PRESS RELEASE

PRYSMIAN S.P.A. NINE-MONTH RESULTS 2014

SLIGHTLY POSITIVE ORGANIC GROWTH, CONTINUED INCREASE IN TELECOM VOLUMES

GOOD PERFORMANCE BY POWER TRANSMISSION, PARTICULARLY SUBMARINE CABLES (EXCLUDING WESTERN LINK)

ADJ EBITDA IN LINE WITH 9M 2013 (EXCLUDING WESTERN LINK)

NET PROFIT UP

LAUNCH OF SHARE BUY-BACK PROGRAMME

FY 2014 GUIDANCE CONFIRMED.

ADJ EBITDA AT LOWER END OF TARGET RANGE €506M–€556M (€600M-€650M EXCLUDING WL)

NINE-MONTH RESULTS 2014

- **SALES: €5,014 MILLION (ORGANIC GROWTH +0.2% ON 9M 2013; +1.7% EXCLUDING WESTERN LINK)**
- **ADJ EBITDA[1]: €355 MILLION (-19.8% ON 9M 2013); €438M EXCLUDING WESTERN LINK (-0.9% ON 9M 2013)**
- **ADJ OPERATING INCOME[2]: €249 MILLION (-25.3% ON 9M 2013); €332M EXCLUDING WESTERN LINK (-0.3% ON 9M 2013)**
- **ADJ. NET PROFIT[3]: €134 MILLION (-25.1% ON 9M 2013); €191M EXCLUDING WESTERN LINK (+6.7% ON 9M 2013)**
- **NET FINANCIAL POSITION: €1,292 MILLION (€1,193M AT 30 SEPTEMBER 2013)**

Milan, 6/11/2014. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first nine months of 2014.

"The results for the first nine months of 2014 show generally stable profitability, excluding the adverse impact of the Western Link project," explains CEO Valerio Battista. "The pace of volume recovery in the telecom cables business continues to exceed expectations, while the building wires market is showing a slight improvement in trend. For the fourth quarter, we expect high voltage and oil industry cables to make a bigger contribution than in previous quarters, and submarine cables to confirm their strong performance. Geographically, positive performance in North America and Asia has served as a partial counterbalance to the weak environment in Europe and deterioration in South America. The Group continues to focus on cost containment and making its manufacturing footprint ever more efficient, by initiating the implementation of a regional supply chain in Europe."

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

(in milions of Euro)	9 months 2014	9 months 2013 (*)	% change	% organic sales change
Sales	5,014	5,297	-5.3%	0.2%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	329	421	-21.9%	
Adjusted EBITDA	355	442	-19.8%	
EBITDA	383	408	-6.3%	
Adjusted operating income	249	333	-25.3%	
Operating income	281	269	4.5%	
Profit before taxes	173	155	11.5%	
Net profit/(loss) for the period	135	109	23.4%	

(in milions of Euro)

	30 September 2014	30 September 2013 (*)	Change
Net capital employed	2,874	2,704	170
Employee benefit obligations	333	335	(2)
Equity	1,249	1,176	73
of which attributable to non-controlling interests	32	32	-
Net financial position	1,292	1,193	99

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

[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 €5,014 million compared with €5,297 million in the first nine months of 2013, posting **organic growth of +0.2%** assuming the same group perimeter and excluding metal price and exchange rate effects. Without the adverse impact of the Western Link project, organic growth would have been +1.7%, confirming an upsurge in volumes in the Trade & Installers market and for Telecom cables and general stability for high voltage underground cables. The phasing of certain projects in the submarine cables and systems and industrial cables businesses will lead to a recovery in fourth-quarter sales, while power distribution cables will continue to suffer.

Adjusted EBITDA amounted to €355 million (€442 million in the first nine months of 2013). Excluding the adverse impact of the Western Link project, Adjusted EBITDA would have been €438 million, basically in line with the first nine months of 2013. With the aim of further strengthening its presence in strategic markets, of increasing the efficiency of its manufacturing footprint and preserving its levels of profitability, the Group has introduced some changes to its organisation, with the creation of a Southern Europe Region, which includes France and Spain, a Northern Europe region (Nordic countries and Russia) and a Central Europe region (Germany and the Danube area). The policy of targeted investments in the higher value-added businesses has also continued, with a new €40 million plan for the submarine cable plants in Arco Felice, Italy and Pikkala, Finland. There are also plans for further expansion of the optical cables plant in Romania.

