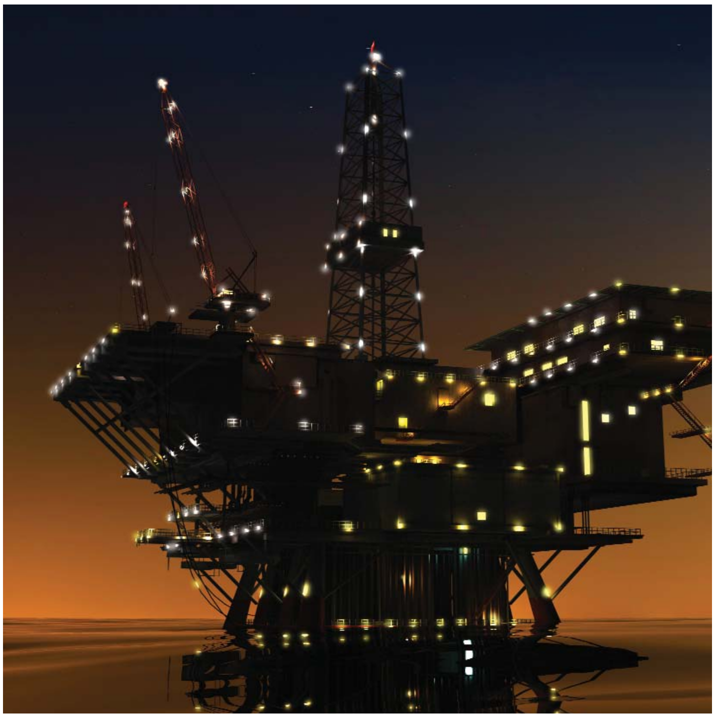


CARRYING OUT IDEAS TO KEEP ON GROWING

FIRST QUARTER REPORT 2010

PRYSMIAN
CABLES & SYSTEMS

Disclaimer

This document contains forward-looking statements, specifically in the sections entitled "Subsequent events", "Business outlook" and "Risks foreseeable in 2010", that relate to future events and the operating, economic and financial results of the Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual future results may differ materially from what is expressed in forward-looking statements as a result of a variety of factors.

CONTENTS

DIRECTORS' REPORT

DIRECTORS AND AUDITORS

Board of Directors	Chairman	Paolo Zannoni	
	Chief Executive Officer & General Manager	Valerio Battista	
	Directors	Wesley Clark (*) (1)	Fabio Ignazio Romeo
		Giulio Del Ninno (*) (1) (2)	Udo Gunter Werner Stark (*) (1) (2) (3)
		Pier Francesco Facchini	Fabio Labruna (*) (3)
		Hugues Lepic (2) (3)	Stefano Bulletti (4)
Board of Statutory Auditors	Chairman	Marcello Garzia	
	Standing Statutory Auditors	Luigi Guerra	Paolo Burlando
	Alternate Statutory Auditors	Luciano Rai	Giovanni Rizzi
Independent Auditors	PricewaterhouseCoopers S.p.A.		

(*) Independent directors

(1) Members of the Internal Control Committee

(2) Members of the Compensation and Nomination Committee

(3) Members of the Antitrust Committee

(4) Appointed on 15 April 2010

Foreword

This quarterly financial report at 31 March 2010 (Interim management statement pursuant to art. 154-ter of Italian Decree 58/1998) has been drawn up and prepared:
- in compliance with the above decree and subsequent amendments and with the Issuer Regulations published by Consob (Italy's securities regulator);
- in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in accordance with IAS 34 – Interim Financial Reporting.

This report has not been audited.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION (*)

(in millions of Euro)	1st quarter 2010	1st quarter 2009	% change	FY 2009
Sales	969	926	4.6%	3,731
Contribution margin (1)	177	191	-7.3%	791
EBITDA (2)	72	88	-17.9%	366
Adjusted EBITDA (3)	75	90	-17.0%	403
Operating income (4)	50	128	-60.8%	386
Adjusted operating income (5)	57	74	-23.8%	334
Profit before taxes	34	126	-72.6%	337
Profit/(loss) for the period	23	91	-74.1%	252

(in millions of Euro)	31 March 2010	31 March 2009	Change	31 December 2009
Net capital employed	1,473	1,310	163	1,314
Employee benefit obligations	145	129	16	142
Equity	732	540	192	698
of which attributable to non-controlling interests	36	16	20	21
Net financial position	596	641	(45)	474

(in millions of Euro)	1st quarter 2010	1st quarter 2009	% change	FY 2009
Investments	11	21	-47.6%	107
Employees (at period end)	12,184	12,051	1.1%	11,704
Earnings/(loss) per share				
- basic	0.13	0.51		1.40
- diluted	0.13	0.50		1.39

(1) Contribution margin is defined as adjusted EBITDA before fixed costs.

(2) EBITDA is defined as earnings/(loss) for the period, before the fair value change in metal derivatives, depreciation, amortisation and impairment, finance income/costs, the share of income/loss from associates, dividends from other companies and taxes.

(3) Adjusted EBITDA is defined as EBITDA before non-recurring income/expenses.

(4) Starting from the third-quarter report 2009, operating income now includes the fair value change in metal derivatives previously classified in net finance income/(costs). The comparative figures for 1st quarter 2009 have been restated accordingly.

(5) Adjusted operating income is defined as operating income before non-recurring income/(expenses) and the fair value change in metal derivatives.

(*) All the percentages contained in this report have been calculated with reference to amounts expressed in thousands of Euro.

SIGNIFICANT EVENTS DURING THE PERIOD

The market scenario to which 2010 opened was one of strong, global uncertainty. Despite weak signs of a recovery in demand, the level of activity in Prysmian's sectors of operation was stable relative to the last quarter of 2009.

In particular, fluctuations in the price of raw materials and metals and in exchange rates, not attributable to any clear trend, affected the short-term behaviour of market participants and created greater price pressure than in the fourth quarter of last year.

While remaining at about the same level as in the fourth quarter of 2009, the Prysmian Group's sales reported an 11.2% organic decrease on the first quarter of 2009 (excluding changes in group perimeter, metal prices and exchange rates).

During the first quarter of 2010, the Prysmian Group had to further intensify tactical actions to exploit all possible opportunities in the market, without however subverting its core strategy. Commercially, the Group has maintained maximum attention on high value-added businesses less exposed to economic cyclical trends and on geographical markets with higher potential for future development; in addition the Group has stepped up actions to improve industrial efficiency, to optimise raw materials procurement and customer service in order to defend its profitability.

PRINCIPAL PROJECTS ACQUIRED AND COMMERCIAL INITIATIVES IN THE QUARTER

In January 2010, Prysmian won a contract for Euro 18 million from the Danish utility DONG Energy to supply a complete 132 kV power cables system for the second phase of development of the Walney offshore wind farm in the Irish Sea. This project is due to be completed by summer 2011. The second phase of the Walney project involves expanding the current structure with the construction of 51 new turbines which will be used to generate an extra 183 MW in power. Prysmian has been commissioned to design and supply a submarine and underground cable system for connecting the offshore wind farm to the mainland power grid.

Still in January, Prysmian reached the important milestone of having installed 150,000 km of Optical Ground Wire cable worldwide. OPGW cable is an integral part of an overhead power transmission network, serving not only the primary function as a conventional ground conductor but also as a communication cable thanks to its optical fibres.

This milestone was achieved with one of Eastern Europe's largest utilities and with cables produced by the Vilanova plant in Spain.

M&A AND FINANCE ACTIVITIES

On 19 January 2010, the Prysmian Group acquired a controlling stake of 51% in the Indian group of Ravin Cables Limited for an overall investment of some Euro 26 million.

With turnover of around Euro 45 million in the financial year April 2008 – March 2009 and EBITDA of Euro 4.4 million, Ravin Cables Limited is one of India's most competitive cable manufacturers with a product portfolio including low and medium voltage cables and a geographical presence extended to Africa and the Middle East. Apart from its principal manufacturing facility in Pune, near Mumbai, Ravin Cables Limited is also present in the Arab Emirate of Fujairah with the company Power Plus Cable Co LLC, a joint venture with the local government. Power Plus is already equipped to produce high voltage cable.

India's market for High Voltage cables and systems is expected to grow rapidly, doubling in size in the next three years thanks to the country's dynamic economy and the need for rapid development of its power transmission and distribution grids.

On 21 January 2010, the Group entered a long-term credit agreement for Euro 1,070,000 thousand with a syndicate of leading national and international banks; this agreement expires on 31 December 2014 and may be used to replace the existing Credit Agreement at its natural expiry on 3 May 2012.

This is a "forward start agreement" negotiated in advance of its period of use, under which the lenders will provide Prysmian S.p.A. and some of its subsidiaries (the same as in the existing Credit Agreement) loans and credit facilities for a total of Euro 1,070 million (of which Euro 400 million in the form of a Revolving credit facility and Euro 670 million in the form of a Term loan facility). The syndication process, started at the end of November 2009 for Euro 800 million, closed with a large oversubscription.

GROUP PERFORMANCE AND RESULTS

(in millions of Euro)

	1st quarter 2010	1st quarter 2009	% change	FY 2009
Sales	969	926	4.6%	3,731
Adjusted EBITDA	**75**	**90**	**-17.0%**	**403**
% of sales	7.7%	9.8%		10.8%
EBITDA	**72**	**88**	**-17.9%**	**366**
% of sales	7.5%	9.5%		9.8%
Fair value change in metal derivatives	(4)	56		91
Amortisation and depreciation	(18)	(16)	16.6%	(71)
Operating income (1)	**50**	**128**	**-60.8%**	**386**
% of sales	5.2%	13.8%		10.3%
Net finance income/(costs)	(16)	(2)	-	(52)
Share of income from investments accounted for using the equity method and dividends	-	-		3
Profit before taxes	**34**	**126**	**-72.6%**	**337**
% of sales	3.6%	13.7%		9.0%
Taxes	(11)	(35)	-68.8%	(85)
Profit/(loss) for the period	**23**	**91**	**-74.1%**	**252**
% of sales	2.4%	9.8%		6.8%
Attributable to:				
Owners of the parent	22	90		248
Non-controlling interests	1	1		4

Reconciliation of Operating Income/EBITDA to Adjusted Operating Income/Adjusted EBITDA

	1st quarter 2010	1st quarter 2009	% change	FY 2009
Operating income (A)	**50**	**128**	**-60.8%**	**386**
EBITDA (B)	**72**	**88**	**-17.9%**	**366**
Non-recurring expenses/(income):				
Company reorganisation	-	2		13
Shutdown of production facilities	-	-		6
Antitrust investigation legal costs	-	-		11
Special project costs	2	-		4
Environmental remediation	1	-		3
Total non-recurring expenses/(income) (C)	**3**	**2**		**37**
Fair value change in metal derivatives (D)	4	(56)		(91)
Impairment of production facilities (E)	-	-		2
Adjusted operating income (A+C+D+E)	**57**	**74**	**-23.8%**	**334**
Adjusted EBITDA (B+C)	**75**	**90**	**-17.0%**	**403**

(1) Starting from the third-quarter report 2009, operating income now includes the fair value change in metal derivatives previously classified in net finance income/(costs). The comparative figures for 1st quarter 2009 have been restated accordingly.

In the first quarter of 2010 the Prysmian Group reported an 11.2% organic decrease in sales compared with the same period in 2009 (excluding changes in group perimeter, metal prices and exchange rates), analysed by segment as follows:

- Energy - 11.7%;
- Telecom -6.5%.

Adjusted EBITDA amounted to Euro 75 million in the period (before non-recurring expenses of Euro 3 million), posting a decrease of Euro 15 million (-17.0%) on the first quarter of 2009.

During the first three months of the year, the Euro reported an average depreciation against the currencies in which the Group operates outside the Eurozone, benefiting this result by some Euro 2 million. This positive impact was due to the Euro's depreciation against the British pound, the Brazilian real and the Australian dollar, that was only partly offset by the negative effects of the Euro's appreciation against the US dollar and Chinese renmimbi.

INCOME STATEMENT

Group sales came to Euro 969 million in the first quarter of 2010, compared with Euro 926 million at 31 March 2009, representing a positive change of Euro 43 million (+4.6%).
This increase was in turn due to the following factors:

- benefit of Euro 14 million (+1.5%) following the acquisition of Ravin Cables Limited in India and Rybinsk Elektrokabel in Russia;
- positive exchange rate effects of Euro 30 million (+3.2%);
- increase of Euro 103 million (+11.1%) in sale prices due to fluctuations in metal prices (copper, aluminium and lead);
- organic decrease in sales of Euro 104 million (-11.2%) due to the negative trend in volumes and prices.

The contribution margin went down from Euro 191 million at the end of March 2009 to Euro 177 million at the end of the first quarter of 2010, representing a decrease of Euro 14 million (-7.3%). The contraction in margin reflects the trend in demand, which was down on the first quarter of 2009 although stable compared with the fourth quarter of 2009, and the pressure on prices, affecting most of the sectors in which Prysmian is active.
The commercial and product segmentation strategies reconfirmed by the Group for the current year have nonetheless limited the effects of the negative market trends. In fact, the large order book for long-term high value-added projects (High Voltage and Submarine) has allowed the Group to face the tougher market conditions for Trade & Installers and Power Distribution and the contraction in volumes in the Industrial business area.

Adjusted EBITDA amounted to Euro 75 million in the first three months of 2010, compared with Euro 90 million at 31 March 2009, reporting a decrease of Euro 15 million (-17.0%), almost all of which due to the lower contribution margin.

The negative change in adjusted EBITDA can be analysed as follows:

(in millions of Euro)			% change
Energy		(17)	
	Utilities	(3)	-3.4%
	Trade & Installers	(7)	-7.8%
	Industrial	(6)	-6.9%
	Other	(1)	-1.1%
Telecom		2	2.2%

Group EBITDA amounted to Euro 72 million at the end of March 2010, compared with Euro 88 million in the same period of 2009. The reduction of Euro 16 million (-17.9%) was primarily due to a decline in earnings from recurring operations.

Net non-recurring expenses included in EBITDA amounted to Euro 3 million, and comprise:

- Euro 2 million in costs for special acquisition projects;
- Euro 1 million in environmental remediation costs.

Amortisation, depreciation and impairment amounted to Euro 18 million at 31 March 2010, which was slightly more than in the prior year due to the significant level of investments in 2010.

The fair value change in metal derivatives was a positive Euro 4 million at 31 March 2010, compared with a corresponding negative Euro 56 million at the same date in the previous year, representing an overall negative change of Euro 60 million. This was due to unstable fluctuations, at nonetheless high levels, in strategic metal prices in the first quarter of 2010, following on from their sudden recovery at the end of March 2009 on the lows reached at the end of 2008.

Group operating income, inclusive of the fair value change in metal derivatives, amounted to Euro 50 million at 31 March 2010, compared with Euro 128 million in the same period of the prior year, reporting a decrease of Euro 78 million (-60.8%).

Finance income and costs reported a net negative Euro 16 million in the first quarter of 2010, compared with a negative Euro 2 million in the first quarter of 2009, posting a deterioration of Euro 14 million. This was entirely due to:

- a positive change of Euro 7 million in exchange differences;
- a negative change of Euro 21 million for currency derivatives.

First-quarter taxes amounted to Euro 11 million, representing a tax rate of 32.0%, up from 28.0% in the same period of 2009. The higher tax rate primarily reflects less utilisation of carry forward tax losses.

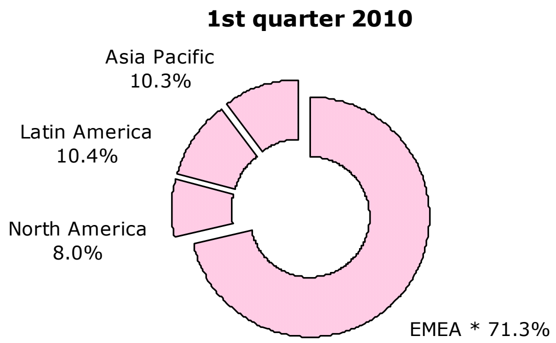
Net profit for the first three months of 2010 came to Euro 23 million, down 74.1% on the corresponding Euro 91 million in the first quarter of 2009.

