Prysmian Group

LINKING THE FUTURE

PRESS RELEASE

STRONG RESULTS FOR THE FIRST HALF OF 2019[1]

Milan, 01/08/2019. The Board of Directors of Prysmian S.p.A. has approved today the Group's consolidated results for the first half of 2019[2].

- **SALES AT €5,849M (+1.9% ORGANIC GROWTH), WITH STRONG GROWTH IN NORTH AMERICA (+4.7%)**
- **EXCELLENT PERFORMANCE IN TELECOM (+7.9%); POSITIVE TREND IN ENERGY & INFRASTRUCTURE (+3.1%)**
- **ADJUSTED EBITDA INCREASED TO €521M (+26.2% VS H1 2018), 8.9% RATIO TO SALES (7.1% IN H1 2018)**
- **IMPROVED PROFITABILITY: SOLID TREND IN ENERGY & INFRASTRUCTURE; STRONG GROWTH IN OPTICAL CABLES AND MMS**
- **VIKING PROJECT AWARDED TO PRYSMIAN FOR ABOUT €700M; PROJECTS AWARDED IN THE FIRST 7 MONTHS WORTH €1.1BN**
- **NET PROFIT HAS DOUBLED TO €192M (€80M IN H1 2018)**
- **FY19 GUIDANCE CONFIRMED (EXCLUDING THE POSITIVE IMPACTS OF IFRS 16):**
  - **ADJUSTED EBITDA EXPECTED IN THE RANGE OF €950M-€1,020M**
  - **FREE CASH FLOWS FORECAST AT €300M ±10% AFTER €90M RESTRUCTURING COSTS**

"One year after the closing of the General Cable acquisition, our results in the first half of 2019 highlighted the significant contribution by North America to the Group's sales growth and improved profitability," commented Chief Executive Officer Valerio Battista. "The integration has been yielding considerable benefits at the level of both operating synergies and the business, due to the cross-selling opportunities and the important role it allows the Group to play in serving strategic clients. These developments are particularly significant in the Optical Cables and Multi-Media Solutions businesses, as well as in the entire Energy & Infrastructure segment, and particularly in Power Distribution. There have also been positive signs in the Projects segment: following several important offshore wind farm projects such as Vineyard in the USA and Dolwin5 in Germany, the award of four of the five assigned lots of the Viking Link project for nearly €700 million brought the overall value of projects awarded in the first seven months to over €1 billion — the target we had estimated for 2019 full-year."

FINANCIAL RESULTS

Group sales amounted to €5,849 million with a +1.9% organic growth, mainly driven by the Telecom business (+7.9%), with a double-digit increase in optical cables and the excellent performance reported in Multi-Media Solutions, and by the solid trend in Energy and Infrastructure, with the double-digit performance reported by Power Distribution. The expected negative organic growth in the Projects segment was attributable to the 2018 low order intake, the timing of installation activities and several reworks that proved necessary within the submarine cables business, in addition to the phasing on some High Voltage Underground projects.

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[1] The Half-year Financial Report is subject to limited audit, which is still underway as of today's date.

[2] In line with the integration process began in the previous year, overall Group's results are analysed as a whole (with no distinction between the two groups, Prysmian and General Cable) effective financial year 2019. The figures for the first half of 2019 are compared with the figures of the Consolidated Financial Statements. In addition, key operating indicators (sales and adjusted EBITDA) are compared with combined results, i.e., including General Cable's results as if they had been consolidated as of 1 January 2018.
However, it should be noted that the combined data are not to be construed as pro-forma figures, even if they were restated by applying Prysmian Group's main accounting standards and policies.

Adjusted EBITDA amounted to €521 million (up +26.2% compared to €413 million in the first half of 2018), including €21 million arising from the positive effect of the application of the new IFRS 16, effective 1 January 2019. EBITDA margin improved as well, with a ratio of Adjusted EBITDA to sales at 8.9% compared to 7.1% for the first half of 2018. Profitability improved mainly driven by the good result reported by Energy & Infrastructure, particularly in North America and LatAm, and by Telecom, thanks to the positive performance that the optical cables and MMS businesses obtained thanks to increased productivity and industrial efficiencies. The solid performance of Power Distribution and Industrial & Network Components also generated a positive impact on profitability. With respect to 2018, the profitability of the Projects segment, excluding the Western Link impact, was affected by the aforementioned reworks required and the unfavourable timing of execution of various orders.

