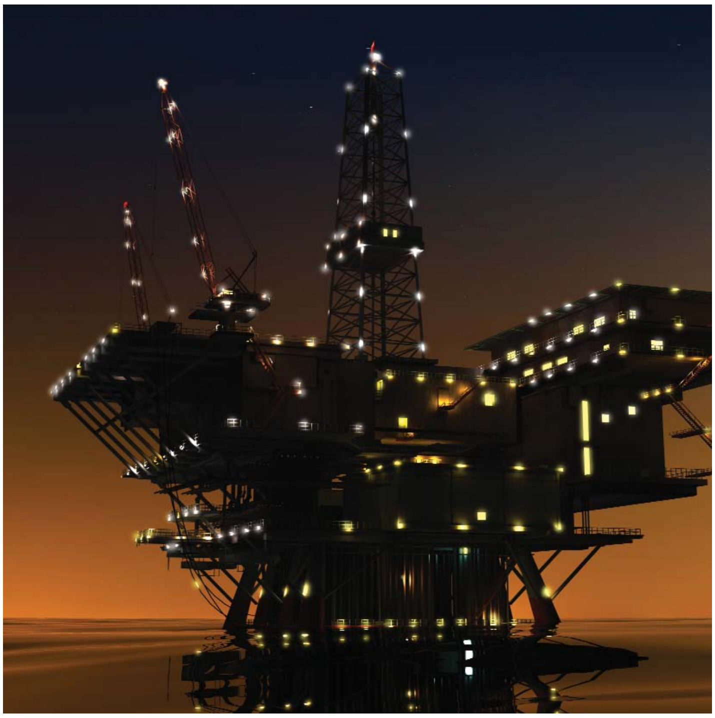



CARRYING OUT IDEAS TO KEEP ON GROWING

THIRD-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 [(*)]	Fabio Ignazio Romeo
		Giulio Del Ninno [(*) (1) (2)]	Claudio De Conto [(*) (1) (2) (4)]
		Pier Francesco Facchini	Sergio Erede [(*) (2) (4)]
		Massimo Tononi [(*) (1) (4)]	Stefano Bulletti [(3)]
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 Nominations Committee

[(3)] Appointed on 15 April 2010

[(4)] Appointed on 21 July 2010

Foreword

This quarterly financial report at 30 September 2010 (Interim management statement pursuant to art. 154-ter of Italian Decree 58/1998) has been drawn up and prepared:
- in compliance with art. 154-ter of Italian Decree 58/1998 and subsequent amendments 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 quarterly financial report has not been audited.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION (*)

(in millions of Euro)

	9 months 2010	9 months 2009	% change	FY 2009
Sales	3,330	2,777	19.9%	3,731
Contribution margin [(1)]	590	592	-0.1%	791
EBITDA [(2)]	272	271	0.2%	366
Adjusted EBITDA [(3)]	281	292	-3.8%	403
Operating income	212	309	-31.6%	386
Adjusted operating income [(4)]	224	242	-7.7%	334
Profit before taxes	135	280	-51.9%	337
Profit/(loss) for the period	92	204	-55.2%	252

(in millions of Euro)

	30 September 2010	30 September 2009	Change	31 December 2009
Net capital employed	1,528	1,410	118	1,314
Employee benefit obligations	156	124	32	142
Equity	718	657	61	698
of which attributable to non-controlling interests	40	18	22	21
Net financial position	654	629	25	474

(in millions of Euro)

	9 months 2010	9 months 2009	% change	FY 2009
Investments	56	76	-26.3%	107
Employees (at period end)	12,469	11,728	6.3%	11,704
Earnings/(loss) per share				
- basic	0.50	1.14		1.40
- diluted	0.50	1.14		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) 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 in the first nine months of 2010 has involved a first quarter marked by uncertainty and discontinuity, followed by a gradual easing in the last six months. Demand in the period April – September 2010 stabilised at the levels seen in the same period of the prior year, while certain product sectors and geographical areas showed signs of volume revival.

In fact, the Group's third-quarter sales reported 7.6% year-on-year organic growth thanks to the upturn in Energy segment volumes, which more than offset the contraction in demand for copper cables in the Telecom segment. However, this moderately positive trend does not point in the short term towards a full-scale recovery in prices and volumes to their level of two years ago.

In particular, fluctuations in the price of raw materials and metals and in exchange rates, combined with deficit reduction measures by the authorities in many countries, have affected the behaviour of market participants and put greater pressure on prices, without producing any clear signs of near-term trend reversal.

Given this scenario, the Prysmian Group's sales remained generally stable compared with the first nine months of 2009, reporting organic growth of 0.3% (excluding changes in group perimeter, metal prices and exchange rates). The third quarter, in particular, enjoyed a clear recovery on the corresponding period in 2009 and confirmed the upward trend in progress since the second quarter of the current year.

During 2010, the Prysmian Group has further intensified tactical actions for exploiting as many market opportunities as possible, without however subverting its core strategy. The Group has concentrated on its ability to react quickly to often discontinuous market demands, while maintaining maximum attention on high value-added business and geographical markets with greater future potential; it has continued to pay great attention to improving industrial efficiency, to optimising raw materials procurement and customer service in order to defend its profitability and respond rapidly to competitor actions.

PRINCIPAL PROJECTS ACQUIRED AND COMMERCIAL INITIATIVES IN THE PERIOD

At the start of July Prysmian won a major new contract, worth Euro 250 million, from Abu Dhabi Transmission and Dispatch company (TRANSCO), to supply a turnkey system for extra-high voltage power transmission.

Prysmian will provide all the engineering, manufacturing, installation and commissioning for the 400 kV cable system (triple circuit route of 25 km for a total of 230 km of extruded insulation (XLPE) cable and related network components). The project has an execution time of twenty-four months.

The new link is of utmost importance to the Abu Dhabi Emirate’s power transmission systems. In fact, it will connect the Bahia and Saadiyat grid stations, via the most prestigious residential areas and areas of industrial infrastructure, such as Yas Island, site of the new F1 race track.

After winning two major contracts for the BorWin 2 and HelWin1 projects in the North Sea (worth a total of some Euro 400 million) from Transpower, a German transmission system company controlled by the Dutch Tennet group, Prysmian has won a contract in the United Kingdom, worth Euro 18 million, from RWE Npower Renewables for linking the Gwynt y Mor wind farm to Britain's electricity grid. Prysmian started installing the 132 kV underground cables in September 2010 and expects to complete this project in twenty months. Prysmian underground cables will connect the submarine cables from the point they reach the mainland in Pensam, Wales, to the power station in St. Asaph.

In January 2010 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.

FINANCE AND M&A ACTIVITIES

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.

On 30 March 2010, Prysmian S.p.A. completed the placement of an unrated bond with institutional investors on the Eurobond market 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 pays 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. is using 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 19 January 2010, the Prysmian Group acquired a majority, controlling stake of 51% in the Indian group of Ravin Cables Limited.

With turnover of around Euro 45 million in the financial year April 2008 - March 2009, Ravin Cables Limited is one of India's most competitive cable manufacturers with a range that includes low and medium voltage cables and a market that extends 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 already has equipment for producing high voltage cable.
India's market for High Voltage cables and systems is expected to grow rapidly, thanks to the country's dynamic economy and the need for rapid development of its power transmission and distribution grids.