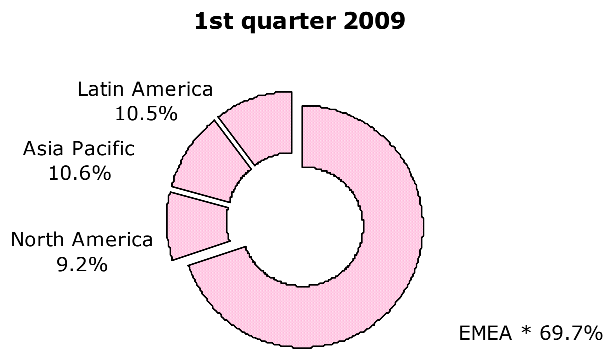
Adjusted Net profit[1] amounted to Euro 31 million, 31.1% lower than the corresponding figure of Euro 45 million in the first quarter of 2009.

[1] Adjusted Net profit is defined as profit before non-recurring income and expenses, the fair value change in metal derivatives, the effect of non-hedging currency derivatives, exchange rate differences and the related tax effects.

GEOGRAPHICAL PERFORMANCE

The following charts provide a comparison of sales by geographical area in the first quarter of 2010 and 2009.





* EMEA: Europe, Middle East and Africa

Considering the current highly uncertain context and the widespread depression in demand, geographical sales reported a larger share in Europe, which accounted for 71.3% of the total, up from 69.7% in the first quarter of 2009, and a smaller proportion in North America, which accounted for 8.0% of the total, down from 9.2% in the first quarter of 2009.

Sales in Europe amounted to Euro 691 million at 31 March 2010, having increased by Euro 45 million (+6.9%) on the prior year due to a combination of the following factors:

- positive exchange rate effects of Euro 6 million (+1.0%) due to depreciation of the Euro against other currencies in which Prysmian's European companies operate (primarily the British pound, Romanian leu and Turkish lira);
- increase of Euro 76 million (+11.7%) in metal prices (reflecting a rise in metal prices in the first three months of the year that was only partly mitigated by the appreciation of the Euro against the US dollar relative to the prior year);
- increase of Euro 7 million (+1.1%) due to the acquisition of Rybinsk in Russia;
- organic decrease of Euro 44 million (-6.9%), mainly arising from negative price and product mix changes in the Trade & Installers and Power Distribution lines of business and in the Telecom segment.

Sales in North America decreased by Euro 8 million (-9.8%) due to the combined effect of:

- negative exchange rate effects of Euro 1 million (-1.4%) following appreciation of the Euro against the US dollar;
- increase of Euro 8 million (+9.9%) in metal prices;

- organic decrease of Euro 15 million (–18.3%), due to general contraction in demand in all the Group's segments and last year's closure of the St. Jean sur Richelieu plant in Canada.

Sales in Latin America rose by Euro 4 million (+4.2%) on the prior year; this increase reflected positive exchange rate and metal price effects of Euro 24 million (+24.4%), as partially offset by an organic reduction in sales of Euro 20 million (–20.2%), in turn attributable to the sharp downturn in demand in the Industrial business area, particularly in the Oil & Gas sector.

Sales in Asia Pacific amounted to Euro 100 million in the first quarter of 2010, reporting an increase of Euro 2 million (+2.0%) on the same period of last year, reflecting a combination of the following factors:

- positive exchange rate effects of Euro 12 million (+12.3%), mainly due to depreciation of the Euro against the Australian dollar;
- increase of Euro 7 million (+7.2%) in metal prices;
- increase of Euro 7 million (+6.6%) due to the acquisition of Ravin Cables Limited in India;
- organic decrease of Euro 24 million (–24.1%), almost all of which due to lower volumes for Power Distribution and Industrial Markets in Australia.

SEGMENT PERFORMANCE

ENERGY

(in millions of Euro)	1st quarter 2010	1st quarter 2009	% change	FY 2009
Sales	873	827	5.5%	3,344
of which to third parties	866	824	5.1%	3,328
Adjusted EBITDA	68	85	–19.2%	372
% of sales	7.8%	10.3%		11.1%
EBITDA	65	83	–20.5%	342
% of sales	7.5%	10.0%		10.2%
Amortisation and depreciation	(16)	(15)	12.4%	(63)
Adjusted operating income	52	70	–25.9%	309
% of sales	5.9%	8.5%		9.3%
Contribution margin	156	171	–8.8%	706
% of sales	17.9%	20.7%		21.1%

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	65	83	–20.5%	342
Non-recurring expenses/(income):				
Company reorganisation	–	2		12
Shutdown of production facilities	–	–		6
Antitrust investigation legal costs	–	–		8
Special project costs	2	–		1
Environmental remediation	1	–		3
Total non-recurring expenses/(income) (B)	3	2		30
Impairment of production facilities (C)	–	–		1
Adjusted operating income	52	70	–25.9%	309
Adjusted EBITDA (A+B)	68	85	–19.2%	372

Sales to third parties by the Energy Cables and Systems segment rose from Euro 824 million in the first quarter of 2009 to Euro 866 million in 2010. The increase of Euro 42 million (+5.1%) was mainly due to the following factors:

- increase of Euro 99 million (+12.0%) in sale prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 26 million (+3.2%);
- increase of Euro 14 million (+1.6%) due to the acquisition of Ravin Cables Limited in India and Rybinsk Elektrokabel in Russia;
- organic decrease in sales of Euro 97 million (-11.7%) due to negative changes in volumes, prices and mix.

Contribution margin decreased by 8.8% from Euro 171 million at 31 March 2009 to Euro 156 million at 31 March 2010, despite Euro 1 million in extra margin from the new acquisitions.
The contraction in margin was proportionately lower than in sales; in fact, pressure on volumes and sale prices was concentrated in the lower value-added business areas and lines, such as Trade & Installers and Power Distribution, while higher value-added lines such as High Voltage, Submarine and Accessories remained unchanged relative to the last quarter of 2009.

Adjusted EBITDA came to Euro 68 million in the first quarter of 2010, compared with Euro 85 million at 31 March 2009, reporting a reduction of Euro 17 million (-19.2%). This decline primarily reflects a drop in contribution margin, and partly the negative impact of exchange rates on fixed costs.
The following paragraphs describe market trends and financial performance in each of the Energy segment's business areas.

UTILITIES

(in millions of Euro)	1st quarter 2010	1st quarter 2009	% change	% organic change	FY 2009
Sales	370	395			1,598
of which to third parties	370	395	*-6.4%*	*-13.1%*	1,598
Adjusted EBITDA	52	55			266
% of sales	14.0%	14.0%			16.7%
Adjusted operating income	43	49			237
% of sales	11.7%	12.3%			14.7%

The Utilities business area encompasses Prysmian's Energy segment activities involving the design, production and installation of cables and accessories for power transmission and distribution, both at power stations and within primary and secondary distribution networks.
The following business lines can be identified within the Utilities business area:

Power transmission systems (High Voltage)

Prysmian designs, produces and installs systems with high and extra-high voltage cables for transporting electricity both from power stations and within primary transmission and distribution networks. This line of business mainly focuses on providing turnkey solutions customised to meet customer specifications. Products include cables insulated with paper impregnated with oil or fluid for voltages up to 1,100 kV and extruded polymer insulated cables for voltages below 500 kV. Products are highly customised and have a high technological content. This line of business provides its customers with installation and post-installation services, as well as network management and maintenance services, including network performance monitoring, network cable repair and maintenance, and emergency services, such as reinstatement of service following damage.

Submarine power transmission and distribution systems (Submarine)

Prysmian designs, produces and installs turnkey submarine power transmission and distribution systems.
The Group has used specific technology for submarine power transmission and distribution in order to develop cables and accessories boasting exclusive proprietary technology for installation at depths of up to 2,000 metres. These cables offer different types of insulation: cables insulated with paper impregnated with oil or fluid for transmission of up to 500 kV in direct and alternating current; extruded polymer insulated cables for transmission of up to 400 kV in alternating current and up to 300 kV in direct current. Installation, design and services are of particular importance in this business. In particular, as far as installation is concerned, Prysmian can call on the services of the Giulio Verne, one of the largest and most technologically advanced cable-laying vessels in the world.

Power distribution cables and systems (Power Distribution)

In the field of power distribution cables and systems, Prysmian produces medium voltage cables and systems for the connection of industrial and/or residential buildings to primary distribution networks and low voltage cables and systems for power distribution and the wiring of buildings. All Prysmian products in this category comply with international standards regarding insulation, fire resistance, smoke emissions and halogen levels.

Network accessories and components (Accessories)

Prysmian also produces accessories such as joints and terminations for low, medium, high and extra-high voltage cables, as well as accessories to connect cables with each other and with other network equipment, suitable for industrial, building or infrastructure applications and for power transmission and distribution systems. Network components for high voltage applications, in particular, are designed to customer specifications.

MARKET OVERVIEW

Despite large differences between the various segments and geographical areas, the markets in which Prysmian's Utilities business area operated during the first quarter of 2010 saw demand generally stable at the minimum levels reached in the last part of 2009, with slight signs of improvement in both the distribution (from February) and the transmission market.

Activities in the High Voltage market – traditionally highly international both in terms of demand and cable manufacturers – confirmed the signs of stabilisation seen in the second half of 2009. In fact, the sector's larger utilities continued to invest in projects to rationalise and/or maintain existing networks, and reactivated over recent months initiatives for starting large new projects both in Europe and China.

As for the Submarine cables business line, the first quarter of the year confirmed the recovery in investment by utilities in new offshore wind farms and also a gradual reawakening of interest in major new interconnection projects.

Demand in the Power Distribution business line generally stayed at the level reached in the last few months of the prior year, with volumes largely stable in the quarter except for the North American market where demand continued to contract. The month of January was negatively affected by adverse weather conditions with a subsequent recovery from February on.

The market for Accessories and network components can be broadly divided into products for high and extra-high voltage networks and products for medium and low voltage use.
As regards the first line of business, demand confirmed signs of stabilising at the level in the second half of 2009, driven above all by the type of projects undertaken by utilities described earlier; in fact, grid rationalisation and repair work requires the systematic use of new accessories.
The market for medium and low voltage accessories contracted, since these products are usually used for ordinary maintenance of secondary distribution networks.

FINANCIAL PERFORMANCE
Sales to third parties by the Utilities business area amounted to Euro 370 million in the first quarter of 2010 compared with Euro 395 million at 31 March 2009, posting a decrease of Euro 25 million (-6.4%) due to the combined effect of the following factors:

- increase of Euro 13 million (+3.3%) in sale prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 7 million (+1.7%);
- benefit of Euro 7 million (+1.7%) due to the acquisition of Ravin Cables Limited in India;
- organic decrease in sales of Euro 52 million (-13.1%) due to negative changes in volumes, prices and mix.

A large part of the reduction came from the Power Distribution business line, which posted a major contraction in volumes on the prior year. The geographical areas with the largest falls in sales were the United States, Brazil and South East Asia, where larger customers were affected not only by the absence of policies in support of the sector but also by tighter credit. In Europe, despite generally stable volumes in larger countries like France, Italy and Germany, Prysmian was faced with demands for price discounts or for products with a lower technological value added.

Sales by the High Voltage business line were affected by the general contraction in demand, and by adverse weather conditions in Europe and North America, which delayed the performance of installation projects acquired in preceding months.

Sales by the Accessories business line suffered from the reduction in demand primarily in the Medium and Low Voltage sectors.

Sales by the Submarine business line enjoyed positive organic growth on the prior year thanks to projects such as the Sardinia - Italian Mainland link (Sa.Pe.I), Bahrain (GCCIA), Doha Bay (Qatar),

Cometa (Majorca-Iberian Mainland) and Transbay (USA), as well as a series of smaller projects carried out by Prysmian on certain European domestic markets.
Despite some positive signs on the financial markets, the unpredictability of these markets and the strategies by the principal utilities has prompted Prysmian not to overlook even smaller business opportunities (such as those involving grid repair and maintenance). The value of the Group's order book at the end of March 2010 provides sales visibility for a period of about two years.

In the first quarter of 2010 the contribution margin of the Utilities business area decreased by Euro 3 million (-3.1%) on the same period of the previous year.
Contribution margin actually declined proportionately less than sales thanks to a higher contribution from more profitable business lines (High Voltage, Accessories and Submarine) rather than from Power Distribution.

The decline in contribution margin was reflected in full in adjusted EBITDA, which went from Euro 55 million in the first quarter of 2009 to Euro 52 million at the end of March 2010.

TRADE & INSTALLERS

(in millions of Euro)	1st quarter 2010	1st quarter 2009	% change	% organic change	FY 2009
Sales	312	241			1,021
of which to third parties	312	241	*29.5%*	*-8.6%*	1,020
Adjusted EBITDA	5	12			41
% of sales	1.7%	4.9%			4.0%
Adjusted operating income	2	8			26
% of sales	0.5%	3.5%			2.5%

Prysmian produces a wide range of rigid and flexible low voltage cables for distributing power to and within residential and non-residential buildings that comply with international standards.
Product development and innovation pays particular attention to high performance cables, such as Fire-Resistant cables and Low Smoke zero Halogen (LSOH) cables, which are used in all those applications where safety must be guaranteed: in the event of fire, Fire-Resistant cables continue to operate and Low Smoke zero Halogen cables have reduced emissions of toxic gas and smoke.
Prysmian's customers for these products cover a wide spectrum, from international distributors and buying syndicates to installers and wholesalers.

MARKET OVERVIEW

The reference markets have distinct geographical characteristics (despite international product standards) both in terms of customer and supplier fragmentation and the range of items produced and sold.
The construction industry in Europe, North America and Australia failed to show any signs of recovery in the first quarter of 2010: the markets for these particular cables featured strong competitive pressures both on volumes and prices.

In Europe, France, Germany and Italy reported a weak upturn in demand in volume terms, reflecting restocking by large wholesalers, rather than higher demand by end users. The lack of visibility on a positive demand evolution, combined with currency and metal price fluctuations, has increased price competition.
Markets in North America presented very similar trends, still marked by a contraction in volumes and aggressive pricing.
Markets in South America were stable, even if showing growing price pressures, as already experienced in the non-residential construction sector during the fourth quarter of 2009.

FINANCIAL PERFORMANCE

Sales to third parties by the Trade & Installers business area increased by Euro 71 million (+29.5%), from Euro 241 million in the first three months of 2009 to Euro 312 million at the end of March 2010; this increase was principally due to:

- rise of Euro 74 million (+30.8%) in sale prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 11 million (+4.4%);
- benefit of Euro 7 million (+2.9%) due to the acquisition of Rybinsk Elektrokabel in Russia;
- organic decrease in sales of Euro 21 million (-8.6%), caused by deterioration in net prices and mix.

Prysmian retained its market share on the main European markets in the first quarter of 2010 thanks to solid commercial relationships with major international wholesalers and the taking up of all opportunities with other operators.
At the same time, Prysmian started a series of commercial initiatives to regain market share in Canada, which had been partially eroded in 2009 after closure of the local plant.
Despite price pressure in the residential and non-residential construction sector, Prysmian consolidated its market share in South America thanks to its wide product range.
The Group's strategy in Australia was directed at increasing its share with the major international wholesalers, who have proved the most active operators capable of positively influencing end demand.
In general, Prysmian sought in the first quarter of 2010 not only to intervene selectively on the product portfolio, but also to increase its market share mainly through the breadth of its product range since acute price pressure was unavoidable.

Contribution margin came to Euro 30 million at 31 March 2010, reflecting a reduction of Euro 7 million (-18.9%) on the same period of the previous year, particularly because of trends in net sale prices.

The decline in contribution margin was reflected in full in adjusted EBITDA, which went from Euro 12 million in the first quarter of 2009 to Euro 5 million at the end of March 2010.

INDUSTRIAL

(in millions of Euro)	1st quarter 2010	1st quarter 2009	% change	% organic change	FY 2009
Sales	159	170			628
of which to third parties	159	170	-6.5%	-17.3%	628
Adjusted EBITDA	11	17			62
% of sales	6.8%	9.9%			9.8%
Adjusted operating income	7	13			46
% of sales	4.1%	7.7%			7.3%

Prysmian's extensive product range, developed specifically for the Industrial market, stands out for the highly customised nature of the solutions. Prysmian cables serve a broad range of industries, including Oil & Gas, Transport, Infrastructure, Mining and Renewable Energy. Prysmian concentrates its efforts on providing integrated, value-added cabling solutions responding to customer specifications. Its customers include world-leading industrial groups and OEMs (Original Equipment Manufacturers), such as ABB, AKER, Alstom, SNCF, Petrobras, Peugeot-Citroen, Renault, Siemens and Leoni.

Prysmian offers solutions to the Oil & Gas industry for both upstream and downstream activities. Its products therefore range from low and medium voltage power and instrumentation/control cables, to multipurpose umbilical cables for transporting energy, telecommunications, fluids and chemical products when connecting submarine sources and collectors to FPSO (Floating, Production, Storage and Offloading) platforms.