EBITDA grew to €492 million (€293 million in H1 2018, including General Cable as of 1 June 2018) and comprises net expenses for company reorganisation, net non-recurring expenses and other net non-operating expenses totalling €29 million (€46 million in H1 2018).

Operating income rose to €335 million, compared to €158 million in the first half of 2018. The significant improvement is mainly due to the enlargement of the Group's corporate perimeter and the exchange rate effect.

Net profit grew sharply to €192 million compared to €80 million for the first half of 2018.

Net Financial Debt amounted to €2,819 million, or €2,678 million net of the €141 million impacts due to the application of the new IFRS 16, in line with expectations and with the business' seasonal nature.

Comparing the figure relating to Net Financial Debt with that at 30 June 2018 (€3,014 million), the main factors that influenced said item in the past 12 months were:

- positive operating cash flows (before changes in working capital) of €697 million;
- an increase in net working capital amounting to €38 million;
- cash outflows totalling €115 million due to restructuring, integration and ancillary expenses associated with the acquisition of General Cable;
- €65 million referring to the Western Link project.
- net operating investments totalling €263 million;
- net finance costs incurred the amount of €112 million;
- taxes paid amounting to €109 million;
- a dividend pay-out of €120 million;
- capital increase for €496 million;
- a €159 million increase in financial liabilities following the adoption of IFRS 16;
- other increases amounting to €17 million.

GENERAL CABLE INTEGRATION: €90M SYNERGIES ALREADY ACHIEVED VS FY 2019 TARGET OF €120M

One year after the General Cable acquisition, the integration of the two groups continues to create significant opportunities for value creation both from an operating standpoint and in terms of business opportunities arising from cross-selling synergies and the strategic positioning achieved with respect to important customers.
The integration launched in June 2018 allowed the Group to achieve synergies for €90 million at 30 June 2019 compared to target synergies of €120 million expected by the end of 2019 (€175 million by 2021). These results were mainly obtained through measures aimed at reducing fixed costs — following the organisational efficiencies achieved — and through savings in terms of material procurement (chiefly raw materials). The Group timely achieved its targets of working capital synergies (€200 million), mainly thanks to efficient stock management and the review of contracts negotiated with suppliers, as well as of financial synergies (€30 million), following refinancing of General Cable's net debt effected immediately after the transaction closing.
In June 2019, costs for implementing the synergy plan amounted to approximately €105 million compared to total amount of €220 million expected by 2021.

Prysmian Group

LINKING THE FUTURE

CONSOLIDATED HIGHLIGHTS
(in millions of Euro)

	1st half 2019	1st half 2018 - Combined (*)	Change %	1st half 2018 (**)	% organic sales
Sales	5,849	5,782	1.2%	4,364	1.9%
Adjusted EBITDA before share of net profit/(loss) of equity-accounted companies	508	377	34.8%	303	
Adjusted EBITDA	521	413	26.2%	339	
EBITDA	492			293	
Adjsuted operating income	366			244	
Operating income	335			158	
Profit/(Loss) before taxes	263			112	
Net profit/(loss) for the period	192			80	
Net profit attributable to owners of the parent	190			80	

(*) Figures include the General Cable perimeter for the period 1 January – 30 June 2018.
(**) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.

(in millions of Euro)

	30 June 2019	30 June 2018 (*)	Change	31 December 2018 (*)
Net fixed assets	5,226	4,983	243	5,101
Net working capital	1,258	1,072	186	692
Provisions & deferred taxes	(710)	(699)	(11)	(734)
Net Capital Employed	**5,774**	**5,356**	**418**	**5,059**
Employee provisions	528	450	78	463
Shareholders' equity	2,427	1,892	535	2,374
of which: attributable to minority interest	*185*	*185*	-	188
Net financial debt	2,819	3,014	(195)	2,222
of which: IFRS 16	*141*	*n.a*	*n.a*	*n.a*
Total financing and equity	**5,774**	**5,356**	**418**	**5,059**

(*) Data have been restated compared to the published data following the definition of the process for allocating General Cable's acquisition price.