EBITDA[4] amounted to €383 million (€408 million in the first nine months of 2013), including €28 million in net non-recurring income (versus €34 million in net expenses in the corresponding period of 2013), mainly attributable to the price adjustment of €22 million against the acquisition of Global Marine Systems Energy Ltd., the net release of €28 million from the Antitrust provision (following the European Commission's ruling early in April), and the recognition of €16 million in costs for reorganisation projects and for improving industrial efficiency.

Adjusted operating income came to €249 million. Excluding the impact of Western Link, it would have been €332 million (in line with €333 million in the first nine months of 2013).

Operating income was €281 million. Excluding the impact of Western Link, it would have been €364 million (a significant increase on €269 million in the first nine months of 2013).

Net finance income and costs reported a negative balance of €108 million, down from €114 million in the first nine months of 2013, thanks to the improvement in financial structure and in the cost of Group debt and also to early refinancing of the Term Loan due to mature on 31 December 2014.

Adjusted net profit amounted to €134 million. Excluding the adverse impact of the Western Link project, adjusted net profit would have been €191 million, up +6.7% from €179 million in the first nine months of 2013. **Net profit** came to €135 million compared with €109 million in the first nine months of 2013. Excluding the impact of the Western Link project, net profit for the first nine months of 2014 would have been €192 million.

Net financial position at the end of September 2014 amounted to €1,292 million, compared with €1,193 million at the end of September 2013 and €805 million at the end of 2013. The main factors affecting the period-end balance were:

- positive cash flow from operating activities (before changes in net working capital) of €292 million;
- negative impact of €472 million from changes in net working capital;
- payment of €46 million in taxes;
- net operating investments of €106 million;
- receipt of €12 million in dividends from investments in equity-accounted companies;
- payment of €90 million in dividends;
- payment of €88 million in net finance costs;
- receipt of €15 million upon completing the price adjustment process for the acquisition of Global Marine Systems Energy Ltd.

The larger increase in working capital than in the first nine months of 2013 is mainly due to the delay in meeting milestones for submarine projects (primarily the Western Link project) and to higher-than-expected growth in stocks of raw materials, semi-finished and finished goods, also because of a weaker market than forecast.

[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: POSITIVE ORGANIC GROWTH IF WESTERN LINK IMPACT EXCLUDED**
- **SLIGHT INCREASE IN VOLUMES CONFIRMED FOR T&I; PROFITABILITY STILL SUFFERING FROM PRICES AND EXCHANGE RATES**
- **INDUSTRIAL: RENEWABLES AND ELEVATOR STILL POSITIVE; OEM AND OGP ONSHORE WEAK; MAJOR UPSURGE EXPECTED IN FOURTH-QUARTER SALES**

Sales to third parties by the Energy Cables and Systems business amounted to €4,269 million, compared with €4,534 million in the first nine months of 2013. **Organic growth** was negative at -0.1% which, without the impact of Western Link, would have been +1.7%. Adjusted EBITDA came to €280 million. Excluding the impact of the Western Link project, Adjusted EBITDA would have been €363 million, in line with €361 million in the first nine months of 2013.

(in millions of Euro)

	9 months 2014	9 months 2013 (*)	% change	% organic sales change
Sales to third parties	4,269	4,534	-5.8%	-0.1%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**266**	**353**	**-24.7%**	
% of sales	6.2%	7.8%		
Adjusted EBITDA	**280**	**361**	-22.6%	
% of sales	6.6%	8.0%		
EBITDA	**317**	**348**	**-9.3%**	
% of sales	7.4%	7.7%		
Amortisation and depreciation	(75)	(77)	-3.6%	
Adjusted operating income	**205**	**284**	**-27.8%**	
% of sales	4.8%	6.3%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

Utilities

Sales to third parties by the Utilities business amounted to €1,535 million, recording negative organic growth of -3.1% due to the impact of the Western Link project, without which sales would have posted positive organic growth of +1.8%. The reduction in Adjusted EBITDA to €135 million from €195 million in the first nine months of 2013 was entirely due to the adverse impact of Western Link; excluding this effect, Adjusted EBITDA would have risen by 11.8% to €218 million.