Prysmian cables are used in the transport sector for the construction of trains, ships and motor vehicles; the principal applications for which Prysmian cables are used in the infrastructure sector are railways, ports and airports. The range also includes cables for the mining industry and for applications in the renewable energy sector. Prysmian also supplies cables able to withstand high radiation environments for use in military applications and nuclear power stations.

MARKET OVERVIEW

Markets for industrial cables in the first quarter of 2010 did not show signs of reversing the trend seen in the last six months of 2009.
In fact, although the price of oil stabilised, fluctuations in the price of the principal raw materials and above all the uncertain trend in future consumption caused demand in the sectors of Oil & Gas, mining, shipping and port installations to continue to fall on the second half of 2009.
In the rail infrastructure sector and transport sector in general, the principal operators were increasingly prudent due to the limited visibility on restart of investments.
The automotive sector, after experiencing a general contraction in 2008 and in the first six months of 2009, reported signs of recovery, thanks to government policies and eco-incentives in support of the car industry in the principal western economies.
Cables for domestic appliances (Branchement) also reported slight signs of recovery, thanks to government policies to encourage energy saving.

FINANCIAL PERFORMANCE

The Industrial business area reported Euro 159 million in sales to third parties in the first quarter of 2010, compared with Euro 170 million in the same period of 2009. The reduction of Euro 11 million (-6.5%) is due to the following factors:

- increase of Euro 10 million (+5.7%) in sale prices due to higher metal prices;
- positive exchange rate effects of Euro 9 million (+5.1%);
- organic decrease in sales of Euro 30 million (-17.3%).

Contribution margin amounted to Euro 32 million, compared with Euro 37 million at 31 March 2009. The reduction of Euro 5 million (-13.5%) mostly reflects Oil & Gas sales performance in South America, where the requirements of the principal customer (Petrobras) were lower during 2009 implying a reduction in volume in the first quarter of the year compared to the first quarter of 2009. In Europe, the slight recovery in sales in the sectors of renewable energy, automotive and branchement allowed Prysmian to counterbalance the reduction in volumes in the rail and mining sectors.

All of the decline in contribution margin was reflected in adjusted EBITDA and adjusted operating income.

OTHER

(in millions of Euro)	1st quarter 2010	1st quarter 2009	FY 2009
Sales	32	21	97
of which to third parties	25	18	82
Adjusted EBITDA	-	1	3
Adjusted operating income	-	-	-

This business area comprises the sale of semi-finished products, raw materials or other goods, forming part of the production process and occasionally produced by operating units of the Prysmian Group.
These sales are normally associated with local commercial decisions, do not carry high margins and can vary in size from period to period.

TELECOM

(in millions of Euro)	1st quarter 2010	1st quarter 2009	% change	FY 2009
Sales	106	104	1.5%	411
of which to third parties	103	102	1.0%	403
Adjusted EBITDA	7	5	15.2%	31
% of sales	6.2%	5.5%		7.6%
EBITDA	7	5	15.2%	30
% of sales	6.2%	5.2%		7.4%
Amortisation and depreciation	(2)	(1)	76.3%	(6)
Adjusted operating income	5	4	1.6%	25
% of sales	4.5%	4.5%		6.1%
Contribution margin	20	20	0.5%	85
% of sales	19.0%	19.2%		20.7%

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	7	5	15.2%	30
Non-recurring expenses/(income):				
Company reorganisation	-	-		1
Total non-recurring expenses/(income) (B)	-	-		1
Impairment of production facilities (C)	-	-		-
Adjusted operating income	5	4	1.6%	25
Adjusted EBITDA (A+B)	7	5	15.2%	31

As partner to the world's leading telecoms operators, Prysmian produces and sells a wide range of optical fibre and copper cables, suitable for all types of application for voice/video/data transmission, as well as connectivity components and accessories.

Optical fibres

Prysmian is a leading manufacturer of the fundamental component of all optical cables - namely the optical fibre. With its experience in fibre production dating back to 1982, Prysmian is able to utilise all three of the major production technologies currently available: OVD (Outside Vapour Deposition), MCVD (Modified Chemical Vapour Deposition) and VAD (Vapour Axial Deposition). The Group produces a complete range of fibres including long distance, metro ring, low water peak, and reduced diameter fibre, and the latest addition to the fibre family - bend insensitive fibres. Fibres are produced to the highest standards of quality control and in strict compliance with ITU international standards. With a centre of excellence for fibre in Battipaglia, Italy, and a total of three manufacturing locations worldwide, Prysmian is truly a global leader in this highly specialised technology.

Optical cables

Optical fibres are used in the production of a vast range of optical cables, from single fibre constructions through to cables containing 1,728 fibres. Optical cables are now used in a variety of demanding environments. They can be pulled (or blown) into ducts, buried directly underground or suspended on overhead systems such as telegraph poles or electricity pylons. Cables are also installed

in road and rail tunnels and within various buildings where they must satisfy specific fire-resistant requirements.
Cables can also be installed in gas and drainage networks. Prysmian has cable designs specifically tailored to meet all of these requirements including technologies such as Optical Ground Wire (OPGW), Rapier (easy break-out), Zephyr (mini blown cable), Airbag (dielectric direct buried) and many more.

Copper cables
Prysmian produces a wide range of copper cables for underground and overhead cabling solutions and for residential and commercial buildings. Cables are designed for high transmission, low interference and electromagnetic compatibility and in accordance with the main international standards and specifications. Prysmian can supply cables with specific performance characteristics such as zero halogen emissions, low emission of toxic fumes and gases and fire non-propagating. The Group's product portfolio includes a vast range of copper cables with different capacities (from 2 to 2,400 pairs) including xDSL cables for broadband access.

Accessories
Prysmian supplies a complete range of passive connectivity products under the OAsys trademark. These products satisfy all cable management needs whatever the network type, including overhead and underground installation, as well as cabling in central offices, exchanges or customer premises.

FTTH (Fibre To The Home)
Growing customer demand for higher bandwidth has seen the deployment of optical fibre moving closer to the end user with the ultimate goal being Fibre To The Home (FTTH). Prysmian is extremely active in this rapidly growing sector of the market where its approach is based on combining existing technology - such as the Sirocco Blown Fibre System - with innovative new solutions such as Quickdraw pre-connectorised cable and the new VerticasaTM system, which provides an efficient way of deploying fibres in high-rise buildings and multi-dwelling units. Many of the cables used in FTTH systems feature Prysmian's proprietary bend insensitive CasaLightTM optical fibre which was specially developed for this application.

MARKET OVERVIEW

The global optical fibre cables market has been stable since the end of the prior year. The latest CRU bulletin in March 2010 has estimated a slight decline in the size of the global market in 2010 but with large regional differences. Rapidly developing markets (especially China) are expected to report a slowing of growth with general stability in both North America and Europe.
The Access/Broadband/FTTx market was relatively lively in the first quarter of 2010, although the relatively low maturity of these products implies a different evolution in demand by geographical area.

The copper cables market is reporting a slowdown because of the economic situation, which has also caused operators to reschedule their larger investment projects. Copper cables are primarily used for maintenance work or for upgrading existing networks. xDSL cables have provided an opportunity for product technological diversification in a market that has not otherwise experienced significant changes in recent years.

FINANCIAL PERFORMANCE

Sales to third parties by the Telecom segment amounted to Euro 103 million in the first quarter of 2010 compared with Euro 102 million in the first quarter of 2009, reporting an increase of Euro 1 million (+1.0%).

This change was mainly due to the following factors:

- increase of Euro 4 million (+4.1%) in sale prices due to higher metal prices;
- positive exchange rate effects of Euro 4 million (+3.4%);
- organic decrease in sales of Euro 7 million (-6.5%).

The organic decrease in sales in the first quarter of 2010 primarily reflects the temporary postponement of certain projects involving optical fibre cables as well as the continued weakness of demand for copper cables.

Prysmian continues to drive forward certain projects in the field of optical fibres, including:

- CasaLightTM optical fibre, which is specially designed to meet the particularly demanding requirements when fibre is bent for installation purposes;
- VertiCasaTM project, which involves a new cabling system designed for installation of optical fibre cables in high-rise buildings.

The Company has also entered an agreement with Cabelte Cabos Eléctricos e Telefónicos S.A. of Portugal for the joint development and sale of FTTH solutions in Portugal, Angola and Mozambique.

In January Prysmian reached the important milestone of having installed 150,000 km of Optical Ground Wire cable worldwide. OPGW cable is an integral part of any overhead power transmission network, serving not only the primary function as a conventional ground conductor but also as a communication cable thanks to its optical fibres.

Contribution margin was stable at Euro 20 million. Adjusted EBITDA (before non-recurring income and expenses) came to Euro 7 million at the end of the first quarter of 2010, up Euro 2 million on the first quarter of 2009, thanks to actions to cut fixed costs.

GROUP STATEMENT OF FINANCIAL POSITION

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)	31 March 2010	31 March 2009	Change	31 December 2009
Net fixed assets	1,001	895	106	958
Net working capital	600	508	92	479
Provisions	(128)	(93)	(35)	(123)
Net capital employed	1,473	1,310	163	1,314
Employee benefit obligations	145	129	16	142
Total equity	732	540	192	698
of which attributable to non-controlling interests	36	16	20	21
Net financial position	596	641	(45)	474
Total equity and sources of funds	1,473	1,310	163	1,314

Net fixed assets were Euro 43 million higher than at 31 December 2009, mainly due to the combined effect of:

- Euro 11 million in investments;
- Euro 18 million in depreciation and amortisation;
- consolidation of Euro 29 million in fixed assets belonging to the newly-acquired Ravin Cables Limited;
- exchange rate appreciation by the Australian dollar, Canadian dollar and Chinese renmimbi.

Net working capital was Euro 121 million higher than at 31 December 2009 (Euro 138 million higher excluding the decrease in liabilities for the fair value change in derivatives); this increase reflects not only the trend in strategic metal prices which has caused the value of metal contained in the Group's net working capital to rise since December 2009, but also seasonal trends, growth in working capital employed in High Voltage and Submarine projects and the addition of Euro 14 million following the acquisition of the Indian company Ravin Cables Limited.

The net financial position was up by Euro 122 million on 31 December 2009, reflecting the following factors:

- net cash inflow from operating activities in the first quarter of 2010;
- negative impact of the seasonal change in working capital, in turn affected by the trend in strategic metal prices and the growing financial needs of long-term projects under their planned schedules;
- net operating investments of Euro 11 million;
- payment of Euro 4 million in net finance costs, including an outlay of Euro 12 million in banks fees and other incidental costs relating to the Forward Start Credit Agreement completed in January 2010;
- change of Euro 25 million following the acquisition of the Indian company Ravin Cables Limited.

The net financial position was Euro 45 million lower than at 31 March 2009 thanks to cash inflow in the past twelve months, even after paying out Euro 75 million in dividends and Euro 38 million for the acquisitions of Rybinsk Elektokabel in Russia and Ravin Cables Limited in India.

NET WORKING CAPITAL

The main components of net working capital are analysed in the following table:

(in millions of Euro)	31 March 2010	31 March 2009	Change	31 December 2009
Inventories	561	489	72	443
Trade receivables	723	716	7	622
Trade payables	(694)	(548)	(146)	(561)
Other receivables/(payables)	13	(111)	124	(39)
Operative Net working capital	603	546	57	465
Derivatives	(3)	(38)	35	14
Net working capital	600	508	92	479

Net operating working capital amounted to Euro 603 million (15.6% of sales) at 31 March 2010, compared with Euro 465 million (12.5% of sales) at 31 December 2009 and Euro 546 million (14.7% of sales) at 31 March 2009.

This change was affected by the following factors:

- increase in net working capital employed in High Voltage and Submarine projects;
- trend in strategic metal prices, causing an increase in the value of metal included in the Group's net working capital relative to both December 2009 and March 2009;
- change in the group perimeter for the acquisition of Ravin Cables Limited in India and Rybinsk Elektokabel in Russia of Euro 16 million since March 2009, and of Euro 14 million since December 2009 in relation to just Ravin Cables Limited.

NET FINANCIAL POSITION

The following table provides a detailed breakdown of the net financial position:

(in millions of Euro)	31 March 2010	31 March 2009	Change	31 December 2009
Long-term financial payables				
Credit agreement	871	973	(102)	864
Bank fees	(3)	(6)	3	(4)
Other financial payables	67	41	26	29
Total long-term financial payables	935	1,008	(73)	889
Short-term financial payables				
Credit agreement	104	44	60	100
Securitization	–	–	–	–
Other financial payables	100	80	20	72
Total short-term financial payables	204	124	80	172
Total financial liabilities	1,139	1,132	7	1,061
Long-term financial receivables	4	18	(14)	7
Long-term bank fees	17	6	11	4
Short-term financial receivables	43	32	11	39
Short-term bank fees	3	3	–	3
Financial assets held for trading	70	42	28	42
Cash and cash equivalents	406	390	16	492
Total financial assets	543	491	52	587
Net financial position	596	641	(45)	474

STATEMENT OF CASH FLOWS

(in millions of Euro)	31 March 2010	31 March 2009	Change	31 December 2009
EBITDA	72	88	(16)	366
Share-based compensation	–	–	–	1
Changes in provisions (including employee benefit obligations)	–	(7)	7	(12)
Net cash flow provided by operating activities (before changes in net working capital)	72	81	(9)	355
Changes in net working capital	(120)	(96)	(24)	36
Taxes paid	(6)	(16)	10	(62)
Net cash flow provided by/(used in) operating activities	(54)	(31)	(23)	329
Acquisitions	(20)	–	(20)	(3)
Net cash flow used in operational investing activities	(11)	(21)	10	(106)
Net cash flow used in financial investing activities (1)	–	–	–	9
Free cash flow (unlevered)	(85)	(52)	(33)	229
Net finance costs	(4)	(1)	(3)	(46)
Free cash flow (levered)	(89)	(53)	(36)	183
Capital contributions and other changes in equity	8	1	7	5
Dividends paid	–	–	–	(75)
Net cash flow provided/(used) in the period	(81)	(52)	(29)	113
Net financial position at the beginning of the period	(474)	(577)	103	(577)
Net cash flow provided/(used) in the period	(81)	(52)	(29)	113
Other changes	(41)	(12)	(29)	(10)
Net financial position at the end of the period	(596)	(641)	45	(474)

(1) This does not include cash flow relating to "Financial assets held for trading", classified in the net financial position.

Net cash flow provided by operating activities (before changes in net working capital) amounted to Euro 72 million in the first quarter of 2010.
This cash flow was absorbed by the increase of Euro 120 million in net working capital described earlier. Therefore, after deducting Euro 6 million in tax payments, net cash flow from operating activities in the period was a negative Euro 54 million.
Net cash flow used for acquisitions was Euro 20 million and relates to the investment in Ravin Cables Limited.

Net operating investments in the first quarter of 2010 amounted to Euro 11 million, Euro 10 million less than in the same period of 2008. Investments in the first quarter of 2010 primarily related to the construction of the new plant in Brazil, which will design and supply high-tech flexible pipes for offshore oil drilling under a four-year agreement with the oil company Petrobras, and to investments in improving industrial efficiency.

ALTERNATIVE PERFORMANCE INDICATORS

In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified statements and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.

The alternative indicators used for reviewing the income statement include:

- **Adjusted profit**: profit before non-recurring income and expenses, the fair value change in metal derivatives, the effect of non-hedging currency derivatives, exchange rate differences and the related tax effects;
- **Adjusted operating income**: operating income before non-recurring income and expenses and the fair value change in metal derivatives as reported in the consolidated income statement. The purpose of this indicator is to present the Group's operating profitability without the effects of events considered to be outside its recurring operations;
- **EBITDA**: operating income before the fair value change in metal price derivatives and amortisation, depreciation and impairment. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;
- **Adjusted EBITDA**: EBITDA as defined above calculated before non-recurring income and expenses, as reported in the consolidated income statement. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items, without the effects of events considered to be outside the Group's recurring operations;
- **Contribution margin**: the difference between revenues from sales of goods and services and the sum of all production, distribution and commercial costs which vary according to sales. The purpose of this indicator is to evaluate sensitivity of the Group's revenues to variations in sales;

• **Organic growth**: change in sales calculated net of changes in the scope of consolidation, changes in metal prices and the effect of exchange rates.