PROJECTS

- **VIKING LINK AWARDED FOR APPROXIMATELY €700M. 2019 TARGET FOR PROJECTS AWARDED ACHIEVED AHEAD OF TIME**
- **EXTENSIVE TENDERING ACTIVITY CONTINUES IN H2 2019**
- **IMPORTANT TECHNOLOGICAL MILESTONES REACHED WITH THE QUALIFICATION OF THE 525 KV P-LASER AND XLPE**

In the first half of 2019, sales amounted to €828 million, with an organic decrease of 3.4%. Excluding the IFRS 16 impact, Adjusted EBITDA was €94 million, recovering compared to €69 million in 2018, which was affected by the €70 million negative impact of the Western Link project in the first half of the year. The H2 results are expected to be again essentially in line with the same period of 2018, excluding the Western Link impact.

The profitability of the Submarine Cables and Systems business was chiefly impacted by the timing of installation activities and the less favourable mix of projects carried out, as well as several additional work that proved necessary. In July, also thanks to the award of the Viking Link project for a value of nearly €700 million, the Group achieved ahead of time its 2019 targets for projects awarded. Among the main projects acquired in the first half of 2019, mention should be made of the cabling of Vineyard, the first large-scale offshore wind power farm in the United States, with a value of approximately €200 million, as well as of the Dolwin5 project in Europe, connecting new offshore wind power farms to the German mainland power grid, with a value of €140 million. Performance in the submarine telecommunications cable market was positive, with the Group acquiring an important project in Chile early in the year. The intense tendering activity pursued by the Group will also continue in the second half of 2019.

In High Voltage Underground, results in the first six months of 2019 were weaker than in the same period of 2018, which had benefited from the positive impact of several major ongoing projects, which were subsequently completed. Tendering activity remains robust, with a particular focus on development of the important SuedLink and SuedOstLink interconnection projects in Germany. Important technological milestones were reached in the first half of 2019 with the qualification of the 525 kV P-Laser and XLPE cable systems.

(in millions of Euro)

	1st half 2019	*Of which IFRS 16*	1st half 2018 – Combined (*)	Change %
Sales	**828**		861	-3.9%
% organic sales change	-3.4%			
Adjusted EBITDA	**97**	*3*	69	41.3%
% of sales	11.7%		7.9%	

(*) Figures include the General Cable perimeter for the period 1 January–30 June 2018; data include no effects due to IFRS 16.

ENERGY

- **T&I: STABLE GROWTH; POSITIVE PERFORMANCE IN NORTH AMERICA. IMPROVED PROFITABILITY IN EUROPE AND LATAM**
- **POWER DISTRIBUTION: SHARP ORGANIC GROWTH, IMPROVED PROFITABILITY THANKS TO THE GEOGRAPHICAL MIX, INCREASE IN VOLUMES AND OPERATING EFFICIENCIES**
- **OVERHEAD PERFORMANCE RECOVERED IN LATAM**

(in millions of Euro)

	1st half 2019	*Of which IFRS 16*	**1st half 2018 – Combined (*)**	**Change %**
Sales	**4,135**		4,098	0.9%
% organic sales change	1.8%			
Adjusted EBITDA	**259**	*15*	189	36.8%
% of sales	6.3%		4.6%	

(*) Figures include the General Cable perimeter for the period 1 January–30 June 2018; data include no effects due to IFRS 16.

Energy & Infrastructure

Energy & Infrastructure sales amounted to €2,763 million, with a +3.1% organic growth (+4.1% excluding the Overhead business) compared to H1 2018. Excluding the IFRS 16 impact, Adjusted EBITDA stood at €151 million compared to €106 million in 2018. Its ratio to Sales improved to 5.5% compared to 3.9% in 2018.

In H1 2019, Trade & Installers grew steadily at global level, confirming the momentum of the north-American market. Profitability improved, particularly in Europe and LatAm, whereas the Middle East continued to record a weak demand.

Power Distribution reported a robust organic sales increase, particularly in North America and Europe. The profitability of the business improved thanks to the geographical mix, increased volumes and the implementation of industrial efficiencies.

The Overhead recovered its performance in Latin America.