GROUP PERFORMANCE AND RESULTS

(in millions of Euro)

	9 months 2010	9 months 2009	% change	FY 2009
Sales	3,330	2,777	19.9%	3,731
Adjusted EBITDA	**281**	**292**	**-3.8%**	**403**
% of sales	8.4%	10.5%		10.8%
EBITDA	**272**	**271**	**0.2%**	**366**
% of sales	8.2%	9.8%		9.8%
Fair value change in metal derivatives	3	88		91
Amortisation, depreciation and impairment	(63)	(50)	25.9%	(71)
Operating income (1)	**212**	**309**	**-31.6%**	**386**
% of sales	6.3%	11.1%		10.3%
Net finance income/(costs)	(79)	(31)		(52)
Share of income from investments accounted for using the equity method and dividends	2	2		3
Profit before taxes	**135**	**280**	**-51.9%**	**337**
% of sales	4.0%	10.1%		9.0%
Taxes	(43)	(76)	-43.0%	(85)
Profit/(loss) for the period	**92**	**204**	**-55.2%**	**252**
% of sales	2.8%	7.4%		6.8%
Attributable to:				
Owners of the parent	90	203		248
Non-controlling interests	2	1		4

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

	9 months 2010	9 months 2009	% change	FY 2009
Operating income (A)	**212**	**309**	**-31.6%**	**386**
EBITDA (B)	**272**	**271**	**0.2%**	**366**
Non-recurring expenses/(income):				
Company reorganisation	6	10		13
Shutdown of production facilities	-	-		6
Antitrust investigation legal costs	1	7		11
Release of provision for tax inspections	(2)	-		-
Special project costs	3	4		4
Environmental remediation	1	-		3
Total non-recurring expenses/(income) (C)	**9**	**21**		**37**
Fair value change in metal derivatives (D)	(3)	(88)		(91)
Impairment of assets held for sale (E)	6	-		2
Adjusted operating income (A+C+D+E)	**224**	**242**	**-7.7%**	**334**
Adjusted EBITDA (B+C)	**281**	**292**	**-3.8%**	**403**

In the first nine months of 2010 the Prysmian Group's sales were largely stable compared with the same period in 2009, reporting a 0.3% organic increase (excluding changes in group perimeter, metal prices and exchange rates), analysed by segment as follows:

- Energy +0.7%;
- Telecom -3.0%.

Sales in the third quarter of 2010 confirmed the trend reversal already seen in the previous quarter, with organic growth of 7.6% on the same period of last year, analysed by segment as follows:

- Energy +9.1%
- Telecom -4.6%

The Energy segment benefited from a resurgence in volumes in all its business areas, particularly in the geographical areas of North Europe and South America, which allowed the Group to counteract not only price pressures but also the steep drop in demand for copper cables in the Telecom segment.

Adjusted EBITDA amounted to Euro 281 million in the period (before non-recurring expenses of Euro 9 million), posting a decrease of Euro 11 million (-3.8%) on the first nine months of 2009.

During the first nine months of 2010, and particularly in the second and third quarter, the Euro depreciated against currencies in which the Group operates outside the Eurozone, benefiting this result by some Euro 10 million. This positive impact mostly came from the Euro's depreciation against the Brazilian real, the British pound and the Australian dollar.

Thanks to the growth in sales, adjusted EBITDA for the third quarter of 2010 came to Euro 100 million, an improvement of Euro 1 million (+1.01%) on the corresponding period in 2009.

INCOME STATEMENT

Group sales came to Euro 3,330 million in the first nine months of 2010, compared with Euro 2,777 million at 30 September 2009, representing a positive change of Euro 553 million (+19.9%).
This increase was due to the following factors:

- addition of Euro 60 million (+2.2%) from the line-by-line consolidation of Ravin Cables Limited in India and Rybinsk Elektrokabel in Russia, and from the proportionate consolidation of 49% of Power Plus Cable CO LLC in the Middle East;
- positive exchange rate effects of Euro 125 million (+4.5%);
- increase of Euro 361 million (+12.9%) in sale prices due to fluctuations in metal prices (copper, aluminium and lead);
- organic sales growth of Euro 7 million (+0.3%) due to higher volumes.

The contribution margin of Euro 590 million in the first nine months of 2010 was basically in line with the corresponding prior year figure of Euro 592 million. The contribution margin benefited from Euro 23 million in positive exchange rate effects that neutralised the contraction caused by price pressures in all of Prysmian's sectors of activity. Thanks to the growth in volumes, the commercial actions taken and positive exchange rate effects, Prysmian was able to achieve a third-quarter contribution margin of Euro 204 million, up 2.5% from Euro 199 million in the corresponding period of 2009.

The commercial and business segmentation strategies reconfirmed by the Group for the current year have allowed it to neutralise the effects of persistent market uncertainty. In fact, the large order book for long-term high value-added projects (High Voltage and Submarine) has allowed the Group to contend with the worsening conditions for Trade & Installers and Power Distribution and the contraction in volumes in industrial markets.

Adjusted EBITDA amounted to Euro 281 million in the first nine months of 2010, compared with Euro 292 million at 30 September 2009, reporting a decrease of Euro 11 million (-3.8%).

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

(in millions of Euro)		% change
Energy	(11)	
Utilities	(10)	-3.5%
Trade & Installers	-	-
Industrial	1	0.4%
Other	(2)	-0.7%
Telecom	-	-

Group EBITDA amounted to Euro 272 million, compared with Euro 271 million in the same period of 2009. The slight increase of Euro 1 million (+0.2%) is primarily attributable to a reduction of Euro 12 million in non-recurring expenses.

Third-quarter EBITDA climbed by Euro 6 million on the prior year to Euro 97 million thanks to the upturn in volumes.

Net non-recurring expenses included in EBITDA amounted to Euro 9 million, and comprise:

- Euro 3 million in costs for special acquisition projects;
- Euro 6 million in restructuring charges aimed at reducing costs;
- Euro 1 million in legal costs for antitrust investigations;
- Euro 1 million in environmental remediation costs;
- Euro 2 million in income from the release of provisions for a tax inspection involving a foreign subsidiary.

Amortisation, depreciation and impairment amounted to Euro 63 million at 30 September 2010, which was higher than in the prior year due to investments made in 2010. This amount also includes an impairment loss of Euro 6 million recognized against the factory building in Eastleigh (UK), which is no longer operational and now being held for sale. The most significant investments in the period related to production capacity increases for flexible pipes in Brazil, for high voltage cables in the United States and China and for optical fibre cables in Romania, as well as to advancement of the SAP project in the IT area.

The fair value change in metal derivatives was a positive Euro 3 million at 30 September 2010, compared with a positive Euro 88 million in the first nine months of 2009.

Group operating income, inclusive of the effect of non-recurring items and of the fair value change in metal derivatives, amounted to Euro 212 million at 30 September 2010, compared with Euro 309 million in the first nine months of 2009, reporting a decrease of Euro 97 million (-31.6%).

Finance income and costs reported a net negative Euro 79 million in the first nine months of 2010, compared with a negative Euro 31 million at 30 September 2009, posting a deterioration of Euro 48 million. This was mainly due to the following factors:

- a negative change associated with the effect of the Forward Start Agreement and the bond issue;
- a negative change of Euro 6 million associated with less non-recurring income;
- a negative change of Euro 35 million for currency derivatives and exchange rate differences.