Sales of High Voltage Underground Cables were basically stable compared with the first nine months of 2013. In Europe, strong sales in Spain, Britain and the Netherlands contrasted with the persistent weakness afflicting important markets such as Italy and France. The Group has continued to benefit from strong demand in North America and is preparing to strengthen its offering in the growing markets of Asia Pacific (Australia, Singapore, Hong Kong) and the Middle East, being able to rely on capacity at its Asian production facilities.

Sales in the Submarine Cables and Systems business, penalised in the third quarter by the phasing of certain projects, are expected to recover in the fourth quarter. By way of confirmation of the Group's strong position in this market, it expects to report double-digit organic growth for FY 2014, excluding the impact of Western Link. The Group confirms that the plan for resolving the Western Link problems is achieving the desired results and that the financial impact initially quantified has not changed (€94 million in 2014 and €167 million for the entire duration (2014 -2016).

The outlook for underground and submarine power transmission cables and systems remains positive, with an order book of close to €3 billion. Programmes for technological development are continuing with the €40 million due to be invested in the plants in Pikkala, Finland, and Arco Felice, Italy, and with the transformation of the "Cable Enterprise" cable-laying vessel.

The Power Distribution business has continued to be affected by the ongoing weakness of demand, although volumes and prices showed signs of stabilising in the third quarter of 2014. In Europe, demand has flagged in the Nordic and East European countries, while the situation is stabilising in the markets of Central Europe. Volumes were stable in North America, while performance in South America and Asia was below that recorded in the first nine months of 2013. The Group has continued to rationalise production capacity, particularly in

Europe, with the aim of defending its level of profitability in the face of declining volumes and adverse exchange rates.

(in millions of Euro)

	9 months 2014	9 months 2013 (*)	% change	% organic sales change
Sales to third parties	1,535	1,644	-6.6%	-3.1%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**130**	**193**	**-32.6%**	
% of sales	8.5%	11.7%		
Adjusted EBITDA	**135**	**195**	**-30.8%**	
% of sales	8.8%	11.9%		
Adjusted operating income	**105**	**166**	**-36.7%**	
% of sales	6.9%	10.1%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and jv.

Trade & Installers

The Trade & Installers business confirmed the signs of increase in volumes and sales seen in the first half of the year, despite some slowing, and reported sales of €1,434 million in the first nine months of 2014, with organic growth of +5.3% on the prior year. In Europe, the volume recovery was driven by Nordic and East European countries, making up for persistent weakness in Central and Southern Europe. The slowdown in the South American construction industry was behind the drop in volumes in South America, where profitability was also hit by exchange rates. North America reported a still positive trend, driven in particular by the renewable energy sector in Canada, while growth was posted in Asia (China and ASEAN, in particular). Pricing pressure remained high and penalised the business's profitability, still adversely affected by exchange rates. The Group confirms its global leadership in projects that require higher levels of technology and know-how, such as fire-resistant and LSOH cables that are increasingly deployed in strategic buildings and infrastructure, such as the EXPO 2015 in Milan and several high value-added projects in Britain. Adjusted EBITDA amounted to €52 million, compared with €65 million in the first nine months of 2013.

(in millions of Euro)

	9 months 2014	9 months 2013 (*)	% change	% organic sales change
Sales to third parties	1,434	1,470	-2.5%	5.3%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**45**	**61**	**-26.2%**	
% of sales	3.1%	4.1%		
Adjusted EBITDA	**52**	**65**	**-20.0%**	
% of sales	3.6%	4.4%		
Adjusted operating income	**35**	**46**	**-23.9%**	
% of sales	2.4%	3.1%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

Industrial

Sales to third parties by the Industrial cables business amounted to €1,228 million, delivering negative organic growth of -1.9%, mainly due to the slowing in demand by the entire capital goods sector in Europe and to the phasing of certain Oil&Gas and SURF projects. In the Oil & Gas business, after a weak start to the year, the Group saw a stabilisation in the third quarter, with a further improvement forecast in the fourth quarter. The Group is well positioned to benefit from growing demand for cables for offshore oil production in Northern Europe (Norway and the United Kingdom), in the face of a decline in the onshore extraction market in the Middle East, particularly caused by political instability. In the SURF business (offering technologies, products and services for offshore oil production), the fulfilment of existing orders for Umbilicals and DHT will support fourth-quarter growth, while the business will continue to enhance its global presence thanks to the new headquarters in Houston and new sales offices in Europe, Asia and the Middle East. Production and sales of flexible pipes have been in line with levels in 2013. Performance in the Specialties & OEM business has not been brilliant due to continued weak demand in Europe and the Americas, even if the trend in Asia Pacific has been positive. The market sectors to suffer most were cables for the mining, rail network, and nuclear industries, while the renewable energy, rolling stock and naval sectors showed signs of recovery. Elevators continued to enjoy excellent sales performance both in the established U.S. market and in newer European and Asian markets. Lastly, the Automotive business experienced slower sales and fiercer competition during the third quarter, particularly in Europe and North America.