The alternative indicators used for reviewing the reclassified statement of financial position include:
• **Net fixed assets:** sum of the following items contained in the statement of financial position:
- Intangible assets
- Property, plant and equipment
- Investments in associates
- Available-for-sale financial assets, net of non-current securities classified as long-term financial receivables in the net financial position

• **Net working capital:** sum of the following items contained in the statement of financial position:
- Inventories
- Trade receivables
- Trade payables
- Other non-current receivables and payables, net of long-term financial receivables classified in the net financial position
- Other current receivables and payables, net of short-term financial receivables classified in the net financial position
- Derivatives net of financial instruments for hedging interest rate and currency risks relating to financial transactions, classified in the net financial position
- Current tax payables

• **Net operative working capital:** sum of the following items contained in the statement of financial position:
- Inventories
- Trade receivables
- Trade payables
- Other non-current receivables and payables, net of long-term financial receivables classified in the net financial position
- Other current receivables and payables, net of short-term financial receivables classified in the net financial position
- Current tax payables

• **Provisions:** sum of the following items contained in the statement of financial position:
- Provisions for risks and charges – current portion
- Provisions for risks and charges – non-current portion
- Provisions for deferred tax liabilities
- Deferred tax assets

• **Net capital employed:** sum of Fixed assets, Net working capital and Provisions.
• **Employee benefit obligations** and **Total equity:** these indicators correspond to Employee benefit obligations and Total equity reported in the statement of financial position.
• **Net financial position:** sum of the following items:
- Borrowings from banks and other lenders – non-current portion
- Borrowings from banks and other lenders – current portion
- Derivatives for financial transactions recorded as Non-current derivatives and classified under Long-term financial receivables

- Derivatives for financial transactions recorded as Current derivatives and classified under Short-term financial receivables
- Derivatives for financial transactions recorded as Non-current derivatives and classified under Long-term financial payables
- Derivatives for financial transactions recorded as Current derivatives and classified under Short-term financial payables
- Medium/long-term financial receivables recorded in Other non-current receivables
- Bank fees on loans recorded in Other non-current receivables
- Short-term financial receivables recorded in Other current receivables
- Bank fees on loans recorded in Other current receivables
- Financial assets held for trading
- Cash and cash equivalents

SUBSEQUENT EVENTS

Further to the resolution adopted by the Board of Directors on 3 March 2010, Prysmian S.p.A. completed the placement of an unrated bond with institutional investors on the Eurobond market on 30 March for a total nominal amount of Euro 400 million.
Strong investor interest resulted in the receipt of applications for in excess of Euro 3 billion, meaning that the offer was more than 7.5 times oversubscribed.
The bond, whose issue price was Euro 99.674, has a 5-year term and will pay a fixed annual coupon of 5.25%. The bonds were settled on 9 April 2010.
The bond has been admitted to the Luxembourg Stock Exchange's official list and trades on the related regulated market.
Prysmian S.p.A. will use the bond proceeds to finance the Group's activities, including to refinance its existing debt.
On 16 April 2010, Prysmian therefore made an early repayment of Euro 200 million against the Term Loan received on 4 May 2007; this repayment corresponds to the amounts that were due in 2010 and 2011 and means that the Term Loan now stands at Euro 770 million.

On 15 April 2010, the shareholders of Prysmian S.p.A. approved the financial statements for 2009 and the distribution of a dividend of Euro 0.417 per share, for a total of some Euro 74 million. The dividend was paid on 22 April 2010.
The shareholders also appointed a new Board of Statutory Auditors, who will remain in office until the Shareholders' Meeting called to approve the financial statements at 31 December 2012 and also determined that the Board of Directors should have 10 members, appointing Stefano Bulletti as a new director, who will remain in office until approval of the financial statements for the year ended 31 December 2011.

Lastly, the Shareholders' Meeting approved an amendment to the Incentive Plan that it had approved on 30 November 2006. This amendment introduces four new option exercise periods, solely for beneficiaries still in the Group's employment.

Vested but unexercised options and options that will vest in future will be exercisable until the thirtieth day after publicly announcing the approval of the Company's separate financial statements for 2012. All the other terms of the plan remain the same. Since the fair value of unexercised options is largely unaffected by the new terms of exercise, no significant changes are expected in the plan's impact on the income statement.

The amendment of the incentive plan has been accompanied by an extension of the term for the capital increase by Prysmian S.p.A. relating to this plan, involving a consequent revision of article 6 of the Company's by-laws.

BUSINESS OUTLOOK

The first three months of the year have confirmed the stabilisation in demand and industrial output at the low levels already reached in the last part of 2009; furthermore, the weakness in demand, combined with the high price of raw materials, has negatively affected the Group's profit margins. Given this economic scenario, in 2010 the Group expects to see demand stabilise, at the minimum levels reached in the first quarter, for the Trade & Installers and Power Distribution businesses, with a possible gradual recovery during the year. On the other hand, orders are expected to recover for power transmission projects, for certain industrial applications such as renewable energy and off-shore oil drilling as well as for optical fibre cables supplied to major Telecom operators.
Based on the results achieved in the first three months, combined with the size of the current order book, FY 2010 adjusted EBITDA is forecast in the region of Euro 350-400 million; this range is related to the development of the reference markets demand in the second half of the year (FY 2009: Euro 403 million).
The Group also continues to rationalise and improve efficiency in its industrial footprint and to optimise its cost structure, while confirming its investment plans already started in the high value-added businesses to further strengthen its presence in the most profitable, high-growth segments.

RISKS FORESEEABLE IN 2010 (*)

Given the results of operations in the first three months of the year and the specific economic context, the principal risk factors currently foreseeable for the next nine months of 2010 are described below according to their nature.

Market risks

The first three months of the year confirmed the weakness of demand with volumes stables at record lows for recent years. In particular, some of the Group's products, mainly relating to business areas such as Trade & Installers, Industrial and the Power Distribution line,

(*) The risks described in this section are those that, at the date of the present document, the Group believes could have a material negative impact in the near term on its activities, financial position, earnings and future prospects if they were to occur. Prysmian may be exposed to other risks not identified at the date of the present document, or which do not currently appear to be material.

are liable to cyclical fluctuations in demand and are affected by trends in the construction industry and by growth in gross domestic product. Although the diversified nature of the Group's markets and products reduces its exposure to cyclical trends in demand in certain markets, it is not possible to preclude the possibility of another significant contraction in demand during the year for the businesses mentioned above, which combined with a reduction in order intake in the High Voltage business line, could have a significant impact on the Group's activities, results of operations and statement of financial position.
Competitive pressure due to lower demand in the Trade & Installers business area and in the Power Distribution business line, although to a lesser extent, could translate into additional price pressure because many of the products offered by the Group in these areas are made in compliance with specific industrial standards and are largely interchangeable with those offered by its major competitors, in which case price is an important factor.
Even though the Group believes it will be able to cut costs in the face of contracting sales volumes, it may not be able to reduce them sufficiently to match a possible contraction in prices, with a consequently negative impact on its activities, results of operations and statement of financial position.

Risks associated with fluctuations in raw material prices

All raw materials, especially oil derivatives, have experienced particularly significant price fluctuations in the past twelve months, with this situation expected to continue in coming months. The Group neutralises the impact of possible rises in the price of copper and its other principal raw materials through automatic sale price adjustment mechanisms or through hedging activities; the exception is oil derivative products (polyethylene, plastifying PVC, rubber and other chemical products), whose risk cannot be offset through hedging. Hedging activities for certain products (mainly in the Trade & Installers business area) take place through the periodic updating of price lists (since it is not possible to use automatic sale price adjustment mechanisms). This is because of established commercial practice and/or the structural characteristics of the markets concerned. In such cases, it is possible that, in the current market context, the Company will be unable to quickly pass on the impact of fluctuations in raw material prices to sale prices. In particular, in the case of oil derivatives, changes in purchase price systematically take place under contract later than changes in the oil price.
More in general, depending on the size and speed of the fluctuations in the copper price, such fluctuations may have a significant impact on customers' buying decisions particularly in the Trade & Installers and Power Distribution business and certain lines in the Industrial area more exposed to cyclical trends in demand, and on the Group's margins and working capital. In particular, (i) significant, rapid increases and decreases in the copper price may cause absolute increases and decreases respectively in the Group's profit margins due to the nature of the commercial relationships and mechanisms for determining end product prices and (ii) increases and decreases in the copper price may cause increases and decreases respectively in working capital (with the consequent effect of increasing or reducing the Group's net debt).

Risk hedging differs according to the type of business and supply contract, as shown in the following diagram:

Supply Contract	Main Application	Metal influence on Cable Price	Impact	Hedging of Metal Price Fluctuations	Impact
Predetermined delivery date	Projects (Energy transmission) Cables for industrial applications (eg. OGP)	Technology and Design content are the main elements of the "solution" offered. Pricing little affected by metals.		Pricing locked in at order intake. Profitability protection through systematic hedging (long order-to-delivery cycle).	
Frame contracts	Cables for Utilities (eg. power distribution cables)	Pricing defined as hollow, thus automatic price adjustment through formulas linked to publicly available metal quotation.		Price adjusted through formulas linked to publicly available metal quotation (average last month). Profitability protection through systematic hedging (short order-to-delivery cycle).	
Spot orders	Cables for construction and civil engineering	Standard products, high copper content, limited value added.		Pricing managed through price lists (frequently updated). Competitive pressure may result in delayed price adjustment. Hedging based on forecasted volumes rather than orders.	

High

Low

Metal price fluctuations are normally passed through to customers under supply contracts.
Hedging is performed in order to systematically minimise profitability risks.

Risks associated with exchange rate movements

The Group operates worldwide and is therefore exposed to exchange rate risk on the various currencies in which it operates (principally the US dollar, British pound, Brazilian real and Australian dollar). Exchange rate risk arises from trade transactions which have not yet occurred, and from foreign currency assets and liabilities which have already been recorded in the financial statements.
To manage exchange rate risk arising from future trade transactions and the recording of foreign currency assets and liabilities, most of the Group companies use forward contracts taken out by Group Treasury.
Exchange rate risk occurs when future transactions or assets and liabilities that have already been recorded in the statement of financial position are denominated in a currency other than the functional currency of the company which undertakes the transaction.
Group Treasury manages the positions in each currency by taking out forward contracts with third parties.
However, since Prysmian prepares its consolidated financial statements in Euro, fluctuations in the exchange rates used to translate the financial statements of subsidiaries, originally expressed in a foreign currency, could affect the Group's performance and its results of operations and statement of financial position.

Interest rate risk

The interest rate risk to which the Group is exposed is mainly on long-term financial payables. These payables carry both fixed and variable rates.
Fixed rate payables expose the Group to a fair value risk. The Group does not operate any particular hedging policies in relation to the risk arising from such contracts since it considers this risk to be immaterial.
Variable rate payables expose the Group to a rate volatility risk (cash flow risk). The Group uses interest rate swaps (IRS) to hedge this risk, which transform variable rates into fixed ones, thus

reducing the rate volatility risk. Under such IRS contracts, the Group agrees with the other parties to swap on specific dates the difference between the contracted fixed rates and the variable rate calculated on the loan's notional value. The potential rise in interest rates, from the record lows reached in the past two years, is a risk factor in coming months; in order to limit this risk, during 2009 the Group took advantage of the sharp fall in interest rates resulting from the current economic recession to enter IRS contracts that mitigate the risk of a rise in interest rates until the end of 2014.

Risks associated with sources of finance

The effects of the recent major instability in the global banking system could represent a potential risk factor in terms of obtaining financial resources and the associated cost.
The Company believes this is not a risk faced thanks to the five-year financing agreement (New Credit Agreement) signed on 18 April 2007 and expiring in May 2012. Under this agreement, the lenders have made available a total of Euro 1,700 million in credit facilities to Prysmian SpA and some of its subsidiaries, analysed as follows:

Tranche	Ammontare massimo (1)
Term Loan Facility	1.000.000.000
Revolving Credit Facility	400.000.000
Bonding Facility	300.000.000

(1) Figures in Euro

The annual interest rate on the cash credit facilities is equal to the sum of:
(i) LIBOR or EURIBOR, depending on the currency;
(ii) an annual spread determined on the basis of the ratio between consolidated net financial position and consolidated EBITDA.
The first instalment under the loan repayment plan was made on 30 November 2009 for Euro 30 million.
Based on unused committed credit lines and available cash, the Group's financial resources exceeded Euro 1 billion at the end of March 2010 (including the undrawn portion of the credit facility of Euro 350 million serving the securitization programme expiring in July 2012).
In January 2010 the Group took advantage of the favourable market conditions to renew a significant portion of its existing credit facilities, in advance of their natural expiry (May 2012), until the end of 2014 (Euro 400 million for the Revolving Credit Facility and Euro 670 million for the Term Loan Facility).

Risks relating to legal proceedings

It is not possible to rule out that the Group could be required to meet liabilities that are not covered by its provisions for risks and which are linked to the negative outcome of legal cases, with a consequently negative impact on the Group's activities, results of operations and statement of financial position.
Towards the end of January 2009, the European Commission, the US Department of Justice and the Japanese antitrust authority started an investigation into several European and Asian electrical cable

manufacturers to verify the existence of alleged anti-competitive agreements in the Underground and Submarine High Voltage Cable business areas. More recently, the Australian Competition and Consumers Commission ("ACCC") and the New Zealand Commerce Commission also started similar investigations.

The Japanese investigation has been closed without any charge against Prysmian. The other investigations are still at a preliminary stage and the Group is fully collaborating with the relevant authorities.

In Australia, the ACCC has filed a case before the Federal Court arguing that Prysmian Cavi e Sistemi Energia S.r.l. and two other companies have violated antitrust rules in connection with an underground high voltage cable project which was awarded in 2003. Prysmian Cavi e Sistemi Energia S.r.l. received official notice of this claim in April 2010.

In the event of a proven breach of applicable legislation, the financial penalties imposed by the competent authorities could be significant in relation to the economic and financial situation of the Group. Among other things, the sanction system under European law provides for financial penalties that could reach a maximum of 10% of Group turnover.

STOCK OPTION PLANS

Information about changes in the existing stock option plans can be found in Note 23 of the Explanatory notes.

RELATED PARTY TRANSACTIONS

Related party transactions do not qualify as either atypical or unusual but fall into the normal course of business by Group companies. Such transactions take place under market terms and conditions, according to the type of goods and services provided.
Information about related party transactions, including that required by the Consob Communication dated 28 July 2006, is presented in Note 21 of the Explanatory notes.

