Prysmian Group

Press release

PRYSMIAN DRAKA

PRYSMIAN S.P.A. FIRST-QUARTER RESULTS 2014

VOLUMES GROW FOR FIRST TIME AFTER LONG PERIOD IN DECLINE

€78M ADJ EBITDA INCLUDING €37M NEGATIVE IMPACT DUE TO WESTERN LINK PROJECT EXECUTION PROBLEMS

SLIGHT IMPROVEMENT IN PROFITABILITY, EXCLUDING WESTERN LINK IMPACT

NEGATIVE IMPACT OF WL PROJECT ON FY 2014 ADJ EBITDA ESTIMATED AT €70M

FY 2014 ADJ EBITDA TARGET IN RANGE €530M - €580M (€600M - €650M EXCLUDING WL IMPACT)

FIRST-QUARTER RESULTS 2014

- **SALES: €1,579 MILLION (+3.2% ORGANIC CHANGE ON 1Q 2013; +5.4% EXCLUDING WL IMPACT)**
- **ADJ EBITDA[1]: €78 MILLION (-31.7% ON 1Q 2013); €115M EXCLUDING WL IMPACT**
- **ADJ OPERATING INCOME[2]: €42 MILLION (-45.9% ON 1Q 2013); €79M EXCLUDING WL IMPACT**
- **ADJ NET PROFIT[3]: €12 MILLION (-69.2% ON 1Q 2013; -2.6% EXCLUDING WL IMPACT)**
- **NET FINANCIAL POSITION: €1,133 MILLION (€1,161 MILLION AT 31 MARCH 2013)**

Milan, 8/5/2014. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first quarter of 2014 (which are not subject to audit).

"The 2014 first-quarter witnessed the first signs of volumes recovery with positive organic sales growth after several quarters of contraction. However, results have been adversely affected by technical problems encountered in the manufacture of the submarine cable for the Western HVDC Link project in the United Kingdom" explains CEO Valerio Battista. "Our technicians are obviously already seeking to overcome these difficulties and resume work on this very complex project, the most technologically advanced one ever for a large-scale electrical interconnection project. The negative impact of these issues has been of €37 million on first-quarter operating income. Apart from these adverse effects, even profitability would have improved slightly, despite negative exchange rate effects. For FY 2014, the Group is forecasting Adjusted EBITDA in the range of €530-€580 million (€600 - €650 million excluding the negative impact of the Western Link project estimated at €70 million for the full year)."

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

(in millions of Euro)	3 months 2014 before WL subm. project effect	WL subm. project effect	3 months 2014	3 months 2013 (*)	% Change
Sales	1,616	(37)	1,579	1,669	-5.4%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	110	(37)	73	110	-33.8%
Adjusted EBITDA	115	(37)	78	114	-31.7%
EBITDA	135	(37)	98	98	0.2%
Adjusted operating income	79	(37)	42	78	-45.9%
Operating income	79	(37)	42	45	-7.6%
Profit before taxes	44	(37)	7	(3)	
Net profit/(loss) for the period	31	(26)	5	(2)	

(in millions of Euro)	31 March 2014 before WL subm. project effect	WL subm. project effect	31 March 2014	31 March 2013 (*)	Change
Net capital employed	2,655	(26)	2,629	2,730	(101)
Employee benefit obligations	307	-	307	346	(39)
Equity	1,215	(26)	1,189	1,223	(34)
of which attributable to non-controlling interests	33	-	33	34	(1)
Net financial position	1,133	-	1,133	1,161	(28)

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.

[1] Adj EBITDA is defined as EBITDA before non-recurring income/(expenses), as reported in the table in Annex B.
[2] Adj operating income is defined as operating income before non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items.
[3] Adj net profit is defined as net profit before non-recurring income and expenses, the fair value change in metal derivatives and in other fair value items, the effect of currency and interest rate derivatives, exchange rate differences, non-monetary interest on the convertible bond and the related tax effects.