Adjusted EBITDA amounted to €86 million, compared with €97 million in the first nine months of 2013.

(in millions of Euro)

	9 months 2014	9 months 2013 (*)	% change	% organic sales change
Sales to third parties	1,228	1,339	-8.3%	-1.9%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**84**	**96**	**-12.5%**	
% of sales	6.8%	7.2%		
Adjusted EBITDA	**86**	**97**	**-11.3%**	
% of sales	7.0%	7.2%		
Adjusted operating income	**60**	**71**	**-15.5%**	
% of sales	4.9%	5.3%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

TELECOM CABLES AND SYSTEMS PERFORMANCE AND RESULTS

- **GROWTH IN DEMAND FOR OPTICAL CABLES GLOBALLY AND STRONG UPSURGE IN SALES VOLUMES**
- **GROWTH IN PROFITABILITY IN MMS MULTIMEDIA SOLUTIONS BUSINESS**
- **FOCUS ON CONTAINING COSTS TO BOOST PROFITABILITY**

Sales to third parties by the Telecom Cables and Systems business amounted to €745 million, recording slight organic growth (+1.9%) on the first nine months of 2013 in confirmation of the positive trend in progress since the start of the year.

Optical cables enjoyed a strong recovery in demand in all the major markets, while the general price pressure characterising the initial recovery seems to have stabilised. In Europe, in particular, the Group acquired work on major projects involving the construction of backbones and FTTH connections for leading operators, such as British Telecom in the United Kingdom, Telefonica and Jazztel in Spain, and Orange in France; the current trend is expected to be confirmed even in the fourth quarter. In North America, the recovery in demand is expected to continue in the fourth quarter. In South America, demand has been largely stable, despite expectations for growth generated by renewed government stimulus packages. Lastly, Asia Pacific saw work resume on the NBN project in Australia and positive trends in demand in China and Singapore. The Group has continued to implement the plan to improve the competitiveness of optical fibre production.

Multimedia Solutions posted a recovery in profitability due to the strategy of focusing on higher value-added products, such as data centres in Europe, and of rationalising the presence in lower margin businesses.

The high value-added connectivity business enjoyed a positive trend, thanks to the development of new FTTx networks (for last mile broadband access) in Europe and North America.

Lastly, copper cables continued their steady decline due to the retirement of traditional networks in favour of next-generation ones.

Adjusted EBITDA amounted to €75 million, compared with €81 million in the first nine months of 2013.

(in millions of Euro)

	9 months 2014	9 months 2013 (*)	% change	% organic sales change
Sales to third parties	745	763	-2.3%	1.9%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	**63**	**68**	**-7.3%**	
% of sales	8.5%	8.9%		
Adjusted EBITDA	**75**	**81**	**-7.6%**	
% of sales	10.0%	10.6%		
EBITDA	**72**	**64**	**13.1%**	
% of sales	9.7%	8.4%		
Amortisation and depreciation	(31)	(32)		
Adjusted operating income	**44**	**49**	**-10.9%**	
% of sales	5.9%	6.4%		

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and jv.

BUSINESS OUTLOOK

Although the macroeconomic environment in the first few months of 2014 showed signs of stabilisation and slight improvement on the recessionary trend in progress since the second half of 2011, recent months have witnessed a gradual slowdown in economic activity, particularly in Europe and Brazil.
In such an economic context, the Group's expectation for FY 2014 is that demand for medium voltage cables for utilities will remain weak, and that the gradual recovery in the building wires business seen in the first nine months of the year will continue until year end. The Group also confirms the positive trend in demand in the high value-added businesses of power transmission, particularly submarine cables, as well as consolidation of the upturn in demand for optical fibre cables.
Despite the gradual deterioration in the economic environment over recent months, 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 2014 at the lower end of the target range of €506–€556 million (€600-€650 million excluding the negative impact of the Western HVDC Link project estimated at €94 million for FY 2014) compared with €613 (*) million in 2013.
Lastly, the Prysmian Group will carry on during the remainder of 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 previously published figure for Adjusted EBITDA in 2013 (€612 million) has been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit (loss) of associates and jv.