Industrial & Network Components

Industrial & Network Components sales amounted to €1,248 million, with a -1.0% organic decrease compared to the same period of 2018. Excluding the IFRS 16 impact, Adjusted EBITDA stood at €93 million, up compared compared to €83 million in 2018. Its ratio to sales rose to 7.5% from 6.6%. This improvement was essentially attributable to the positive performance of the OEM and Renewables segments, particularly in the LatAm area and North America, and to the positive growth trend of Mining and Solar, partially offset by the weak trend reported by Railways.
Elevators' solid growth, confirmed in Q2, was chiefly supported by the increased volumes in North America. The slight improvement in margins was confirmed in Q2 2019 as well.
The Automotive's negative sales performance was impacted by a decrease in volumes in North America. Adjusted EBITDA declined due to the competitive market conditions, partially offset by the positive effects generated by the industrial efficiencies.
The Network Components segment reported a stable trend for the period.

TELECOM

- **SHARP SALES GROWTH (+7.9%) THANKS TO THE UPTREND IN EUROPE AND NORTH AMERICA**
- **IMPROVED PROFITABILITY AND INCREASED VOLUMES; EXPANSION OF PRODUCTION CAPACITY AND SUPPLY MIX**
- **SOLID MMS PERFORMANCE, DRIVEN BY NORTH AMERICA AND ADVANTAGES LINKED TO GENERAL CABLE INTEGRATION**

The Telecom business sales amounted to €886 million, with a 7.9% organic growth, driven by the uptrend experienced by Europe and North America that offset the APAC's slowing growth. Excluding the IFRS 16 impact, Adjusted EBITDA improved to €162 million compared to €155 million for H1 2018 (the ratio of Adjusted EBITDA to Sales was 18.3% compared to 18.9% in 2018). EBITDA of Optical Cables and Multi Media Solutions grew sharply, partially offset by a decline in copper cable volumes and YOFC performance.

In the Optical Fibre Cables business, Prysmian reported a double-digit growth, thanks to its ability to seize the constant demand generated by broadband networks development projects in North America and the positive effects of increased volumes at constant price levels recorded in Europe.

Multimedia Solutions also reported a good performance, particularly in North America also thanks to the rapid integration with General Cable, where demand was also driven by the growing investments in Data Centres and the strong demand for data cables for industrial applications and residential buildings.

(in millions of Euro)

	1st half 2019	*Of which IFRS 16*	**1st half 2018 – Combined (*)**	**Change %**
Sales	**886**		823	7.7%
% organic sales change	7.9%			
Adjusted EBITDA	**165**	*3*	155	6.2%
% of sales	18.6%		18.9%	

(*) Figures include the General Cable perimeter for the period 1 January–30 June 2018; data include no effects due to IFRS 16.

PERFORMANCE BY GEOGRAPHICAL AREA: STEADY STRONG GROWTH IN NORTH AMERICA

The integration with General Cable allowed the Group to significantly rebalance the exposure of the different geographical areas, with EMEA and APAC accounting for about 54% (68% in 2018) and 8% (12% in 2018),respectively, and a stronger presence in North America (30% vs 14% in H1 2018) and in LatAm (8% vs 6%).

EMEA
Sales of the operating segment EMEA for the first six months of 2019 amounted to €3,147 million, with a 1.2% organic growth driven by the Telecom performance (excluding the Project segment, the organic growth of the EMEA region rose to +3.0%). Excluding the IFRS 16 impact, Adjusted EBITDA was €244 million compared to €195 million in the same period of 2018 (ratio to sales was 7.8% compared to 6.1% in the first half of 2018). In the first half of 2018, figures were impacted by the €70 million Western Link project provision. Net of this provision, the decrease in Adjusted EBITDA was mainly due to the result of the Projects segment, partly offset by the good performance of Telecom.

North America
Results in North America in the first six months of the year were excellent, confirming the validity of the strategic focus on growth in the region: sales in North America amounted to €1,751 million, marking a +4.7% organic growth compared to 2018, owing in particular to the sound performance of the Energy & Infrastructure and Telecom businesses, together with the positive effects generated by synergies. Excluding the IFRS 16 impact, adjusted EBITDA amounted to €185 million, up sharply on €117 million for the first half of 2018, with a considerably higher ratio to Sales (10.6% vs 7.2% in H1 2018).

LatAm
Sales of LatAm for the first six months of 2019 amounted to €466 million, with a 2.7% organic decrease mainly attributable to the performance of the Overhead business, which has already started to show signs of improvement. Excluding the IFRS 16 impact, Adjusted EBITDA was €45 million, up compared to €38 million for the same period of 2018, with an improving ratio to Sales (9.6% compared to 7.6% for H1 2018). The area's increased profitability reflected the business mix improvement measures underway and also benefited from the swifter development of the synergy plan and cross-selling activities arising from the General Cable integration, which allowed the Group to seize new growth opportunities.