Milan, 13 May 2010

ON BEHALF OF THE BOARD OF DIRECTORS

THE CHAIRMAN

Paolo Zannoni

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

STATEMENT OF FINANCIAL POSITION

(in millions of Euro)	Note	31 March 2010	Of which related parties (Note 21)	31 December 2009	Of which related parties (Note 21)
Non-current assets					
Property, plant and equipment	1	892		872	
Intangible assets	1	63		43	
Investments in associates		13		9	
Available-for-sale financial assets		5		6	
Derivatives	4	4		9	
Deferred tax assets		55		47	
Other receivables	2	41		28	
Total non-current assets		**1,073**		**1,014**	
Current assets					
Inventories	3	561		443	
Trade receivables	2	723	4	622	2
Other receivables	2	407		359	
Financial assets held for trading	5	70		42	
Derivatives	4	37		44	
Cash and cash equivalents	6	406		492	
Total current assets		**2,204**		**2,002**	
Assets held for sale	7	28		28	
Total assets		**3,305**		**3,044**	
Equity attributable to the Group:		**696**		**677**	
Share capital	8	18		18	
Reserves		656		411	
Profit/(loss) for the period		22		248	
Equity attributable to non-controlling interests:		**36**		**21**	
Share capital and reserves		35		17	
Profit/(loss) for the period		1		4	
Total equity		**732**		**698**	
Non-current liabilities					
Borrowings from banks and other lenders	9	901		884	
Other payables	10	17		13	
Provisions for risks and charges	11	43		41	
Derivatives	4	36	1	7	
Deferred tax liabilities		67		67	
Employee benefit obligations	12	145		142	
Total non-current liabilities		**1,209**		**1,154**	
Current liabilities					
Borrowings from banks and other lenders	9	177	2	152	1
Trade payables	10	694	1	561	2
Other payables	10	318	2	326	2
Derivatives	4	55	2	46	3
Provisions for risks and charges	11	73		62	
Current tax payables		47		45	
Total current liabilities		**1,364**		**1,192**	
Total liabilities		**2,573**		**2,346**	
Total equity and liabilities		**3,305**		**3,044**	

INCOME STATEMENT

(in millions of Euro)

	Note	1/1-31/3/2010	Of which related parties (Note 21)	1/1-31/3/2009	Of which related parties (Note 21)
Sales of goods and services		969	4	926	2
Change in inventories of work in progress, semi-finished and finished goods		77		(14)	
Other income		6		7	
Raw materials and consumables used		(667)		(504)	
Fair value change in metal derivatives		(4)		56	
Personnel costs		(129)		(131)	
of which non-recurring personnel costs		-		*(2)*	
Amortisation, depreciation and impairment		(18)		(16)	
Other expenses		(184)	(1)	(196)	(1)
of which non-recurring other expenses		*(3)*		-	
Operating income	13	50		128	
Finance costs	14	(77)	(1)	(100)	
Finance income	14	61		98	1
Share of income from investments in associates and dividends from other companies		-		-	
Profit before taxes		34		126	
Taxes	15	(11)		(35)	
Profit/(loss) for the period		23		91	
Attributable to:					
Owners of the parent		22		90	
Non-controlling interests		1		1	
Basic earnings/(loss) per share (in Euro)	16	0.13		0.51	
Diluted earnings/(loss) per share (in Euro)	16	0.13		0.50	

STATEMENT OF COMPREHENSIVE INCOME

(in millions of Euro)	1/1-31/3/2010	1/1-31/3/2009
Profit/(loss) for the period	23	91
Fair value gains/(losses) on available-for-sale financial assets - gross of tax	(1)	-
Fair value gains/(losses) on available-for-sale financial assets - tax effect	-	-
Fair value gains/(losses) on cash flow hedges - gross of tax	(22)	(18)
Fair value gains/(losses) on cash flow hedges - tax effect	7	6
Actuarial gains/(losses) on employee benefits - gross of tax	-	(3)
Actuarial gains/(losses) on employee benefits - tax effect	-	1
Currency translation differences	12	-
Total post-tax other comprehensive income/(loss) for the period	(4)	(14)
Total comprehensive income/(loss) for the period	19	77
Attributable to:		
Owners of the parent	16	77
Non-controlling interests	3	-

STATEMENT OF CASH FLOWS

(in millions of Euro)

	1/1-31/3/2010	Of which related parties (Note 21)	1/1-31/3/2009	Of which related parties (Note 21)
Profit before taxes	34		126	
Depreciation and impairment of property, plant and equipment	17		15	
Amortisation and impairment of intangible assets	1		1	
Fair value change in metal derivatives	4		(56)	
Net finance costs	16		2	
Changes in inventories	(101)		29	
Changes in trade receivables and payables	38	(1)	(86)	(1)
Changes in other receivables and payables	(55)		(39)	
Changes in receivables/payables for derivatives	(2)		-	
Taxes paid	(6)		(16)	
Utilisation of provisions (including employee benefit obligations)	(9)		(14)	
Increases in provisions (including employee benefit obligations)	9		7	
A. Net cash flow provided by/(used in) operating activities	(54)		(31)	
Ravin Cables Ltd acquisition	(20)		-	
Investments in property, plant and equipment	(7)		(18)	
Investments in intangible assets	(4)		(3)	
Investments in financial assets held for trading	(30)		(6)	
Disposals of financial assets held for trading	5		4	
B. Net cash flow provided by/(used in) investing activities	(56)		(23)	
Capital contributions and other changes in equity	8		1	
Finance costs paid	(66)		(90)	
Finance income received	62		89	
Changes in net financial payables	15	1	(51)	
C. Net cash flow provided by/(used in) financing activities	19		(51)	
D. Currency translation gains/(losses) on cash and cash equivalents	5		3	
E. Total cash flow provided/(used) in the period (A+B+C+D)	(86)		(102)	
F. Net cash and cash equivalents at the beginning of the period	492		492	
G. Net cash and cash equivalents at the end of the period (E+F)	406		390	

STATEMENT OF CHANGES IN EQUITY

(in millions of Euro)

	Share capital	Fair value gains and losses on available-for-sale financial assets	Actuarial gains/(losses) on employee benefits	Cash flow hedges	Currency translation reserve	Other reserves	Profit/(loss) for the period	Non-controlling interests	Total
Balance at 31 December 2008	18	1	10	(37)	(114)	332	237	16	463
Allocation of prior year profit	-	-	-	-	-	237	(237)	-	-
Capital contributions	-	-	-	-	-	1	-	-	1
Dividend payment	-	-	-	-	-	-	-	(1)	(1)
Total comprehensive income/(loss) for the period	-	-	(2)	(12)	-	-	90	1	77
Balance at 31 March 2009	18	1	8	(49)	(114)	570	90	16	540
Balance at 31 December 2009	18	3	(1)	(32)	(58)	499	248	21	698
Allocation of prior year profit	-	-	-	-	-	248	(248)	-	-
Capital contributions	-	-	-	-	-	3	-	-	3
Dividend payment	-	-	-	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-	-	12	12
Total comprehensive income/(loss) for the period	-	(1)	-	(15)	10	-	22	3	19
Balance at 31 March 2010	18	2	(1)	(47)	(48)	750	22	36	732

EXPLANATORY NOTES

A. GENERAL INFORMATION

Prysmian S.p.A. ("the Company") is a company incorporated and domiciled in Italy and organised under the laws of the Republic of Italy.

The Company has its registered office in Viale Sarca, 222 – Milan (Italy).

The Company and its subsidiaries (together "the Group" or "Prysmian Group") produce, distribute and sell cables and systems and related accessories for the energy and telecommunications industries worldwide.

On 5 March 2010, Prysmian (Lux) II S.à r.l. and Goldman Sachs International respectively sold 16.24% and 0.564% of the shares in Prysmian S.p.A., as a result of which they are no longer shareholders.

All the amounts shown in the tables in the following Notes are expressed in millions of Euro, unless otherwise stated. The consolidated financial statements contained herein were approved by the Board of Directors on 13 May 2010.

B. FORM AND CONTENT

This quarterly report has been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the IASB and recognised by the European Union in Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002, and specifically comply with IAS 34 "Interim Financial Reporting" and the instructions issued in implementation of art. 9 of Italian Decree 38/2005. As permitted by IAS 34, the Group has decided to publish its quarterly consolidated financial statements and explanatory notes in a condensed format.

The information contained in this quarterly report must be read in conjunction with the annual IFRS consolidated financial statements at 31 December 2009.

B.1 FINANCIAL STATEMENTS AND REPORTING

The Group has opted to present its income statement according to the nature of expenses, whereas assets and liabilities in the statement of financial position have been classified as either current or non-current. The statement of cash flows has been prepared using the indirect method. The Group has also applied the provisions of Consob Resolution 15519 dated 27 July 2006 concerning financial statement formats and of Consob Communication 6064293 issued on 28 July 2006 regarding disclosures.

In order to comply with the prevailing interpretation of the accounting standards regarding the classification of derivatives, starting from the quarterly report at 30 September 2009, the fair value change in metal derivatives has been reclassified so that it is now included in operating income. It was previously classified in finance income and costs. The figures for 2009 have been restated accordingly for the sake of consistent comparison. Operating income at 31 March 2009 was Euro 72 million prior to this reclassification and Euro 128 million after reclassification.

When preparing the quarterly report, management has made judgements, estimates and assumptions that affect the value of revenues, costs, assets and liabilities and the disclosures relating to contingent assets and liabilities at the reporting date. As estimates, these may differ from the actual results obtained in the future. Some valuation processes, particularly more complex ones such as the determination of any impairment losses against the value of property, plant and equipment and intangible assets, are carried out fully only at year end, when all the necessary information is available, unless there is intervening evidence of impairment that requires the immediate recognition of a loss.

Income taxes have been recognised using the best estimate of the weighted average rate for the full year.

B.2 ACCOUNTING STANDARDS

Accounting standards used for preparing the quarterly report

The consolidation principles, the methods applied for converting financial statements into the presentation currency, the accounting standards and the accounting estimates adopted are the same as those used for the consolidated financial statements at 31 December 2009, to which reference should be made for more details, except for the accounting standards and amendments discussed below and obligatorily applied for the first time from 1 January 2010 after receiving endorsement from the competent authorities.

IFRS 3 – Business Combinations (2008) and *IAS 27 – Consolidated and Separate Financial Statements (2008)*

The main changes to IFRS 3 are as follows:

a) in the case of step acquisitions, elimination of the obligation to value a subsidiary's individual assets and liabilities at fair value at every individual stage of acquisition. Goodwill is only determined at the stage that control is acquired and is equal to the difference between the value of the previously-held equity interest immediately before the acquisition, the acquisition consideration and the value of net assets acquired;

b) if a company does not acquire a 100% equity interest, the share of equity attributable to non-controlling interests may be measured either at fair value (under the full goodwill method) or using the method previously allowed by IFRS 3;

c) all costs associated with the acquisition are expensed to income statement and liabilities for any contingent consideration are recognised on the acquisition date.

The new standards have been applied prospectively from 1 January 2010.

As a result of adopting these amendment, in the first quarter of 2010 the Group has accounted for Euro 0.3 million in costs relating to the acquisition of Ravin Cables Limited as expenses in the 2009 income statement.

The following standards and interpretations, applicable from 1 January 2010, address situations and circumstances which are not pertinent to the Prysmian Group at the date of the present quarterly report but could be applicable in the future:

- *Improvements 2008* to *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations;*
- *Improvements 2008* to *IAS 10 – Events after the Reporting Period*.
- *IAS 39 – Financial Instruments: Recognition and Measurement – Eligible hedged items*
- *Improvements to IFRSs* (2009)
- *Amendment to IFRS 2 – Share-based Payment*
- *IFRIC 17 – Distributions of Non-cash Assets to Owners*

New standards, amendments and interpretations of existing standards, not yet obligatory and not adopted early by the Group.

On 8 October 2009, the IASB published an amendment to *IAS 32 – Financial Instruments: Presentation* concerning the classification of rights issues. This amendment clarifies how such rights should be treated if they are denominated in a currency other than the functional currency of the issuer. This amendment must be applied from 1 January 2011 and is not thought likely to have a material impact on the Group's financial statements.

On 4 November 2009, the IASB issued a revised version of *IAS 24 – Related Party Disclosures* that simplifies the disclosure requirements for government-related entities and clarifies the definition of a "related party". At the current reporting date, the European Union had not yet completed the endorsement process needed for its application.

On 12 November 2009, the IASB issued the first part of a new accounting standard *IFRS 9 – Financial Instruments,* which will replace *IAS 39 – Financial Instruments: Recognition and Measurement*. This initial document addresses the classification of financial instruments and forms part of a three-part project, whose second and third parts will address the impairment methodology for financial assets and the application of hedge accounting respectively.
This new standard, whose purpose is to simplify and reduce the complexity of accounting for financial instruments, classifies financial instruments in three categories that the reporting entity defines according to its business model, and to the contractual characteristics and related cash flows of the instruments in question. At the current reporting date, the European Union had not yet completed the endorsement process needed for its application, due from 1 January 2013.

On 26 November 2009, the IFRIC issued the interpretation *IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments* which addresses situations in which a creditor agrees to accept equity instruments from a debtor to settle its financial liability. At the current reporting date, the European Union had not yet completed the endorsement process needed for its application, due from 1 January 2011.

On the same date the IFRIC issued an amendment to the interpretation *IFRIC 14* to define the treatment of liabilities relating to pension funds when an entity is subject to minimum funding requirements for defined benefit plans and makes an early payment of contributions to cover those requirements. At the current reporting date, the European Union had not yet completed the endorsement process needed for its application, due from 1 January 2011.

On 6 May 2010, the IASB has issued a collection of twelve amendments to seven IFRSs, as part of its program of annual improvements to its standards. At the current reporting date, the European Union had not yet completed the endorsement process needed for its application.

The following standards and interpretations, not yet endorsed by the European Union, address situations and circumstances which are not pertinent to the Prysmian Group:

- New version of *IFRS 1 – First-time Adoption of International Financial Reporting Standards*, which removes certain transition provisions no longer deemed to be necessary and contains a number of minor editorial changes;
- *IFRS 1 – Additional exemptions for first-time adopters* with the purpose of clarifying the retrospective application of certain IFRSs so that the entities involved will not face undue cost or effort in the transition process;
- *IFRS 1 – Improving disclosures about financial instruments (IFRS 7)* with the purpose of aligning the standard to the disclosures required by IFRS 7 concerning the methods used to measure the fair value of financial instruments;
- *IFRS for SMEs – International Financial Reporting Standards for Small and Medium-sized Entities.*

B.3 CHANGES IN THE SCOPE OF CONSOLIDATION

The Group's scope of consolidation includes the financial statements of Prysmian S.p.A. (the Parent Company) and of the companies over which it exercises direct or indirect control, which are consolidated from the date when control is acquired until the date when such control ceases.

The following change took place in the quarter ended 31 March 2010:
– Prysmian Cavi e Sistemi Energia S.r.l. acquired 51% of the Indian company Ravin Cables Limited on 19 January 2010. This company also owns 49% of Power Plus Cables Co. L.L.C., a company based in the United Arab Emirates.
The year end of both companies is 31 March.

Attachment A to this report contains a list of the companies included in the scope of consolidation at 31 March 2010.

C. SEGMENT INFORMATION

The criteria used for identifying reportable segments are consistent with the way in which management runs the Group.

In particular, the information is structured in the same way as the report periodically reviewed by the Board of Directors for the purposes of managing the business.

The Board of Directors:

– reviews operating performance by macro type of business (Energy and Telecom) and, in the case of the Energy segment, by sales channel (Utilities, Trade & Installers, Industrial);

- assesses the results of operating segments primarily on the basis of adjusted EBITDA, defined as earnings/(loss) for the period before non-recurring items (eg. restructuring costs), amortisation, depreciation and impairment, finance costs and income and taxes;
- reviews the statement of financial position for the Group as a whole, and not by operating segment.

Each operating segment comprises the following sales channels and areas of business:

A) Energy segment:

1. Utilities: organised in four lines of business, comprising High Voltage, Power Distribution, Accessories and Submarine;
2. Trade & Installers: low and medium voltage cables for power distribution to and within residential and other buildings;
3. Industrial: comprises cables and accessories for special industrial applications based on specific requirements (Oil&Gas, Transport, Mining and Renewable Energy);
4. Other: occasional sales of residual products.

B) Telecom segment: organised in five lines of business, comprising Optical fibres, Fibre to the Home, Optical cables, Copper cables and Accessories.

All Corporate fixed costs are allocated to the Energy and Telecom segments. Revenues and costs are allocated to each operating segment by identifying all revenues and costs directly attributable to that segment and by allocating indirect costs on the basis of Corporate resources (personnel, space used, etc.) absorbed by the operating segments.

C.1 OPERATING SEGMENTS

The following tables present information by operating segment.

(in millions of Euro)								1/1-31/3/2010
	Energy					Telecom	Corporate/ Eliminations	Group total
	Utilities	Trade & Installers	Industrial	Other	Total			
Sales of goods and services:								
- third parties	370	312	159	25	866	103	-	969
- Group companies	-	-	-	7	7	3	(10)	-
Total sales of goods and services	370	312	159	32	873	106	(10)	969
Adjusted EBITDA (A)	52	5	11	-	68	7	-	75
% of sales	14.0%	1.7%	6.8%	-	7.8%	6.2%		7.7%
EBITDA (B)	51	5	10	(1)	65	7	-	72
% of sales	14.0%	1.7%	6.3%	-	7.5%	6.2%		7.5%
Amortisation and depreciation (C)	(9)	(3)	(4)	-	(16)	(2)	-	(18)
Adjusted operating income (A+C)	43	2	7	-	52	5	-	57
% of sales	11.7%	0.5%	4.1%	-	5.9%	4.5%		5.8%
Fair value change in metal derivatives (D)								(4)
Impairment of production facilities (E)								-
Operating income (B+C+D+E)								50
% of sales								5.2%
Share of income from investments in associates and dividends from other companies								-
Finance costs								(77)
Finance income								61
Taxes								(11)
Profit/(loss) for the period								23
Attributable to:								
Owners of the parent								22
Non-controlling interests								1

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	51	5	10	(1)	65	7	-	72
Non-recurring expenses/(income):								
Environmental remediation	1	-	-	-	1	-	-	1
Special project costs	-	-	1	1	2	-	-	2
Total non-recurring expenses/(income) (B)	1	-	1	1	3	-	-	3
Adjusted EBITDA (A+B)	52	5	11	-	68	7	-	75

(in millions of Euro)	Energy					Telecom	Corporate/ Eliminations	Group total 1/1-31/3/2009
	Utilities	Trade & Installers	Industrial	Other	Total			
Sales of goods and services:								
- third parties	395	241	170	18	824	102	-	926
- Group companies	-	-	-	3	3	2	(5)	-
Total sales of goods and services	395	241	170	21	827	104	(5)	926
Adjusted EBITDA (A)	55	12	17	1	85	5	-	90
% of sales	14.0%	4.9%	9.9%	4.8%	10.3%	5.5%		9.8%
EBITDA (B)	54	11	17	1	83	5	-	88
% of sales	13.7%	4.6%	10.0%	4.8%	10.0%	5.2%		9.5%
Amortisation and depreciation (C)	(6)	(4)	(4)	(1)	(15)	(1)		(16)
Adjusted operating income (A+C)	49	8	13	-	70	4	-	74
% of sales	12.3%	3.5%	7.7%	-	8.5%	4.5%		8.0%
Fair value change in metal derivatives (D)								56
Impairment of production facilities (E)					-	-		-
Operating income (B+C+D+E)								128
% of sales								13.8%
Share of income from investments in associates and dividends from other companies					-	-		-
Finance costs								(100)
Finance income								98
Taxes								(35)
Profit/(loss) for the period								91
Attributable to:								
Owners of the parent								90
Non-controlling interests								1

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	54	11	17	1	83	5	-	88
Non-recurring expenses/(income):								
Company reorganisation	1	1	-	-	2	-	-	2
Total non-recurring expenses/(income) (B)	1	1	-	-	2	-	-	2
Adjusted EBITDA (A+B)	55	12	17	1	85	5	-	90

C.2 GEOGRAPHICAL AREAS

The following table presents sales of goods and services by geographical area.

