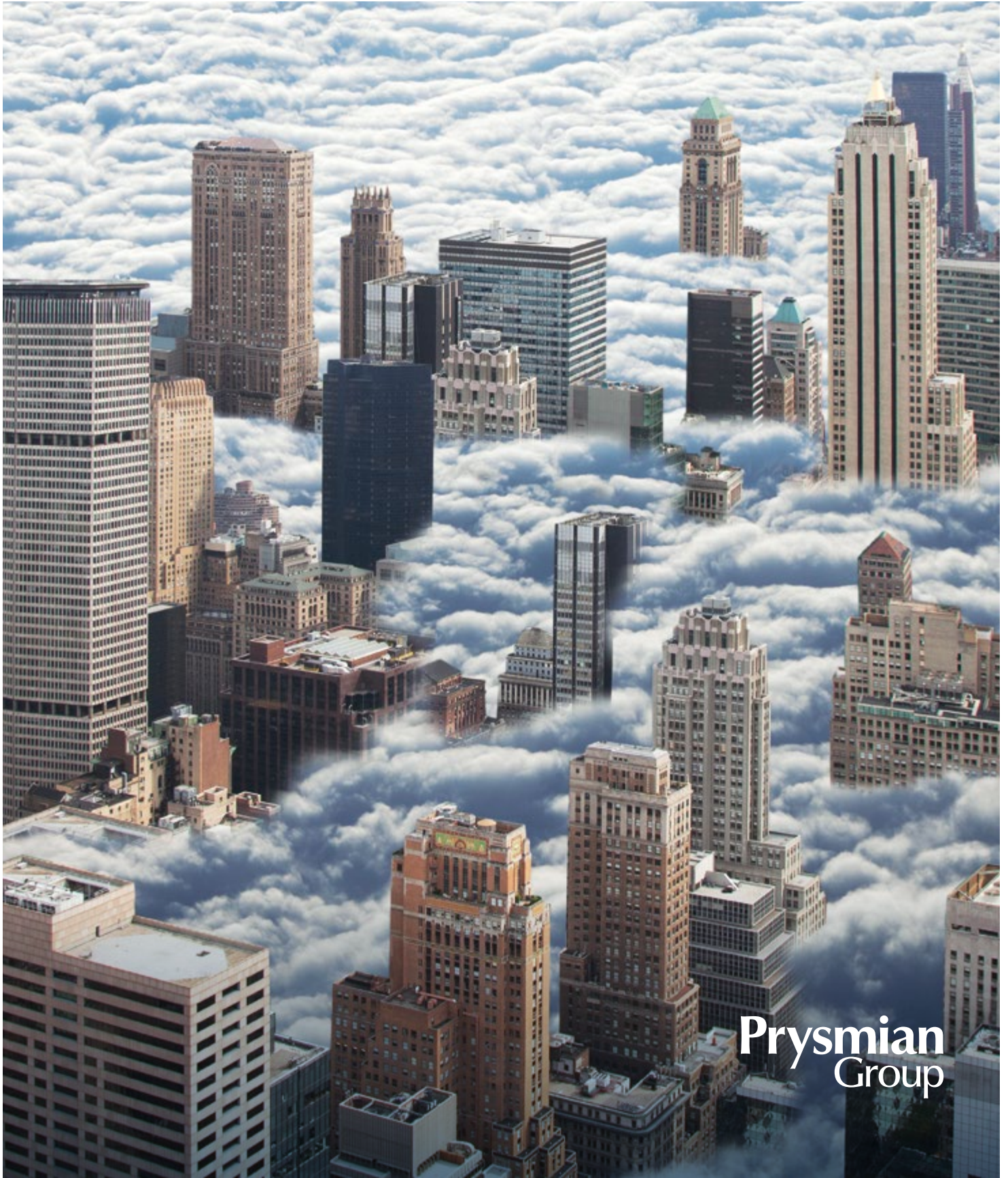


GROWING STRONGER TOGETHER

Yearly Overview 2018



The power of innovation at Prysmian Group

Prysmian
Group

Letter
TO STAKEHOLDERS



The integration with General Cable continued to be a value creation driver, able to generate synergies that exceeded initial expectations and boosted the industrial footprint and commercial reach of the Group. The merger also increased our innovation capability, as it strengthened our crucial R&D structure — a key area where Prysmian Group invested about €105 million overall in 2018. This further confirmed the Group's commitment to innovation and technological advancement, supported by over 900 professionals in 25 R&D centres worldwide and a combined portfolio of over 5,600 patents.

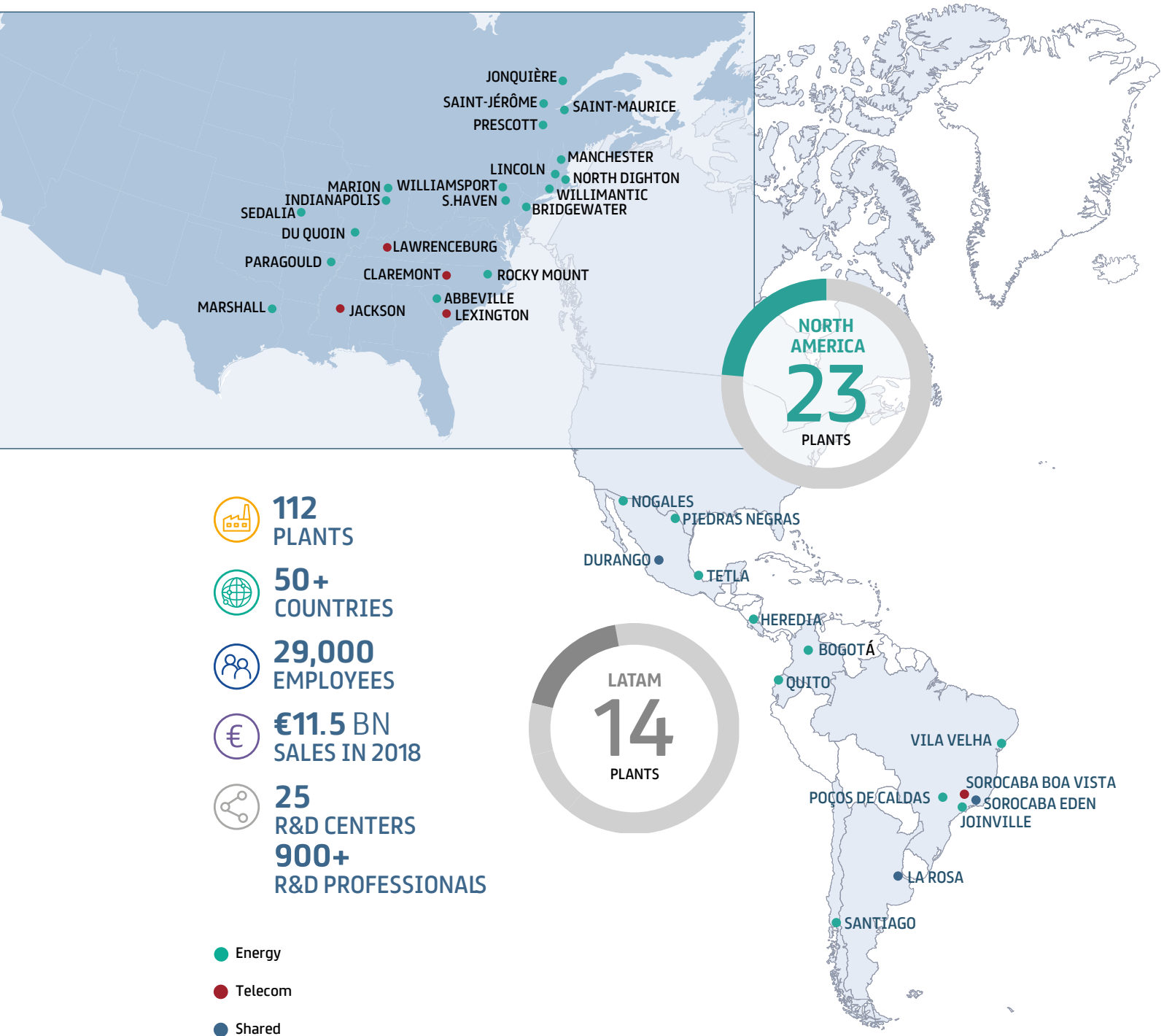
In addition, we continued to invest in developing our human capital to ensure that everyone has personal and professional development goals that reflect long-term expectations, thereby creating the conditions for our global business to grow. With a portfolio of complementary products and an increased global presence, the Group is now set to exploit cross-selling opportunities, thanks to an extensively widened product range. At the same time, we managed to protect the business by minimising possible conflicts.

Our FY 2018 results confirmed the positive performance of all the businesses, reflecting the Group's organic growth. General Cable also made a positive contribution to these results. Sales organic growth was mainly supported by the strong performance of Telecom and High Voltage Underground, which contributed also in terms of profitability. In April 2019, the Board of Directors decided to allocate an additional €70 million provision for the impact of the Western Link Project in light of further issues and technical analyses. However, Prysmian Group is proving able to tackle all criticalities by adopting any necessary measures to support its customers with the professionalism of a market leader.

Moreover, the Group has continued its journey towards an increasingly sustainable approach to business, extending its objectives and action plans also to the new organisation, with specific attention to issues such as energy efficiency and reduction of the environmental impact, people development and respect for the communities where the Group operates, in line with our policies and codes for an ethical, transparent and fair conduct of our business.

Valerio Battista
CEO of Prysmian Group

_ Prysmian Group's manufacturing operations have a truly global industrial footprint, with 112 factories in more than 50 countries after the integration with General Cable. This enables us to react in good time to the various requests from world markets thanks to the geographical distribution and capabilities of the various plants.





Innovation FOR GROWTH

_ With the merger of General Cable, Prysmian Group has further strengthened its ability to lead in the field of innovation and technological advancement by giving birth to a real R&D powerhouse. Throughout 2018, Prysmian Group invested a total of some €105 million in research, development and innovation, continuing a commitment now supported by over 900 professionals in 25 R&D centres worldwide.

We see innovation and technological advancement as a great opportunity to develop new products and services that benefit the business, our customers, all stakeholders and the environment and the safety and welfare of people and communities across the world.

Our integration with General Cable gave us the opportunity to build on this approach, which is not just aimed at doing business and creating increasing value for our stakeholders, but also a means to continuously improve safety while creating products that minimise installation and operation risks for our customers. Innovation also helps us reduce the CO2 footprint of our activities,

and our customers reduce their impact on the environment. It also helps us achieve circularity in the use of resources and materials, both within production processes, and overall operations.

In 2018, Prysmian Group continued to achieve significant results in terms of sustainability, with its research into deep-water submarine cables for installation up to 3,000 metres below sea level; leadless technology that eliminates the use of metal in power cables; and P-Laser technology, which is now also applied to high-voltage cables to make them fully recyclable and sustainable. Within our telecom vertical, we also developed FlexRibbon™, a record-breaking cable that packs up to 6,912 optical fibres.

—
Innovation and technological advancement are a key focus of Prysmian Group. After the integration of General Cable, we created a new Code of Values that brought together the cultures of both companies by forging a new model to **DRIVE** the Group and its stakeholders towards the future with **TRUST** and **SIMPLICITY**.
—

Vision

Prismian Group believes in the effective, efficient and sustainable supply of energy and information as a primary driver in the development of communities.

We don't just want to be good for business. We want to do business responsibly. That's why our values are so important to us. The things we do and the way we approach them are an opportunity to show our pride in our work.

Mission

Prismian Group provides its customers worldwide with superior cable solutions based on pioneering technology and consistent excellence in execution, ultimately delivering sustainable growth and profit.