Asia Pacific
In the first six months of 2019, revenues in the Asia Pacific business segment amounted to €485 million, with a 1.4% organic growth. Excluding the IFRS 16 impact, Adjusted EBITDA was €26 million, down from €63 million in the same period of 2018, with a declining incidence on revenues (5.5% versus 13% in the first half of 2018). The decline in Adjusted EBITDA was mainly attributable to the reduction of volumes in Australia and the lesser contribution of YOFC.

(in millions of Euro)

	Sales		Adjusted EBITDA		
	1st half 2019	**1st half 2018 – Combined (*)**	**1st half 2019**	***Of which IFRS 16***	**1st half 2018 – Combined (*)**
EMEA**	3,147	3,188	254	10	195
North America	1,751	1,613	191	6	117
Central-South America	466	500	47	2	38
Asia and Oceania	485	481	29	3	63
Total	**5,849**	**5,782**	**521**	**21**	**413**

(*) Figures include the General Cable perimeter for the period 1 January–30 June 2018.
(**) EMEA = Europe, Middle East and Africa

OUTLOOK

The global economy showed positive growth rates in the first six months of 2019, although there were some signs of a slowdown compared with the beginning of the year. The growth rate was higher than expected in the United States, while in the Euro Area growth was held back by several contingent factors (such as the Brexit negotiations and potential political instability in several countries), but also by a decline in expectations among companies and weak demand. The Chinese economy continued to slow.

The expansion of international economic activity is being restrained by various elements of uncertainty and risk: the repercussions of a negative outcome to the current trade talks between the United States and China, the renewed flaring of financial tensions in emerging countries and the circumstances of the conclusion of the process of the departure of the United Kingdom from the European Union.

Within this macroeconomic scenario, Prysmian Group expects that the uptrend seen in North and South America in H1 2019 will continue in the second half of the year. The medium-voltage utilities cable business is expected to confirm the current positive trend generated by renewables development, particularly as regard onshore wind farms, with uneven performances at the level of the various geographical areas. In the submarine systems and cables business, Prysmian Group aims to consolidate its leadership in a market that is expected to increase slightly compared to 2018. This business’s performance will be positively influenced by the recovery of the negative effect of the Western Link provisions (€165 million). An organic decrease is forecast in 2019 due to the additional work required on several orders already begun in late 2018 and the weak order intake in 2018. In the High Voltage Underground systems and cables business, the Group expects virtually stable results. For the Telecom segment, the Group expects that growth will remain essentially solid in 2019, driven by the increase in demand for optical cables in Europe and North America, whereas a slowdown is expected due to the current reduction of volumes on the Australian market and the weak trend underway on the Chinese market.

In addition, the translation effect resulting from the conversion of the subsidiaries' results into the reporting currency used in the consolidated accounts is expected to generate a positive impact on the Group’s operating performance.

Finally, the synergies resulting from the integration with General Cable continued to prove robust. The goal is to reach cumulative synergies of €175 million by 2021 (of which €120 million by the end of 2019 and €90 million already achieved at the end of June).

In light of the foregoing, the Group expects to achieve an Adjusted EBITDA for 2019 of €950-€1,020 million (excluding the impact arising from the application of IFRS 16, expected to amount to about €40 million on a yearly basis), significantly improving compared to €767 million recorded in 2018. The Group also expects to generate cash flows of approximately €300 million ± 10% (FCF before acquisitions & disposals) in 2019. This figure includes the planned outlay of €90 million relating to the restructuring and integration activities.

This forecast is based on the Company’s current business perimeter.

FURTHER BOARD OF DIRECTORS’ RESOLUTIONS

On the basis of the information available and the declaration submitted by Director Francesco Gori, the Board of Directors also verified that he satisfies the independence requirements (also pursuant to Legislative Decree No. 58/98 of the Governance Code for Listed Companies) after he was confirmed in his position of Director by the General Shareholders’ Meeting on 5 June last.