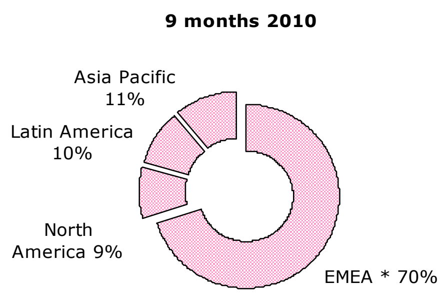
Taxes calculated for the period January – September amounted to Euro 43 million, representing a tax rate of 32.0%, up from 27.0% in the same period of 2009 due to the gradual absorption of carryforward tax losses.

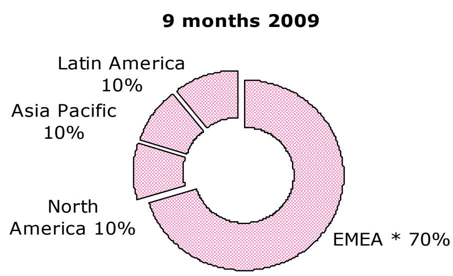
Profit came to Euro 92 million at 30 September 2010, down 55.2% from Euro 204 million in the first nine months of 2009.

Adjusted profit[1] amounted to Euro 120 million, compared with Euro 145 million in the first nine months of 2009.

GEOGRAPHICAL PERFORMANCE

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





* EMEA: Europe, Middle East and Africa

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

The split of sales by geographical area is largely unchanged with respect to the prior year; EMEA continues to account for some 70% of total sales, compared with 11% for Asia Pacific, 10% for Latin America and 9% for North America.

Sales in Europe amounted to Euro 2,323 million at 30 September 2010, having increased by Euro 373 million (+19.1%) on the prior year due to a combination of the following factors:

- positive exchange rate effects of Euro 21 million (+1.1%) 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 280 million (+14.3%) in metal prices (reflecting a rise in prices in the first nine months of the year that was amplified by the depreciation of the Euro against the US dollar);
- addition of Euro 33 million (+1.7%) due to the acquisition of Rybinsk in Russia;
- organic increase of Euro 39 million (+2.0%), mainly arising from higher volumes for Trade & Installers and Power Distribution that more than offset negative price movements.

Third-quarter sales in Europe reported organic growth of Euro 56 million (+8.5%) on the same period of last year, thanks to an upturn in volumes for Trade & Installers and Power Distribution in central Europe.

Sales in North America increased by Euro 27 million (+10.1%) due to the combined effect of:

- positive exchange rate effects of Euro 17 million (+6.5%) following appreciation of the US dollar against the Euro;
- increase of Euro 23 million (+8.6%) in metal prices;
- organic decrease of Euro 13 million (-5.0%), due to general contraction in demand in the United States and last year's closure of the St. Jean sur Richelieu plant in Canada.

The third quarter of the year reported a 5.6% organic decrease in sales in North America, with the strong recovery on the Canadian market failing to make up for the negative effect of fierce price pressures affecting Trade and Installers and Power Distribution in the United States.

Sales in Latin America rose by Euro 85 million (+31.6%) on the prior year thanks to the following factors:

- positive exchange rate effects of Euro 44 million (+16.2%) from the steady appreciation of the Brazilian real against the Euro;
- increase of Euro 28 million (+10.5%) in metal prices;
- organic increase of Euro 13 million (+4.9%), thanks to certain projects started in the High Voltage business line.

Third-quarter sales in Latin America saw signs of revival in the High Voltage, Industrial and Trade & Installers businesses, resulting in 28.9% organic growth on the same period of 2009.

Sales in Asia Pacific amounted to Euro 358 million in the first nine months of 2010, reporting an increase of Euro 68 million (+23.6%) on the same period of last year, reflecting a combination of the following factors:

- positive exchange rate effects of Euro 42 million (+14.8%), mainly due to depreciation of the Euro against the Australian dollar;
- increase of Euro 30 million (+10.3%) in metal prices;
- addition of Euro 27 million (+9.2%) due to the acquisition of Ravin Cables Limited in India and of 49% of Power Plus Cable CO LLC in the Middle East;
- organic decrease of Euro 31 million (-10.7%), almost all of which due to lower volumes for Power Distribution and Industrial Markets in Australia; however, demand in the period April – September 2010 appeared to have stabilised at the same level as in the prior year.

SEGMENT PERFORMANCE

ENERGY

(in millions of Euro)	9 months 2010	9 months 2009	% change	FY 2009
Sales	3,013	2,477	21.6%	3,344
of which to third parties	2,997	2,465	21.6%	3,328
Adjusted EBITDA	256	267	-4.3%	372
% of sales	8.5%	10.8%		11.1%
EBITDA	248	252	-1.6%	342
% of sales	8.3%	10.2%		10.2%
Amortisation and depreciation	(51)	(45)	13.3%	(63)
Adjusted operating income	205	222	-7.9%	309
% of sales	6.8%	8.9%		9.3%
Contribution margin	524	526	-0.4%	706
% of sales	17.4%	21.2%		21.1%

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	248	252	-1.6%	342
Non-recurring expenses/(income):				
Company reorganisation	5	9		12
Shutdown of production facilities	-	-		6
Antitrust investigation legal costs	1	6		8
Release of provision for tax inspections	(2)	-		-
Special project costs	3	-		1
Environmental remediation	1	-		3
Total non-recurring expenses/(income) (B)	8	15		30
Adjusted EBITDA (A+B)	256	267	-4.3%	372

Sales to third parties by the Energy Cables and Systems segment rose from Euro 2,465 million in the first nine months of 2009 to Euro 2,997 million at 30 September 2010. The increase of Euro 532 million (+21.6%) was mainly due to the following factors:

- increase of Euro 350 million (+14.2%) in sale prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 106 million (+4.3%);
- addition of Euro 60 million (+2.4%) due to the acquisition of Ravin Cables Limited in India, Power Plus Cable CO LLC[2] in the Middle East and Rybinsk Elektrokabel in Russia;
- organic sales growth of Euro 16 million (+0.7%) due to the upturn in volumes and mix.

Contribution margin decreased by 0.4% from Euro 526 million at 30 September 2009 to Euro 524 million at 30 September 2010, despite Euro 5 million in extra margin from the new acquisitions.
The contraction in margin primarily came from sale price pressures from higher metal prices that were concentrated in lower value-added business, such as Trade & Installers and Power Distribution, and from lower volumes for higher value-added lines such as High Voltage and Accessories, which were nonetheless generally unchanged relative to the last quarter of 2009.
The Energy segment's third-quarter contribution margin went from Euro 178 million in 2009 to Euro 181 million this year, an improvement of Euro 3 million (+1.6%), reflecting both growth in sales and the impact of exchange rates.

Adjusted EBITDA came to Euro 256 million at 30 September 2010, compared with Euro 267 million in the first nine months of 2009, reporting a reduction of Euro 11 million (-4.3%). This decline primarily reflects a drop in contribution margin, amplified by 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)	9 months 2010	9 months 2009	% change	% organic change	FY 2009
Sales	1,293	1,191			1,598
of which to third parties	1,292	1,191	*8.5%*	*-1.4%*	1,598
Adjusted EBITDA	182	192			266
% of sales	14.1%	16.2%			16.7%
Adjusted operating income	157	171			237
% of sales	12.2%	14.2%			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.

[2] Proportionate consolidation of 49%

The following business lines can be identified within the Utilities business area:

Power transmission systems (High Voltage)

Prysmian designs, produces and installs high and extra-high voltage cables for power transmission both from power stations and in the transmission and primary 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 nine months 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 market (from the second quarter) and the transmission market.