Thanks to a well-established reputation in terms of performance and innovation, the Group is able to foster profits and sustainable growth. Our main aim is to be chosen by our customers for reliability and transparency in relationships. This is why we attach great importance to our values. Our working methods and our approach are a tangible sign of the passion and expertise we put into everything we do.

Values

The new Code of Values of Prismian Group is aimed at helping different people in different situations deal with issues in different parts of the world.

TRUST

Create an environment of trust that exploits diversity and collaboration, where people are empowered to make decisions with integrity.

DRIVE

Lead the industry evolution, combining our ability to develop our people and our business in a clear direction while anticipating customer needs.

SIMPLICITY

Simplify everything we can, focusing on high value-generating activities and timely decisions to boost company results. Focusing on what really matters, with efficiency, agility and responsibility.

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A YEAR OF IMPORTANT ACHIEVEMENTS

Confirming the value of the General Cable integration.

New structure **TO GROW STRONGER**

_ Year 2018 was marked with the General Cable integration and the identification of new shared values, while financial results confirmed the positive performance of all businesses, mirrored in Prysmian Group's organic growth in sales, while the integration with General Cable generated synergies that exceeded initial expectations.

The consolidated results for the FY 2018 confirmed the positive performance of all businesses that reflected the Group's organic growth. These results were also achieved thanks to the positive contribution made by General Cable. Chief Executive Officer Valerio Battista stated that sales organic growth was mainly supported by the strong performance of Telecom and High Voltage Underground, which contributed also in terms of profitability. In April 2019, in light of further issues and technicians analysis, the Board decided to allocate an additional €70 million provision for the impact of the Western Link Project. However, as the CEO previously pointed out, Prysmian Group "is proving able to tackle all criticalities by adopting any necessary measure to support its customers with the professionalism of a market leader".



A VALUE CREATION DRIVER

The integration with General Cable continued to be a value creation driver, generating synergies that exceeded initial expectations in 2018. This led to the revision upwards by as much as €25 million of the initial target that will be now achieved one year in advance. New target at €175 million by 2021. Net Financial Debt also improved above expectations to €2,222 million by 31 December 2018. This scenario allowed for the announcement of an improving full-year 2019 profitability target, with Adjusted EBITDA in the range of €950 million-€1,020 million, and Free Cash Flow projected at approximately €300 million ±10%, after the payment of about €90 million restructuring costs.

KEY FINANCIALS

€11,524 M

+2.8%
compared to 2017

FULL-COMBINED SALES chiefly driven by the optical cables business and connectivity systems for broadband telecommunication networks, as well as the uptrend in High Voltage Underground.

€767 M

Full-Combined Adjusted EBITDA, of which €123 million attributable to General Cable, including WL Project provisions totaling €165 million.

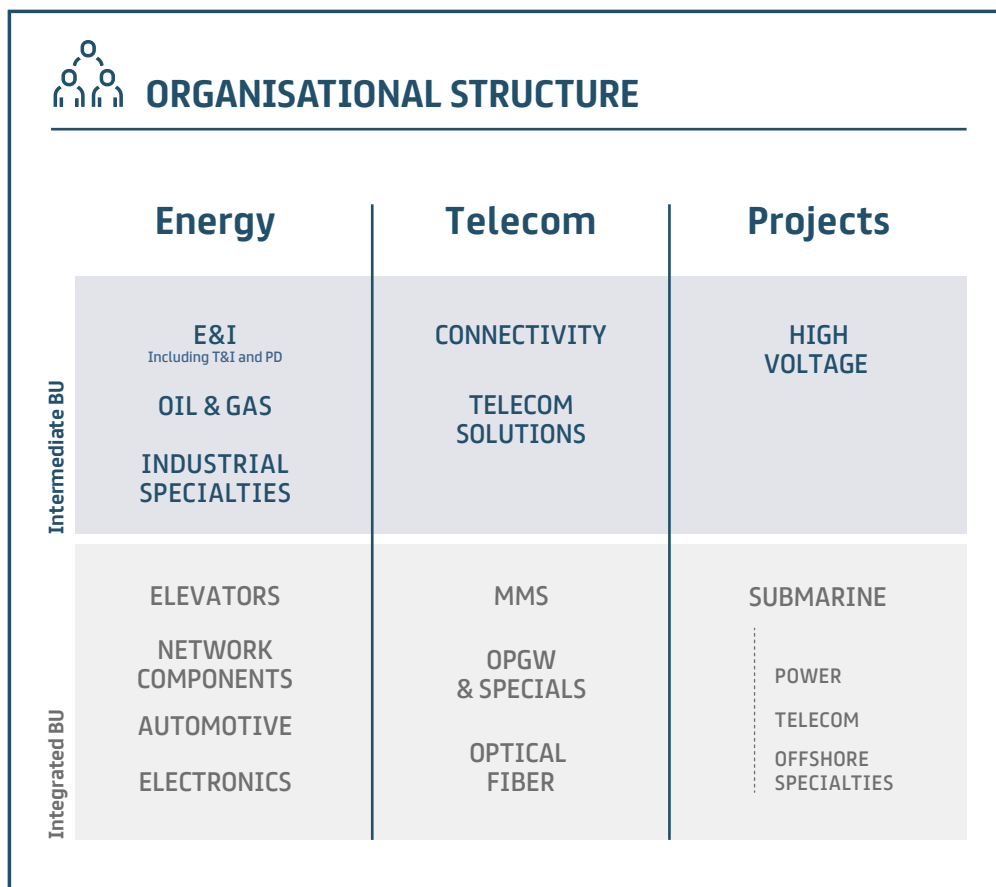
NET FINANCIAL DEBT improved above expectations to €2,222 million by 31 December 2018.

PROFITABILITY TARGET for FY 2019 was improved, with Adjusted EBITDA in the range of €950 million-€1,020 million, and Free Cash Flow projected at approximately €300 ±10% million.

CHANGES IN SEGMENT REPORTING

Following the acquisition of General Cable, the Group launched a reorganisation process that led to the redefinition of its segment reporting, and the ensuing identification of the new operating segments named Energy, Projects and Telecom.

In detail, the Energy segment now includes the previous Energy Products segment and the Core Oil & Gas and Down Hole Technology businesses. The Projects segment includes the previous Energy Projects segment, the Offshore Specialties business (previously included in the Oil & Gas segment), and the Submarine Telecom business, which became part of the perimeter following the acquisition of the General Cable Group. The Telecom segment did not change as a result of the reorganisation.



PROJECTS

Leading the way in offshore wind

Prysmian Group has developed the first cable project for a floating offshore wind farm. In a contract awarded by Cobra Wind International, we will provide a cable system to connect the **Kincardine Floating Offshore Wind Farm** to mainland UK.

Kincardine is the Group's first cable project for a floating offshore wind farm. We will oversee the design and supply of two export cables, as well as all inter-array cables. A 33 kV three-core submarine cable will utilise an EPR insulation system throughout, with the static section length finished with single wire armouring; whereas the dynamic section will apply a double-wire

armoured design. The submarine cables are produced at the Group plants in Vilanova, Spain, and Drammen, Norway.

INVESTMENTS FOR FUTURE GROWTH

The Group has also announced its UK production facility in Wrexham will be available for the manufacture of both 33 kV and 66 kV submarine cable cores used for the inter-array cable connections in offshore wind farms. The Group also confirmed investment plans that will enable further growth in the business, sustain and create local jobs, and provide UK-manufactured cables to UK and European next-generation offshore wind farms.



The contract for Kincardine is a technological milestone for Prysmian Group because it's our first project for a floating offshore wind farm. We recognise continued growth in this developing segment of the market, and see it as an area of particular strategic interest for our business.

Alessandro Panico
Sales Team Manager - Offshore
Wind at Prysmian Group

2018 highlights

The **PROJECT BUSINESS** full combined sales – including General Cable's contribution – grew 1.7% in 2018.

2018 saw our **SUBMARINE CABLES & SYSTEMS BUSINESS** carry out several key projects, including connections of the offshore wind farms Borwin3 and 50 Hertz, the NSL between Norway and Great Britain, the Cobra cable link between the Netherlands and Denmark, and the IFA2 interconnector between France and Great Britain. Also noteworthy is the completion of several inter-array connections, including the Wikinger project — one of the most important offshore wind farms in the Baltic Sea.

In the **HIGH VOLTAGE UNDERGROUND BUSINESS**, the procurement process started for major interconnection projects in Germany, including SüdLink and SüdOstLink. The Group also secured several other important projects, including a project worth over €169 million aimed at upgrading Washington D.C. area's power transmission grid.

The **POWER TRANSMISSION** order book totalled approximately €1,900 million, including that of General Cable, which amounted to €175 million. This was down compared to the previous year as a result of the decrease in the number of projects acquired.

ENERGY

A revolution in monitoring systems

Prysmian Group's **PRY-CAM** technology represents a perfect Industry 4.0 case: it consists of a suite of electronics-based products that collect partial discharge data and other key parameters so users can monitor and assess the conditions of their electrical systems. Collected data is stored in a cloud platform for analysis and processing. PRY-CAM data processing is based on a machine learning artificial intelligence algorithm, PRY-CAM BRAIN. The more PD data that's collected and analysed, the more the algorithm develops and extend its analysis capabilities. Previously, the analysis of such a huge amount of data would have required hundreds of human experts. Today, the cloud database hosts more than two million pieces of information about PD.

—

Our mission is to gather data and to classify it in such a way that it can be analysed by automated diagnostics systems. In addition, we have the capability to identify upgrades or improvements to implement on both sides, ours and the client's.

Roberto Candela
CEO of Prysmian Electronics

—

MILESTONE CHANGE IN THE MANAGEMENT OF ELECTRICAL ASSETS

Digital transformation may change company strategies in many ways. Prysmian Group has established an operative unit dedicated to electronics-based products for remote and real-time monitoring, and developed the related data gathering and management business. The result is the promising activity of the start-up led by Roberto Candela, a case study that shows how IoT connectivity through the cloud may generate data that is key for the effective management and maintenance of electrical systems.

2018 highlights

ENERGY: full combined sales including General Cable grew organically 2.4% to €8,139 million, with adjusted EBITDA of €372 million.

ENERGY & INFRASTRUCTURE: full combined sales posted a 2.1% organic growth to €5,492 million. Following the merger with General Cable, the Group expanded the Energy & Infrastructure business' product portfolio and strengthened its geographical position in North America and Latin America.

TRADE & INSTALLERS: ongoing organic growth thanks to the continuous increase in volumes in North America and Europe, with adjusted EBITDA improving mainly as a result of the increase in profitability in southern Europe following the CPR introduction.

POWER DISTRIBUTION: positive organic sales trend in Q4, particularly in North America and Europe.

Industrial & Network Components amounted to €2,353 million, with a sharp +3.3% organic growth in 2018.

The **SPECIALTIES, OEMS & RENEWABLES** market recorded an organic growth of sales with an ongoing performance increase of Railways, Solar and Crane applications and a stable trend reported by Mining and Wind.

The solid growth reported by the **ELEVATORS** business was supported by the favorable market conditions in North America, coupled with a stable performance in the APAC region.

The sales uptrend of the **AUTOMOTIVE** business was driven in particular by growth in North America.

NETWORK COMPONENTS showed a solid performance, supported by the volume increase in China and North America.

