25	24
EBITDA	**331**	**322**
Company reorganisation	9	11
Non-recurring expenses/(income):		
Antitrust	15	-
Other non-operating expenses/(income)	7	14
Total adjustments to EBITDA	**31**	**25**
Adjusted EBITDA	**362**	**347**

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

(in millions of Euro)

	1st half 2017	1st half 2016	Change
EBITDA	**331**	**322**	**9**
Changes in provisions (including employee benefit obligations)	5	(13)	18
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets	(1)	(1)	-
Results of operating and financial investment and divestment activities	-	-	-
Share of net profit/(loss) of equity-accounted companies	(19)	(14)	(5)
Net cash flow provided by operating activities (before changes in net working capital)	**316**	**294**	**22**
Changes in net working capital	(432)	(291)	(141)
Taxes paid	(36)	(38)	2
Dividends from investments in equity-accounted companies	3	2	1
Net cash flow provided by operating activities	**(149)**	**(33)**	**(116)**
Cash flow from acquisitions and/or disposals	-	-	-
Net cash flow from operational investing activities	(111)	(101)	(10)
Of which for investment in Wuhan ShenHuan	*(35)*	-	*(35)*
Free cash flow (unlevered)	**(260)**	**(134)**	**(126)**
Net finance costs	(45)	(42)	(3)
Free cash flow (levered)	**(305)**	**(176)**	**(129)**
Capital contributions and other equity movements	(99)	-	(99)
Dividend distribution	(101)	(101)	-
Net cash flow provided/(used) in the period	**(505)**	**(277)**	**(228)**
Opening net financial debt	**(537)**	**(750)**	**213**
Net cash flow provided/(used) in the period	(505)	(277)	(228)
Equity component of Convertible Bond	48	-	48
Other changes	(6)	(4)	(2)
Closing net financial debt	**(1,000)**	**(1,031)**	**31**