(in millions of Euro)	EMEA*	*of which Italy*	North America	Latin America	Asia Pacific	Total 1/1-31/3/2010
Sales of goods and services	691	*180*	77	101	100	969

(in millions of Euro)	EMEA*	*of which Italy*	North America	Latin America	Asia Pacific	Total 1/1-31/3/2009
Sales of goods and services	646	*189*	85	97	98	926

* EMEA: Europe, Middle East and Africa

D. BUSINESS COMBINATIONS

On 19 January 2010, the Prysmian Group acquired, through its subsidiary Prysmian Cavi e Sistemi Energia S.r.l., a majority 51% controlling stake in the Indian group of Ravin Cables Limited.

In compliance with IFRS 3, the fair values of the assets, liabilities and contingent liabilities have been determined on a provisional basis and may be amended over the course of the twelve-month period from the acquisition date.

Details of the acquisition cost and financial outlay are reported in the following table:

(in millions of Euro)	
Cash outlay	22
Total acquisition cost (A)	**22**
Fair value of net assets acquired* (B)	(8)
Goodwill (A)-(B)	14
Financial outlay for acquisition	22
Cash and cash equivalents held by acquired companies	(2)
Acquisition cash flow	**20**

* The fair values are provisional ones

Details of the provisional fair values of the assets/liabilities acquired are as follows:

(in millions of Euro)	Pre-acquisition book value	Fair value*
Property, plant and equipment	3	9
Investments in associates	3	3
Inventories	7	7
Trade and other receivables	12	12
Trade and other payables	(4)	(4)
Current taxes	(3)	(3)
Borrowings from banks and other lenders	(11)	(11)
Cash and cash equivalents	2	2
Net assets	**11**	**17**
Net assets acquired - 51% (B)	**6**	**8**

* The fair values are provisional ones

The acquisition has given rise to a provisional amount of Euro 14 million in goodwill, which has been recorded in "Intangible assets".

In accordance with IFRS 3 Revised, acquisition-related costs of Euro 0.3 million have been accounted for as expenses in the 2009 income statement.

On 15 December 2009, the Prysmian Group acquired, through its subsidiaries Prysmian (Dutch) Holdings BV and Prysmian Cavi e Sistemi Energia S.r.l., 100% of "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel", a Russian cable manufacturer, and determined the fair value of its assets, liabilities and contingent liabilities on a provisional basis.

Details of the acquisition cost and financial outlay are reported in the following table:

(in millions of Euro)	
Cash outlay	2
Costs directly related to the acquisition	1
Total acquisition cost (A)	**3**
Fair value of net assets acquired* (B)	(2)
Goodwill (A)-(B)	**1**
Financial outlay for acquisition	3
Cash and cash equivalents held by acquired companies	-
Acquisition cash flow	**3**

* The fair values are provisional ones

Details of the provisional fair values of the assets/liabilities acquired are as follows:

(in millions of Euro)	Pre-acquisition book value	Fair value*
Property, plant and equipment	8	13
Inventories	2	2
Trade and other receivables	2	1
Trade and other payables	(3)	(4)
Deferred taxes	1	-
Borrowings from banks and other lenders	(10)	(10)
Net assets acquired (B)	**-**	**2**

* The fair values are provisional ones

1. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Details of these balances and related movements are as follows:

(in millions of Euro)	Property, plant and equipment	Intangible assets
Balance at 31 December 2009	872	43
Movements in period:		
- Investments	7	4
- Disposals	-	-
- Business combinations	9	15
- Depreciation, amortisation and impairment	(17)	(1)
- Currency translation differences	21	2
- Other	-	-
Total movements	20	20
Balance at 31 March 2010	892	63
Of which:		
- Historical cost	1,189	150
- Accumulated depreciation/amortisation and impairment	(297)	(87)
Net book value	892	63

(in millions of Euro)

	Property, plant and equipment	Intangible assets
Balance at 31 December 2008	806	31
Movements in period:		
– Investments	18	3
– Depreciation, amortisation and impairment	(15)	(1)
– Currency translation differences	6	–
– Other	–	1
Total movements	9	3
Balance at 31 March 2009	815	34
Of which:		
– Historical cost	1,044	115
– Accumulated depreciation/amortisation and impairment	(229)	(81)
Net book value	815	34

Investments in property, plant and equipment amount to Euro 7 million at 31 March 2010. Of these:
- 42% referred to projects for increasing production capacity and developing new products;
- 7% were for projects to improve industrial efficiency;
- 51% were for structural work on buildings or for entire production lines to make them compliant with the latest regulations.

Investments in intangible assets amount to Euro 4 million, of which Euro 2 million refers to the SAP Consolidation project, which aims to standardise the information system in all the Group's operations over the next few years, and Euro 2 million refers to new product development.

There was no need to recognise any impairment losses at 31 March 2010. This does not mean that impairment losses, even significant ones, will not emerge when tests are performed in detail for the purposes of the annual financial statements.

2. TRADE AND OTHER RECEIVABLES

These are detailed as follows:

(in millions of Euro)

			31 March 2010
	Non-current	Current	Total
Trade receivables	–	762	762
Allowance for doubtful accounts	–	(39)	(39)
Total trade receivables	–	723	723
Other receivables:			
Tax receivables	11	75	86
Financial receivables	2	31	33
Prepaid finance costs	17	3	20
Receivables from employees	1	1	2
Construction contracts	–	249	249
Advances	–	9	9
Others	10	39	49
Total other receivables	41	407	448
Total	41	1,130	1,171

(in millions of Euro)			31 December 2009
	Non-current	Current	Total
Trade receivables	-	661	661
Allowance for doubtful accounts	-	(39)	(39)
Total trade receivables	-	622	622
Other receivables:			
Tax receivables	11	62	73
Financial receivables	2	33	35
Prepaid finance costs	4	3	7
Receivables from employees	2	1	3
Construction contracts	-	225	225
Advances	-	2	2
Others	9	33	42
Total other receivables	28	359	387
Total	28	981	1.009

Trade and other receivables are reported net of the allowance for doubtful accounts, amounting to Euro 39 million at 31 March 2010 (Euro 39 million at 31 December 2009).

3. INVENTORIES

These are detailed as follows:

(in millions of Euro)	31 March 2010	31 December 2009
Raw materials	154	126
of which allowance for obsolete and slow-moving raw materials	*(12)*	*(11)*
Work in progress and semi-finished goods	165	118
of which allowance for obsolete and slow-moving work in progress and semi-finished goods	*(8)*	*(8)*
Finished goods	242	199
of which allowance for obsolete and slow-moving finished goods	*(21)*	*(24)*
Total	561	443

4. DERIVATIVES

These are detailed as follows:

(in millions of Euro)	31 March 2010	
	Asset	Liability
Non-current		
Interest rate swaps (cash flow hedges)	-	12
Forward currency contracts on commercial transactions (cash flow hedges)	-	2
Total hedging derivatives	-	14
Forward currency contracts on financial transactions	2	22
Metal derivatives	2	-
Total other derivatives	4	22
Total non-current	4	36
Current		
Interest rate swaps (cash flow hedges)	-	8
Forward currency contracts on commercial transactions (cash flow hedges)	4	16
Total hedging derivatives	4	24
Forward currency contracts on commercial transactions	11	8
Forward currency contracts on financial transactions	12	19
Metal derivatives	10	4
Total other derivatives	33	31
Total current	37	55
Total	41	91

(in millions of Euro)	31 December 2009	
	Asset	Liability
Non-current		
Interest rate swaps (cash flow hedges)	-	2
Forward currency contracts on commercial transactions (cash flow hedges)	2	2
Forward currency contracts on financial transactions (cash flow hedges)	3	-
Total hedging derivatives	5	4
Forward currency contracts on commercial transactions	1	-
Forward currency contracts on financial transactions	2	3
Metal derivatives	1	-
Total other derivatives	4	3
Total non-current	9	7
Current		
Interest rate swaps (cash flow hedges)	-	12
Forward currency contracts on commercial transactions (cash flow hedges)	6	9
Total hedging derivatives	6	21
Forward currency contracts on commercial transactions	16	11
Forward currency contracts on financial transactions	6	8
Metal derivatives	16	6
Total other derivatives	38	25
Total current	44	46
Total	53	53

5. FINANCIAL ASSETS HELD FOR TRADING

Financial assets held for trading basically refer to units in funds which mainly invest in short and medium-term government securities. These assets are mostly held by subsidiaries in Brazil and Argentina as a result of investing temporarily available liquidity in such funds.

6. CASH AND CASH EQUIVALENTS

These are detailed as follows:

(in millions of Euro)

	31 March 2010	31 December 2009
Cash and cheques	3	3
Bank and postal deposits	403	489
Total	406	492

Cash and cash equivalents, deposited with leading financial institutions, are managed centrally by Group treasury companies or by subsidiaries under the supervision of the Finance Department of Prysmian S.p.A..

Cash and cash equivalents managed by Group treasury companies amount to Euro 260 million at 31 March 2010 compared with Euro 289 million at 31 December 2009.

7. ASSETS HELD FOR SALE

These are detailed as follows:

(in millions of Euro)

	31 March 2010	31 December 2009
Land	22	22
Buildings	6	6
Total	28	28

This balance reflects the land and buildings of the factories in Prescot and Eastleigh in the United Kingdom, which were classified as held for sale after the reorganisation of Energy segment production activities in 2008.

The value has stayed the same as at 31 December 2009 because the Euro/GBP exchange rate has not experienced any significant fluctuations in the first quarter of 2010.

8. SHARE CAPITAL AND RESERVES

Consolidated equity has increased by Euro 34 million since 31 December 2009, mainly due to profit for the period of Euro 22 million attributable to the Group.

Share capital amounts to Euro 18,195,360.00 at 31 March 2010, corresponding to 181,953,600 shares.

Movements in the ordinary shares of Prysmian S.p.A. are reported in the following table:

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2008	180,546,227	(3,028,500)	177,517,727
Capital increase	147,964	-	147,964
Treasury shares	-	-	-
Balance at 31 March 2009	180,694,191	(3,028,500)	177,665,691

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2009	181,235,039	(3,028,500)	178,206,539
Capital increase (*)	718,561	-	718,561
Treasury shares	-	-	-
Balance at 31 March 2010	181,953,600	(3,028,500)	178,925,100

(*) Resulting from the exercise of part of the options under the first, second and third tranches of the Stock Option Plan.

Treasury shares

On 15 April 2008, the shareholders voted to adopt a share buy-back and disposal programme, involving up to 18,000,000 of the Company's ordinary shares which could be purchased in one or more blocks over a period of no more than 18 months from the date of the resolution. The Board of Directors was delegated with responsibility for enacting this programme. Under this resolution, purchases and sales of shares had to meet the following conditions: (i) the minimum price could be no more than 10% below the stock's official price reported in the trading session on the day before carrying out each individual purchase transaction; (ii) the maximum price could be no more than 10% above the stock's official price reported in the trading session on the day before carrying out each individual purchase transaction; (iii) the maximum number of shares purchased per day could not exceed 25% of the average daily volume of trades in Prysmian shares on the Milan Stock Exchange in the 20 trading days prior to the purchase date; (iv) the purchase price could not be greater than the higher of the price of the last independent transaction and the highest independent bid price currently on the market. On 7 October 2008, the Board of Directors subsequently granted the Chief Executive Officer and Chief Financial Officer separate powers to purchase up to 4 million of the Company's shares by 31 December 2008. At that date a total of 3,028,500 shares had been bought back for Euro 30 million.
On 9 April 2009, the shareholders renewed the authorisation to buy and dispose of treasury shares, while cancelling the previous resolution in this regard adopted on 15 April 2008. The authorisation permits the purchase of shares representing no more than 10% of the Company's share capital at any time, including any treasury shares already held by the Company. Purchases may not exceed the amount of undistributed earnings and distributable reserves reported in the most recently approved annual financial statements. The programme will last for a maximum of 18 months commencing from the date of the shareholders' approval.

9. BORROWINGS FROM BANKS AND OTHER LENDERS

These are detailed as follows:

(in millions of Euro)			31 March 2010
	Non-current	Current	Total
Borrowings from banks and other lenders	899	175	1,074
Finance lease obligations	2	2	4
Total	901	177	1,078

(in millions of Euro)			31 December 2009
	Non-current	Current	Total
Borrowings from banks and other lenders	882	150	1,032
Finance lease obligations	2	2	4
Total	884	152	1,036

Borrowings from banks and other lenders are analysed as follows:

(in millions of Euro)	31 March 2010	31 December 2009
Credit Agreement	972	960
Other borrowings	102	72
Total	1,074	1,032

Under the credit agreement signed on 18 April 2007 ("New Credit Agreement"), Prysmian S.p.A. and some of its subsidiaries have been granted a total of Euro 1,700 million in credit.
The following table summarises the Committed lines available to the Group at 31 March 2010 and 31 December 2009:

(in millions of Euro)			31 March 2010
	Total lines	Used	Unused
Term Loan Facility	970	(970)	-
Revolving Credit Facility	400	(6)	394
Bonding Facility	300	(148)	152
Total New Credit Agreement	1,670	(1,124)	546
Securitization	350	-	350
Total	2,020	(1,124)	896

(in millions of Euro)			31 December 2009
	Total lines	Used	Unused
Term Loan Facility	970	(970)	-
Revolving Credit Facility	400	(7)	393
Bonding Facility	300	(145)	155
Total New Credit Agreement	1,670	(1,122)	548
Securitization	350	-	350
Total	2,020	(1,122)	898

The Revolving Credit Facility is used to finance ordinary working capital requirements, as well as part of the endorsement credits relating to other types of bonds not covered by the Bonding Facility.

The following table reports the movement in borrowings from banks and other lenders:

(in millions of Euro)	New Credit Agreement	Other borrowings	Total
Balance at 31 December 2009	960	72	1,032
Business combinations	–	10	10
Currency translation differences	8	16	24
Drawings	–	–	–
Repayments	–	–	–
Amortisation of bank and financial fees and other expenses	1	–	1
Others	3	4	7
Total movements	12	30	42
Balance at 31 March 2010	972	102	1,074

(in millions of Euro)	New Credit Agreement	Other borrowings	Total
Balance at 31 December 2008	995	159	1,154
Currency translation differences	6	–	6
Drawings	–	–	–
Repayments	–	(99)	(99)
Amortisation of bank and financial fees and other expenses	–	–	–
Others	10	4	14
Total movements	16	(95)	(79)
Balance at 31 March 2009	1,011	64	1,075

On 21 January 2010, the Group entered a long-term credit agreement for Euro 1,070,000 thousand with a syndicate of leading national and international banks; this agreement expires on 31 December 2014 and may be used to replace the existing Credit Agreement at its natural expiry on 3 May 2012. This is a "Forward Start Credit Agreement" negotiated in advance of its period of use, under which the lenders will provide Prysmian S.p.A. and some of its subsidiaries (the same as in the existing credit agreement) loans and credit facilities for a total of Euro 1,070,000 thousand, split as follows:

(in thousands of Euro)	
Term Loan Facility	670,000
Revolving Credit Facility	400,000

The Term Loan's repayment schedule is structured as follows:

31 May 2013	9.25%
30 November 2013	9.25%
31 May 2014	9.25%
31 December 2014	72.25%

The Bonding Facility was not covered by the new agreement.

