PRYSMIAN S.P.A. NINE-MONTH RESULTS 2013

SLIGHT IMPROVEMENT IN SALES AND PROFITABILITY TREND IN THIRD QUARTER

POSITIVE PERFORMANCE BY POWER TRANSMISSION AND OIL&GAS

GOOD CASH GENERATION AND IMPROVED NET FINANCIAL POSITION

CONFIRMED FY 2013 ADJ. EBITDA RANGE OF €600/€650 MILLION

30 SEPTEMBER 2013 RESULTS

- **SALES: €5,488 MILLION (€5,930 MILLION IN 9M 2012; ORGANIC GROWTH -3.9%)**
- **ADJ EBITDA[1]: €444 MILLION (€468 MILLION IN 9M 2012; -5.2%)**
- **ADJ OPERATING INCOME[2]: €329 MILLION (€349 MILLION IN 9M 2012; -5.8%)**
- **ADJ NET PROFIT[3]: €180 MILLION (€193* MILLION IN 9M 2012; -6.7%)**
- **NET FINANCIAL POSITION: €1,246 MILLION (€1,446 MILLION AT 30 SEPTEMBER 2012)**

Milan, 6/11/2013. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first nine months of 2013.

"The recovery in sales and profitability already seen in the previous quarter has continued into the third quarter of 2013," explains Valerio Battista, Prysmian Group's CEO. "The particularly negative first-quarter results are reflected in a decline in nine-month sales and earnings compared with the same period of 2012, although the first signs of a slight recovery can be seen. Our constant actions to keep costs under control and to rationalise and improve the efficiency of organisational and production processes along with synergies from the integration with Draka, have enabled the Group to defend its margins, with a slightly higher Adjusted EBITDA to sales ratio. These actions have also allowed us to limit the impact on profitability even in the businesses hardest hit by the crisis, like building wires."

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

(in millions of Euro)	9 months 2013	9 months 2012 (*)	Change %
Sales	5,488	5,930	-7.5%
EBITDA	410	402	2.0%
Adjusted EBITDA	444	468	-5.2%
Operating income	265	295	-10.4%
Adjusted operating income	329	349	-5.8%
Profit before taxes	159	209	-24.0%
Net profit/(loss) for the period	110	148	-25.6%

(in millions of Euro)

	30 September 2013	30 September 2012	Change
Net capital employed	2,770	2,930	(160)
Employee benefit obligations	335	310	25
Equity	1,189	1,174	15
of which attributable to non-controlling interests	44	55	(11)
Net financial position	1,246	1,446	(200)

(*) The previously published prior year comparative figures have been the subject of a restatement following the introduction of IAS 19 (revised). This restatement has resulted in the recognition of Euro 1 million in additional finance costs in the first nine months of 2012.

[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 €5,488 million, compared with €5,930 million in the first nine months of 2012. Assuming the same group perimeter and excluding metal price and exchange rate effects, **organic growth** was a negative 3.9%. The recovery in sales already seen in the second quarter continued into the third quarter, with more or less stable organic growth (-1.1%) compared with the corresponding period of 2012. The businesses most affected by the difficult market conditions are stabilizing, with the Trade & Installers business (building wires) back to positive organic growth (+1.8%) in the third quarter. The sharp drop in demand for optical cables in North and South America continued to have a negative impact on nine-month sales, having not yet shown any signs of recovery. Power transmission and industrial cables, particularly for the Oil&Gas sector, have been confirmed as important drivers of growth, continuing to report positive sales performance.