FINANCIAL RESULTS

Group **Sales** amounted to €1,579 million compared with €1,669 million in the first quarter of 2013, posting organic growth of +3.2%, assuming the same group perimeter and excluding metal price and exchange rate effects. This result reflects the adverse effects of manufacturing problems encountered with the submarine cable for the Western Link project in the United Kingdom, which have had a negative impact of €37 million on sales. Excluding these effects, sales would have been €1,616 million, with organic growth of +5.4%, showing the first positive signs of recovery after several quarters of organic decline. In particular, the building wires business confirmed the steady improvement underway since the second half of 2013, recording +9.1% organic growth. Organic growth for the Telecom business also returned to positive territory, with a +0.7% in the first quarter of 2014. Utilities sales were heavily affected by Western Link, reporting +0.1% organic growth on the first quarter of 2013 (+7.7% excluding the impact of the project). Industrial cables, which had enjoyed positive sales performances in 2013, continued the upward trend with +2.5% organic growth.

Adjusted EBITDA amounted to €78 million, penalised by €37 million in negative effects relating to the Western Link project (-31.7% compared with €114 million in the corresponding period of 2013) and by €7 million in exchange rate effects. Excluding these adverse effects, Adjusted EBITDA would have been €122 million (+7.0% on the first quarter of 2013).

EBITDA[4] amounted to €98 million, remaining stable compared with the first quarter of last year, and included €20 million in non-recurring income, particularly in relation to the acquisition price adjustment for Global Marine Energy.

Adjusted operating income came to €42 million (€79 million excluding the Western Link impact of €37 million, in line with €78 million in the first quarter of 2013).

Operating income was €42 million (€79 million excluding the Western Link impact, up from €45 million in the first quarter of 2013), and was in line with the prior year result, after benefiting from €20 million in non-recurring income as offset by €19 million for the negative fair value change in metal derivatives.

Net finance income and costs reported a negative balance of €35 million, a significant improvement from €48 million in the corresponding prior year period, also thanks to the improvement in financial structure and in the cost of Group debt and to the fact that the first quarter of 2013 included one-off non-cash charges relating to the early repayment of a significant portion of the existing Term Loan.

Adjusted net profit amounted to €12 million (€38 million excluding the Western Link impact of €26 million, in line with €39 million in the first quarter of 2013). **Net profit** was €5 million (€31 million excluding the Western Link impact), compared with a net loss of €2 million in the corresponding period of 2013.

Net financial position at the end of March 2014 amounted to €1,133 million, compared with €805 million at 31 December 2013 (€1,161 million at 31 March 2013), reflecting the impact of the following factors:

- positive cash flow from operating activities (before changes in net working capital) of €58 million (€95 million excluding €37 million in adverse effects of Western Link);
- negative impact of €334 million from changes in net working capital, mainly due to the normal seasonality in stock levels and sales and to the increase in working capital associated with the submarine cables business;
- payment of €13 million in taxes;
- net operating investments of €22 million;
- receipt of €8 million in dividends;
- payment of €13 million in net finance costs.

[4] 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 CABLES AND SYSTEMS PERFORMANCE AND RESULTS

- **UTILITIES RESULTS IMPACTED BY WESTERN LINK PROJECT EXECUTION PROBLEMS**
- **GROWING POWER TRANSMISSION ORDER BOOK**
- **SIGNS OF RECOVERY FOR BUILDING WIRES (T&I); POWER DISTRIBUTION STILL WEAK**
- **INDUSTRIAL CABLES: WEAK START FOR OEM & SPECIALTIES AND O&G OFFSHORE; GOOD PERFORMANCE FOR ELEVATORS AND AUTOMOTIVE**

(in millions of Euro)

	3 months 2014 before WL subm. project effect	WL subm. project effect	3 months 2014	3 months 2013 (*)	% Change
Sales to third parties	1,380	(37)	1,343	1,416	-5.1%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**93**	**(37)**	**56**	**91**	**-39.0%**
% of sales	6.7%		4.2%	6.4%	
Adjusted EBITDA	**97**	**(37)**	**60**	**94**	**-36.2%**
% of sales	7.0%		4.5%	6.6%	
EBITDA	**115**	**(37)**	**78**	**80**	**-2.1%**
% of sales	8.3%		5.8%	5.6%	
Amortisation and depreciation	(25)		(25)	(26)	-2.2%
Adjusted operating income	**72**	**(37)**	**35**	**68**	**-47.4%**
% of sales	5.2%		2.6%	4.8%	

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.