Activities in the High Voltage market – traditionally highly international both in terms of demand and supply – confirmed the signs of upturn reported since the end of 2009. In fact, the sector's larger utilities continued to invest in projects to rationalise and/or maintain existing networks, and in the past six months they reactivated initiatives for large new projects in Europe, the Middle East, South America and China.
As for the Submarine cables business line, the first nine months of the year confirmed the growth in investment by utilities in new offshore wind farms and also a gradual reawakening of interest in starting major new interconnection projects.
This trend has been particularly evident in areas of the world where demand for energy has started to grow once more, such as North Europe, the Arab Emirates and China.

Demand in the Power Distribution business line generally stayed at the level reached in the last few months of the prior year. Demand in both North America and Asia Pacific seems to have finally stabilised in the last quarter. After two years of generally flat, low demand in the absence of grid development or rationalisation projects, demand by the principal utilities in the major European countries has started to become steadily stronger. The competitive dynamics in terms of price and mix remain extremely challenging almost everywhere.

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 with a slight upturn in the past three months, driven above all by the type of projects undertaken by major utilities, as described earlier; in fact, grid rationalisation and repair work requires the systematic use of new components.
After a first-quarter contraction in demand, even the market for medium and low voltage accessories seems to be showing signs of stabilisation or, in the case of central and north European markets, of slight recovery, reflecting trends in the Power Distribution business line, since these products are generally used for ordinary maintenance of secondary distribution networks.

FINANCIAL PERFORMANCE

Sales to third parties by the Utilities business area amounted to Euro 1,292 million in the first nine months of 2010 compared with Euro 1,191 million in the same period of last year, posting an increase of Euro 101 million (+8.5%) due to the combined effect of the following factors:

- increase of Euro 59 million (+5.0%) in sale prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 38 million (+3.2%);
- addition of Euro 21 million (+1.7%) due to the acquisition of Ravin Cables Limited in India;
- organic decrease in sales of Euro 17 million (-1.4%) due to negative changes in volumes, prices and mix.

Third-quarter sales to third parties of Euro 463 million exceeded the prior year figure by Euro 73 million (+18.9%), thanks to the following factors:

- increase of Euro 18 million (+4.5%) in sale prices due to higher metal prices;
- positive exchange rate effects of Euro 16 million (+4.2%);
- addition of Euro 9 million (+2.3%) due to the acquisition of Ravin Cables Limited in India;
- organic sales growth of Euro 30 million (+7.9%) due to higher volumes.

The reduction in the first nine months came from all the business lines except for the Submarine business, with large differences by period and between geographical areas. In particular, after reporting a major contraction in first-quarter volumes on the prior year, the Power Distribution business line saw its third-quarter sales stabilise in areas like the United States, Brazil and Asia Pacific, and recover in major European countries like France, Italy and Germany, where the major utilities have stepped up rationalisation and/or maintenance projects. Despite these encouraging signs on the volume front, Prysmian has had to face pressure on the price and demand for lower value-added products, in the face of rising costs of metals and other raw materials.

Sales by the High Voltage business line were affected by various factors such as the general contraction in demand, caused by the fact that utilities are unable to predict when electricity consumption will resume its growth, and the adverse weather conditions in Europe and North America in the first quarter of the year, which delayed the performance of installation projects acquired in preceding months. During the past six months there appears to have been a slight revival in demand in Europe, the United States, South America and China, particularly in connection with grids serving the development of renewable energy. This trend seems to be confirmed in the value of the High Voltage order book at 30 September 2010, which is higher than at the end of 2009 and provides sales visibility for about a year.

Sales by the Accessories business line suffered from the first-quarter reduction in demand primarily in the Medium and Low Voltage sectors and in countries such as Spain and the United Kingdom, despite subsequent signs of recovery. Similarly, the High Voltage business line saw its order book recover, particularly in the past six months, thanks to new Submarine projects and other High Voltage initiatives.

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.
The value of the Group's order book at the end of September 2010 provides sales visibility for a period of about two and a half years and has grown primarily thanks to new orders for offshore wind farm connections.

In the first nine months of 2010 the contribution margin of the Utilities business area decreased by Euro 3 million (-0.9%) on the same period of the previous year, reflecting the combined impact of positive exchange rate effects of Euro 8 million and an organic decrease of Euro 11 million in volumes, prices and mix.

The decline in contribution margin, emphasised by the negative impact of exchange rates on fixed costs, was reflected in full in adjusted EBIDTA, which went from Euro 192 million in the first nine months of 2009 to Euro 182 million at the end of September 2010.

TRADE & INSTALLERS

(in millions of Euro)

	9 months 2010	9 months 2009	% change	% organic change	FY 2009
Sales	1,096	755			1,021
of which to third parties	1,095	754	*45.3%*	*5.4%*	1,020
Adjusted EBITDA	32	32			41
% of sales	2.9%	4.3%			4.0%
Adjusted operating income	20	22			26
% of sales	1.9%	2.9%			2.5%

Prysmian produces a wide range of both rigid and flexible low voltage cables for distributing power to and within residential and non-residential buildings in compliance 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 nine months of 2010: the market generally featured strong competitive pressures both on volumes and prices.
In Europe, the major markets of France, Germany and Italy reported an upturn in volumes, mostly reflecting restocking by large wholesalers, rather than higher demand by end users; the same trend also applied in Australia. Despite the stabilisation in demand, currency and metal price fluctuations kept price competition fiercely alight.
Markets in North America presented similar trends to the rest of the world but with more price pressure.
Markets in South America were stable or slightly recovering, despite growing price pressures, as already evidenced 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 341 million (+45.3%), from Euro 754 million in the first nine months of 2009 to Euro 1,095 million at the end of September 2010; this increase was principally due to:

- increase of Euro 229 million (+30.5%) in sale prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 38 million (+5.0%);
- addition of Euro 33 million (+4.4%) due to the acquisition of Rybinsk Elektrokabel in Russia;

- organic sales growth of Euro 41 million (+5.4%), primarily as a result of a recovery in volumes in Europe and Brazil.

Third-quarter sales to third parties of Euro 396 million exceeded the prior year figure by Euro 130 million (+49.1%), thanks to the combined effect of the following factors:

- increase of Euro 67 million (+25.1%) in sale prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 13 million (+4.8%);
- addition of Euro 15 million (+5.7%) due to the acquisition of Rybinsk Elektrokabel in Russia;
- organic sales growth of Euro 35 million (+13.5%), thanks to the upturn in volumes.

Prysmian retained its market share on the principal European markets in the first nine months of 2010 thanks to solid commercial relationships with major international wholesalers and the advantage taken of every opportunity 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; in fact, volumes in Canada grew by more than 40% on the first few months of 2010. 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.
In general, Prysmian has sought in 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 has been unavoidable. Downward pressure on sale prices became worse in the third quarter of 2010 due to rising metal prices and was particularly strong in those areas, such as Spain, Australia and North America, where recovery in volumes is still uncertain.

Contribution margin at 30 September 2010 was unchanged relative to the same period of last year after positive exchange rate effects neutralised the decline caused by price pressures.

Adjusted EBITDA of Euro 32 million was the same as in the previous year.