Adjusted EBITDA amounted to €444 million, compared with €468 million in the corresponding period of 2012 (-5.2%), with a slightly higher margin on sales (8.1% vs 7.9%). The €24 million reduction on the previous year is entirely attributable to the Telecom business, with the Energy business recording a slight increase in Adjusted EBITDA. The nine-month result has also been adversely affected by exchange rate effects, amounting to €15 million compared with 2012, particularly due to sharp devaluations of the Brazilian real, Australian dollar, US dollar and Turkish lira. The trend towards stabilisation and improvement in performance started from the second quarter is also reflected in profitability, with third-quarter Adjusted EBITDA rising to €162 million from €160 million in the third quarter of 2012. The Group's ability to reduce its cost structure, also thanks to synergies with Draka, continues to be decisive for defending and recovering profitability.

EBITDA[4] amounted to €410 million, compared with €402 million in the first nine months of 2012 (+2.0%), reflecting the impact of €34 million in non-recurring expenses particularly in relation to reorganisation and manufacturing efficiency projects for the integration with Draka.

Adjusted operating income amounted to €329 million, compared with €349 million in the first nine months of 2012 (-5.8%). **Operating income** was €265 million, compared with €295 million in the first nine months of 2012, partly due to the negative change of €12 million in the fair value of metal derivatives (versus a positive change of €30 million in the first nine months of 2012).

Net finance income and costs, including the share of income/(loss) from associates and dividends from other companies, reported a negative balance of €106 million at 30 September 2013, compared with €86 million in the corresponding prior year period. This increase of €20m is fully attributable to non-recurring and non-monetary costs connected with the partial refinancing of the Term Loan through issuing the Convertible Bond.

Adjusted net profit amounted to €180 million, compared with €193 million in the first nine months of 2012 (-6.7%); the margin on sales was basically stable at 3.3%. The **Net result** was a profit of €110 million, compared with €148 million in the first nine months of 2012.

Net financial position at the end of September 2013 amounted to €1,246 million, a considerable improvement on €1,446 million at 30 September 2012 (€918 million at 31 December 2012), having been particularly affected by the following factors:

- positive cash flow from operating activities (before changes in net working capital) of €359 million;
- negative impact of €435 million from changes in working capital, due to the seasonality of sales and stock levels and strong growth in working capital in the Submarine Cables business;
- payment of €48 million in taxes;
- net operating investments of €73 million;
- receipt of €8 million in dividends;
- payment of €91 million in net finance costs;
- payment of €92 million in dividends (€45 million in 2012).

[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, the share of income/(loss) from associates, dividends from other companies and taxes.

ENERGY CABLES AND SYSTEMS PERFORMANCE AND RESULTS

- **Positive trend for submarine cables continues with intense tendering activity**
- **Power distribution demand still weak**
- **Stabilisation in building wires market (T&I)**
- **In Industrial business, continued decline in renewables offset by O&G, elevator, transport and marine sectors**

Sales to third parties by the Energy Cables and Systems business amounted to €4,543 million, compared with €4,801 million in the first nine months of 2012, reporting marginally negative **organic growth** (-1.3%); third-quarter organic growth was slightly positive (+1.4%). Adjusted EBITDA came to €353 million, up from €348 million in the first nine months of 2012.

(in millions of Euro)

	9 months 2013	9 months 2012	Change %
Sales to third parties	4,543	4,801	-5.4%
Adjusted EBITDA	**353**	**348**	**1.4%**
% of sales	7.8%	7.3%	
EBITDA	**340**	**302**	**12.6%**
% of sales	7.5%	6.3%	
Amortisation	(78)	(80)	-2.7%
Adjusted operating income	**275**	**268**	**2.7%**
% of sales	6.0%	5.6%	

Utilities
Sales to third parties by the Utilities business amounted to €1,650 million, recording an organic change of -0.8%. Such stability is mostly attributable to the excellent results of the submarine cables and systems business line that offset the persistent weakness in the power distribution business line. The high profitability of the Submarine Cables and Systems business has reflected positively on the overall Adjusted EBITDA of the Utilities business, which increased to €192 million from €185 million in the first nine months of 2012.