Sales to third parties by the Energy Cables and Systems business amounted to €1,343 million, with **organic growth** of +3.6% on €1,416 million in the first quarter of 2013 (excluding the Western Link impact of €37 million, sales would have been €1,380 million, with organic growth of +6.2%). Adjusted EBITDA came to €60 million (€97 million excluding the Western Link impact, posting an increase of +3.2% on the first quarter of 2013).

Utilities

Sales to third parties by the Utilities business amounted to €462 million (€499 million excluding the Western Link impact, recording organic growth of +7.7%). Including this adverse impact, the organic increase in sales was +0.1%, reflecting growth in the transmission business (despite the above impact) as offset by ongoing weakness in the Power Distribution business. The decrease in Adjusted EBITDA to €18 million in the first quarter of 2014 from €50 million in 2013 was entirely due to the €37 million negative impact of Western Link; excluding this effect, Adjusted EBITDA would have risen by 10% to €55 million.

Sales of High Voltage Underground Cables for power transmission were positive, benefiting in particular from good performance on strategic markets like North and South America and Northern Europe. The Group is able to rely on its technological excellence in this sector and a rational, efficient manufacturing footprint. The current order book provides sales visibility for about a year.

The Submarine Cables and Systems business has been heavily penalised by the technical problems in the manufacture of cables for the Western Link (UK) project, which have negatively affected Adjusted EBITDA by €37 million. The Group is seeking to overcome these difficulties and resume work on this very complex and challenging cable, the most technologically advanced one ever for a large-scale electrical interconnection project. Thanks to new projects awarded in the first four months of the year, worth a total of more than €300 million, the Group has strengthened its leadership in the high value-added submarine cables market. It is also continuing to invest in production capacity (in Italy and Finland) and in installation capabilities (with the upgrade of the Cable Enterprise, the Group's new cable-laying ship).

The Power Distribution business continued to be affected by the ongoing weakness of demand in Europe and South America. Sales were therefore down, in line with expectations. Positive signs were recorded in North America and Northern Europe. The focus on reducing costs and ongoing drive for manufacturing efficiencies and process, product and service innovations are allowing the Group to retain its competitive positions and limit any further impact on profitability.

(in millions of Euro)

	3 months 2014 before WL subm. project effect	WL subm. project effect	3 months 2014	3 months 2013 (*)	% change	% organic sales change
Sales to third parties	499	(37)	462	490	-5.8%	0.1%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**54**	**(37)**	**17**	**49**	**-65.3%**	
% of sales	10.8%		3.7%	10.0%		
Adjusted EBITDA	**55**	**(37)**	**18**	**50**	**-64.0%**	
% of sales	11.1%		4.0%	10.2%		
Adjusted operating income	**45**	**(37)**	**8**	**40**	**-80.0%**	
% of sales	9.1%		1.8%	8.1%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.

Trade & Installers

Sales to third parties by the Trade & Installers business showed the first significant signs of recovery, with organic growth of +9.1%, after a low point in the first half of 2013 and beginnings of stabilisation in the second half. In Europe, demand was particularly dynamic in countries such as Germany and the United Kingdom and in the non-residential construction markets of East and North European countries. Demand was also positive in North America and in the vast Asian market, with the exception of Australia, while South America had a weak start to the year. Profitability was still under pressure due to strong price competition and the negative impact of exchange rates. Adjusted EBITDA amounted to €13 million, compared with €16 million in the first quarter of 2013, with a slight fall in margins (Adjusted EBITDA represented 2.9% of sales, down from 3.3% in the first quarter of 2013).

(in millions of Euro)

	3 months 2014	3 months 2013 (*)	% change	% organic sales change
Sales to third parties	457	469	-2.6%	9.1%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**11**	**14**	**-21.4%**	
% of sales	2.4%	3.0%		
Adjusted EBITDA	**13**	**16**	**-18.8%**	
% of sales	2.9%	3.3%		
Adjusted operating income	**8**	**9**	**-11.1%**	
% of sales	1.6%	2.0%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.