INDUSTRIAL

(in millions of Euro)	9 months 2010	9 months 2009	% change	% organic change	FY 2009
Sales	529	458			628
of which to third parties	529	458	*15.7%*	*-3.5%*	628
Adjusted EBITDA	41	40			62
% of sales	7.7%	8.7%			9.8%
Adjusted operating income	27	28			46
% of sales	5.1%	6.2%			7.3%

Prysmian's extensive product range, developed specifically for the Industrial market, stands out because of 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 from 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, docks 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 showed signs of stabilising in the first nine months of 2010 and in some cases of even reversing the trend seen in the second half of 2009.
In fact, the stabilisation in the price of oil and the principal raw materials, combined with growth in certain areas of the world (Middle East, South America), caused demand in the sectors of Oil & Gas, mining, shipping and port crane installations to stop falling on the second half of 2009.
In the rail infrastructure sector and transport sector in general, the principal operators continued to be prudent, in view of the poor visibility as to when investments would revive and of recent government policies to cut budget deficits in the principal Eurozone economies.
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 529 million in sales to third parties in the first nine months of 2010, compared with Euro 458 million in the same period of 2009. The increase of Euro 71 million (+15.7%) is due to the following factors:

- increase of Euro 55 million (+12.1%) in sale prices due to higher metal prices;
- positive exchange rate effects of Euro 27 million (+5.9%);
- addition of Euro 6 million (+1.2%) from the proportionate consolidation of 49% of Power Plus Cable CO LLC in the Middle East;
- organic decrease in sales of Euro 17 million (-3.5%).

Third-quarter sales amounted to Euro 185 million, up 29.2% on the corresponding prior year figure of Euro 144 million, thanks to:

- increase of Euro 19 million (+13.5%) in sale prices due to higher metal prices;
- positive exchange rate effects of Euro 8 million (+5.7%);
- addition of Euro 3 million (+1.9%) from the proportionate consolidation of 49% of Power Plus Cable CO LLC in the Middle East;
- organic growth of Euro 11 million (+8.1%).

The rise of Euro 2 million (+1.9%) in contribution margin was achieved entirely in the second and third quarters thanks to Oil & Gas sales in South America, with a large increase in orders on the corresponding prior year period. 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 sectors of rail and port crane installations.

Adjusted EBITDA came to Euro 41 million at 30 September 2010, an increase of Euro 1 million on the prior year.

OTHER

(in millions of Euro)	9 months 2010	9 months 2009	FY 2009
Sales	95	73	97
of which to third parties	81	62	82
Adjusted EBITDA	1	3	3
Adjusted operating income	1	1	-

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)	9 months 2010	9 months 2009	% change	FY 2009
Sales	339	317	7.1%	411
of which to third parties	333	312	6.5%	403
Adjusted EBITDA	25	25	0.0%	31
% of sales	7.3%	7.7%		7.6%
EBITDA	25	24	4.1%	30
% of sales	7.3%	7.5%		7.4%
Amortisation and depreciation	(6)	(5)	20.0%	(6)
Adjusted operating income	19	20	-5.9%	25
% of sales	5.6%	6.4%		6.1%
Contribution margin	66	65	2.9%	85
% of sales	19.6%	20.4%		20.7%

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	25	24	4.1%	30
Non-recurring expenses/(income):				
Company reorganisation	-	1		1
Total non-recurring expenses/(income) (B)	-	1		1
Adjusted EBITDA (A+B)	25	25	0.0%	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 every cable management need 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 market for optical fibre cables is a global one. The latest CRU bulletin in September 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 active in the first nine months of 2010, although the 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 333 million in the first nine months of 2010 compared with Euro 312 million in the first nine months of 2009, reporting an increase of Euro 21 million (+6.5%).

This change was mainly due to the following factors:

- increase of Euro 11 million (+3.5%) in sale prices due to higher metal prices;
- positive exchange rate effects of Euro 19 million (+6.0%);
- organic decrease of Euro 9 million (-3.0%) due to reduced demand for copper cables.

The organic decrease in sales in the first nine months 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. The volume of optical cables sold nonetheless increased on the previous year in the face of considerable price pressure and a very different mix of markets and sales channels to that in the past.

Contribution margin was stable at Euro 66 million. Adjusted EBITDA (before non-recurring income and expenses) came to Euro 25 million at the end of the first nine months of 2010, in line with the corresponding period in 2009.

Prysmian continues to promote innovations 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 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.

GROUP STATEMENT OF FINANCIAL POSITION

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

	30 September 2010	30 September 2009	Change	31 December 2009
Net fixed assets	1,004	924	80	958
Net working capital	641	583	58	479
Provisions	(117)	(97)	(20)	(123)
Net capital employed	**1,528**	**1,410**	**118**	**1,314**
Employee benefit obligations	156	124	32	142
Total equity	718	657	61	698
of which attributable to non-controlling interests	40	18	22	21
Net financial position	654	629	25	474
Total equity and sources of funds	**1,528**	**1,410**	**118**	**1,314**

Net fixed assets were Euro 46 million higher than at 31 December 2009, mainly due to the combined effect of:

- Euro 56 million in investments;
- Euro 63 million in depreciation, amortisation and impairment charges for the period;
- Euro 34 million from consolidating Ravin Cables Limited and 49% of Power Plus Cable CO LLC ;
- exchange rate appreciation by the US dollar, Brazilian real and Australian dollar.

Net working capital was Euro 162 million higher than at 31 December 2009 (Euro 153 million higher excluding the decrease in assets for the fair value change in derivatives); this increase reflects:

- the increase in strategic metal prices which has caused the value of metal contained in the Group's net working capital to rise since December 2009;
- seasonal trends and the growth in volumes in the second and third quarters relative to the corresponding period last year and to the start of 2010;
- the growth in working capital employed in High Voltage and Submarine projects;
- the change in the group perimeter following the addition of Euro 14 million for the acquisition of Ravin Cables Limited in India and of Power Plus Cable CO LLC.

The net financial position increased by Euro 180 million on 31 December 2009, reflecting the following factors:

- net cash inflow from operating activities (before changes in net working capital) in the first nine months 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 in relation to their planned schedules;
- net operating investments of Euro 50 million;
- payment of Euro 48 million in net finance costs including Euro 17 million in bank fees and other incidental costs relating to the Forward Start Credit Agreement and the bond issue;
- acquisition of the Indian company Ravin Cables Limited and of 49% of Power Plus Cable CO LLC (with a total impact of some Euro 30 million on net financial position);

- negative impact of exchange rate appreciation by certain currencies.

The net financial position was Euro 25 million more than at 30 September 2009.

NET WORKING CAPITAL

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

(in millions of Euro)

	30 September 2010	30 September 2009	Change	31 December 2009
Inventories	639	474	165	443
Trade receivables	856	680	176	622
Trade payables	(814)	(547)	(267)	(561)
Other receivables/(payables)	(63)	(44)	(19)	(39)
Net operating working capital	**618**	**563**	**55**	**465**
Derivatives	23	20	3	14
Net working capital	**641**	**583**	**58**	**479**

Net operating working capital amounted to Euro 618 million (13.1% of sales) at 30 September 2010, compared with Euro 465 million (12.2% of sales) at 31 December 2009 and Euro 563 million (15.2% of sales) at 30 September 2009.

This change was affected by the following factors:
- higher net working capital requirements due to the seasonality of sales and growth in volumes;
- 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 September 2009;
- higher working capital requirements for Submarine and High Voltage projects;
- change in the group perimeter following the acquisition of Ravin Cables Limited in India, of 49% of Power Plus Cable CO LLC and of Rybinsk Elektrokabel, with an impact of Euro 18 million relative to September 2009, and of Euro 14 million relative to December 2009 but only, in this case, in relation to Ravin Cables Limited and to 49% of Power Plus Cable CO LLC.
- negative impact of exchange rate appreciation by certain currencies.