Demand for <u>High Voltage Underground Cables</u> was broadly in line with the corresponding period of 2012. The Group has made up for market weakness in Europe thanks to its commercial initiatives in emerging economies requiring infrastructure development and by strengthening its high-end business, with work on high-tech projects, such as the underground sections of submarine links and interconnections. The order book assures sales visibility for about one year.

Sales performance and profitability were both excellent in the <u>Submarine Cables and Systems</u> business line. Technological leadership and continuous attuning of production capacity and investments to improve project execution, have allowed the Group to maintain leadership in a strategic and constantly growing market. The order book assures sales visibility for about three years, with the Group constantly engaged in intense tendering activities, particularly for power system interconnections and offshore wind farm connections.

The <u>Power Distribution</u> business line has shown no signs of recovery in demand, which remained weak, particularly in Europe and Asia Pacific (especially Australia). In the Americas, the Group has implemented selective sales policies in South America in defence of earnings, while the upward trend in volumes has continued in North America. On the profitability front, the Group's endeavours to rationalise industrial processes helped to limit margins deterioration triggered by price pressures.

(in millions of Euro)

	9 months 2013	9 months 2012	% change	% organic sales change
Sales to third parties	1,650	1,678	-1.7%	-0.8%
Adjusted EBITDA	**192**	**185**		
% of sales	11.7%	11.0%		
Adjusted operating income	**162**	**159**		
% of sales	9.8%	9.3%		

Trade & Installers
Sales to third parties by the Trade & Installers business amounted to €1,471 million in the first nine months of 2013. Although this reflects negative organic growth of -5.1% on the corresponding prior year period, there were signs of stabilisation and recovery in the third quarter of 2013 when, for the first time in many quarters, organic growth returned to a positive figure of +1.8%. As part of the strategy of focusing on high-tech, high value-added segments, the Group has continued to secure notable contracts, like the one to supply 300 km of fire safety cables for the Isozaky Tower, a skyscraper in Milan. However, the difficult market, largely attributable to the construction industry crisis in Central European and Mediterranean countries, is stabilizing but not showing signs of reversal. A positive performance has been confirmed in South America, where the Group has increased its market share. The Group has long been implementing policies to defend its profitability, reduce costs and improve manufacturing efficiency, making it possible to report an Adjusted EBITDA of €61 million in the first nine months of 2013, broadly in line with €62 million in the corresponding period of 2012, and an Adjusted EBITDA to sales ratio of 4.1%, up from 3.7%.

(in millions of Euro)

	9 months 2013	9 months 2012	% change	% organic sales change
Sales to third parties	1,471	1,653	-11.0%	-5.1%
Adjusted EBITDA	**61**	**62**		
% of sales	4.1%	3.7%		
Adjusted operating income	**41**	**41**		
% of sales	2.8%	2.5%		

Industrial
Sales to third parties by the Industrial cables business amounted to €1,340 million in the first nine months of 2013, delivering positive organic growth of 3.0% on the corresponding period of 2012, with a further improvement in the third quarter (+7.8% on third quarter 2012). The Group has managed to offset the sharp drop in demand in the renewable energy market, which, after hitting a low in the first half of the year, has started to show initial signs of recovery, at least in Europe and South America. In the OEM segment, the Group has continued to report a positive performance, particularly for cables for port infrastructure (in Asia Pacific), transport (in Europe) and shipbuilding (in Russia). The Oil&Gas sector has confirmed the positive trend for offshore, with major projects in the North Sea, Asia Pacific and South America, while onshore demand is still weak. The SURF segment (Subsea Umbilical Risers Flowlines) has made a positive contribution thanks to the execution of Umbilicals projects in Indonesia and Angola, and the renewed partnership with Petrobras, marked by the signing of the new frame agreement for umbilicals worth USD 260 million and the extension of the flexible pipes agreement for USD 95 million signed in early October 2013. The DHT (Down Hole Technology) business has continued to grow, thanks to Europe, Asia Pacific and North America. Lastly, with reference to the other fields of application, elevator cables have continued to report an excellent trend, partly thanks to commercial efforts to expand business in new markets outside the USA; sales in the Automotive segment were also generally positive, particularly in North and South America.
Adjusted EBITDA amounted to €97 million, compared with €101 million in the first nine months of 2012, while margins were stable with an Adjusted EBITDA to sales ratio of 7.2% versus 7.3%.