Prysmian Group's Financial Report at 30 June 2019, approved by the Board of Directors today, will be made available to the public by the terms and conditions provided for by applicable law in force at the Company's registered office in Via Chiese 6, Milan, and at Borsa Italiana S.p.A. It will also be available on the corporate website at www.prysmiangroup.com and in the authorised central storage mechanism used by the Company at www.emarketstorage.com. This document may contain forward-looking statements relating to future events and future operating, economic and financial results of the Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual results may differ materially from those reflected in forward-looking statements due to a variety of factors. The managers responsible for preparing corporate accounting documents (Carlo Soprano and Alessandro Brunetti) hereby declare, pursuant to Article 154-bis paragraph 2 of Italy's Unified Financial Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

The results at 30 June 2019 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 at www.emarketstorage.com.

Prysmian Group
Prysmian Group is world leader in the energy and telecom cable systems industry. With almost 140 years of experience, sales of over €11 billion, about 29,000 employees in over 50 countries and 112 plants, the Group is strongly positioned in high-tech markets and offers the widest possible range of products, services, technologies and know-how. It operates in the businesses of underground and submarine cables and systems for power transmission and distribution, of special cables for applications in many different industries and of medium and low voltage cables for the construction and infrastructure sectors. For the telecommunications industry, the Group manufactures cables and accessories for voice, video and data transmission, offering a comprehensive range of optical fibres, optical and copper cables and connectivity systems. Prysmian is a public company, listed on the Italian Stock Exchange in the FTSE MIB index.

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ANNEX A

Consolidated statement of financial position

(in millions of Euro)	30 June 2019	31 December 2018 (*)
Non-current assets		
Property, plant and equipment	2,749	2,629
Intangible assets	2,147	2,162
Equity-accounted investments	307	294
Other investments at fair value through other comprehensive income	13	13
Financial assets at amortised cost	4	5
Derivatives	1	2
Deferred tax assets	201	190
Other receivables	41	33
Total non-current assets	**5,463**	**5,328**
Current assets		
Inventories	1,666	1,511
Trade receivables	1,898	1,635
Other receivables	913	667
Financial assets at fair value through income statement	20	25
Derivatives	16	19
Financial assets at fair value through other comprehensive income	11	10
Cash and cash equivalents	530	1,001
Total current assets	**5,054**	**4,868**
Asset held for sale	10	3
Total assets	**10,527**	**10,199**
Equity attributable to the Group:	**2,242**	**2,186**
Share capital	27	27
Reserves	2,025	2,101
Net profit/(loss) for the period	190	58
Equity attributable to non-controlling interests:	**185**	**188**
Share capital and reserves	183	188
Net profit/(loss) for the period	2	-
Total equity	**2,427**	**2,374**
Non-current liabilities		
Borrowings from banks and other lenders	2,860	3,161
Other payables	14	12
Provisions for risks and charges	44	51
Derivatives	20	9
Deferred tax liabilities	237	238
Employee benefit obligations	528	463
Total non-current liabilities	**3,703**	**3,934**
Current liabilities		
Borrowings from banks and other lenders	516	98
Trade payables	2,246	2,132
Other payables	940	953
Derivatives	31	41
Provisions for risks and charges	630	635
Current tax payables	34	32
Total current liabilities	**4,397**	**3,891**
Total liabilities	**8,100**	**7,825**
Total equity and liabilities	**10,527**	**10,199**

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable’s acquisition price.

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LINKING THE FUTURE

Consolidated income statement

(in millions of Euro)

	1st half 2019	1st half 2018 (*)
Sales of goods and services	5,849	4,364
Change in inventories of work in progress, semi-finished and finished goods	97	70
Other income	24	47
Raw materials, consumables used and goods for resale	(3,730)	(2,903)
Fair value change in metal derivatives	-	(25)
Personnel costs	(745)	(564)
of which personnel costs for company reorganisation	*(5)*	*(12)*
of which personnel costs for stock option fair value	*(1)*	*(14)*
Amortisation, depreciation, impairment and impairment reversal	(156)	(96)
Of which impairment	*(1)*	(1)
Other expenses	(1,017)	(771)
of which non-recurring (other expenses) and releases	*(6)*	-
of which (other expenses) for company reorganisation	*(2)*	*(2)*
Share of net profit/(loss) of equity-accounted companies	13	36
Operating income	**335**	**158**
Finance costs	(209)	(217)
of which non-recurring finance costs	*(1)*	*(1)*
Finance income	137	171
Profit/(loss) before taxes	**263**	**112**
Taxes	(71)	(32)
Net profit/(loss) for the period	**192**	**80**
Attributable to:		
Owners of the parent	190	80
Non-controlling interests	2	**-**
Basic earnings/(loss) per share (in Euro)	**0.72**	**0.35**
Diluted earnings/(loss) per share (in Euro)	**0.72**	**0.35**

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.