Industrial

Sales to third parties by the Industrial cables business amounted to €401 million, delivering organic growth of +2.5%. Industrial cable market trends continued to be highly inconsistent between the various business lines and geographical areas. Oil & Gas reported an upturn in onshore demand, particularly in Europe and the Middle East, but persistently low volumes for offshore, although expected to recover significantly in coming months in Northern Europe, China and Brazil. The SURF business (offering technologies, products and services for offshore oil drilling) recorded a weak first quarter due to the flexible pipes segment, whose first orders for the year are expected in the second quarter, also thanks to the introduction of the new, recently certified 6" pipe to the market. The Group has established a new organisation to develop the SURF business globally, with new headquarters in Houston and new sales offices in Europe, Asia and the Middle East. The Specialties & OEM business had a weaker start to the year compared with the strong first quarter in 2013, mainly due to the slowdown in infrastructure investments in North America and the ongoing weakness of demand in Europe. Instead, other market sectors enjoyed positive trends, such as port cranes (in China and Northern Europe), infrastructure and rail transport (Eastern Europe, China and North America). Renewables showed signs of recovery. Elevators had an excellent sales performance both in the established U.S. market and in more recently entered European and Asian markets. Lastly, the Automotive market was affected by lower demand in Europe that was offset by good performance in North America and Asia.
In terms of profitability, Adjusted EBITDA remained stable at €27 million, with a slight improvement in margin, which climbed to 6.7% from 6.4% of sales.

(in millions of Euro)

	3 months 2014	3 months 2013 (*)	% change	% organic sales change
Sales to third parties	401	429	-6.4%	2.5%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**26**	**27**	**-3.7%**	
% of sales	6.5%	6.3%		
Adjusted EBITDA	**27**	**27**		
% of sales	6.7%	6.4%		
Adjusted operating income	**18**	**19**	**-5.3%**	
% of sales	4.6%	4.4%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.

TELECOM CABLES AND SYSTEMS PERFORMANCE AND RESULTS

- **RECOVERY IN DEMAND FOR OPTICAL CABLES IN EUROPE. FIRST POSITIVE SIGNS IN N. AND S. AMERICA AS WELL**
- **CONTINUED DECLINE IN THE COPPER BUSINESS**
- **PROFITABILITY AFFECTED BY PRICE REDUCTIONS OVER RECENT QUARTERS AND EXCHANGE RATES**

Sales to third parties by the Telecom Cables and Systems business amounted to €236 million, recording a slight organic increase (+0.7%), compared with €253 million in the first quarter of 2013.

Optical cables enjoyed a strong recovery in demand (particularly in Europe by operators like Telefonica in Spain, Orange in France and BT in the United Kingdom) even if, due to price reductions over the past few quarters, this only partially translated into higher revenues. Of particular note were the first signs of upturn in volumes in North America, particularly for large incumbents, and the start of a recovery in demand in South America, expected to show further improvements in coming quarters with the start of new projects supported by government incentive programmes. Demand in the APAC region could experience some slowdown in coming quarters due to the postponement of certain investments in Australia relating to the NBN project, mainly linked to actual progress in installation. Still in Asia, the Group aims to make the most of its important manufacturing presence in China to strengthen market penetration in Singapore, Indonesia and Vietnam.

The high value-added connectivity business grew, albeit marginally, thanks to the development of new FTTx networks (for last mile broadband access), particularly in France, United Kingdom and the Netherlands.

Multimedia Solutions sales showed signs of weakness due to a period of stagnation in mobile network investments. In contrast, efforts to improve service levels and reduce costs ensured an improvement in profitability.

Lastly, copper cables continued their steady decline.

The negative impact of exchange rates combined with the low level of prices continued to weigh on profitability, with Adjusted EBITDA amounting to €18 million, compared with €20 million in the first quarter of 2013. The ratio of Adjusted EBITDA to sales fell to 7.6% from 8.0% in the first quarter of 2013.