(in millions of Euro)

	9 months 2013	9 months 2012	% change	% organic sales change
Sales to third parties	1,340	1,371	-2.3%	3.0%
Adjusted EBITDA	**97**	**101**		
% of sales	7.2%	7.3%		
Adjusted operating income	**71**	**70**		
% of sales	5.3%	5.1%		

TELECOM CABLES AND SYSTEMS PERFORMANCE AND RESULTS

- **CONTINUED DECLINE IN OPTICAL CABLE SALES IN NORTH AND SOUTH AMERICA**
- **HIGH GROWTH RATES IN CHINA AND DEVELOPMENT OF PRESENCE IN SOUTH EAST ASIA**
- **PROFITABILITY STILL DECLINING**

Sales to third parties by the Telecom Cables and Systems business amounted to €945 million in the first nine months of 2013. Compared with the corresponding period of 2012, sales reflect negative organic growth of 14.6%, largely due to the steep decline in optical cable demand in North and South America, reported since the start of the year, combined with a downturn in Europe in the businesses of MMS (Multimedia Solutions) and copper cables.

The ending of incentive policies in the United States and Brazil has taken optical cable sales back to lower levels than before the incentives. Demand is expected to show signs of recovery in Europe and South America over the next few quarters. Optical cable sales have nonetheless maintained high growth rates in China and Australia.

The Multimedia Solutions business line has continued its commercial expansion in South America and Asia Pacific, Data System Centres in Europe have confirmed the signs of decreasing demand.

Demand for copper cables has continued to fall, particularly in Europe and South America.

The Group has continued to focus its strategy on constantly improving product mix and reducing costs to limit the impact of the sharp fall in volumes on profitability. Adjusted EBITDA came to €91 million, compared with €120 million in the first nine months of 2012.

(in millions of Euro)

	9 months 2013	9 months 2012	% Change
Sales to third parties	945	1,129	-16.3%
Adjusted EBITDA	**91**	**120**	**-24.2%**
% of sales	9.7%	10.6%	
EBITDA	**74**	**108**	**-31.5%**
% of sales	7.8%	9.5%	
Amortisation	(37)	(39)	
Adjusted operating income	**54**	**81**	**-33.3%**
% of sales	5.7%	7.3%	

BUSINESS OUTLOOK

The macroeconomic environment in the first nine months of 2013 has seriously deteriorated compared with the slowing trend witnessed since the second half of 2011, partly in the wake of the deficit-cutting measures introduced in several Eurozone countries during 2012. This has led to a sharp slowdown in economic activity, initially in the more indebted countries and then spreading to countries in Central and Northern Europe.
In such an economic environment, the Group has forecast weak demand in 2013 for low and medium voltage cables for Utilities and for building wires; within the Industrial market, the business of onshore wind and solar power generation cables is seeing a sharp contraction, also due to non-renewal of or uncertainties about government incentives. In the Telecom sector, the weakness in demand characterising the first nine months of the year is expected to remain for the rest of 2013. Instead, positive developments in demand are confirmed for the high value-added power transmission businesses and for industrial segments like offshore Oil&Gas, elevators, railway, cranes and marine.
Despite the steady deterioration in the economic environment, the results achieved in the first nine months of the year and the size of the current order book let the Group confirm Adjusted EBITDA for FY 2013 in the range of €600 – €650 million (FY 2012: €647 million). In addition, given the further worsening in the market compared with previous years, the Prysmian Group has decided in 2013 to step up measures to rationalise and optimise its organisational and manufacturing structure, with the goal of achieving €175 million in cumulative synergies from the Draka integration by 2015 (compared with €65 million achieved at the end of 2012), representing an upward revision from the previous target of €150 million. Commercial initiatives have also been started, mainly in the Industrial and Telecom businesses, in order to strengthen the Group's presence in high value-added market segments, with the goal of achieving significant additional sales in these businesses by 2015 specifically thanks to such initiatives.