OTHER RESOLUTIONS BY THE BOARD OF DIRECTORS

Approval and launch of share buy-back programme
During the meeting, the Board of Directors also decided to launch a share buy-back programme in execution of and within the limits of the authorisation granted by the Shareholders' Meeting held on 16 April 2014.
The purpose of this programme is to provide the Company with a "pool of securities" to be used (i) for possible extraordinary corporate actions; (ii) to meet obligations arising from debt instruments convertible or exchangeable with financial instruments issued by the Company, its subsidiaries or third parties, or (iii) in relation to share-based incentive plans for the Group's directors and employees.
The buy-back programme will relate to shares with a maximum total value of €50 million, notwithstanding that the maximum number of shares that may be purchased, including the treasury shares already held, may not exceed 10% of share capital at any time.
As at 5 November 2014, the Company held directly and indirectly 1,872,463 treasury shares.
The share purchase price cannot be more than 10% above or more than 10% below the stock's official price reported in the trading session on the day preceding each individual purchase transaction and, in any case, it cannot be more than the higher of the price of the last independent transaction and the highest current independent ask price on the Milan Stock Exchange.
Treasury shares may be purchased in the market, on one or more occasions, until 30 January 2015, both directly and through authorised intermediaries appointed for this purpose; such transactions must comply with the provisions of art. 132 of Legislative Decree 58 dated 24 February 1998 and art. 144-bis, par. 1, letter b) of Consob Regulation 11971 dated 14 May 1999, according to procedures established in the Rules of the Markets organised and managed by Borsa Italiana S.p.A..

The Prysmian Group's Third Quarter Financial Report at 30 September 2014, approved by the Board of Directors today, will be available to the public from 6 November 2014 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, on the Borsa Italiana website www.borsaitaliana.it, and in the mechanism for the central storage of regulated information known as "1Info" at www.1info.it.
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 September 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, and can be viewed on the Borsa Italiana website www.borsaitaliana.it and in the central storage mechanism for regulated information at www.1info.it.

Prysmian Group
Prysmian Group is the world leader in the energy and telecom cables and systems industry. With more than 130 years of experience, sales of €7 billion in 2013, 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 Italian Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated statement of financial position

(in millions of Euro)

	30 September 2014	31 December 2013 (*)	1 January 2013 (*)
Non-current assets			
Property, plant and equipment	1,430	1,390	1,484
Intangible assets	586	588	608
Equity-accounted investments	221	205	193
Available-for-sale financial assets	12	12	12
Derivatives	5	2	3
Deferred tax assets	108	130	125
Other receivables	29	28	40
Total non-current assets	**2,391**	**2,355**	**2,465**
Current assets			
Inventories	1,126	881	866
Trade receivables	1,095	933	1,083
Other receivables	888	722	560
Financial assets held for trading	73	93	78
Derivatives	34	23	16
Cash and cash equivalents	311	510	787
Total current assets	**3,527**	**3,162**	**3,390**
Assets held for sale	6	12	4
Total assets	**5,924**	**5,529**	**5,859**
Equity attributable to the Group:	**1,217**	**1,147**	**1,112**
Share capital	21	21	21
Reserves	1,060	977	925
Net profit/(loss) for the period	136	149	166
Equity attributable to non-controlling interests:	**32**	**36**	**35**
Share capital and reserves	33	32	33
Net profit/(loss) for the period	(1)	4	2
Total equity	**1,249**	**1,183**	**1,147**
Non-current liabilities			
Borrowings from banks and other lenders	805	1,119	1,428
Other payables	13	20	23
Provisions for risks and charges	69	51	73
Derivatives	8	7	41
Deferred tax liabilities	66	97	91
Employee benefit obligations	333	308	344
Total non-current liabilities	**1,294**	**1,602**	**2,000**
Current liabilities			
Borrowings from banks and other lenders	878	292	311
Trade payables	1,492	1,409	1,416
Other payables	683	688	616
Derivatives	51	42	24
Provisions for risks and charges	254	279	317
Current tax payables	23	34	28
Total current liabilities	**3,381**	**2,744**	**2,712**
Total liabilities	**4,675**	**4,346**	**4,712**
Total equity and liabilities	**5,924**	**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)