(in millions of Euro)

	3 months 2014	**3 months 2013 (*)**	**% Change**
Sales to third parties	236	253	-6.7%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**17**	**19**	**-9.4%**
% of sales	7.2%	7.6%	
Adjusted EBITDA	**18**	**20**	**-10.9%**
% of sales	7.6%	8.0%	
EBITDA	**20**	**18**	**6.4%**
% of sales	8.5%	7.1%	
Amortisation and depreciation	(11)	(10)	
Adjusted operating income	**7**	**10**	**-15.8%**
% of sales	3.0%	4.0%	

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.

BUSINESS OUTLOOK

The macroeconomic environment in the first part of 2014, especially in those areas hardest hit by the crisis, has shown signs of stabilisation and improvement compared with the recessionary trend experienced since the second half of 2011.

In such an economic context, the Group is forecasting for 2014 that demand for medium voltage cables for utilities will continue to slow, especially in the first half of the year, and that building wires and products in the industrial market most exposed to cyclical trends will make a gradual recovery over the course of coming quarters. It also confirms the positive trend in demand in the high value-added businesses of power transmission and offshore oil&gas, as well as the steady recovery of demand for optical fibre cables from the record lows reported in 2013.

During the last few days of April, the manufacture of the cables for the Western HVDC Link project in the UK encountered some technical problems, which will be fully investigated in coming months. As a result, the Directors believe they cannot reliably estimate the outcome of this contract, and so its revenues have been recognised to the extent of the costs incurred. In the first quarter of 2014, this has resulted in the recognition of a loss of €26 million after tax (€37 million before tax). Despite the current uncertainty over the recently identified technical problems, the Directors believe at present that there is no element to suggest that contract costs will exceed contract revenues. This does not preclude that, after further analysis and technical testing in progress, evidence might emerge that will lead to the recognition of additional losses in coming quarters.

Based on the existing order book and considering the negative impact of the technical problems with the manufacture of cables for the Western Link project, as well as negative exchange rate effects, the Group is forecasting Adjusted EBITDA for FY 2014 in the range of €530-580 million (€600-650 million excluding the negative impact of the Western Link project estimated at €70 million for the full year) compared with €613 million* in 2013.

Lastly, the Prysmian Group will carry on during 2014 to integrate and rationalise activities with the goal of achieving the projected cost synergies and of further strengthening its presence in all its areas of business.

The Prysmian Group's First Quarter Financial Report at 31 March 2014, approved by the Board of Directors today, will be available to the public at the Company's registered office in Viale Sarca 222, Milan and at Borsa Italiana S.p.A. by the legally-required deadline. It will also be available on the corporate website at www.prysmiangroup.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 as a result of a variety of factors.

The managers responsible for preparing corporate accounting documents (Carlo Soprano and Andreas Bott) hereby declare, pursuant to art. 154-bis par. 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

The results at 31 March 2014 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.

(*) The previously published figure for Adjusted EBITDA in 2013 (€612 million) has been restated following the introduction of IFRS 10 and IFRS 11.