The Prysmian Group's Third Quarter Financial Report at 30 September 2013, approved by the Board of Directors today, will be available to the public as of 6 November 2013 at the Company's registered office in Viale Sarca 222, Milan and at Borsa Italiana S.p.A.. 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 30 September 2013 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.

Prysmian Group
Prysmian Group is the world leader in the energy and telecom cables and systems industry. With over 130 years of experience, sales of some €8 billion in 2012, about 20,000 employees in 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 Italian Stock Exchange in the FTSE MIB index.

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Prysmian Group

PRYSMIAN Draka

ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	30 September 2013	31 December 2012 (*)
Non-current assets		
Property, plant and equipment	1,460	1,539
Intangible assets	639	655
Investments in associates	97	99
Available-for-sale financial assets	15	14
Derivatives	2	3
Deferred tax assets	159	127
Other receivables	32	41
Total non-current assets	**2,404**	**2,478**
Current assets		
Inventories	1,003	897
Trade receivables	1,226	1,163
Other receivables	776	570
Financial assets held for trading	80	78
Derivatives	20	16
Cash and cash equivalents	321	812
Total current assets	**3,426**	**3,536**
Assets held for sale	4	4
Total assets	**5,834**	**6,018**
Equity attributable to the Group:	**1,145**	**1,112**
Share capital	21	21
Reserves	1,016	925
Net profit/(loss) for the period	108	166
Equity attributable to non-controlling interests:	**44**	**47**
Share capital and reserves	42	44
Net profit/(loss) for the period	2	3
Total equity	**1,189**	**1,159**
Non-current liabilities		
Borrowings from banks and other lenders	1,322	1,433
Other payables	29	27
Provisions for risks and charges	47	76
Derivatives	27	41
Deferred tax liabilities	104	95
Employee benefit obligations	335	344
Total non-current liabilities	**1,864**	**2,016**
Current liabilities		
Borrowings from banks and other lenders	328	361
Trade payables	1,398	1,450
Other payables	668	654
Derivatives	33	24
Provisions for risks and charges	308	325
Current tax payables	46	29
Total current liabilities	**2,781**	**2,843**
Total liabilities	**4,645**	**4,859**
Total equity and liabilities	**5,834**	**6,018**

(*) The previously published prior year comparative figures have been the subject of a restatement following the adoption of IAS 19 (revised).

Consolidated income statement

(in millions of Euro)

	9 months 2013	9 months 2012 (*)
Sales of goods and services	5,488	5,930
Change in inventories of work in progress, semi-finished and finished goods	83	69
Other income	52	33
of which non-recurring other income	*12*	*3*
Raw materials, consumables used and goods for resale	(3,526)	(3,964)
Fair value change in metal derivatives	(12)	30
Personnel costs	(721)	(781)
of which non-recurring personnel costs	*(20)*	*(47)*
of which personnel costs for stock option fair value	*(9)*	*(14)*
Amortisation, depreciation and impairment	(124)	(123)
of which non-recurring impairment	*(9)*	*(4)*
Other expenses	(975)	(899)
of which non-recurring other expenses	*(26)*	*(22)*
Operating income	**265**	**295**
Finance costs	(339)	(291)
of which non-recurring finance costs	*(20)*	*(2)*
Finance income	225	193
Share of income from investments in associates and dividends from other companies	8	12
Profit before taxes	**159**	**209**
Taxes	(49)	(61)
Net profit/(loss) for the period	**110**	**148**
Attributable to:		
Owners of the parent	108	145
Non-controlling interests	2	3
Basic earnings/(loss) per share (in Euro)	**0.51**	**0.69**
Diluted earnings/(loss) per share (in Euro)	**0.51**	**0.69**

(*) The previously published prior year comparative figures have been the subject of a restatement following the adoption of IAS 19 (revised).