TELECOM

Gearing up for the digital future

Fibre optic networks are key to the **upcoming 5G rollout**, and Prysmian Group, with an ongoing investment plan of about €400 million in 2017-2020, is firmly and strongly committed to meeting our customers' increasing demand for optical cable solutions, worldwide. A significant part of this investment is being implemented at the Group's US facilities, and includes an increase in the production capacity of the new rollable FlexRibbon™ cable, which is designed and manufactured in the US. As the latest developments in smart cities, 5G, IoT, data centres and FTTx are set to change the world, Prysmian Group is steadfastly contributing to the debate about the foundation of the Gigabit Society, working to ensure that focus is maintained on the infrastructure needs that will ultimately satisfy the digital demands of worldwide citizens. The Group is also actively contributing to discussions about 5G and related topics, such as main connectivity solutions, optical and infrastructure, business applications, policies and regulations, and product and technology innovation.

A FRONTLINER IN AMERICAN DIGITAL ADVANCEMENT

In the USA, Prysmian Group boasts long-standing experience in optical fibre and cable solutions manufacturing through its five telecom production sites, demonstrating that North America is crucial in the Group's telecom business strategy. The Group has recently been awarded a \$300-million supply agreement from the US telecom company Verizon Communications to support its US network expansion around a next-generation fibre platform, which will speed the deployment of 5G services, while improving 4G LTE and other broadband capacity.

\$300 M
supply agreement from
the US telecom company Verizon

2018 highlights

The **TELECOM BUSINESS** full combined sales reported a sharp organic rise of 6.4% to €1,634 million driven by the positive trend in Europe and Latin America with Adjusted EBITDA sharply up to €295 million from €247 million.

The integration of General Cable allowed the Telecom business to increase its exposure to the **AMERICAN MULTIMEDIA SOLUTIONS** market, increase its optical cable production capacity and strengthen its presence in Latin America.

The high value-added business of optical connectivity accessories continued to perform well, thanks to the development of new **FTTX NETWORKS** in Europe, particularly in France.

MULTIMEDIA SOLUTIONS performed well, particularly in Europe, where demand was also driven by the growing investments in data centres.

5G means low latency, speed, and reliability, and only fibre can bring that. Building a dense and robust fibre network is a must to support developments in the infrastructure required by this upcoming technology. We are currently developing our investments, industrial capacity and innovation to bring the best solutions to enable this fibre rollout.

Philippe Vanhille
Executive Vice President
Telecom Business at Prysmian Group

Strategy and highlights 2018

Creating value, sustainably — In 2018 the economic value generated by Prysmian amounted to €10,240 million, as we have continued to focus on new solutions to optimize costs via the Design to Cost, using better materials, more efficient processes and innovative design. This allowed cost savings exceeding €18 million in 2018 through more than 1,000 projects in our manufacturing plants. During 2018 Prysmian Group invested approximately €16 million in health, for safety and environmental areas. Prysmian Group's headquarters in Milan received the LEED Platinum Certification, the reference standard for sustainable buildings. The plant of Slatina, Romania, received a special award from the Joint Audit Cooperation for high sustainability performance.

Workforce excellence — After the merger with General Cable, Prysmian Group workforce now totals some 29,000 employees in over 50 countries. In 2018, the 'Build the Future' graduate programme staffed 46 new international graduates in

its first half, while in the second half a further 35,000 applications were received, leading to a new selection and recruitment of another 50 graduates. 'Make It' and 'Sell It' programmes together received 14,000 applications and led to the recruitment of 22 young engineers and 9 young salespeople.

An R&D powerhouse — The integration of General Cable has created an R&D powerhouse, one that will develop differentiated products and solutions, adding value to our customers and protecting the environment, while lowering energy and water consumption and reducing greenhouse gases in our manufacturing facilities. With a strengthened network of 25 R&D centres and over 900 R&D professionals worldwide, along with total investments of approximately €105 million in research, development and innovation during 2018, Prysmian Group confirms its strong commitment to sustainable growth over the long term.

An integration that exceeded all expectations — More than a year after the first announcement of the merger agreement with General Cable, a new and stronger Prysmian Group has further strengthened its leadership in the global cable industry. The Group now offers the widest possible range of products, services, technologies and know-how, while continuing to generate value for its shareholders. Prysmian Group continues to establish close and lasting relationships with its customers in all markets, providing them with fast, efficient services and satisfying every type of request. The Group can now leverage on a wider global presence, with increased activity in North America.



6,912

optical fibres contained in record breaking Flex-Ribbon™

Record-breaking technology In 2018, Prysmian Group continued to stand out as the world leader in the energy and telecom cable systems industry with new technology milestone achievements. It developed FlexRibbon™, a record-breaking creation that packs up to 6,912 optical fibres into a single cable. We also launched PRYSUN, the global solar PhotoVoltaic wire compliant with the most recognised global standards. Also notable was the feasibility study development of monitoring systems for submarine systems in EHV, AC or DC over long distances, using PRY-CAM Gate technology.

Digital communication excellence For the fourth year running, the Prysmian Group website has ranked in the Top 10 'Industrial Goods and Service'™ sector chart of the prestigious Webranking Italy 2018, which assesses the digital transparency of the 111 largest Italian listed companies. Prysmian Group also made it into the top 10 in the 22nd edition of the European league table, in the same category.



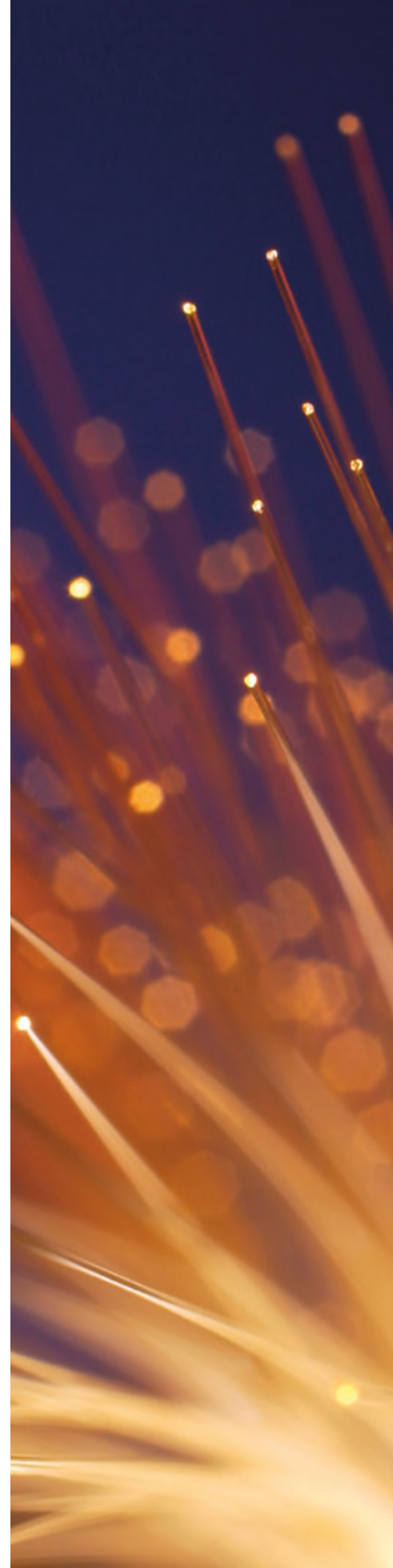
Offshore wind leadership In 2018, Prysmian successfully completed the Wiking offshore wind farm submarine cable project, located within the West of Adlergrund cluster in the German Baltic Sea. Additionally, NSW, a subsidiary of General Cable, has been awarded a contract by Northwester NV for the development of a submarine inter-array power cable system for the Northwester 2 offshore wind farm, located in the Belgian North Sea. This year, Prysmian Group was also awarded a contract for the development of a submarine inter-array cables system for the Borssele III & IV offshore wind farms.

Operational strength In 2018, Prysmian Group announced additional investment in a new cable-laying vessel for submarine cables, which will allow Prysmian to further strengthen its leadership in terms of resources and assets. The new vessel is intended to be the most capable cable layer in the market, and offers enhanced project versatility thanks to advanced features like deep water installation capabilities for depths of more than 2,000 metres. It will be added to the world-class fleet of vessels already owned by the Group.

INNOVATION: A STRATEGIC ASSET

—

Making Prysmian Group a driver and an enabler
for tomorrow's energy and communication needs.





Developing new products that make **A DIFFERENCE**

_ Srinivas Siripurapu, Chief R&D Officer at Prysmian Group, explains how it is important for the company, as the leader of its industry, to stay ahead – not only in understanding evolving customers' needs, but also in developing reliable and efficient products.

Srinivas 'Srini' Siripurapu describes what innovation means for the new integrated Group: "Innovation is important to Prysmian Group and to the whole ecosystem the Group is a part of, because it enables the future power and communication needs of our communities. To accomplish this goal in the most effective way, we must understand the value chain that deploys our products, and create innovative solutions accordingly."

A HEALTHY MIX OF SHORT, MID AND LONG-TERM INNOVATION

Traditionally, Prysmian Group has succeeded in short-term innovation. This includes making products as efficient as possible, and making use of the least amount of material required while still providing a reliable product for customers. Prysmian Group also has a good track record in long-term innovation, "because we look out to what will happen in five to ten years," explains Srini.

He continues: "We still aim to improve in the area of mid-term innovation, which is what I call the three-to-five year window.

Prysmian Group is rolling out a new innovation process. I believe 2019 is a very important year for the innovation journey, for two main reasons: first, we are defining a new innovation process for the mid-term innovation. Secondly, we are embarking on an innovation contest, right after the launch of the values and the merger. We want to harness the potential of our people and give them a voice to share innovations."

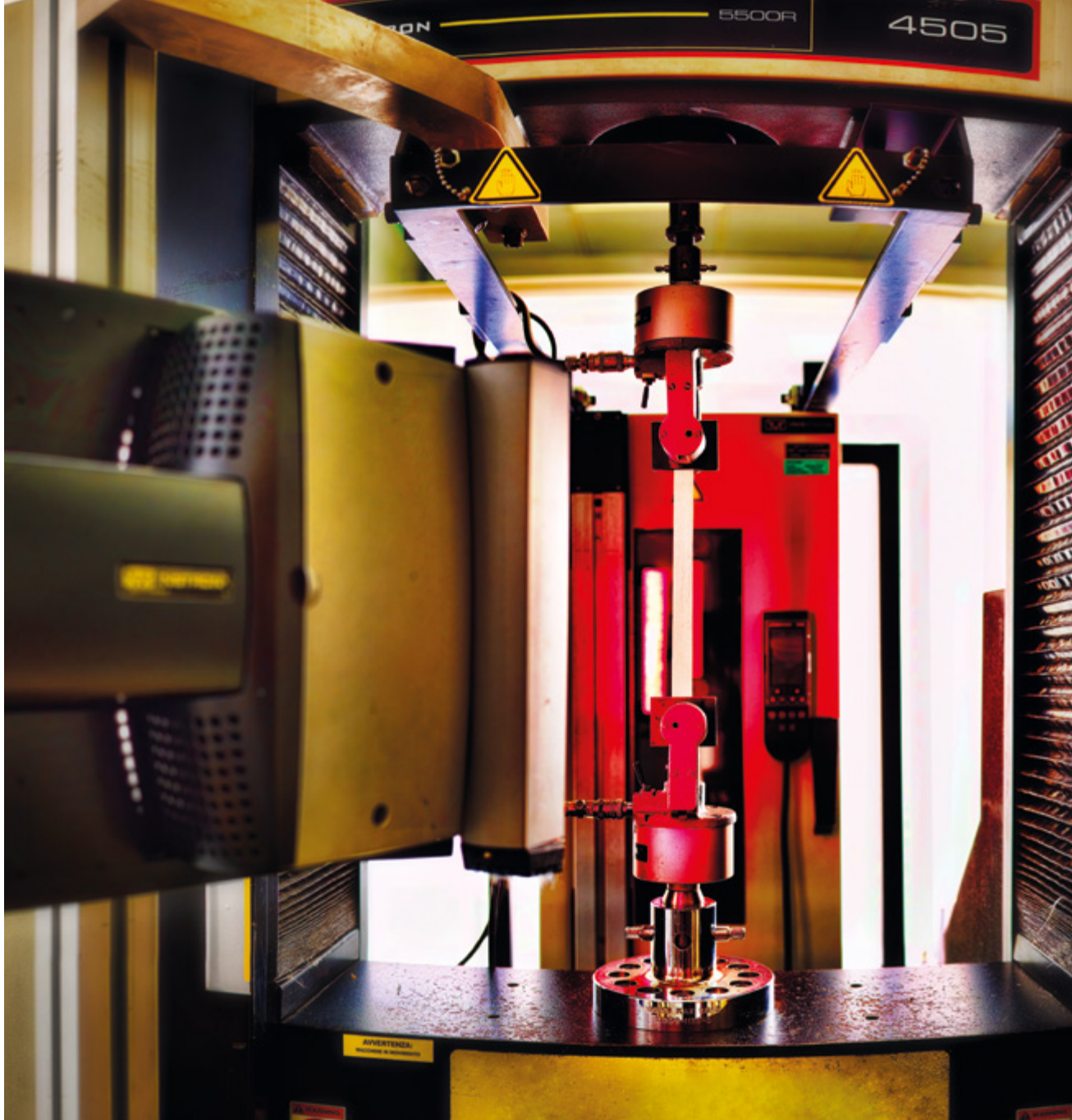
Further, "the innovation process must be customer-driven. It is much easier to develop an innovation that has a direct impact on a customer as opposed to force fitting a technology into an actual application. Because the latter approach is like trying to find a problem to a solution, rather than the other way round," he jokes.