The risks relating to sources of finance and to financial investments/receivables are discussed in the section entitled "Risks foreseeable in 2010" forming part of the directors' report.

NET FINANCIAL POSITION

(in millions of Euro)

	Note	31 March 2010	Of which related parties (Note 21)	31 December 2009	Of which related parties (Note 21)
Long-term financial payables					
Term Loan Facility		871		864	
Bank fees		(3)		(4)	
New Credit Agreement	9	868		860	
Finance leases	9	2		2	
Forward currency contracts on financial transactions	4	22		3	
Interest rate swaps	4	12	1	2	
Other financial payables	9	31		22	
Total long-term financial payables		935		889	
Short-term financial payables					
Term Loan Facility	9	104		100	
Bank fees		-		-	
Finance leases	9	2		2	
Securitization	9	-		-	
Interest rate swaps	4	8	2	12	3
Forward currency contracts on financial transactions	4	19		8	
Other financial payables	9	71	2	50	1
Total short-term financial payables		204		172	
Total financial liabilities		1,139		1,061	
Long-term financial receivables	2	2		2	
Long-term bank fees	2	17		4	
Interest rate swaps	4	-		-	
Forward currency contracts on financial transactions (non-current)	4	2		5	
Forward currency contracts on financial transactions (current)	4	12		6	
Short-term financial receivables	2	31		33	
Short-term bank fees	2	3		3	
Financial assets held for trading	5	70		42	
Cash and cash equivalents	6	406		492	
Net financial position		596		474	

The Group's net financial position is reconciled below to the amount that must be reported under Consob Communication DEM/6064293 issued on 28 July 2006 and under the CESR recommendation dated 10 February 2005 "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses":

(in millions of Euro)

	Note	31 March 2010	Of which related parties (Note 21)	31 December 2009	Of which related parties (Note 21)
Net financial position - as reported above		596		474	
Long-term financial receivables	2	2		2	
Long-term bank fees	2	17		4	
Net forward currency contracts on commercial transactions	4	11		(3)	
Net metal derivatives	4	(8)		(11)	
Recalculated net financial position		618		466	

10. TRADE AND OTHER PAYABLES

These are detailed as follows:

(in millions of Euro)			31 March 2010
	Non-current	Current	Total
Trade payables	-	694	694
Total trade payables	**-**	**694**	**694**
Other payables:			
Tax and social security payables	11	69	80
Advances	-	86	86
Payables to employees	-	42	42
Accrued expenses	-	81	81
Others	6	40	46
Total other payables	**17**	**318**	**335**
Total	**17**	**1,012**	**1,029**

(in millions of Euro)			31 December 2009
	Non-current	Current	Total
Trade payables	-	561	561
Total trade payables	**-**	**561**	**561**
Other payables:			
Tax and social security payables	9	62	71
Advances	-	103	103
Payables to employees	-	37	37
Accrued expenses	-	74	74
Others	4	50	54
Total other payables	**13**	**326**	**339**
Total	**13**	**887**	**900**

Advances include Euro 43 million due to customers for construction contracts at 31 March 2010 compared with Euro 57 million at 31 December 2009. This liability represents the gross amount by which work invoiced exceeds costs incurred plus accumulated profits (or losses) recognised using the percentage of completion method.

11. PROVISIONS FOR RISKS AND CHARGES

These are detailed as follows:

(in millions of Euro)			31 March 2010
	Non-current	Current	Total
Restructuring costs	2	4	6
Contractual and legal risks	28	32	60
Environmental risks	2	6	8
Tax inspections	2	23	25
Other risks and charges	9	8	17
Total	**43**	**73**	**116**

(in millions of Euro)	31 December 2009		
	Non-current	Current	Total
Restructuring costs	3	5	8
Contractual and legal risks	28	29	57
Environmental risks	-	6	6
Tax inspections	2	13	15
Other risks and charges	8	9	17
Total	41	62	103

The following table reports the movements in these provisions during the period:

(in millions of Euro)	Restructuring costs	Contractual and legal risks	Environmental risks	Tax inspections	Other risks and charges	Total
Balance at 31 December 2009	8	57	6	15	17	103
Currency translation differences	-	2	-	1	-	3
Increases	-	6	1	-	-	7
Utilisations	(1)	(4)	-	-	-	(5)
Releases	-	(1)	-	-	-	(1)
Other	(1)	-	1	9	-	9
Total movements	(2)	3	2	10	-	13
Balance at 31 March 2010	6	60	8	25	17	116

The utilisation of Euro 1 million from the provision for restructuring costs largely refers to projects to rationalise production in Germany, France and the United Kingdom.

The increase of Euro 6 million in the provision for contractual and legal risks mostly refers to:
- contractual risks (Euro 3 million), mainly relating to the Submarine and High Voltage businesses;
- legal risks (Euro 1 million), for legal costs relating to an unfinalised acquisition project.

The decrease of Euro 5 million in the provision for contractual and legal risks mainly refers to the utilisation (Euro 4 million) and release (Euro 1 million) of provisions for contractual guarantees and indemnities.

The increase in the provision for tax inspections mostly refers to disputes relating to the Canadian company and other Group companies that have been reclassified from Other payables.

12. EMPLOYEE BENEFIT OBLIGATIONS

These are detailed as follows:

(in millions of Euro)	31 March 2010	31 December 2009
Pension funds	88	88
Employee indemnity liability (Italian TFR)	22	22
Medical benefit plans	18	18
Termination benefits and others	16	14
Total	145	142

The impact of employee benefit obligations on the income statement is as follows:

(in millions of Euro)	1/1-31/3/2010	1/1-31/3/2009
Pension funds	1	2
Medical benefit plans	1	-
Termination benefits and others	2	1
Total	4	3

The average headcount in the period is reported below, compared with the closing headcounts at the end of each period:

	Average 1/1-31/3/2010	%	Closing at 31 March 2010	%
Blue collar	8,900	74%	8,960	74%
White collar and management	3,171	26%	3,224	26%
Total	12,071	100%	12,184	100%

	Average 1/1-31/3/2009	%	Closing at 31 December 2009	%
Blue collar	9,033	74%	8,629	74%
White collar and management	3,103	26%	3,075	26%
Total	12,136	100%	11,704	100%

13. OPERATING INCOME

Operating income is Euro 50 million in the first three months of 2010, compared with Euro 128 million in the first three months of 2009, and includes the following non-recurring items:

(in millions of Euro)	1/1-31/3/2010	1/1-31/3/2009
Special project costs	(1)	-
Environmental remediation	(2)	-
Company reorganisation	-	(2)
Total non-recurring (expenses)/income	(3)	(2)

14. FINANCE INCOME AND COSTS

Finance costs are detailed as follows:

(in millions of Euro)	1/1–31/3/2010	1/1–31/3/2009
Interest on borrowings	4	10
Amortisation of bank and financial fees and other expenses	1	1
Interest costs on employee benefits	2	2
Other bank interest	1	2
Costs for undrawn credit lines	–	–
Sundry bank fees	1	2
Other	6	2
Finance costs	**15**	**19**
Net losses on forward currency contracts	13	–
Losses on derivatives	**13**	**–**
Foreign currency exchange losses	49	81
Total finance costs	**77**	**100**

Finance income are detailed as follows:

(in millions of Euro)	1/1–31/3/2010	1/1–31/3/2009
Interest income from banks and other financial institutions	1	3
Other finance income	–	2
Finance income	**1**	**5**
Net gains on forward currency contracts	–	8
Gains on derivatives	**–**	**8**
Foreign currency exchange gains	60	85
Total finance income	**61**	**98**

15. TAXES

The total tax charge has been estimated on the basis of the expected weighted average tax rate for the full year. Taxes are analysed as follows for each of the periods presented:

(in millions of Euro)	1/1–31/3/2010	1/1–31/3/2009
Current income taxes	11	18
Deferred income taxes	–	17
Total	11	35

The tax rate in the first three months of 2010 is 32%, compared with 28% in the same period of 2009. This increase is mainly attributable to reduced utilisation of carry forward tax losses.

16. EARNINGS/(LOSS) PER SHARE

Basic earnings per share have been calculated by dividing profit for the period attributable to owners of the parent by the average number of the Company's outstanding shares. With regard to the denominator used for calculating earnings per share, the average number of outstanding shares also includes the shares issued following exercise of part of the first, second and third tranches of the Stock Option Plan during 2008, 2009 and the first three months of 2010, involving the issue of a total of 1,953,600 shares.
Diluted earnings per share have been determined by taking into account, when calculating the number of outstanding shares, the potential dilutive effect deriving from options granted under the existing Stock Option Plan.

(in millions of Euro)	1/1-31/3/2010	1/1-31/3/2009
Profit attributable to owners of the parent	22	90
Weighted average number of ordinary shares (thousands)	178,446	177,567
Basic earnings per share (in Euro)	**0.13**	**0.51**
Profit attributable to owners of the parent	22	90
Weighted average number of ordinary shares (thousands)	178,446	177,567
Adjustments for:		
Dilution from incremental shares arising from exercise of stock options (thousands)	487	2,270
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	178,933	179,837
Diluted earnings per share (in Euro)	**0.13**	**0.50**

17. CONTINGENT LIABILITIES

Towards the end of January 2009, the European Commission, the US Department of Justice and the Japanese antitrust authority started an investigation into several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive agreements in the Underground and Submarine High Voltage Cable business areas. More recently, the Australian Competition and Consumers Commission ("ACCC") and the New Zealand Commerce Commission also started similar investigations.

The Japanese investigation has been closed without any charge against Prysmian. The other investigations are still at a preliminary stage and the Group is fully collaborating with the relevant authorities.

In Australia, the ACCC has filed a case before the Federal Court arguing that Prysmian Cavi e Sistemi Energia S.r.l. and two other companies violated antitrust rules in connection with an underground high voltage cable project which was awarded in 2003. Prysmian Cavi e Sistemi Energia S.r.l. received official notice of this claim in April 2010.

In the event of a proven breach of applicable legislation, the financial penalties imposed by the competent authorities could be significant in relation to the economic and financial situation of the

Group. Among other things, the sanction system under European law provides for financial penalties that could reach a maximum of 10% of Group turnover.

Other kinds of legal and fiscal proceedings are also in progress, having arisen in the ordinary course of the Group's business.

18. COMMITMENTS

Contractual commitments to purchase property, plant and equipment, and intangible assets, already given to third parties and not yet reflected in the financial statements, amount to Euro 18 million at 31 March 2010 (Euro 22 million at 31 March 2009).

19. RECEIVABLES FACTORING

As part of its factoring programme, the Group has factored trade receivables without recourse. The amount of receivables factored but not yet paid by customers was Euro 34 million at 31 March 2010 (Euro 34 million at 31 March 2009).

20. SEASONALITY

The Group's business features a certain degree of seasonality in its revenues, which are usually higher in the second and third quarters. This is due to the fact that utilities projects in the northern hemisphere are mostly concentrated in the warmer months of the year. The Group's level of debt is generally higher in the period May–July with funds being absorbed by higher working capital.

21. RELATED PARTY TRANSACTIONS

During the first quarter of 2010, The Goldman Sachs Group Inc. sold its interests in Prysmian S.p.A. held through Prysmian (Lux) II S.à r.l. (16.24% of share capital) and Goldman Sachs International (0.564% of share capital); certain members of the Board of Directors of Prysmian S.p.A. hold important positions within The Goldman Sachs Group Inc., which is why the latter is classified as a related party.

Transactions between Prysmian S.p.A. and its subsidiaries and associates mainly refer to:

- trade relations involving intercompany purchases and sales of raw materials and finished goods;
- services (technical, organisational and general) provided by head office to subsidiaries worldwide;
- financial relations maintained by Group treasury companies on behalf of, and with, Group companies.

All the above transactions form part of the continuing operations of the Group.
The following tables provide a summary of the related party transactions in the period ending 31 March 2010:

(in millions of Euro)				31 March 2010
	Trade and other receivables	Derivatives classified as assets	Trade and other payables	Financial payables and derivatives classified as liabilities
Associates	4	–	3	–
Other related parties:				
The Goldman Sachs Group Inc.	–	–	–	5
Total	**4**	**–**	**3**	**5**

(in millions of Euro)				31 December 2009
	Trade and other receivables	Derivatives classified as assets	Trade and other payables	Financial payables and derivatives classified as liabilities
Associates	2	–	4	–
Other related parties:				
The Goldman Sachs Group Inc.	–	–	–	4
Total	**2**	**–**	**4**	**4**

(in millions of Euro)			1/1-31/03/2010
	Sales of goods and services	Cost of goods and services	Finance income/ (costs)
Associates	4	1	–
Other related parties:			
The Goldman Sachs Group Inc.	–	–	(1)
Total	**4**	**1**	**(1)**

(in millions of Euro)			1/1-31/03/2009
	Sales of goods and services	Cost of goods and services	Finance income/ (costs)
Ultimate parent company	–	–	–
Associates	2	1	–
Other related parties:			
The Goldman Sachs Group Inc.	–	–	1
Total	**2**	**1**	**1**

Transactions with associates

Trade and other payables refer to goods and services provided in the ordinary course of the Group's business. Trade and other receivables refer to goods and services provided in the ordinary course of the Group's business.

Transactions with The Goldman Sachs Group Inc.

Financial receivables/payables and derivatives report the net position with The Goldman Sachs Group Inc., with whom the Group has entered interest rate swap agreements. The cost of goods and services refers to the fees earned by The Goldman Sachs Group Inc. for advisory services provided to the Prysmian Group.

Key management compensation

Key management compensation amounts to Euro 1.4 million at 31 March 2010, equal to the amount as at 31 March 2009.

22. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In accordance with the disclosures required by Consob Communication DEM/6064296 dated 28 July 2006, it is reported that no atypical and/or unusual transactions were carried out during the first three months of 2010.

23. STOCK OPTION PLANS

On 30 November 2006, the Company's shareholders approved a stock option plan which was dependent on the flotation of the Company's shares on Italy's Electronic Equities Market (MTA) organised and managed by Borsa Italiana S.p.A. The plan was reserved for employees of companies belonging to the Prysmian Group.
Each option entitles the holder to subscribe to one share at a price of Euro 4.65.

More details of the stock option plan are provided in the following table:

(in Euro)	31 March 2010		31 December 2009	
	Number of options	Strike price	Number of options	Strike price
Options at start of period	1,560,436	4.65	2,318,974	4.65
Granted	–	–	–	4.65
Cancelled	–	–	(69,726)	–
Exercised	(718,561)	4.65	(688,812)	4.65
Options at end of period	841,875	4.65	1,560,436	4.65
of which vested at end of period	162,038	4.65	880,599	4.65
of which exercisable*	–	–	–	–
of which not vested at end of period	679,837	4.65	679,837	4.65

* options can be exercised only in specified periods

24. EXCHANGE RATES

The main exchange rates used to translate financial statements in foreign currencies for consolidation purposes are reported below:

	Closing rate at		Average rate	
	31 March 2010	31 December 2009	1/1-31/3/2010	1/1-31/3/2009
Europe				
British Pound	0.890	0.888	0.888	0.909
Swiss Franc	1.428	1.484	1.463	1.498
Hungarian Forint	265.750	270.420	268.522	294.208
Norwegian Krone	8.014	8.300	8.102	8.946
Swedish Krona	9.714	10.252	9.946	10.940
Romanian Leu	4.097	4.236	4.113	4.268
Turkish Lira	2.062	2.171	2.090	2.163
Polish Zloty	3.867	4.105	3.987	4.499
Russian Rouble	39.695	43.154	41.270	44.411
North America				
US Dollar	1.348	1.441	1.383	1.303
Canadian Dollar	1.369	1.513	1.438	1.622
South America				
Brazilian Real	2.401	2.508	2.490	3.012
Argentine Peso	5.227	5.474	5.310	4.619
Chilean Peso	706.030	730.384	717.972	789.721
Oceania				
Australian Dollar	1.474	1.601	1.529	1.965
New Zealand Dollar	1.902	1.980	1.951	2.450
Africa				
CFA Franc	655.957	655.957	655.957	655.957
Tunisian Dinar	1.886	1.897	1.890	1.836
Asia				
Chinese Renminbi (Yuan)	9.201	9.835	9.442	8.907
United Arab Emirates Dirham	4.950	5.122	5.078	4.785
Hong Kong Dollar	10.465	11.171	10.736	10.102
Singapore Dollar	1.886	2.019	1.940	1.971
Indian Rupee	60.507	66.829	63.414	64.745
Indonesian Rupiah	12,227.260	13,626.130	12,809.323	15,168.655
Malaysian Ringgit	4.397	4.933	4.659	4.726
Saudi Riyal	5.055	5.403	5.186	4.887

25. SUBSEQUENT EVENTS

Further to the resolution adopted by the Board of Directors on 3 March 2010, Prysmian S.p.A. completed the placement of an unrated bond with institutional investors on the Eurobond market on 30 March for a total nominal amount of Euro 400 million.
Strong investor interest resulted in the receipt of applications for in excess of Euro 3 billion, meaning that the offer was more than 7.5 times oversubscribed.