NET FINANCIAL POSITION

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

(in millions of Euro)

	30 September 2010	30 September 2009	Change	31 December 2009
Long-term financial payables				
Credit agreement	770	912	(142)	864
Bank fees	(3)	(4)	1	(4)
Bond	395	–	395	–
Other financial payables	88	11	77	29
Total long-term financial payables	1,250	919	331	889
Short-term financial payables				
Credit agreement	4	86	(82)	100
Bond	10	–	10	–
Securitization	–	–	–	–
Other financial payables	66	68	(2)	72
Total short-term financial payables	80	154	(74)	172
Total financial liabilities	1,330	1,073	257	1,061
Long-term financial receivables	3	13	(10)	7
Long-term bank fees	16	5	11	4
Long-term available-for-sale financial assets	80	–	80	–
Short-term financial receivables	69	18	51	39
Short-term bank fees	3	3	–	3
Short-term available-for-sale financial assets	71	–	71	–
Financial assets held for trading	44	34	10	42
Cash and cash equivalents	390	371	19	492
Total financial assets	676	444	232	587
Net financial position	654	629	25	474

STATEMENT OF CASH FLOWS

(in millions of Euro)

	30 September 2010	30 September 2009	Change	31 December 2009
EBITDA	272	271	1	366
Share-based compensation	–	–	–	1
Changes in provisions (including employee benefit obligations)	(11)	(19)	8	(12)
Net cash flow provided by operating activities (before changes in net working capital)	261	252	9	355
Changes in net working capital	(179)	(108)	(71)	36
Taxes paid	(47)	(44)	(3)	(62)
Net cash flow provided by/(used in) operating activities	35	100	(65)	329
Acquisitions	(21)	–	(21)	(3)
Net cash flow used in operational investing activities	(50)	(75)	25	(106)
Net cash flow used in financial investing activities (1)	5	9	(4)	9
Free cash flow (unlevered)	(31)	34	(65)	229
Net finance costs	(48)	(12)	(36)	(46)
Free cash flow (levered)	(79)	22	(101)	183
Capital contributions and other changes in equity	13	5	8	5
Dividends paid	(75)	(75)	–	(75)
Net cash flow provided/(used) in the period	(141)	(48)	(93)	113
Net financial position at the beginning of the period	(474)	(577)	103	(577)
Net cash flow provided/(used) in the period	(141)	(48)	(93)	113
Other changes	(39)	(4)	(35)	(10)
Net financial position at the end of the period	(654)	(629)	(25)	(474)

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

Net cash flow provided by operating activities (before changes in net working capital) amounted to Euro 261 million in the first nine months of 2010.
This cash flow was absorbed by the increase of Euro 179 million in net working capital described earlier. Therefore, after deducting Euro 47 million in tax payments, net cash flow from operating activities in the period was a positive Euro 35 million.
Net cash flow used for acquisitions was Euro 21 million and relates to the investment in Ravin Cables Limited and in 49% of Power Plus Cable CO LLC.
Net operating investments in the first nine months of 2010 amounted to Euro 50 million, Euro 25 million less than in the same period of 2009. Investments in the first nine months of 2010 primarily related to 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, to production capacity expansion for high voltage cables in the United States and China and for optical fibre cables in Romania and to the SAP Consolidation project in the IT area.

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 and interest rate 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 operating 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
- Short/long-term available-for-sale financial assets, not instrumental to the Group's activities
- Financial assets held for trading
- Cash and cash equivalents

Reconciliation between the Reclassified statement of financial position presented in the Directors' report and the Statement of financial position contained in the Consolidated financial statements and explanatory notes at 30 September 2010

(in millions of Euro)

	Note	30 September 2010		31 December 2009	
		Partial amounts from financial statements	Total amounts from financial statements	Partial amounts from financial statements	Total amounts from financial statements
Net fixed assets					
Property, plant and equipment			906		872
Intangible assets			69		43
Investments in associates			9		9
Available-for-sale financial assets	2		3		6
Trade receivables			-		-
Assets held for sale			17		28
Total net fixed assets			1,004		958
Net working capital					
Inventories			639		443
Trade receivables			856		622
Trade payables			814		561
Other receivables - non-current	3	29		22	
of which:					
Tax receivables	3	14		11	
Receivables from employees	3	2		2	
Others	3	13		9	
Other receivables - current	3	354		323	
of which:					
Tax receivables	3	99		62	
Receivables from employees	3	4		1	
Advances		13		2	
Others	3	47		33	
Construction contracts	3	191		225	
Other payables - non-current	11	18		13	
of which:					
Tax and social security payables	11	11		9	
Others	11	7		4	
Current tax payables			59		45
Other payables - current	11	369		326	
of which:					
Tax and social security payables	11	76		62	
Advances	11	89		103	
Payables to employees	11	50		37	
Accrued expenses	11	85		74	
Others	11	69		50	
Derivatives	5	23		14	
Forward currency contracts	5	10		3	
Metal derivatives	5	13		11	
Other receivables (payables)			(40)		(25)
Total net working capital			641		479

(in millions of Euro)

	Note	30 September 2010 Partial amounts from financial statements	30 September 2010 Total amounts from financial statements	31 December 2009 Partial amounts from financial statements	31 December 2009 Total amounts from financial statements
Provisions					
Provisions for risks and charges - non-			39		41
Provisions for risks and charges - current			70		62
Deferred tax assets			60		47
Deferred tax liabilities			68		67
Total provisions			117		123
Net capital employed			1,528		1,314
Employee benefit obligations			156		142
Total equity			718		698
Equity attributable to non-controlling interests			40		21
Net financial position					
Total long-term financial payables			1,250		889
Credit Agreement	10	770		864	
Bank fees	10	3		4	
Shareholder loan		-		-	
Other financial payables	10	483		29	
of which:					
Bond	10	395		-	
Finance lease obligations	10	1		2	
Forward currency contracts on financial transactions	10	23		3	
Interest rate swaps	10	21		2	
Other financial payables	10	43		22	
Short-term financial payables			80		172
Credit Agreement	10	4		100	
Securitization	10	-		-	
Other financial payables	10	76		72	
of which:					
Bond	10	10		-	
Finance lease obligations	10	1		2	
Interest rate swaps	10	-		12	
Forward currency contracts on financial transactions	10	7		8	
Other financial payables	10	58		50	
Total financial liabilities			1,330		1,061
Other financial receivables	10		171		53
Long-term bank fees	10	16		4	
Long-term financial receivables	10	1		2	
Short-term bank fees	10	3		3	
Short-term financial receivables	10	66		33	
Forward currency contracts on financial transactions (non-current)	10	2		5	
Forward currency contracts on financial transactions (current)	10	3		6	
Available-for-sale financial assets (non-current)	10	80		-	
Available-for-sale financial assets (current)			71		-
Financial assets held for trading			44		42
Cash and cash equivalents			390		492
Total net financial position			654		474
Total equity and sources of funds			1,528		1,314

Reconciliation between the principal income statement indicators and the Income statement contained in the Consolidated financial statements and explantory notes at 30 September 2010

(in millions of Euro)