Throughout its innovation process, the Group keeps customers engaged every step of the way. "If you look to some of the most successful and recent innovations we have, like FlexRibbon™, they grew out of our understanding of how our customers use our products," Srini tells us.



Srini Siripurapu
EVP and Chief Research
& Development Officer
at Prysmian Group

—
The magic of innovation really comes when you create a product that can survive in every environment you put it in. A deep understanding of customer needs coupled with observing how our products are actually used is the key to successful innovation.
—



LONG-TERM INNOVATION AREAS

Prysmian Group has a strong position in core technology platforms such as fire resistance, surface science, nanotechnology and sustainable products & processes. The Group has increased our investments in advanced materials and design concepts required for long term industry leadership of high performance products such as Submarine Cables and Fiber Optic Cables. The Group has a dedicated effort in building competency in Electronics and Fiber Sensing that enable smart cable solutions to enhance our servitization offerings to our customers going beyond the cable.

TRUST YOUR PEOPLE

Innovation also means being passionate about solving problems. The idea of innovation is key in our goal of delivering consistent solutions to customers and strong results to stakeholders in the long term. Prysmian Group's R&D team is excited and driven, which plays a big part being an industry leader. As Srini says, "don't be afraid to stick your head out, your idea can change the future of the company."

LEVERAGING on a global network

**_More than 50 partnerships with major universities
and international research institutes.**

Prysmian Group counts over 5,600 patents and more than 50 collaborations with major universities and research institutes worldwide. As a company that supports cutting-edge technological research and allows the adoption of state-of-the-art innovations in all areas relevant to the wire and cable industry, these relationships are strategically important to us. These partnerships help us to scout emerging technologies and continue to strengthen our competency in our long-term innovation platforms.



GROWING NEW IDEAS FROM PEOPLE

In addition to its world-class R&D structure, Prysmian Group is exploring ways of growing new ideas that could lead to the creation and launch of a new product or process. To this purpose, the Group has launched the Corporate Hangar initiative, with the goal of encouraging innovation while maintaining the Group's efficiency and capacity to meet customer needs.

The goal is to pave the way for impactful, sustainable innovation by identifying, developing and implementing promising ideas without interfering with the successful business model of the Group. This unique collaboration follows a three-phase business model. In the first phase – the 'Fly-In-Zone' – Corporate Hangar collects ideas from Prysmian Group employees, as well as from customers and stakeholders, and then transforms these ideas into structured business plans while supporting the realisation of pilot projects, together with those who had the idea.

Once an idea has proven its market potential, it leaves

the 'Hangar' and enters the 'Runway', where ideas are commercialised through the creation of a dedicated start-up called Prysmian Innovation Accelerator. Once the PRIA has reached the minimal critical scale, it enters the 'Cruise' phase, where Prysmian Group takes over to boost revenues by integrating the new venture into existing Prysmian businesses. In all three phases, the Group maintains total control over the innovation activities, as intellectual property rights of all the Hangar activities are held by Prysmian Group.

In 2018, Corporate Hangar has contributed to 32 different projects in collaboration with business units and functions of Prysmian Group. Out of these projects, 14 are linked to business opportunities through product and service innovation. 7 projects improve the internal processes, supporting the business indirectly. 11 projects are about setting the innovation strategy for the Group, or supporting the business unit strategy.

CONTRIBUTING TO THE DIGITAL REVOLUTION

Prysmian Group has both its R&D and Marketing teams organizing and participating in industry conferences focused on the digital revolution. In 2018, Prysmian hosted the first NExsT Telecom forum in Paris 'Creating the foundation of 5G and IoT' based around the theme of 5G and related required infrastructures, the best technologies to support the development of the digital single market, product and technology innovation, and what's driving the demand for broadband and market trends.

In this regard, Prysmian Group is strongly committed to helping governments and telecom operators develop new broadband networks by continuing to invest in optical fibre and cable capacity, as well as in new technologies and know-how.

Prysmian Group also hosted the second edition of NExsT Telecom in New York to show its commitment to investing in optical fibre and cable solutions, with an ongoing investment plan of about €400 million over the period 2017-2020. A significant part of this investment is being implemented at the Group's US facilities, and includes an increase in the production capacity of the new rollable ribbon cable FlexRibbon™, designed and manufactured in the US.

€400 M
ongoing investment

GROUND-BREAKING advancements

_ Prysmian and General Cable boast a successful history of innovative product creation: the combined company now offers the broadest portfolio in any part of the world. In 2018, The Group increased its capacity and worked on several groundbreaking product innovations.

Submarine cables Submarine interconnections trend — push toward higher transmission capacity, therefore higher voltage and bigger conductors, and on the other end installations on greater water depth. Prysmian has reached significant results on both areas. With the 600 kV DC extruded technology, in XLPE or proprietary P-Laser insulation for 90°C continuous operating temperature we enable long distance high power transmission, working already on the next step of the 800 kV. The high depth solution is targeted in three progressive steps: composite armoring, aluminum conductor and leadless metallic sheath. The first target has been already achieved and qualified, allowing to reach 3000m installation depth with reduced magnetic losses in operation.

Terrestrial cables We made significant progress both in the — qualification of XLPE (70°C), and proprietary P-Laser (90°C) systems for 525kV HVDC applications.

Overhead lines E3X Technology is the utility industry's first — heat dissipating overhead conductor innovation, featuring a thin, durable coating applied to the surface of any overhead conductor.

Industrial cables In 2018, for the renewables field, a complete Solar — product range optimization and harmonization at global level has been finalized. Wind tower cable systems have been developed and successfully launched to reduce the amount of manpower needed in the field during installations. A full range of product for electric vehicles is in the development phase, up to the most demanding needs in terms of operating temperatures and charging speeds. The deployment of sensors with related electronics or other added value features have been realized and deployed in heavy duty cables such iQ Protolon Crane and high visibility Mining cables.

Elevator cables We successfully developed — the first copper-based solution for Cat5e-compliant ethernet inside travelling cables.

Prysmian Electronics Two main products — have been developed and implemented. The first is designed to apply the "Pry-Cam Gate" concept to HVDC connections with permanent monitoring systems. The second consists in the new GUI (Graphical User Interface) to manage all the information acquired by Pry-Cam products on a unique platform.

Optical cables 2018 saw the launch of our — new FlexRibbon™ products, reaching up to 6,912 optical fibres to offer increased functionality to data centres. Designed to maximise fibre density and duct space utilisation, Prysmian's MassLink™ with FlexRibbon™ technology products pack the maximum fibre count into the smallest cable possible.

Data Communication Cables The industry's — smallest diameter and most advanced 10Gig Category 6A cables was introduced in 2018 for our North American customers.



PROTECTING A STRATEGIC PORTFOLIO OF PATENTS AND TRADEMARKS

In 2018, Prysmian Group continued to protect its extensive portfolio of patents and trademarks – particularly in the high-tech market segments – while continuing to increase its patent assets, especially in segments with higher added-value in support of recent significant investments.

Design-to-cost through 1,000 projects worldwide

Investments across Prysmian Group on research, development and innovation during 2018 totaled around €105 million, confirming our strong commitment to sustainable growth over the long term. The Group has continued to focus on new solutions to optimise costs via the Design-to-Cost (DTC) programme, which encourages the use of better materials, more efficient processes, and innovative designs. The DTC programme achieved cost savings totaling more than €18 million in 2018 through more than 1,000 projects in the Group's manufacturing plants. These projects deliver improved productivity and lower material consumption, resulting in a lower environmental impact.

5,627
patents
worldwide

including patent applications undergoing evaluation covering

854
inventions

PROJECTS
& ENERGY

294
inventions
29 patent
applications

TELECOM
560
inventions
27 patent
applications

1,105
trademarks
owned

The **most important products**, typically **involving specific characteristics or a specific production process**, are **protected by trademarks** that allow them to be identified and guarantee their uniqueness.

As of 31 December 2018, the Prysmian Group owned 1,105 trademarks, with **5,167 registrations** in the various countries in which it operates, covering the names and logos of its companies, activities, products and product lines.





EXECUTION EXCELLENCE



Prysmian Group's global leadership was strengthened thanks to operative integration and the extended product offer after the merger.

A success **BEYOND EXPECTATIONS**

_ The integration of General Cable, completed in record time in 2018, was a success beyond expectations, according to Andrea Pirondini, Chief Operating Officer at Prysmian Group. The initiative was driven by a young and motivated management team whose past experience resulted in good performance and collaboration between the different teams.

Thanks to its go-to-market and value creation model, the Group maintained strong relations with key clients in North America, Europe, South America and Australia, and kept its solid position in those markets.


The integration process saw important improvements in supply chain management and efficiency. Now that America has become the second home market along with Europe, the Group is now looking for different areas for further growth, namely East Asia. It is also using the digital revolution to continuously explore opportunities to develop new products and more cost-effective processes.

THE DRIVER OF SUSTAINABILITY

Sustainability is directly correlated to growth, because it represents a big

opportunity for the Group to invest in new products, processes and services. Pirondini tells us that the Group adopted General Cable's 'Zero and Beyond' approach to safety, not only to increase the safety of Prysmian Group's operations, but also to create products which minimise the installation and operation risks for customers.

Reducing the CO₂ footprint, while promoting circularity in the use of resources and materials – both in production processes and overall operations – helps customers reduce their impact on the environment. This is part of the Group's efforts to reducing waste. According to Pirondini, environmental performance is increasingly becoming a tendering requirement, which is why measuring the economic side of sustainability is seen as a priority.

A man in a dark suit and tie is shown from the chest up, holding a glass. The background is a blurred city skyline at night with lights reflecting on water. The text is overlaid on the left side of the image.