Consolidated income statement - 3rd quarter

(in millions of Euro)

	3rd quarter 2013	3rd quarter 2012 (*)
Sales of goods and services	1,866	2,014
Change in inventories of work in progress, semi-finished and finished goods	(19)	(19)
Other income	23	13
of which non-recurring other income	*5*	*2*
Raw materials, consumables used and goods for resale	(1,170)	(1,298)
Fair value change in metal derivatives	25	29
Personnel costs	(232)	(263)
of which non-recurring personnel costs	*(8)*	*(25)*
of which personnel costs for stock option fair value	*(2)*	*(5)*
Amortisation, depreciation and impairment	(46)	(43)
of which non-recurring impairment	*(9)*	*(3)*
Other expenses	(316)	(316)
of which non-recurring other expenses	*(5)*	*(1)*
Operating income	**131**	**117**
Finance costs	(93)	(98)
Finance income	61	59
Share of income from investments in associates and dividends from other companies	2	4
Profit before taxes	**101**	**82**
Taxes	(32)	(23)
Net profit/(loss) for the period	**69**	**59**
Attributable to:		
Owners of the parent	66	56
Non-controlling interests	3	3

(*) The previously published prior year comparative figures have been the subject of a restatement following the adoption of IAS 19 (revised).

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	9 months 2013	9 months 2012 (*)
Net profit/(loss) for the period	**110**	**148**
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	9	(7)
Fair value gains/(losses) on cash flow hedges - tax effect	(3)	3
Release of cash flow hedge reserve after discontinuing cash flow hedging - gross of tax	15	-
Release of cash flow hedge reserve after discontinuing cash flow hedging - tax effect	(5)	-
Currency translation differences	(65)	(11)
Total items that may be reclassified, net of tax	**(49)**	**(15)**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	16	(27)
Actuarial gains/(losses) on employee benefits - tax effect	(3)	3
Total items that will NOT be reclassified, net of tax	**13**	**(24)**
Total comprehensive income/(loss) for the period	**74**	**109**
Attributable to:		
Owners of the parent	74	106
Non-controlling interests	-	3

(*) The previously published prior year comparative figures have been the subject of a restatement following the adoption of IAS 19 (revised).

Consolidated Statement of Comprehensive Income - 3rd quarter

(in millions of Euro)

	3rd quarter 2013	3rd quarter 2012 (*)
Net profit/(loss) for the period	**69**	**59**
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	(2)
Fair value gains/(losses) on cash flow hedges - tax effect	-	1
Currency translation differences	(33)	(15)
Total items that may be reclassified, net of tax	**(30)**	**(16)**
- 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	(1)	-
Total items that will NOT be reclassified, net of tax	**(1)**	**-**
Total comprehensive income/(loss) for the period	**38**	**43**
Attributable to:		
Owners of the parent	37	40
Non-controlling interests	1	3

(*) The previously published prior year comparative figures have been the subject of a restatement following the adoption of IAS 19 (revised).

Consolidated statement of cash flows

(in millions of Euro)