	Note	30 September 2010 Amounts from income statement	30 September 2009 Amounts from income statement
Sales	A	3,330	2,777
Change in inventories of work in progress, semi-finished and finished goods		109	(31)
Other income		18	21
Raw materials and consumables used		(2,195)	(1,535)
Personnel costs		(404)	(385)
Other expenses		(586)	(576)
Operating costs	B	(3,058)	(2,506)
EBITDA	C=A+B	272	271
Personnel costs			
of which non-recurring personnel costs	D	5	9
Other expenses			
of which non-recurring other expenses	E	4	12
Adjusted EBITDA	F=C+D+E	281	292

(in millions of Euro)

	Note	30 June 2010 Amounts from income statement	30 June 2009 Amounts from income statement
Operating income	A	212	309
Non-recurring amortisation, depreciation and impairment		(6)	-
Non-recurring personnel costs		(5)	(9)
Non-recurring other expenses		(4)	(12)
Total non-recurring expenses	B	(15)	(21)
Fair value change in metal derivatives	C	(3)	(88)
Adjusted operating income	D=A-B+C	224	242

SUBSEQUENT EVENTS

On 12 October 2010, the Board of Directors of Prysmian S.p.A. updated the by-laws for certain provisions contained in Italian Decrees 27 and 39 dated 27 January 2010 and respectively relating to the exercise of certain rights of shareholders in listed companies and to statutory audits of annual separate and consolidated accounts.
More in detail, the by-laws have been amended to replace references to the "audit of the accounts" with the new concept of "statutory audit", and to alter the procedures governing publication of notices calling shareholders' meetings, governing presentation and publication of lists for the appointment of directors and statutory auditors and governing participation and representation in shareholders' meetings. Lastly, the by-laws have been amended to allow shareholders to notify the participation of a proxy at shareholders' meetings by sending the required document to a certified email address.

On 14 October 2010, Prysmian announced the launch of a new customer-centric organisational model with the creation of two new positions.

The Chief Operating Officer (COO), in the person of Massimo Battaini, will be responsible for the Group's entire supply chain (purchasing, operations, logistics). The main task of the new COO will be to implement a faster and leaner organisational strategy particularly aimed at accelerating the Group's decision-making process and time to market.

The Chief Commercial Officer (CCO), in the person of Fabio Romeo, will be accountable for the Group's sales and marketing, covering both the Energy and Telecom segments, with the aim of providing all Prysmian businesses with a common approach, a coherent strategy and the right level of resources. One of the main tasks of the new CCO will be to develop a more customer-centric approach, that will further enhance Prysmian's ability to meet customer needs and expectations.

BUSINESS OUTLOOK

The third quarter has confirmed the signs of recovery in demand and in industrial output for all the Group's businesses from the minimum levels reached in the first three months of 2010. Given this context, the Group expects to see a continued positive trend for Trade & Installers and Power Distribution, and in orders for power transmission projects and certain industrial applications, such as renewable energy and off-shore oil drilling.

Based on the results achieved in the first nine months, combined with the size of the current order book, the target for FY 2010 adjusted EBITDA can therefore be confirmed in the region of €375 million (FY 2009: €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 and in the fast growing countries, as Russia and India, where the Group recently completed acquisitions.

RISKS FORESEEABLE IN 2010(*)

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

Market risks

Although the first nine months of the year provided the first signs of a recovery in demand, some of the Group's products, mainly relating to business lines such as Trade & Installers, and Power Distribution and certain applications in the Industrial business area, 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 exclude a fourth-quarter contraction in demand for the businesses mentioned above such as to 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, to a lesser extent, in the Power Distribution business line, could translate into significant 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.

(*) 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.

Risks associated with fluctuations in raw material prices

All raw materials, especially oil derivatives, have experienced particularly significant price fluctuations in the past eighteen months, with this situation expected to continue in coming quarters. 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 derivative products, by contractual practice changes in purchase price systematically take place later than changes in the oil price.
More generally, 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 business area and the Power Distribution business line 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, over the course of 2009 and 2010, the Group has taken 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 made available a total of Euro 1,700 million in credit facilities to Prysmian S.p.A. and some of its subsidiaries, analysed as follows:

Tranche	Maximum amount [1]
Term Loan Facility	1,000,000,000
Revolving Credit Facility	400,000,000
Bonding Facility	300,000,000

(1) Figures in Euro

On 16 April 2010, Prysmian made an early repayment of Euro 200 million against the Term Loan for the instalments due in 2010 and 2011 (Euro 30 million had already been repaid on 30 November 2009); as a result, the Term Loan now stands at Euro 770 million.
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 spread applied since June 2010 has been confirmed at 0.50% per annum on the Term Loan and Revolving Credit Facility, plus a loyalty fee under the renewed credit agreement discussed below.
Based on unused committed credit lines and available cash, the Group's financial resources exceeded Euro 1 billion at the end of September 2009 (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 (in advance of the natural expiry in May 2012) until the end of 2014, a significant portion of its existing credit facilities (Euro 400 million for the Revolving Credit Facility and Euro 670 million for the Term Loan Facility).

Making the Group's financial structure even stronger, in March 2010 it completed the placement of an unrated bond with institutional investors on the Eurobond market, for a nominal total of Euro 400 million with a 5.25% coupon and maturity in April 2015.

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. Subsequently, 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 in progress 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 awarded in 2003. Prysmian Cavi e Sistemi Energia S.r.l. received official notice of this claim in April 2010 and has since filed its defence.

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 24 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 22 of the Explanatory notes.

Milan, 10 November 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	30 September 2010	Of which related parties (Note 22)	31 December 2009	Of which related parties (Note 22)
Non- current assets					
Property, plant and equipment	1	906		872	
Intangible assets	1	69		43	
Investments in associates		9		9	
Available- for- sale financial assets	2	83		6	
Derivatives	5	14		9	
Deferred tax assets		60		47	
Other receivables	3	46		28	
Total non- current assets		**1,187**		**1,014**	
Current assets					
Inventories	4	639		443	
Trade receivables	3	856	6	622	2
Other receivables	3	423		359	
Financial assets held for trading	6	44		42	
Derivatives	5	36		44	
Available- for- sale financial assets	2	71		-	
Cash and cash equivalents	7	390		492	
Total current assets		**2,459**		**2,002**	
Assets held for sale	8	17		28	
Total assets		**3,663**		**3,044**	
Equity attributable to the Group:		**678**		**677**	
Share capital	9	18		18	
Reserves		570		411	
Profit/(loss) for the period		90		248	
Equity attributable to non- controlling interests:		**40**		**21**	
Share capital and reserves		38		17	
Profit/(loss) for the period		2		4	
Total equity		**718**		**698**	
Non- current liabilities					
Borrowings from banks and other lenders	10	1,206		884	
Other payables	11	18		13	
Provisions for risks and charges	12	39		41	
Derivatives	5	49	1	7	
Deferred tax liabilities		68		67	
Employee benefit obligations	13	156		142	
Total non- current liabilities		**1,536**		**1,154**	
Current liabilities					
Borrowings from banks and other lenders	10	73		152	1
Trade payables	11	814	2	561	2
Other payables	11	369	2	326	2
Derivatives	5	24		46	3
Provisions for risks and charges	12	70		62	
Current tax payables		59		45	
Total current liabilities		**1,409**		**1,192**	
Total liabilities		**2,945**		**2,346**	
Total equity and liabilities		**3,663**		**3,044**	

INCOME STATEMENT

(in millions of Euro)