General Cable's integration synergies above expectations

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The synergies generated by the integration with General Cable totalled €35 million in 2018, improving sharply compared to the initial forecasts of approximately €5 million-€10 million. In light of the positive performance reported in 2018, the Group revised its financial forecast, increasing the total value of expected synergies by €25 million (€175 million compared to the €150 million initially estimated), achieving the target one year in advance (2021 instead of 2022). Synergies are expected to total about €120 million in 2019.

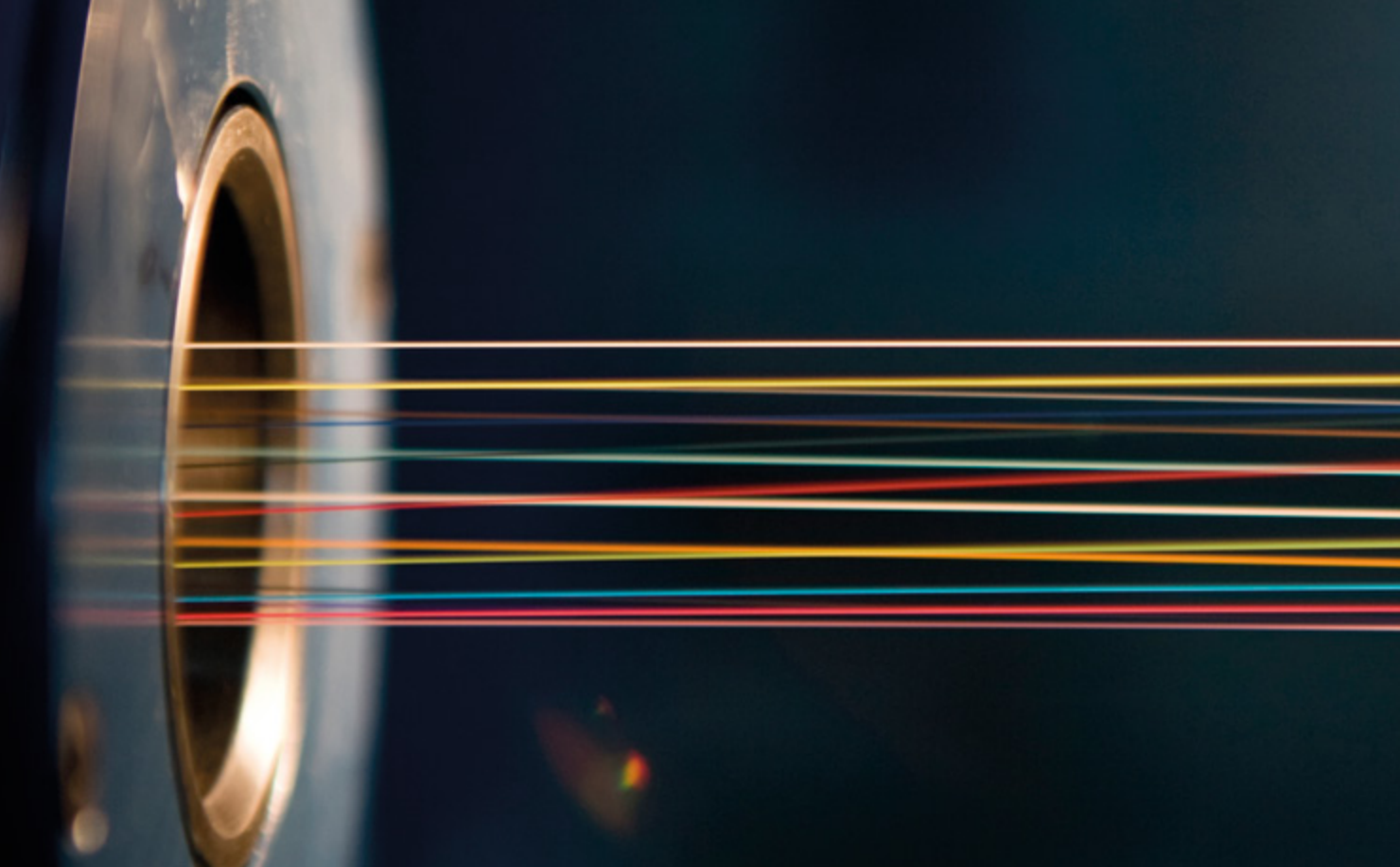
MERGING CULTURES FOR A MORE FOCUSED approach to both business and people

_ The merger with General Cable brought an extended geographical presence, especially in North America. This played a crucial part in both companies identifying a shared culture under a new single system of values: whereas Prysmian Group was more result-driven, with a solid focus on efficiency and cost-saving, General Cable was more people-focused, with a strong attention to work-life balance and people's needs. Thanks to the integration, both approaches resulted in a more focused attitude towards business and people.



Data consumption drives North America market — North America's market has continued to see a big increase in data consumption across all sectors, which resulted in huge investments by the major companies, including AT&T and Verizon. The latter announced it is upgrading its network architecture around a next-generation fibre platform, with the aim of increasing 4G coverage and laying the foundations for the subsequent development of 5G and Internet of Things technology. There has also been growing demand for interconnections between data centres.

The industrial applications business saw a mixed trend for the different market segments: while cables for automotive manufacturers and railways were stable, the nuclear and infrastructure businesses recorded a minor decline. In the Oil & Gas business, demand for onshore projects remained stable at low levels, while the Downhole Technology business saw signs of improving demand primarily linked to growth in the production of Shale Oil & Shale Gas. The Trade & Installers business enjoyed a positive trend in demand.



MORE INVESTMENTS TO BOOST GLOBAL CAPACITY

Gross investments rose to €285 million in 2018 from €257 million, mainly due to the consolidation of General Cable. We also began construction of a new state-of-the-art cable-laying ship, calling for a total investment in excess of €170 million, which will consolidate Prysmian's turnkey approach with end-to-end solutions. 2018 also saw the completion of the assets of the Yixing plant, creating a centre of excellence in China to service the entire Far East area.

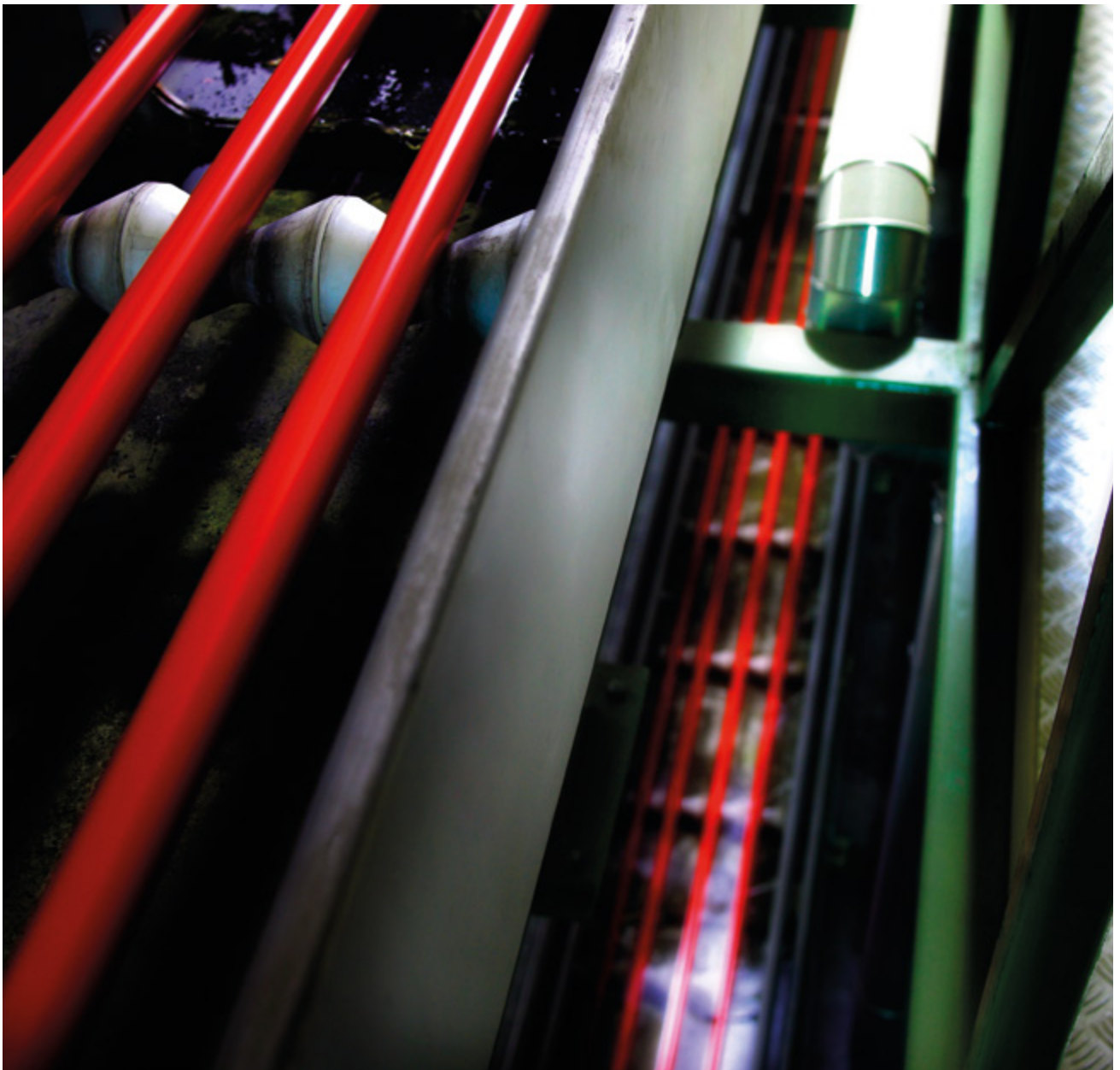
In the Telecom side of the business, the Group has almost completed investments begun in 2017 to create a vertical production structure in the optical fibre plant in Claremont (North Carolina), increasing spinning capacity to meet the growing demand for fibres. Also in Europe, optical fibre production is being paralleled by growth in the optical cables business, and in particular, the Slatina plant, which is witnessing the completion of the second step of increased production capacity for optical cables.

Fast Track project going forward

In the Operations vertical, a pilot project called 'Fast Track' in Calais has been completed, and Prysmian is now preparing for further implementations in other plants. This system is a first step in the path towards the digitalisation of manufacturing processes under Industry 4.0. It is being implemented in other sites in Romania and Finland with the goal of making factories smarter, using state-of-the-art technologies and leveraging the interaction between digital skills and human expertise. The 'Fast Track' approach ensures full traceability of manufacturing activities and materials, while helping us manage events that could jeopardise production processes. It also provides all the information needed to identify problems and solutions at the source. The objective is to create a digital ecosystem to make production processes more efficient and improve the quality of work for employees.

COMMERCIAL INTEGRATION doing well

_ A portfolio of complementary products and an increased global presence are paying off: the Group is set to exploit cross-selling opportunities, thanks to an extensively widened product range.





When the journey towards integration with General Cable began in March 2018, Prysmian Group's Energy Executive Vice President Francesco Fanciulli set out three main goals:

1. Protect the business by minimising possible conflict and harmonising the market approach;
2. Deal with clients' potential unwillingness to do business with a single supplier;
3. Exploit new cross-selling opportunities, thanks to the enlarged product range.

The best scenario envisaged at that time has become reality, thanks to the strength of General Cable and its aluminium low voltage products, its overhead conductors, and its special cables for the mining industry.