Prysmian Group

Prysmian Group is world leader in the energy and telecom cables and systems industry. With more than 130 years of experience, sales of over €7 billion in 2013, about 19,000 employees across 50 countries and 91 plants, the Group is strongly positioned in high-tech markets and offers the widest range of products, services, technologies and know-how. In the Energy sector, Prysmian Group operates in the business of underground and submarine power transmission cables and systems, special cables for applications in many different industrial sectors and medium and low voltage cables for the construction and infrastructure industry. In the Telecom sector, the Group manufactures cables and accessories for the voice, video and data transmission industry, offering a complete range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Milan Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	31 March 2014	31 December 2013 (*)	1 January 2013 (*)
Non-current assets			
Property, plant and equipment	1,383	1,390	1,484
Intangible assets	586	588	608
Equity-accounted investments	198	205	193
Available-for-sale financial assets	12	12	12
Derivatives	1	2	3
Deferred tax assets	146	130	125
Other receivables	25	28	40
Total non-current assets	**2,351**	**2,355**	**2,465**
Current assets			
Inventories	961	881	866
Trade receivables	1,051	933	1,083
Other receivables	800	722	560
Financial assets held for trading	71	93	78
Derivatives	11	23	16
Cash and cash equivalents	341	510	787
Total current assets	**3,235**	**3,162**	**3,390**
Assets held for sale	9	12	4
Total assets	**5,595**	**5,529**	**5,859**
Equity attributable to the Group:	**1,156**	**1,147**	**1,112**
Share capital	21	21	21
Reserves	1,128	977	925
Net profit/(loss) for the period	7	149	166
Equity attributable to non-controlling interests:	**33**	**36**	**35**
Share capital and reserves	35	33	33
Net profit/(loss) for the period	(2)	3	2
Total equity	**1,189**	**1,183**	**1,147**
Non-current liabilities			
Borrowings from banks and other lenders	1,215	1,119	1,428
Other payables	21	20	23
Provisions for risks and charges	44	51	73
Derivatives	7	7	41
Deferred tax liabilities	96	97	91
Employee benefit obligations	307	308	344
Total non-current liabilities	**1,690**	**1,602**	**2,000**
Current liabilities			
Borrowings from banks and other lenders	340	292	311
Trade payables	1,318	1,409	1,416
Other payables	698	688	616
Derivatives	53	42	24
Provisions for risks and charges	273	279	317
Current tax payables	34	34	28
Total current liabilities	**2,716**	**2,744**	**2,712**
Total liabilities	**4,406**	**4,346**	**4,712**
Total equity and liabilities	**5,595**	**5,529**	**5,859**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11.

Consolidated income statement

(in millions of Euro)

	3 months 2014	3 months 2013 (*)
Sales of goods and services	1,579	1,669
Change in inventories of work in progress, semi-finished and finished goods	45	69
Other income	31	8
of which non-recurring other income	*21*	-
Raw materials, consumables used and goods for resale	(1,053)	(1,112)
Fair value change in metal derivatives	(19)	(12)
Personnel costs	(228)	(240)
of which non-recurring personnel costs	*(2)*	*(5)*
of which personnel costs for stock option fair value	*(1)*	*(5)*
Amortisation, depreciation and impairment	(36)	(36)
Other expenses	(282)	(305)
of which non-recurring other expenses	*1*	*(11)*
Share of net profit/(loss) of equity-accounted companies	5	4
Operating income	**42**	**45**
Finance costs	(95)	(121)
of which non-recurring finance costs	*(5)*	*(5)*
Finance income	60	73
Dividends from other companies	-	-
Profit before taxes	**7**	**(3)**
Taxes	(2)	1
Net profit/(loss) for the period	**5**	**(2)**
Attributable to:		
Owners of the parent	7	(2)
Non-controlling interests	(2)	-
Basic earnings/(loss) per share (in Euro)	**0.03**	**(0.01)**
Diluted earnings/(loss) per share (in Euro)	**0.03**	**(0.01)**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11.

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	3 months 2014	3 months 2013 (*)
Net profit/(loss) for the period	**5**	**(2)**
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	1	5
Fair value gains/(losses) on cash flow hedges - tax effect	-	(2)
Release of cash flow hedge reserve after discontinuing cash flow hedging - gross of tax	4	15
Release of cash flow hedge reserve after discontinuing cash flow hedging - tax effect	(1)	(5)
Currency translation differences	(3)	22
Total items that may be reclassified, net of tax	**1**	**35**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	-	-
Actuarial gains/(losses) on employee benefits - tax effect	-	-
Total items that will NOT be reclassified, net of tax	**-**	**-**
Total comprehensive income/(loss) for the period	**6**	**33**
Attributable to:		
Owners of the parent	8	33
Non-controlling interests	(2)	-

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11.