	9 months 2014	9 months 2013 (*)
Sales of goods and services	5,014	5,297
Change in inventories of work in progress, semi-finished and finished goods	100	78
Other income	94	52
of which non-recurring other income	*27*	*12*
Raw materials, consumables used and goods for resale	(3,237)	(3,382)
Fair value change in metal derivatives	12	(12)
Personnel costs	(688)	(706)
of which non-recurring personnel costs	*(14)*	*(20)*
of which personnel costs for stock option fair value	*(3)*	*(9)*
Amortisation, depreciation and impairment	(111)	(118)
of which non-recurring impairment	*(5)*	*(9)*
Other expenses	(929)	(961)
of which non-recurring other expenses	*15*	*(26)*
Share of net profit/(loss) of equity-accounted companies	26	21
Operating income	**281**	**269**
Finance costs	(300)	(339)
of which non-recurring finance costs	*(13)*	*(20)*
Finance income	192	227
Profit before taxes	**173**	**155**
Taxes	(38)	(46)
Net profit/(loss) for the period	**135**	**109**
Attributable to:		
Owners of the parent	136	108
Non-controlling interests	(1)	1
Basic earnings/(loss) per share (in Euro)	**0.63**	**0.51**
Diluted earnings/(loss) per share (in Euro)	**0.63**	**0.51**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

Consolidated income statement - 3rd quarter

(in millions of Euro)

	3rd quarter 2014	3rd quarter 2013 (*)
Sales of goods and services	1,727	1,793
Change in inventories of work in progress, semi-finished and finished goods	38	(19)
Other income	50	24
of which non-recurring other income	*5*	*5*
Raw materials, consumables used and goods for resale	(1,111)	(1,116)
Fair value change in metal derivatives	6	25
Personnel costs	(227)	(226)
of which non-recurring personnel costs	*(7)*	*(8)*
of which personnel costs for stock option fair value	-	*(2)*
Amortisation, depreciation and impairment	(40)	(44)
of which non-recurring impairment	*(5)*	*(9)*
Other expenses	(349)	(313)
of which non-recurring other expenses	*(10)*	*(5)*
Share of net profit/(loss) of equity-accounted companies	11	7
Operating income	**105**	**131**
Finance costs	(103)	(95)
of which non-recurring finance costs	-	-
Finance income	69	63
Dividends from other companies	-	-
Profit before taxes	**71**	**99**
Taxes	(16)	(31)
Net profit/(loss) for the period	**55**	**68**
Attributable to:		
Owners of the parent	56	66
Non-controlling interests	(1)	2

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	9 months 2014	9 months 2013 (*)
Net profit/(loss) for the period	**135**	**109**
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	(4)	9
Fair value gains/(losses) on cash flow hedges - tax effect	1	(3)
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	41	(65)
Total items that may be reclassified, net of tax	**41**	**(49)**
- items that will NOT be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	(21)	16
Actuarial gains/(losses) on employee benefits - tax effect	4	(3)
Total items that will NOT be reclassified, net of tax	**(17)**	**13**
Total comprehensive income/(loss) for the period	**159**	**73**
Attributable to:		
Owners of the parent	158	74
Non-controlling interests	1	(1)

(*) 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 - 3rd quarter

(in millions of Euro)

	3rd quarter 2014	3rd quarter 2013 (*)
Net profit/(loss) for the period	**55**	**68**
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)	3
Fair value gains/(losses) on cash flow hedges - tax effect	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	25	(33)
Total items that may be reclassified, net of tax	**23**	**(30)**
- 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	**78**	**37**
Attributable to:		
Owners of the parent	77	37
Non-controlling interests	1	-

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

Prysmian Group

PRYSMIAN Draka

Consolidated statement of cash flows

(in millions of Euro)