The bond, whose issue price was Euro 99.674, has a 5-year term and will pay a fixed annual coupon of 5.25%. The bonds were settled on 9 April 2010.
The bond has been admitted to the Luxembourg Stock Exchange's official list and trades on the related regulated market.
Prysmian S.p.A. will use the bond proceeds to finance the Group's activities, including to refinance its existing debt.
On 16 April 2010, Prysmian therefore made an early repayment of Euro 200 million against the Term Loan received on 4 May 2007; this repayment corresponds to the amounts that were due in 2010 and 2011 and means that the Term Loan now stands at Euro 770 million.

On 15 April 2010, the shareholders of Prysmian S.p.A. approved the financial statements for 2009 and the distribution of a dividend of Euro 0.417 per share, for a total of some Euro 74 million. The dividend was paid on 22 April 2010.
The shareholders also appointed a new Board of Statutory Auditors, who will remain in office until the Shareholders' Meeting called to approve the financial statements at 31 December 2012. and also determined that the Board of Directors should have 10 members, appointing Stefano Bulletti as a new director, who will remain in office until approval of the financial statements for the year ended 31 December 2011.

Lastly, the Shareholders' Meeting approved an amendment to the Incentive Plan that it had approved on 30 November 2006. This amendment introduces four new option exercise periods, solely for beneficiaries still in the Group's employment.
Vested but unexercised options and options that will vest in future will be exercisable until the thirtieth day after publicly announcing the approval of the Company's separate financial statements for 2012. All the other terms of the plan remain the same. Since the fair value of unexercised options is largely unaffected by the new terms of exercise, no significant changes are expected in the plan's impact on the income statement.
The amendment of the incentive plan has been accompanied by an extension of the term for the capital increase by Prysmian S.p.A. relating to this plan, involving a consequent revision of article 6 of the Company's by-laws.

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Pursuant to art. 154-bis par. 2 of Italy's Financial Markets Consolidation Act, Pier Francesco Facchini, manager responsible for preparing corporate accounting documents, declares that the information contained in this quarterly report corresponds to the underlying documents, accounting books and records.

Milan, 13 May 2010

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN
Paolo Zannoni

SCOPE OF CONSOLIDATION – ATTACHMENT A

The following companies have been consolidated line-by-line:

Legal name	Office		Currency	% ownership	Direct parent company
Europe					
Austria					
Prysmian OEKW GmbH	Vienna	Euro	2,071,176	100.00%	Prysmian Energia Holding S.r.l.
Russian Federation					
Limited Liability Company "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel"	Rybinsk city	Russian Ruble	230,000,000	99.00%	Prysmian (Dutch) Holdings B.V.
				1.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Rybinsk city	Russian Ruble	31,800,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kom Rybinskelektrokabel"
Limited Liability Company "Torgoviy Dom Rybinskelektrokabel"	Rybinsk city	Russian Ruble	8,512,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kom Rybinskelektrokabel"
Limited Liability Company "NPP Rybinskelektrokabel"	Rybinsk city	Russian Ruble	49,352,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kom Rybinskelektrokabel"
Finland					
Prysmian Cables and Systems OY	Kirkkonummi	Euro	2,000,000	100.00%	Prysmian Energia Holding S.r.l.
France					
Prysmian (French) Holdings S.A.S.	Paron de Sens	Euro	173,487,250	100.00%	Prysmian Energia Holding S.r.l.
GSCP Athena (French) Holdings II S.A.S.	Paron de Sens	Euro	18,500	100.00%	Prysmian (French) Holdings S.A.S.
Prysmian Cables et Systèmes France S.A.S.	Paron de Sens	Euro	136,800,000	100.00%	Prysmian (French) Holdings S.A.S.
Germany					
Prysmian Kabel und Systeme GmbH	Berlin	Euro	15,000,000	93.75%	Prysmian Energia Holding S.r.l.
				6.25%	Prysmian S.p.A.
Bergmann Kabel und Leitungen GmbH	Schwerin	Euro	1,022,600	100.00%	Prysmian Kabel und Systeme GmbH
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Eschweiler	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH
UK					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	45,292,120	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Construction Company Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	Eastleigh	British Pound	118,653,473	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Industrial) Ltd.	Eastleigh	British Pound	9,010,935	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Supertension) Ltd.	Eastleigh	British Pound	5,000,000	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables and Systems International Ltd.	Eastleigh	Euro	100,000	100.00%	Prysmian Energia Holding S.r.l.
Cable Makers Properties & Services Limited	Kingston upon Thames	British Pound	33	63.53%	Prysmian Cables & Systems Ltd.
				36.47%	Third parties
Prysmian Cables Limited	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Telecom Cables and Systems Uk Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Metals Limited	Eastleigh	British Pound	15,000,000	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Focom Limited	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Comergy Ltd.	Eastleigh	British Pound	1,000,000	100.00%	Prysmian Energia Holding S.r.l.
Prysmian Pension Scheme Trustee Limited	Eastleigh	British Pound	1	100.00%	Prysmian S.p.A.
Aberdare Cables	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Ireland					
Prysmian Financial Services Ireland Limited	Dublin	Euro	1,000	100.00%	Third parties
Prysmian Re Company Limited	Dublin	Euro	3,000,000	100.00%	Prysmian (Dutch) Holdings B.V.

Legal name	Office		Currency	% ownership	Direct parent company
Italy					
Prysmian Cavi e Sistemi Energia S.r.l.	Milan	Euro	100,000,000	100.00%	Prysmian S.p.A.
Prysmian Energia Holding S.r.l.	Milan	Euro	10,000	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	Euro	77,143,249	77.45%	Prysmian Cavi e Sistemi Energia S.r.l.
				22.55%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Telecom S.r.l.	Milan	Euro	10,000	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Telecom S.r.l.	Milan	Euro	31,930,000	100.00%	Prysmian Telecom S.r.l.
Prysmian Treasury S.r.l.	Milan	Euro	4,242,476	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian PowerLink S.r.l.	Milan	Euro	50,000,000	84.80%	Prysmian Cavi e Sistemi Energia S.r.l.
				15.20%	Prysmian Cavi e Sistemi Italia S.r.l.
Fibre Ottiche Sud – F.O.S. S.r.l.	Battipaglia	Euro	47,700,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Luxembourg					
Prysmian Treasury (Lux) S.à r.l.	Luxembourg	Euro	3,050,000	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Norway					
Prysmian Kabler og Systemer A.S.	Ski	Norwegian Krone	100,000	100.00%	Prysmian Cables and Systems OY
Netherland					
Prysmian Cable Holding B.V.	Delft	Euro	54,503,013	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Cables and Systems B.V.	Delft	Euro	5,000,000	100.00%	Prysmian Energia Holding S.r.l.
Prysmian (Dutch) Holdings B.V.	Delft	Euro	18,000	100.00%	Prysmian Energia Holding S.r.l.
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Romanian New Lei	21,367,920	99.9995%	Prysmian (Dutch) Holdings B.V.
				0.0005%	Prysmian Cavi e Sistemi Energia S.r.l.
Slovakia					
Prysmian Kablo s.r.o.	Bratislava	Euro	21,246,001	99.995%	Prysmian Energia Holding S.r.l.
				0.005%	Prysmian S.p.A.
Spain					
Prysmian Cables y Sistemas S.L.	Vilanova I la Geltrù	Euro	14,000,000	85.71%	Prysmian Energia Holding S.r.l.
				14.29%	Prysmian Cavi e Sistemi Telecom S.r.l.
Fercable S.L.	Sant Vicenç dels Horts	Euro	3,606,073	100.00%	Prysmian Cables y Sistemas S.L.
Prysmian Servicios de Tesoreria Espana S.L.	Madrid	Euro	3,100	100.00%	Prysmian Financial Services Ireland Limited
Sweden					
Prysmian Kablar och System AB	Hoganas	Swedish Krona	100,000	100.00%	Prysmian Cables and Systems OY
Switzerland					
Prysmian Cables and Systems SA	Manno	Swiss Franc	500,000	100.00%	Prysmian (Dutch) Holdings B.V.
Turkey					
Turk Prysmian Kablo Ve Sistemleri A.S.	Mudanya Bursa	Turkish New Lira	112,233,652	83.75%	Prysmian (Dutch) Holdings B.V.
				16.25%	Third parties
Hungary					
Prysmian MKM Magyar Kabel Muvek KFT	Budapest	Hungarian Forint	5,000,000,000	100.00%	Prysmian Energia Holding S.r.l.
Kabel Keszletertekesito BT	Budapest	Hungarian Forint	1,239,841,361	99.999%	Prysmian MKM Magyar Kabel Muvek KFT
				0.001%	Third parties
Noth America					
Canada					
Prysmian Power Cables and Systems Canada Ltd.	New Brunswick	Canadian Dollar	1,000,000	100.00%	Prysmian (Dutch) Holdings B.V.
U.S.A.					
Prysmian Cables and Systems (US) Inc.	Carson City	US Dollar	71,000,001	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Power Cables and Systems USA LLC	Lexington	US Dollar	10	100.00%	Prysmian Cables and Systems (US) Inc.
Prysmian Construction Services Inc	Lexington	US Dollar	1,000	100.00%	Prysmian Power Cables and Systems USA LLC
Prysmian Communications Cables and Systems USA LLC	Lexington	US Dollar	10	100.00%	Prysmian Cables and Systems (US) Inc.
Prysmian Communications Cables Corporation	Lexington	US Dollar	1	100.00%	Prysmian Communications Cables and Systems USA LLC
Prysmian Power Financial Services US LLC	Wilmington	US Dollar	100	100.00%	Prysmian Power Cables and Systems USA LLC
Prysmian Communications Financial Services US LLC	Wilmington	US Dollar	100	100.00%	Prysmian Communications Cables and Systems USA LLC
Central/South America					
Argentina					
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	66,966,667	94.68%	Prysmain Consultora Conductores e Instalaciones SAIC
				5.00%	Prysmian (Dutch) Holdings B.V.
				0.32%	Third parties
Prysmian Telecomunicaciones Cables y Sistemas de Argentina S.A	Buenos Aires	Argentine Peso	12,000	95.00%	Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.
				5.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Consultora Conductores e Instalaciones SAIC	Buenos Aires	Argentine Peso	48,571,242	95.00%	Prysmian (Dutch) Holdings B.V.
				5.00%	Prysmian Cavi e Sistemi Energia S.r.l.

Legal name	Office			% ownership	Direct parent company
Brasil					
Prysmian (Brazil) Holdings Limitada	Sao Paulo	Brazilian Real	4,700	99.98%	Prysmian Energia Cabos e Sistemas do Brasil S.A.
				0.02%	Prysmian S.p.A.
Prysmian Energia Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	166,825,035	99.83%	Prysmian Cavi e Sistemi Energia S.r.l.
				0.17%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	58,309,129	99.87%	Prysmian Energia Cabos e Sistemas do Brasil S.A.
				0.13%	Prysmian Cavi e Sistemi Telecom S.r.l.
Sociedade Produtora de Fibras Opticas S.A.	Sorocaba	Brazilian Real	1,500,100	51.00%	Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.
				49.00%	Third parties
Chile					
Prysmian Instalaciones Chile S.A.	Santiago	Chilean Peso	1,119,148,955	99.80%	Prysmian Consultora Conductores e Instalaciones SAIC
				0.20%	Third parties
Africa					
Ivory Coast					
SICABLE - Sociète Ivorienne de Cables S.A.	Abidjan	Cfa Franc	740,000,000	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Third parties
Tunisia					
Auto Cables Tunisie S.A.	Grombalia	Tunisian Dinar	3,024,700	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Third parties
Oceania					
Australia					
Prysmian Power Cables & Systems Australia Pty Ltd.	Liverpool	Australian Dollar	15,000,000	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Telecom Cables & Systems Australia Pty Ltd.	Liverpool	Australian Dollar	38,500,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
New Zealand					
Prysmian Power Cables & Systems New Zealand Ltd.	Auckland	New Zealand Dollar	10,000	100.00%	Prysmian Power Cables & Systems Australia Pty Ltd.
Asia					
China					
Prysmian Tianjin Cables Co. Ltd.	Tianjin	US Dollar	20,400,000	67.00%	Prysmian (China) Investment Company Ltd.
				33.00%	Third parties
Prysmian Cable (Shanghai) Co.Ltd.	Shanghai	US Dollar	5,000,000	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Baosheng Cable Co.Ltd.	Jiangsu	US Dollar	19,500,000	67.00%	Prysmian (China) Investment Company Ltd.
				33.00%	Third parties
Prysmian Wuxi Cable Co. Ltd .	Wuxi	US Dollar	29,941,250	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Angel Tianjin Cable Co. Ltd.	Tianjin	US Dollar	14,000,000	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	Hong Kong	Euro	49,800,000	83.00%	Prysmian Energia Holding S.r.l.
				17.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian (China) Investment Company Ltd.	Beijing	Euro	48,800,000	100.00%	Prysmian Hong Kong Holding Ltd.
India					
Ravin Cables Limited	Mumbai	Indian Rupee	209,230,110	51.00%	Prysmian Cavi e Sistemi Energia S.r.l.
				49.00%	Third parties
Pirelli Cables (India) Private Ltd.	New Dehli	Indian Rupee	10,000,000	99.998%	Prysmian Cable Holding B.V.
				0.002%	Prysmian Cavi e Sistemi Energia S.r.l.
Indonesia					
P.T.Prysmian Cables Indonesia	Cikampek	US Dollar	67,300,000	99.48%	Prysmian (Dutch) Holdings B.V.
				0.52%	Prysmian Cavi e Sistemi Energia S.r.l.
Malaysia					
Bicc (Malaysia) Sdn Bhd	Kuala Lumpur	Malaysian Ringgit	-	100.00%	Prysmian Cables Asia-Pacific Pte Ltd.
Submarine Cable Installation Sdn Bhd	Kuala Lumpur	Malaysian Ringgit	10,000	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Saudi Arabia					
Prysmian Powerlink Saudi LLC	Al Khoabar	Saudi Arabian Riyal	500,000	95.00%	Prysmian PowerLink S.r.l.
				5.00%	Third parties
Singapore					
Prysmian Cables Asia-Pacific Pte Ltd	Singapore	Singapore Dollar	213,324,290	100.00%	Prysmian (Dutch) Holdings B.V.
Prysmian Cable Systems Pte Ltd	Singapore	Singapore Dollar	25,000	50.00%	Prysmian (Dutch) Holdings B.V.
				50.00%	Prysmian Cables & Systems Ltd.

The following companies have been consolidated on a proportionate basis:

Legal name	Office			% ownership	Direct parent company
Malaysia					
Power Cables Malaysia Sdn Bhd	Selangor Darul Eshan	Malaysian Ringgit	8,000,000	40.00%	Prysmian (Dutch) Holdings B.V.
				60.00%	Third parties
Power Cable Engineering Services (M) Sdn Bhd	Selangor Darul Eshan	Malaysian Ringgit	100,000	100.00%	Power Cables Malaysia Sdn Bhd

The following companies have been accounted for using the equity method:

Legal name	Office			% ownership	Direct parent company
Germany					
Kabeltrommel GmbH & CO.KG	Column	Euro	10,225,838	1.00%	Bergmann Kabel und Leitungen GmbH
				28.68%	Prysmian Kabel und Systeme GmbH
				70.32%	Third parties
Sykonec GmbH	Neustadt bei Coburg	Euro	300,000	50.00%	Bergmann Kabel und Leitungen GmbH
				50.00%	Third parties
UK					
Rodco Ltd.	Weybridge	British Pound	5,000,000	40.00%	Prysmian Cables & Systems Ltd.
				60.00%	Third parties
Poland					
Eksa Sp.Zo.o	Varsavia	Polish Zloty	394,000	20.05%	Prysmian Energia Holding S.r.l.
				79.95%	Third parties
U.A.E.					
Power Plus Cables CO: L.L.C.	Fujairah	U.A.E. Dirham	35,000,000	49.00%	Ravin Cables Limited
				51.00%	Third parties