Consolidated statement of cash flows

(in millions of Euro)

		3 months 2014	3 months 2013 (*)
	Profit/(loss) before taxes	7	(3)
	Depreciation and impairment of property, plant and equipment	29	28
	Amortisation and impairment of intangible assets	7	8
	Share of net profit/(loss) of equity-accounted companies	(5)	(4)
	Share-based payments	1	5
	Fair value change in metal derivatives and other fair value items	19	12
	Net finance costs	35	48
	Changes in inventories	(82)	(134)
	Changes in trade receivables/payables	(209)	(85)
	Changes in other receivables/ payables	(64)	(112)
	Changes in receivables/payables for derivatives	-	-
	Taxes paid	(13)	(13)
	Dividends received from equity-accounted companies	8	7
	Utilisation of provisions (including employee benefit obligations)	(20)	(34)
	Increases in provisions (including employee benefit obligations)	6	10
A.	**Net cash flow provided by/(used in) operating activities**	**(281)**	**(267)**
	Acquisitions	-	-
	Investments in property, plant and equipment	(22)	(19)
	Disposals of property, plant and equipment and assets held for sale	3	-
	Investments in intangible assets	(3)	(4)
	Disposals of intangible assets	-	-
	Investments in financial assets held for trading	(1)	(3)
	Disposals of financial assets held for trading	24	30
B.	**Net cash flow provided by/(used in) investing activities**	**1**	**4**
	Dividend distribution	-	(1)
	EIB Loan	100	-
	Proceeds from convertible bond	-	296
	Early repayment of credit agreement	(184)	(486)
	Finance costs paid	(71)	(79)
	Finance income received	58	64
	Changes in net financial payables	212	79
C.	**Net cash flow provided by/(used in) financing activities**	**115**	**(127)**
D.	Currency translation gains/(losses) on cash and cash equivalents	(4)	3
E.	**Total cash flow provided/(used) in the period (A+B+C+D)**	**(169)**	**(387)**
F.	**Net cash and cash equivalents at the beginning of the period**	**510**	**787**
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**341**	**400**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11.

ANNEX B

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

(in millions of Euro)

	3 months 2014	3 months 2013 (*)
Net profit/(loss) for the period	5	(2)
Taxes	2	(1)
Dividends from other companies	-	-
Finance income	(60)	(73)
Finance costs	95	121
Amortisation, depreciation and impairment	36	36
Fair value change in metal derivatives	19	12
Fair value change in stock options	1	5
EBITDA	**98**	**98**
Company reorganisation	3	10
Antitrust	(1)	2
Acquisition price adjustment	(21)	-
Other net non-recurring expenses/(income)	(1)	4
Adjusted EBITDA	**78**	**114**

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.

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

(in millions of Euro)

	3 months 2014 before WL subm. project effect	WL subm. project effect	3 months 2014	3 months 2013 (*)	Change
EBITDA	**135**	**(37)**	**98**	**98**	**-**
Changes in provisions (including employee benefit obligations)	(14)	-	(14)	(24)	10
(Gains)/losses on disposals of property, plant and equipment, intangible assets and other non-current assets	-	-	-	-	-
Share of net profit/(loss) of equity-accounted companies	(5)	-	(5)	(4)	(1)
Acquisition price adjustment	(21)	-	(21)	-	(21)
Net cash flow provided by operating activities (before changes in net working capital)	**95**	**(37)**	**58**	**70**	**(12)**
Changes in net working capital	(371)	37	(334)	(331)	(3)
Taxes paid	(13)	-	(13)	(13)	-
Dividends received from equity-accounted companies	8	-	8	7	1
Net cash flow provided by operating activities	**(281)**	**-**	**(281)**	**(267)**	**(14)**
Acquisitions	-	-	-	-	-
Net cash flow from operational investing activities	(22)	-	(22)	(23)	1
Free cash flow (unlevered)	**(303)**	**-**	**(303)**	**(290)**	**(13)**
Net finance costs	(13)	-	(13)	(15)	2
Free cash flow (levered)	**(316)**	**-**	**(316)**	**(305)**	**(11)**
Dividend distribution	-	-	-	(1)	1
Net cash flow provided/(used) in the period	**(316)**	**-**	**(316)**	**(306)**	**(10)**
Opening net financial position	**(805)**	**-**	**(805)**	**(888)**	**83**
Net cash flow provided/(used) in the period	(316)	-	(316)	(306)	(10)
Convertible bond equity component	-	-	-	39	(39)
Other changes	(12)	-	(12)	(6)	(6)
Closing net financial position	**(1,133)**	**-**	**(1,133)**	**(1,161)**	**28**

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11.