Consolidated income statement – 2Q results*

(in millions of Euro)	2nd quarter 2019	2nd quarter 2018 (**)
Sales of goods and services	3,078	2,485
Change in inventories of work in progress, semi-finished and finished goods	(19)	(51)
Other income	12	34
Raw materials, consumables used and goods for resale	(1,878)	(1,594)
Fair value change in metal derivatives	(17)	1
Personnel costs	(375)	(303)
of which personnel costs for company reorganisation	*(1)*	*(10)*
of which personnel costs for stock option fair value	-	*(5)*
Amortisation, depreciation, impairment and impairment reversal	(80)	(52)
Other expenses	(551)	(435)
of which non-recurring (other expenses) and releases	*(6)*	-
of which (other expenses) for company reorganisation	*(2)*	*(1)*
Share of net profit/(loss) of equity-accounted companies	5	16
Operating income	**175**	**101**
Finance costs	(91)	(128)
Finance income	57	101
Profit/(loss) before taxes	**141**	**74**
Taxes	(38)	(22)
Net profit/(loss) for the period	**103**	**52**
Attributable to:		
Owners of the parent	102	52
Non-controlling interests	1	-

(*) Data referring to 2Q 2019 and 2Q 2018 have not been subject to limited audit.
(**) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.

Prysmian Group

Consolidated Statement of Comprehensive Income

(in millions of Euro)

	1st half 2019	1st half 2018 (*)
Net profit/(loss) for the period	**192**	**80**
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	(10)	(6)
Fair value gains/(losses) on cash flow hedges - tax effect	2	2
Currency translation differences	31	(24)
Total items that may be reclassified, net of tax	**23**	**(28)**
- items that will not be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	(70)	9
Actuarial gains/(losses) on employee benefits - tax effect	16	(3)
Total items that will not be reclassified, net of tax	**(54)**	**6**
Total comprehensive income/(loss) for the period	**161**	**58**
Attributable to:		
Owners of the parent	159	55
Non-controlling interests	2	3

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.

Consolidated Statement of Comprehensive Income – 2Q results*

(in millions of Euro)

	2nd quarter 2019	2nd quarter 2018 (**)
Net profit/(loss) for the period	**103**	**54**
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)	18
Fair value gains/(losses) on cash flow hedges - tax effect	(1)	(6)
Currency translation differences	(53)	6
Total items that may be reclassified, net of tax	**(57)**	**18**
- items that will not be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on employee benefits - gross of tax	(70)	9
Actuarial gains/(losses) on employee benefits - tax effect	16	(3)
Total items that will not be reclassified, net of tax	**(54)**	**6**
Total comprehensive income/(loss) for the period	**(8)**	**78**
Attributable to:		
Owners of the parent	(5)	69
Non-controlling interests	(3)	9

(*) Data referring to 2Q 2019 and 2Q 2018 have not been subject to limited audit.
(**) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.

Consolidated statement of cash flows

(in millions of Euro)