		9 months 2013	9 months 2012 (*)
	Profit/(loss) before taxes	159	209
	Depreciation and impairment of property, plant and equipment	99	100
	Amortisation and impairment of intangible assets	25	23
	Net gains on disposals of property, plant and equipment, intangible assets and other non-current assets	(6)	(4)
	Share of income from investments in associates	(8)	(12)
	Share-based payments	9	14
	Fair value change in metal derivatives and other fair value items	12	(30)
	Net finance costs	114	98
	Changes in inventories	(136)	(128)
	Changes in trade receivables/payables	(107)	(166)
	Changes in other receivables/ payables	(192)	(171)
	Changes in receivables/payables for derivatives	-	5
	Taxes paid	(48)	(57)
	Utilisation of provisions (including employee benefit obligations)	(88)	(69)
	Increases in provisions (including employee benefit obligations)	43	77
A.	**Net cash flow provided by/(used in) operating activities**	**(124)**	**(111)**
	Acquisitions	-	(35)
	Investments in property, plant and equipment	(68)	(82)
	Disposals of property, plant and equipment and assets held for sale	7	6
	Investments in intangible assets	(12)	(13)
	Investments in financial assets held for trading	(14)	-
	Disposals of financial assets held for trading	3	51
	Investments in associates	-	(1)
	Dividends received	8	6
B.	**Net cash flow provided by/(used in) investing activities**	**(76)**	**(68)**
	Capital contributions and other changes in equity	-	1
	Dividend distribution	(92)	(45)
	Proceeds from convertible bond	296	-
	Early repayment of credit agreement	(486)	-
	Finance costs paid	(294)	(272)
	Finance income received	203	175
	Changes in net financial payables	97	15
C.	**Net cash flow provided by/(used in) financing activities**	**(276)**	**(126)**
D.	**Currency translation gains/(losses) on cash and cash equivalents**	**(15)**	**8**
E.	**Total cash flow provided/(used) in the period (A+B+C+D)**	**(491)**	**(297)**
F.	**Net cash and cash equivalents at the beginning of the period**	**812**	**727**
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**321**	**430**

(*) The previously published prior year comparative figures have been the subject of a restatement following the adoption of IAS 19 (revised).

ANNEX B

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

(in millions of Euro)

	9 months 2013	9 months 2012 (*)
Net profit/(loss) for the period	110	148
Taxes	49	61
Share of income from investments in associates and dividends from other companies	(8)	(12)
Finance income	(225)	(193)
Finance costs	339	291
Amortisation, depreciation and impairment	124	123
Fair value change in metal derivatives	12	(30)
Fair value change in stock options	9	14
EBITDA	**410**	**402**
Company reorganisation	32	51
Antitrust	(3)	3
Draka integration costs	-	5
Tax inspections	-	3
Environmental remediation and other costs	2	-
Italian pensions reform	-	1
Gains on asset disposals	(5)	(3)
Other net non-recurring expenses	8	6
Adjusted EBITDA	**444**	**468**

(*) The previously published prior year comparative figures have been the subject of a restatement following the adoption of IAS 19 (revised).

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

(in millions of Euro)

	9 months 2013	9 months 2012	Change
EBITDA	**410**	**402**	**8**
Changes in provisions (including employee benefit obligations)	(45)	8	(53)
(Gains)/losses on disposals of property, plant and equipment, intangible assets and other non-current assets	(6)	(4)	(2)
Net cash flow provided by operating activities (before changes in net working capital)	**359**	**406**	**(47)**
Changes in net working capital	(435)	(460)	25
Taxes paid	(48)	(57)	9
Net cash flow provided by operating activities	**(124)**	**(111)**	**(13)**
Acquisitions	-	(35)	35
Net cash flow from operational investing activities	(73)	(89)	16
Net cash flow from financial investing activities	8	5	3
Free cash flow (unlevered)	**(189)**	**(230)**	**41**
Net finance costs	(91)	(97)	6
Free cash flow (levered)	**(280)**	**(327)**	**47**
Increases in share capital and other changes in equity	-	1	(1)
Dividend distribution	(92)	(45)	(47)
Net cash flow provided/(used) in the period	**(372)**	**(371)**	**(1)**
Opening net financial position	**(918)**	**(1,064)**	**146**
Net cash flow provided/(used) in the period	(372)	(371)	(1)
Convertible bond equity component	39	-	39
Other changes	5	(11)	16
Closing net financial position	**(1,246)**	**(1,446)**	**200**