		9 months 2014	9 months 2013 (*)
	Profit/(loss) before taxes	173	155
	Depreciation and impairment of property, plant and equipment	89	94
	Amortisation and impairment of intangible assets	22	24
	Net gains on disposals of property, plant and equipment, intangible assets and price adjustment	(23)	(6)
	Share of net profit/(loss) of equity-accounted companies	(26)	(21)
	Share-based payments	3	9
	Fair value change in metal derivatives and other fair value items	(12)	12
	Net finance costs	108	114
	Changes in inventories	(216)	(123)
	Changes in trade receivables/payables	(83)	(96)
	Changes in other receivables/ payables	(175)	(191)
	Changes in receivables/payables for derivatives	2	-
	Taxes paid	(46)	(45)
	Dividends received from equity-accounted companies	12	17
	Utilisation of provisions (including employee benefit obligations)	(93)	(86)
	Increases in provisions (including employee benefit obligations)	51	43
A.	**Net cash flow provided by/(used in) operating activities**	**(214)**	**(100)**
	Acquisitions	9	-
	Investments in property, plant and equipment	(99)	(59)
	Disposals of property, plant and equipment and assets held for sale	8	6
	Investments in intangible assets	(15)	(12)
	Disposals of intangible assets	-	-
	Investments in financial assets held for trading	(5)	(14)
	Disposals of financial assets held for trading	28	3
B.	**Net cash flow provided by/(used in) investing activities**	**(74)**	**(76)**
	Dividend distribution	(90)	(91)
	EIB Loan	100	-
	Proceeds from convertible bond	-	296
	Early repayment of credit agreement	(184)	(486)
	Finance costs paid	(277)	(293)
	Finance income received	189	202
	Changes in net financial payables	349	66
C.	**Net cash flow provided by/(used in) financing activities**	**87**	**(306)**
D.	Currency translation gains/(losses) on cash and cash equivalents	2	(15)
E.	**Total cash flow provided/(used) in the period (A+B+C+D)**	**(199)**	**(497)**
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)**	**311**	**290**

(*) The previously published prior year consolidated financial statements have been restated following the adoption of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

ANNEX B

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

(in millions of Euro)

	9 months 2014	9 months 2013 (*)
Net profit/(loss) for the period	135	109
Taxes	38	46
Finance income	(192)	(225)
Finance costs	300	339
Amortisation, depreciation and impairment	111	118
Fair value change in metal derivatives	(12)	12
Fair value change in stock options	3	9
EBITDA	**383**	**408**
Company reorganisation	16	32
Antitrust investigations	(28)	(3)
Environmental remediation and other costs	-	2
Gains on asset disposals	-	(5)
Acquisition price adjustment	(22)	-
Other net non-recurring expenses/(income)	6	8
Adjusted EBITDA	**355**	**442**

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.

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

(in millions of Euro)

	9 months 2014	9 months 2013 (*)	Change
EBITDA	**383**	**408**	**(25)**
Changes in provisions (including employee benefit obligations)	(42)	(43)	1
Net gains on disposals of property, plant and equipment, intangible assets and other non-current assets	(1)	(6)	5
Share of net profit/(loss) of equity-accounted companies	(26)	(21)	(5)
Acquisition price adjustment	(22)	-	(22)
Net cash flow provided by operating activities (before changes in net working capital)	**292**	**338**	**(46)**
Changes in net working capital	(472)	(410)	(62)
Taxes paid	(46)	(45)	(1)
Dividends from investments in equity-accounted companies	12	17	(5)
Net cash flow provided by operating activities	**(214)**	**(100)**	**(114)**
Acquisitions	9	-	9
Net cash flow from operational investing activities	(106)	(65)	(41)
Free cash flow (unlevered)	**(311)**	**(165)**	**(146)**
Net finance costs	(88)	(91)	3
Free cash flow (levered)	**(399)**	**(256)**	**(143)**
Dividend distribution	(90)	(91)	1
Net cash flow provided/(used) in the period	**(489)**	**(347)**	**(142)**
Opening net financial position	**(805)**	**(888)**	**83**
Net cash flow provided/(used) in the period	(489)	(347)	(142)
Convertible bond equity component	-	39	(39)
Other changes	2	3	(1)
Closing net financial position	**(1,292)**	**(1,193)**	**(99)**

(*) The previously published prior year comparative figures have been restated following the introduction of IFRS 10 and IFRS 11 and a new method of classifying the share of net profit/(loss) of associates and jv.