Francesco Fanciulli
Energy Executive Vice President
at Prysmian Group

FOCUSING ON THE INTEGRATION OF THE INDUSTRIAL FOOTPRINT

From a geographical standpoint, the highest priorities in Southern Europe – which were planned from the outset of the project – have been achieved due to an overlap in terms of markets and customer coverage. The situation in North and South America has allowed us to leverage the strongly complementary nature of our presence and offers. Right now, the Energy business is focusing on the integration of its commercial footprint, both in terms of product offering and go-to-market models, particularly within the overlapping regions.

Francesco explains that 2019 started with resilient combined sales, with a client base very similar to that of previous years, which benefits the sales margins. In the Trade & Installers business, which accounts for €3.3 billion globally, a great benefit comes from major global clients, with the first three international distribution groups – Sonepar, Rexel and Anixter – together accounting for nearly one third of global sales.

IMPORTANT CROSS SELLING OPPORTUNITIES

In the medium to long-term, Francesco identifies important cross-selling opportunities that can be grasped, thanks to the Group's complementary product portfolio and strong business-cluster coverage. Prysmian Group will focus on sustaining a smart multi-brand approach, introducing a category management approach within the industrial application space, and simplifying commercial brand management to exploit its global scale. Within the Energy business, one of the core strategies will focus on servitisation to promote full-service solutions and transform products from passive components of the systems into active parts of the offer. The Group will also benefit from General Cable's high competence in kitting and harnessing activities both on automotive and industrial cable types.

A SUSTAINABLE supply chain

_ The Group continually strengthens relations with strategic suppliers, seeking to build a common organisational process focused on sustainability throughout the entire production chain. Suppliers source the principal raw materials used by Prysmian Group in the production processes, including copper, aluminium, lead, various petroleum derivatives and components for power and telecom cable accessories, as well as special types of glass and sheathing for optical fibre.

General Cable's structure, working methods, sustainability practices, KPIs and indicators were aligned with the Prysmian Group model to ensure the united Group implements its five environmental and social objectives:

- > Only use qualified suppliers;
- > Only use materials whose technical characteristics have been authorised;
- > Develop strategies for commodities that guarantee the continuity of supply and availability of the required volume. In particular, the financial health of the supplier is important, as is only modest dependency on specific suppliers by Prysmian;
- > Guarantee on-time delivery and a high level of quality over time;
- > Ensure competitive prices.

Prysmian Group identified and developed three further macro-activities for the enhancement of sustainability:

- > Subscription to ethical standards in the introduction of new suppliers. Specifically, the Code of Ethics and Code of Business Conduct, and the definition of Conflict Minerals Policy and Human Rights Policy.

- > Sustainability assessment of the current supply chain, and sustainability desk analysis, risk analysis and self-assessment questionnaires on sustainability issues.
- > Management and improvement of sustainability aspects, including the implementation of actions with a view to achieving the objectives included in the Sustainability Scorecard.

NUMBER OF SUPPLIERS BY GEOGRAPHICAL AREA

Prysmian Group w/o General Cable

	2018	2017	2016
EMEA	3,083	3,262	3,293
APAC	525	607	648
NORTH AMERICA	641	632	612
LATAM	493	434	467
Total	4,742	4,935	5,020

A CHAIN OF RESPONSIBLE VALUE

Prysmian qualifies its suppliers through a formal process based on economic and financial analysis and examines information and data on, for example, the risk of dependence on the supplier or the technical and technological capacity and skills of the suppliers. During 2018 two audits were conducted on suppliers to verify the absence of false negatives identified during the risk assessment. In 2018, there were no audits on suppliers categorized as high-risk.

The Group is committed to using only those raw materials approved by the responsible technical functions following laboratory tests and extended processing trials conducted both in-house and by qualified suppliers. In the course of 2018, seven quality audits were performed at the premises of suppliers of raw materials and base metals and only in one case the need for a plan to improve certain phases of the production process and product testing was identified.

In 2018, work continued on the mapping, classification and involvement of suppliers. We used a self-assessment questionnaire designed to assess the principal parameters affecting sustainability, which focused on the following areas:

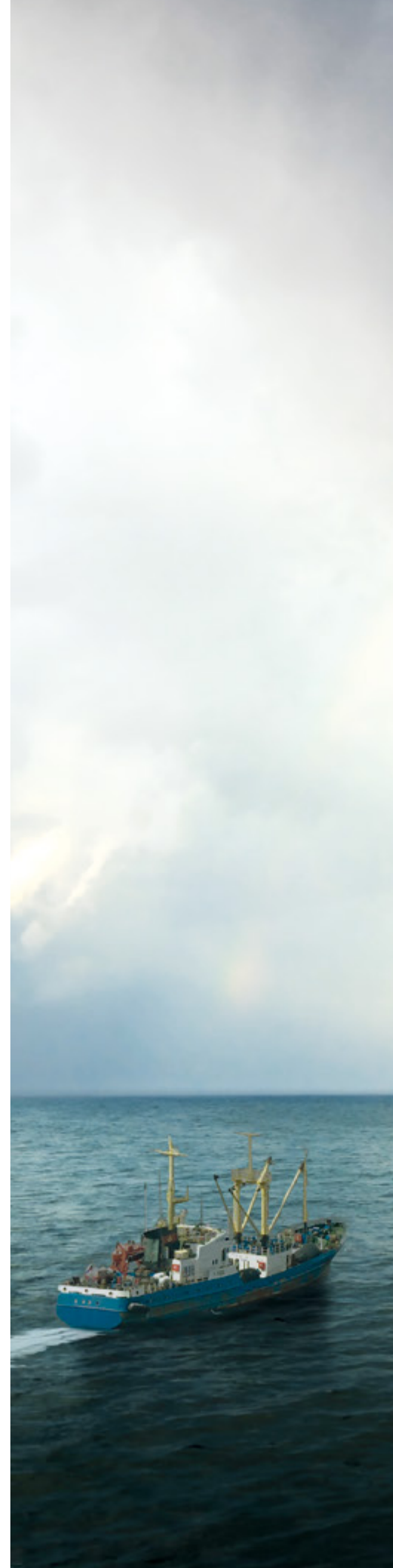
- › **Integrity:** fair trade, conflicts of interest, gifts and entertainment, bribery and corruption.
- › **Human and workers' rights:** under-age working, health and safety, non-discrimination.
- › **Environment:** use of raw materials, use of energy and carbon dioxide emissions, water consumption and associated risks.
- › **Mining activities and conflict minerals:** resettlement, closure plans and sustainable use of land.



SEIZING OPPORTUNITY



Sustainability is the guiding principle that informs the Group's investment in new products, processes, and services.





MAJOR AWARDS achieved worldwide



Prysmian Group headquarters, Milan (Italy)

The Group plant of Slatina, Romania, the largest optical cable manufacturer in Europe, received a special award from the Joint Audit Cooperation for high sustainability performance.

The Milan Headquarters of Prysmian Group has received the LEED (Leadership in Energy and Environmental Design) Platinum certification, which is the reference standard that classifies every aspect of a building's construction in accordance with its environmental sustainability.

Prysmian Central America and Caribbean was authorised by Procomer, the body responsible for promoting Costa Rica export products and services, to use the "Essential COSTA RICA" mark, which is synonymous with excellence, innovation, sustainability and social progress.

SUSTAINABILITY AS A VALUE FOR GROWTH

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The Group has made significant progress to improve its sustainability performance with action plans extended to the new organisation resulting from the integration of General Cable. Specific attention has been given to energy efficiency and reduction of environmental impact, development of people, respect for the communities where we are present and, last but not least, policies and codes for the ethical, transparent and fair conduct of our business.

R&D projects that achieved significant results in terms of sustainability included our research into deep water submarine cables for installation up to 3,000 metres below sea level; the development of leadless technology, which eliminates the use of metal in power cables; and the development of P-Laser technology, now also applied to high voltage cables to make them fully recyclable and sustainable while also increasing their transmission capacity. In the Telecom business, Prysmian has developed FlexRibbon™, a record-breaking cable that packs up to 6,912 optical fibres, thus helping reduce the impact of civil engineering work.

Prysmian Group's commitment to sustainability was mirrored in the good score achieved also in 2018 in the main international indices, including the Dow Jones Sustainability Index and the Carbon Disclosure Project. The Group's new Milan headquarters was also awarded the LEED Platinum International Certification – the global standard for rating environmentally-friendly buildings. The Slatina plant in Romania – the largest optical cable factory in Europe – has also received special recognition from the Joint Audit Cooperation for its high standards of sustainability.



CONSTANT COMMUNICATION with stakeholders

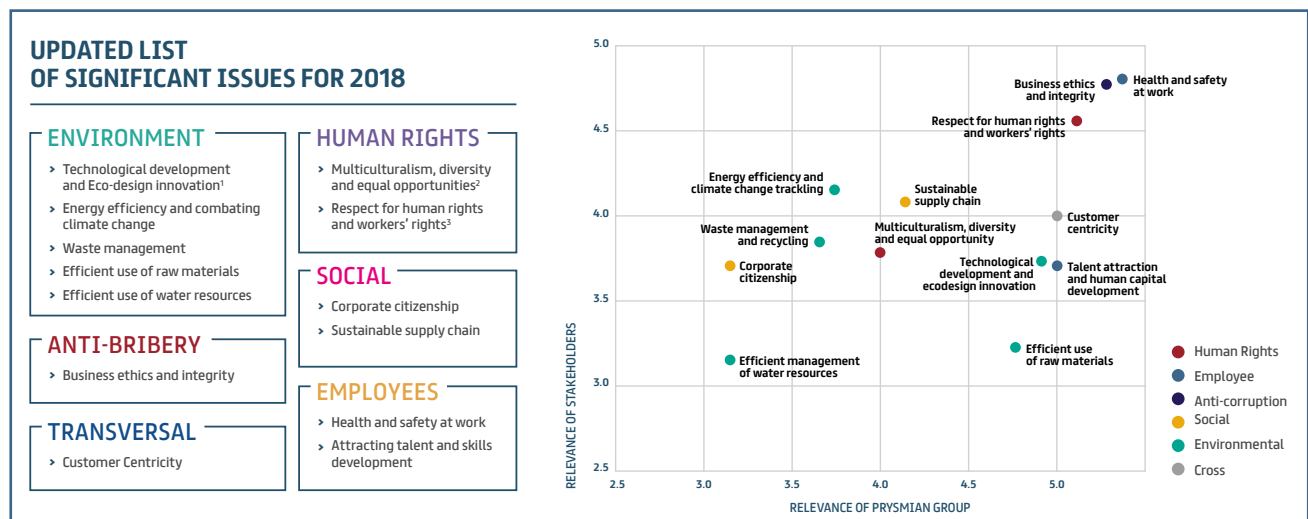
_ The sustainability strategy of Prysmian Group is marked by a continuous interaction with internal and external stakeholders to help us fully understand their needs, interests and expectations, while anticipating changes and identifying emerging trends. This helps us generate shared and consistent added value in the long run. To that purpose, stakeholders have been identified and categorised by means of documental and benchmark analysis through special interviews focusing on sustainability reporting.

RE-FOCUSING ON THE MATERIALITY ANALYSIS

Following the acquisition of General Cable in 2018, Prysmian Group launched a process to update and re-focus the materiality analysis to identify the most significant sustainability issues for its business. It then

proceeded to review the results of 2017, thus obtaining a materiality matrix that was leaner and more focused on those issues and related GRI disclosures.

The updated list of significant issues for 2018 was:



The above issues subsequently undergone through an evaluation process undertaken by the top management. The evaluation consisted in a prioritization of each issue from the point of view of the Group and the point of view of the stakeholders. As a result of this assessment it was possible to update the materiality matrix, providing an aggregated view of the relevance of issues both for the Group and its stakeholders, in terms of each issue's actual and potential impact on the Group's capacity to create value in the long run.