		1st half 2019	1st half 2018 (*)
	Profit/(loss) before taxes	263	112
	Depreciation, impairment and impairment reversals of property, plant and equipment	120	72
	Amortisation and impairment of intangible assets	36	24
	Net gains on disposal of property, plant and equipment, intangible assets and acquisition purchase price adjustment	(1)	(1)
	Share of net profit/(loss) of equity-accounted companies	(13)	(36)
	Share-based payments	1	14
	Fair value change in metal derivatives and other fair value items	-	25
	Net finance costs	72	46
	Changes in inventories	(151)	(128)
	Changes in trade receivables/payables	(163)	(37)
	Changes in other receivables/ payables	(202)	(168)
	Taxes paid	(44)	(45)
	Dividends received from equity-accounted companies	2	4
	Utilisation of provisions (including employee benefit obligations)	(47)	(28)
	Increases and/or releases of provisions (including employee benefit obligations) and other movements	(41)	56
A.	**Net cash flow provided by/(used in) operating activities**	**(168)**	**(90)**
	Net cash flow from acquisitions and/or disposals	-	(1,208)
	Investments in property, plant and equipment	(82)	(101)
	Disposals of property, plant and equipment and assets held for sale	3	4
	Investments in intangible assets	(9)	(6)
	Investments in financial assets at fair value through profit/(loss)	-	(1)
	Disposal of assets at fair value through profit/(loss)	5	16
	Disposal of financial assets at fair value at amortized cost	1	-
B.	**Net cash flow provided by/(used in) investing activities**	**(82)**	**(1,296)**
	Capital contributions and other changes in equity	(1)	-
	Dividend distribution	(118)	(103)
	EIB loans repaymnent	(9)	(9)
	Loans for acquisition	-	1,700
	Repayment acquisition borrowing	(100)	-
	Mediobanca Loan	100	-
	Revolving credit facility	-	500
	Repayment of General Cable Convertible Bond	-	(313)
	Finance costs paid	(194)	(187)
	Finance income received	127	148
	Changes in net financial receivables/payables	(28)	(864)
C.	**Net cash flow provided by/(used in) financing activities**	**(223)**	**872**
D.	Currency translation gains/(losses) on cash and cash equivalents	1	(19)
E.	**Total cash flow provided/(used) in the period**	**(472)**	**(533)**
F.	**Net cash and cash equivalents at the beginning of the period**	**1,002**	**1,335**
G.	**Net cash and cash equivalents at the end of the period**	**530**	**802**

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.

Prysmian Group

ANNEX B

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

(in millions of Euro)	1st half 2019	1st half 2018 (*)
Net profit/(loss) for the period	192	80
Taxes	71	32
Finance income	(137)	(171)
Finance costs	209	217
Amortisation, depreciation, impairment and impairment reversal	156	96
Fair value change in metal derivatives	-	25
Fair value change in stock options	1	14
EBITDA	**492**	**293**
Company reorganisation	7	14
of which integration costs for the acquisition of General Cable	*(1)*	*5*
Non-recurring expenses/(income):	6	
Antitrust	*6*	-
Other non-operating expenses/(income)	16	32
of which General Cable acquisition related costs	-	*4*
of which General Cable acquisition integration costs	*2*	*18*
of which release of General Cable inventory step-up (**)	-	*5*
Total adjustments to EBITDA	**29**	**46**
Adjusted EBITDA	**521**	**339**

(*) Data have been restated compared to the published data following the update of the process for allocating General Cable's acquisition price.
(**) This is the higher cost for the use of finished products measured at fair value upon acquisition of General Cable.

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

(in millions of Euro)

	1st half 2019	1st half 2018	Change
EBITDA	**492**	**293**	**199**
Changes in provisions (including employee benefit obligations) and other movements	(88)	28	(116)
(Gains)/losses on disposal of property, plant and equipment, intangible assets and non-current assets and dilution of equity investment	(1)	(1)	-
Share of net profit/(loss) of equity-accounted companies	(13)	(36)	23
Net cash flow provided by operating activities (before changes in net working capital)	**390**	**284**	**106**
Changes in net working capital	(516)	(333)	(183)
Taxes paid	(44)	(45)	1
Dividends from investments in equity-accounted companies	2	4	(2)
Net cash flow provided/(used) by operating activities	**(168)**	**(90)**	**(78)**
Cash flow from acquisitions and/or disposal	-	(1,290)	1,290
Net cash flow used in operating activities	(88)	(103)	15
Free cash flow (unlevered)	**(256)**	**(1,483)**	**1,227**
Net finance costs	(67)	(39)	(28)
Free cash flow (levered)	**(323)**	**(1,522)**	**1,199**
Dividend distribution	(118)	(103)	(15)
Capital contributions and other changes in equity	(1)	-	(1)
Net cash flow provided/(used) in the period	**(442)**	**(1,625)**	**1,183**
Opening net financial debt	**(2,222)**	**(436)**	**(1,786)**
Net cash flow provided/(used) in the period	(442)	(1,625)	1,183
Conversion of Convertible Bond 2013	-	283	(283)
Net financial debt of General Cable	-	(1,215)	1,215
Increase due to IFRS 16	(159)	-	(159)
Other changes	4	(21)	25
Closing net financial debt	**(2,819)**	**(3,014)**	**195**