OUR THREE main priorities

OCCUPATIONAL HEALTH AND SAFETY

The Group invests in workers' health and safety by introducing management systems aimed at reducing the number of accidents and occupational diseases, while developing training programs on health and safety in accordance with local laws and regulations.

BUSINESS ETHICS AND INTEGRITY

The Group is committed to a business management model based on the highest standards of ethics and integrity and compliance with laws, regulations, anti-bribery policies and procedures and anti-competitive conduct.

RESPECT FOR HUMAN RIGHTS AND WORKERS' RIGHTS

Policies and procedures on human rights, abolition of child labor and forced labor, respect for freedom of association and collective bargaining, health and fair wages in the workplace, including the due diligence process being carried out by Prysmian Group, allow human rights risks to be identified and assessed in order to ensure compliance therewith.

Generated and distributed economic value

The economic value generated and distributed by Prysmian in 2018 amounted to €10,240 million, of which €58 million consisted of profits redistributed to Group members and interest to third parties that represent the value withheld. Much of the value was redistributed in the form of spending on suppliers (82.6%), payment to staff (12.3%) and payment to lenders (4.0%).

PARTICIPATING TO GLOBAL INDUSTRY LIFE

Prysmian Group's leadership in the cable industry is strengthened by participation in the principal and most strategic global trade associations. This allows us to play a prominent role in the definition of guidelines and in debates with partners and competitors. Through promotion and development activities, Prysmian actively participates in the following major trade associations:

EUROPACABLE, the world's largest cable producers together with small-to-medium European enterprises specialised in the field.

FRIENDS OF THE SUPERGRID, which brings together enterprises specialised in the technology of power transmission systems and firms that develop, install, own and manage infrastructure to promote a large-scale, pan-European, offshore electricity grid.

NORSTEC, the grouping of leading global operators in the energy sector, with a view to supporting the production of renewable energy by offshore wind farms in the North Sea.

MEDGRID, the European project launched in 2009 to study the feasibility of transmission of electricity derived from sustainable sources across the Mediterranean.

FTTH COUNCIL, a non-profit organisation that works to accelerate the spread of Fibre To The Home (FTTH) technology, interacting with regulatory bodies to raise awareness of the spread of this technology.

WIND EUROPE, a European organisation boasting more than 450 members that actively promotes wind energy around the world.

HIGHEST STANDARDS in ethics and fairness

_ Prysmian Group seeks to uphold the highest standards of fair and ethical practices in every action it undertakes every day across all its locations, operating accordingly with its mission, vision and values.

As a business constantly committed to the socio-economic development of the communities in which it operates, Prysmian Group believes that the access to energy and telecommunications is fundamental in the economic and social development of local communities. Its policy is therefore designed to meet the needs of communities and civil society, in line with the vision, mission, values, Code of Ethics and Policies of the Group. The goal is to define common rules to identify corporate citizenship and philanthropy activities related to the business

operations, that are implemented as part of the Sustainability Plan defined to meet the targets set out in Prysmian Group's Sustainability Scorecard.

The corporate citizenship and philanthropy projects that the Group is implementing include: long-term initiatives aimed at solving socio-environmental issues in the communities in which it operates, charitable gifts or cash donations, commercial initiatives in partnership with community-based organisations.

INTEGRITY FIRST: WHISTLEBLOWING AND HELPLINE

PRYSMIAN GROUP INVITES all the stakeholders to report any real or apparent violations of the law, the Code of Ethics, or of ethical standards, so that they can be examined and dealt with appropriately. In order to create the necessary confidentiality, security and ease of reporting, a Whistleblowing policy was adopted to offer the possibility of reporting any incorrect behavior and alleged illicit activities that might occur.

GENERAL CABLE HAS ADOPTED a HelpLine to preserve the Company's culture of integrity that all stakeholders are encouraged to contact not only to report concerns, but also to raise questions. The HelpLine is available 24 / 7 in all of General Cable's languages. Through the Helpline questions or concerns can be raised openly or anonymously, if allowed by local law, via the Internet, by e-mail or by phone.

REPORTING VIOLATIONS	Prysmian Group	General Cable June - December 2018
	Total number of claims received through Whistleblowing channel	38
Confirmed claims received through Whistleblowing channel	11	3
of which of anti-corruption	-	-
of which covering other topics	11	3

STRIVING TO SAFEGUARD the environment

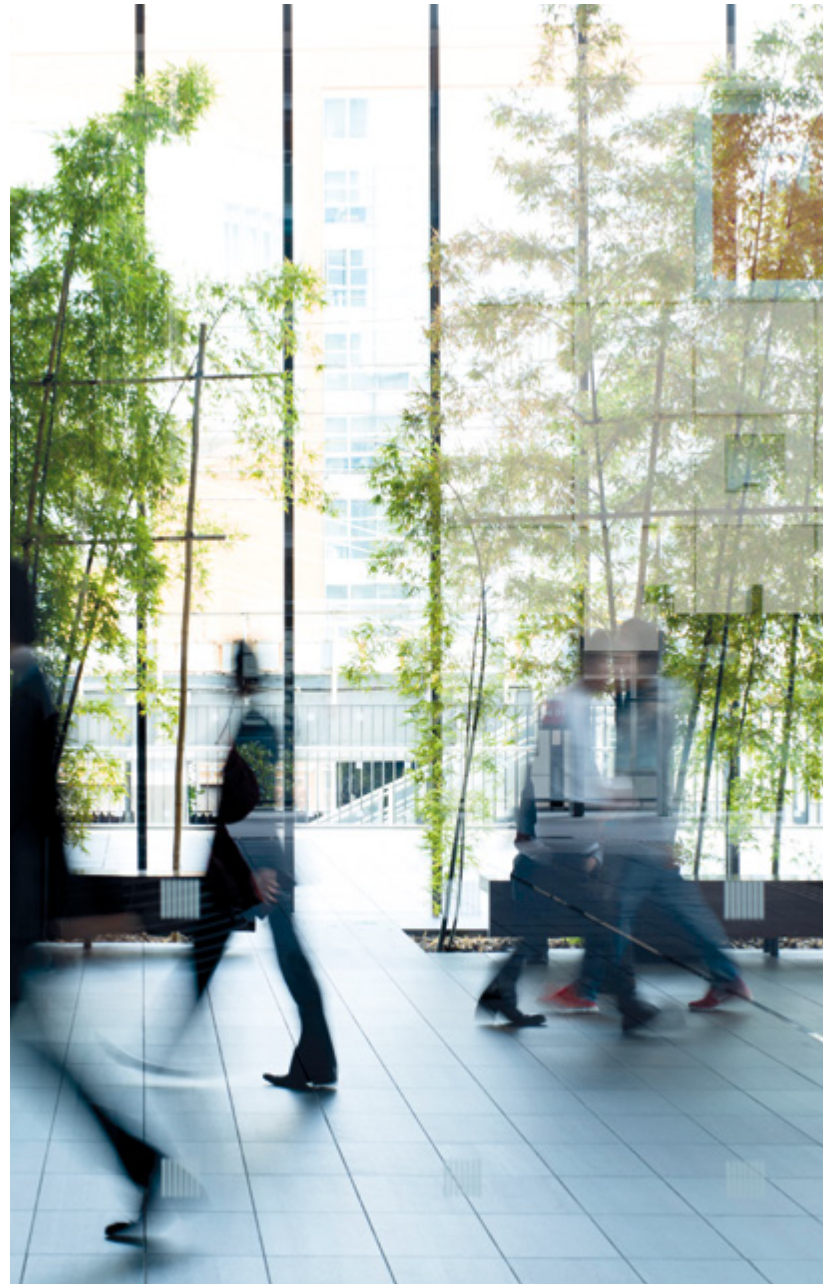
The Group's commitment to safeguarding the environment and conserving natural resources is expressed not only by the intrinsic characteristics of our products, but also in how our production systems are managed. For example, the prevention and reduction of their environmental impact is achieved through the efficient use of natural resources, the optimisation of logistics flows, and the responsible management of waste.

In 2018, Prysmian Group continued working hard to enhance its environmental performance and meet the environment, health and safety targets set for 2020 – which includes the reduction of energy consumption and of greenhouse gas emissions.

In 2018, 11 new energy diagnoses were carried out in European and non-European operating units of Prysmian Group, while the Energy Audit Plan was upgraded by the HSE function, including for the 2019-2020 period. The Mudanya plant in Turkey and the General Cable German plant of Nordenham have consolidated energy management and consumption monitoring. Significant events during 2018 also included the Prysmian Group w/o General Cable investment of about €13 million and former General Cable €3 million investment in health, safety and environmental activities, including energy efficiency.

Prysmian has continued to actively participate in various working parties and on association committees, including Europacable's ECOE Committee, Orgalime's Substances Task Force, ANIE's Environment Committee and AICE's environment working party, and the IEC Maintenance Team that is drafting the standard environmental declaration for power cables.

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In 2018, Prysmian Group continued working hard to enhance its environmental performance and meet the environment, health and safety targets set for 2020.
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AN INTEGRATION THAT BEGAN FROM PEOPLE

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In 2018, Prysmian Group brought together two cultures while continuing to attract and train talented people.

Blending two cultures by **LISTENING TO PEOPLE**

_ Uniting the two different cultures of General Cable and Prysmian Group was a challenge. But it was one we successfully overcame with the creation of a new Code of Values. The goal? To Drive the group and its stakeholders towards the future with Trust and Simplicity.

Fabrizio Rutschmann, Chief HR Officer Prysmian Group, recalls the complexity and difficulty of the integration journey, a process that saw us align thousands of people across five continents, all with different cultures and experiences. Happily, the journey towards full cultural integration was a full success after it got off to the best possible start: astonishing progress was made in just a few months following the first-ever meeting of all global HR managers from both companies in Milan in April 2018. The meeting gave them the opportunity to get to know each other and share experiences and values. "We were dealing with a challenging task: making the values that we identified collectively as the pillars of the shared culture of Prysmian Group and General Cable penetrate and permeate the entire company across the world, while gaining the trust of everyone in the Group," Rutschmann recalls.

Listening to the voice of people — Maura Nespoli, Chief of Global Talent Acquisition, Talent Management and People Development at Prysmian Group, explained the steps taken by the two companies to identify the three shared values of Drive, Trust and Simplicity, and how they are

continuing to spread these values across the global Group.

"The first phase involved gaining in-depth knowledge of the culture of the two companies, first at a meeting of 450 executives in Milan, followed by an extensive global survey of 1,500 employees and a workshop attended by 250 professionals from both organizations. This 'bottom-up' process created a full understanding of the specific characteristic of both cultures, with General Cable emerging as more focused on customers and people care, while Prysmian being marked by its concentration on effectiveness and efficiency. The commitment of both companies to listening to the voice of their people enabled the clear identification of the three new values."

The three new values explained — "Drive," explains Maura, "represents attention to the client, to people and an orientation towards innovation, while Simplicity means the capability to achieve our goals in the most straightforward and effective fashion. Trust is entrusting people: a global organisation has to give its people trust, in order to establish and maintain an efficient structure."

According to Maura, there is no hierarchy that puts one of the three values above the others, but rather a kind of circularity. They are not a set of priorities but 'inspirational' values that serve as keys to deal with issues for different people in different situations in different parts of the world.



Fabrizio Rutschmann
Chief HR and Organization
Officer at Prysmian Group



Maura Nespoli
Chief of Global Talent Acquisition,
Talent Management and People
Development at Prysmian Group

"We were dealing with a challenging task: making the values that we identified collectively as the pillars of the shared culture of Prysmian Group and General Cable penetrate and permeate the entire company across the world, while gaining the trust of everyone in the Group."

Fabrizio Rutschmann

Chief HR and Organization Officer at Prysmian Group



FROM THE NEW VALUES to the leadership model

_ The three new values are the starting points for the 'leadership model' shaped by Prysmian Group, with the goal of providing effective guidance for implementing value-consistent behaviours in the everyday working life. The leadership model is the incarnation of our values in the daily life of our company. It is organised along six principles, with two lines of behaviour for each value.



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In a global market where attracting talent is not an easy task, what matters is the capability to stream and broadcast our values.
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Fabrizio Rutschmann
Chief HR Officer Prysmian Group

“Applying the model will build a bridge in terms of behaviours between where we are today and our aspirational values,” explains Maura Nespoli. “Diversity represents a distinctive element of our new company, and is a tangible strength for Prysmian Group, given our diversified business and geographical reach that covers almost all of the planet. So we have made it a key part of the model, underlining its ability to strengthen collaboration and cooperation.”

“The leadership model influences also our selection and recruiting processes, starting from the Academy, in a journey that begins with our values, that are then shaped into the leadership model. This helps candidates achieve superior performance, that is, in turn, key to retaining the most talented and skilled professionals within the company”.

“This has to be measured in some way, to assess the effectiveness of the entire process and to be consistent with the values. To this end, they’ll be part of the performance review, as the success of the leadership model has to be visible and verifiable.



THE NEW LEADERSHIP MODEL LEADERSHIP PRINCIPLES

WE ARE CUSTOMER FOCUSED

Actively explore and understand customer needs, make customers the top priority and go the extra-mile to exceed expectations.

WE THINK AHEAD

Consider market trends and strategic goals to anticipate the future. Pursue focused innovation and improvement.

WE VALUE DIVERSITY

Embrace diversity and inclusion leveraging on the value that it can bring to promote collaboration and cooperation within the organization.

WE EMPOWER PEOPLE

Foster a culture of ownership and accountability. Always act as a role model, ensuring integrity and delivering on promises.

WE TAKE ACTION

Keep things simple in order to facilitate timely and focused decisions. Balance a short term value within a mid term perspective.

WE DELIVER RESULTS

Achieve consistent results, focusing on priorities and ensuring both effectiveness and efficiency in the process of delivery.

THE ART OF CHASING and retaining talents

_ In 2018, Prysmian continued implementing several recruitment policies that have diversified the offer portfolio with programmes for attracting and retaining talent.

Build the Future is an international programme for the recruitment and induction of new graduates with high-potential profiles in various functions and areas. In 2018, it attracted around 41,000 applications and led to the recruitment of 46 young graduates. It led to the recruitment of another 50 new graduates in 2019.

Make It is a programme aimed at identifying engineers from other sectors to cover highly challenging key roles in the Group's most important factories. In 2018, it attracted around 7,000 applications and led to the recruitment of 22 young engineers.

Sell It aims to further the growth and development of the sales force. In 2018, it attracted around 7,000 applications and led to the recruitment of nine salespeople with 3-5 years of experience.



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46
new graduates
recruited thanks to
Build The Future

22
young engineers
recruited thanks to
Make It

9
salespeople recruited
thanks to ***Sell It***

THE ACADEMY OF LEADERSHIP AND TECHNICAL SKILLS

The Prysmian Group Academy is organized in three schools: the School of Management, the Professional School and the Digital School.

THE SCHOOL OF MANAGEMENT Established by Prysmian in partnership with SDA Bocconi and a network of ten major international Business Schools. It welcomed 710 participants over six years and issued 439 diplomas, with continuous ambition for growth in 2019. Particularly noteworthy are *The Induction Programme*, which involved 31 participants from 13 countries in 2018; and the *Women Leadership Programme*, which is devoted to the development of female leaders.

Organised into **THE PROFESSIONAL SCHOOL** function academies and centres of expertise, which includes a R&D Academy dedicated to training in the USA; and a Human Resources centre, which offers courses in skill consolidation to help manage the processes of recruitment, training and development. The School has trained over 1,500 employees in six years with the involvement of more than 200 experts. There are plans to involve the same number in 2019. In 2018, The Professional School delivered courses focused on supply chain, which involved more than 40% of Prysmian purchasing personnel worldwide.

THE DIGITAL SCHOOL A key project within Prysmian Group Academy. In 2018, a new technological platform was launched to support the Digital Academy, comprising a social networking tool called "JAM", which is intended to help create a community among school participants.

For the fourth year running, the Prysmian Group website has ranked in the Top 10 of the prestigious Webranking Italy 2018, which assesses

the digital transparency of the 111 largest Italian listed companies. The Group has also reached the Top 10 in the 22nd edition of the European league table. Both results were achieved in the Industrial Goods and Services sector chart.

DIGITAL FACILITATING COMMUNICATION Prysmian Group launched its first chatbot – 'Blu Bot' – by combining the AI skills and expertise from Softec with the Conversate digital platform. It aims to facilitate the company's communication with its 29,000 employees in the areas of HR, IT and communications. Prysmian Group and General Cable employees across various continents helped fine tune the chat bot by conversing with it 24-hours a day, thus enabling Blu Bot to quickly learn and enhance its knowledge.

Prysmian Group was one of the three finalists in the 'Best Employer Brand with 1,000-10,000 employees on LinkedIn' category of the Italy LinkedIn Talent Awards, which is an exclusive program aimed at celebrating the success of companies in Italy in the talent acquisition and employer branding space.

over **120,000** followers

YES, THE SUCCESS CONTINUES Launched towards the end of 2013, the Prysmian Group's Your Employee Shares plan, a share ownership scheme open to all employees, is currently active in 28 countries. In 2018, there were three purchase windows. Over the years, the YES program has

proven to be a real success, chosen by more than 9,200 employees, approximately 53% of the entitled company population became shareholders, with 1.6 million shares owned by employees.

Diversity is a key driver of future growth and business development in the coming years. The Group has adopted a global Diversity and Inclusion Policy, and is currently developing a number of supporting initiatives in this area. These include a Global Diversity Recruitment Policy; inclusion of the topic of diversity in all programmes of the School of Management; Training on Unconscious Bias, delivered through the Digital Academy; and the Women Leadership Programme, now in its third edition, which focuses on gender pay gap analysis and offers a mentoring programme for female talent.

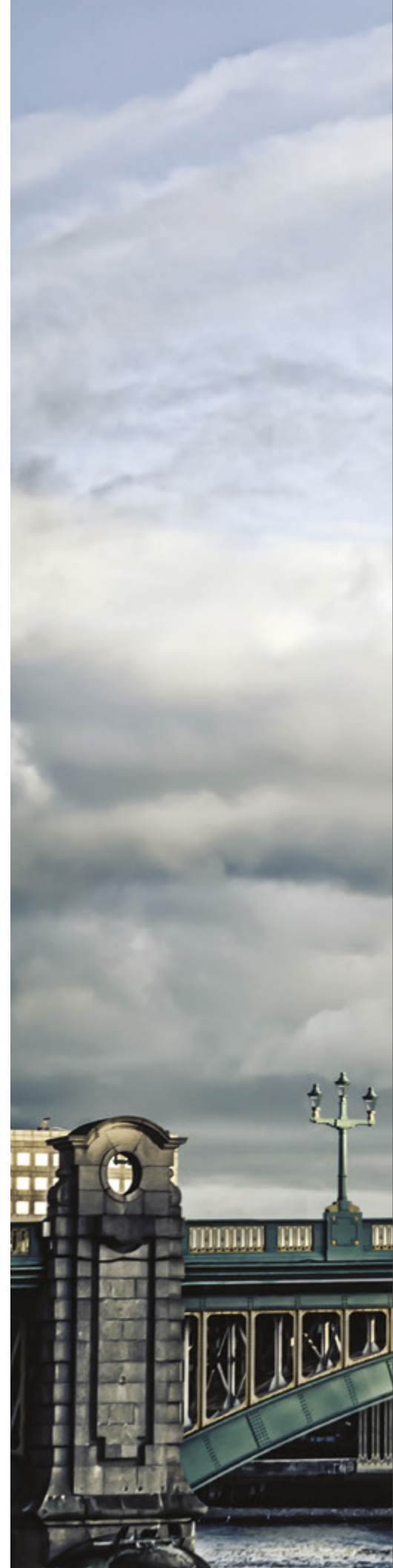
CITIZENSHIP AND PHILANTROPY POLICY To better contribute to the socio-economic development of the communities in which it operates, the Group has adopted a Corporate Citizenship and Philanthropy Policy to identify all activities that can help satisfy the needs of the communities, in line with the vision, mission, values and the Code of Ethics and Policies put in place by the Group.

In 2018, approximately €200,000 were donated to local communities in cash and in-kind form to support a number of initiatives across the world, from Italy to France, to Norway, to North America. This includes the MediCinema project at Niguarda Hospital, and the Leonardo da Vinci Museum project – both of which are in Milan.

LISTENING TO THE FINANCIAL MARKETS



Being a true public company carries the responsibility of maintaining a constant line of transparent communication open with investors and market participants.





US investors represent **THE LARGEST EQUITY INTEREST**

_ The free float in 2018 stayed equal to 100% of outstanding shares with shareholdings exceeding 3%, accounting for just 12%.



Prysmian Group is a true public company in all respects, with a free float equal to 100% of capital, of which around 70% is held by institutional investors as of December 31, 2018. Significant shareholdings in excess of 3% accounted for approximately 12% of the total, meaning there were no majority or controlling interests. The geographical ownership structure shows a predominant presence in the United States, which

represents 28% of the institutional investor total, up from 2017. This was followed by the United Kingdom, which accounted for 22%. Italy accounted for around 18% of the capital held by institutional investors, while France's share remained the same at 10%. Some 67% of the share capital held by institutional investors is represented by investment funds with value, growth or GARP strategies focused on a medium- to long-term investment horizon.

TRANSPARENT MARKET COMMUNICATION

When it comes to communicating with investors, the Group promotes transparency, growth, market confidence in the company, and a long-term investment approach to its stock. Creating value for shareholders and stakeholders is another key priority, as is adhering to a policy of strategic and financial communication directed towards the highest standards of accuracy, clarity and transparency.

The Group's actions and procedures are designed to provide the market with credible information, with the goal of boosting confidence in the Group and encouraging a long-term investment approach, while ensuring effective compliance by giving all existing and potential investors access to the same information, so they are well-positioned to informed investment decisions.

Prysmian Group is a true public company in all respects, with a free float equal to 100% of capital, of which around 70% is held by institutional investors

DIVERSIFIED ANALYSTS' COVERAGE

In 2018, coverage of Prysmian stock by major global stockbrokers remained very high and geographically diversified, with regular reporting from 20 independent analysts: Banca Akros, Banca Profilo, Banca IMI, Barclays Capital, BofA Merrill Lynch, Citi, Credit Suisse, Equita, Exane BNP Paribas, Fidentiis, Goldman Sachs, Hammer Partners, HSBC, Intermonte, JP Morgan, Kepler Cheuvreux, Mediobanca, Morgan Stanley, Natixis, and Société Generale.

CONSTANTLY IN TOUCH WITH THE MARKET PEOPLE

Throughout 2018, the Investor Relations office of Prysmian Group continued to maintain regular contact with institutional investors through the group website www.prysmiangroup.com, which offers recordings of conference calls and presentations, corporate documents, press releases and all other information concerning the Group, both in English

and Italian, to the financial community. The Investor Relations department also includes the financial calendar, documents relating to shareholders' meetings, the Code of Ethics, the contact details of analysts who cover the stock, as well as specific sections about corporate governance, risk factors and share performance.

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