	Note	9 months 2010	Of which related parties (Note 22)	9 months 2009	Of which related parties (Note 22)
Sales of goods and services		3,330	16	2,777	9
Change in inventories of work in progress, semi-finished and finished goods		109		(31)	
Other income		18		21	
Raw materials and consumables used		(2,195)	(4)	(1,535)	(3)
Fair value change in metal derivatives		3		88	
Personnel costs		(404)		(385)	
of which non-recurring personnel costs		*(5)*		*(9)*	
Amortisation, depreciation and impairment		(63)		(50)	
of which non-recurring amortisation, depreciation and impairment		*(6)*		*-*	
Other expenses		(586)		(576)	
of which non-recurring other expenses		*(4)*		*(12)*	
Operating income	14	**212**		**309**	
Finance costs	15	(247)	(8)	(237)	(1)
Finance income	15	168		206	
of which non-recurring finance income		*2*		*8*	
Share of income from investments in associates and dividends from other companies		2		2	
Profit before taxes		**135**		**280**	
Taxes	16	(43)		(76)	
Profit/(loss) for the period		**92**		**204**	
Attributable to:					
Owners of the parent		90		203	
Non-controlling interests		2		1	
Basic earnings/(loss) per share (in Euro)	17	**0.50**		**1.14**	
Diluted earnings/(loss) per share (in Euro)	17	**0.50**		**1.14**	

INCOME STATEMENT – 3RD QUARTER

(in millions of Euro)

	3rd quarter 2010	Of which related parties	3rd quarter 2009	Of which related parties
Sales of goods and services	1.182	7	929	4
Change in inventories of work in progress, semi-finished and finished goods	24		4	
Other income	6		7	
Raw materials and consumables used	(771)	(2)	(523)	(1)
Fair value change in metal derivatives	20		13	
Personnel costs	(134)		(124)	
of which non-recurring personnel costs	*(1)*		*(3)*	
Amortisation, depreciation and impairment	(20)		(18)	
of which non-recurring amortisation, depreciation and impairment	*(1)*		-	
Other expenses	(210)		(202)	
of which non-recurring other expenses	*(2)*		*(5)*	
Operating income	**97**		**86**	
Finance costs	(62)	(3)	(62)	(1)
Finance income	35		49	(1)
Share of income from investments in associates and dividends from other companies	1		-	
Profit before taxes	**71**		**73**	
Taxes	(23)		(19)	
Profit/(loss) for the period	**48**		**54**	
Attributable to:				
Owners of the parent	45		57	
Non-controlling interests	3		(3)	

STATEMENT OF COMPREHENSIVE INCOME

(in millions of Euro)	9 months 2010	9 months 2009
Profit/(loss) for the period	**92**	**204**
Fair value gains/(losses) on available-for-sale financial assets - gross of tax	(3)	2
Fair value gains/(losses) on available-for-sale financial assets - tax effect	1	-
Fair value gains/(losses) on cash flow hedges - gross of tax	3	8
Fair value gains/(losses) on cash flow hedges - tax effect	-	(2)
Actuarial gains/(losses) on employee benefits - gross of tax	(9)	3
Actuarial gains/(losses) on employee benefits - tax effect	4	-
Currency translation differences	13	49
Total post-tax other comprehensive income/(loss) for the period	**9**	**60**
Total comprehensive income/(loss) for the period	**101**	**264**
Attributable to:		
Owners of the parent	98	263
Non-controlling interests	3	1

STATEMENT OF COMPREHENSIVE INCOME – 3RD QUARTER

(in millions of Euro)	3rd quarter 2010	3rd quarter 2009
Profit/(loss) for the period	**48**	**54**
Fair value gains/(losses) on available-for-sale financial assets - gross of tax	-	2
Fair value gains/(losses) on available-for-sale financial assets - tax effect	-	-
Fair value gains/(losses) on cash flow hedges - gross of tax	24	8
Fair value gains/(losses) on cash flow hedges - tax effect	(6)	(2)
Actuarial gains/(losses) on employee benefits - gross of tax	-	-
Actuarial gains/(losses) on employee benefits - tax effect	1	-
Currency translation differences	(16)	8
Total post-tax other comprehensive income/(loss) for the period	**3**	**16**
Total comprehensive income/(loss) for the period	**51**	**70**
Attributable to:		
Owners of the parent	50	73
Non-controlling interests	1	(3)

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	-	-	-	-	-	3	-	2	5
Dividend payment	-	-	-	-	-	(74)	-	(1)	(75)
Total comprehensive income/(loss) for the period	-	2	3	6	49	-	203	1	264
Balance at 30 September 2009	**18**	**3**	**13**	**(31)**	**(65)**	**498**	**203**	**18**	**657**
Balance at 31 December 2009	**18**	**3**	**(1)**	**(32)**	**(58)**	**499**	**248**	**21**	**698**
Allocation of prior year profit	-	-	-	-	-	248	(248)	-	-
Capital contributions	-	-	-	-	-	4	-	9	13
Dividend payment	-	-	-	-	-	(75)	-	-	(75)
Put options held by non-controlling interests	-	-	-	-	-	(26)	-	-	(26)
Reclassification of cash flow hedges	-	-	-	14	-	(14)	-	-	-
Share-based compensation	-	-	-	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-	-	7	7
Total comprehensive income/(loss) for the period	-	(2)	(5)	3	12	-	90	3	101
Balance at 30 September 2010	**18**	**1**	**(6)**	**(15)**	**(46)**	**636**	**90**	**40**	**718**

STATEMENT OF CASH FLOWS

(in millions of Euro)

	9 months 2010	Of which related parties (Note 22)	9 months 2009	Of which related parties (Note 22)
Profit before taxes	135		280	
Depreciation and impairment of property, plant and equipment	53		47	
Amortisation and impairment of intangible assets	4		3	
Impairment of assets held for sale	6		-	
Share of income from investments in associates	(2)		(2)	
Share-based compensation	-		-	
Fair value change in metal derivatives	(3)		(88)	
Net finance costs	78		31	
Changes in inventories	(176)		51	
Changes in trade receivables/payables	28	(4)	(48)	(1)
Changes in other receivables/ payables	(24)		(110)	
Changes in receivables/payables for derivatives	(6)		(1)	
Taxes paid	(47)		(44)	
Utilisation of provisions (including employee benefit obligations)	(39)		(49)	
Increases in provisions (including employee benefit obligations)	28		30	
A. Net cash flow provided by/(used in) operating activities	**35**		**100**	
Acquisitions [1]	(21)		-	
Investments in property, plant and equipment	(45)		(65)	
Disposals of property, plant and equipment [2]	6		1	
Investments in intangible assets	(11)		(11)	
Investments in financial assets held for trading	(12)		(5)	
Disposals of financial assets held for trading	13		15	
Investments in available-for-sale financial assets [3]	(152)		-	
Disposals of available-for-sale financial assets [4]	3		6	
Dividends received	2		3	
B. Net cash flow provided by/(used in) investing activities	**(217)**		**(56)**	
Capital contributions and other changes in equity	13		5	
Dividends paid	(75)		(75)	(24)
Finance costs paid	(214)	3	(211)	
Finance income received	166		199	
Changes in net financial payables	183		(85)	
C. Net cash flow provided by/(used in) financing activities	**73**		**(167)**	
D. Currency translation gains/(losses) on cash and cash equivalents	7		2	
E. Total cash flow provided / (used) in the period (A+B+C+D)	**(102)**		**(121)**	
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)	**390**		**371**	

(1) See section D. Business combinations for details.

(2) Refer to the disposal of the plant in Prescot (United Kingdom), classified under assets held for sale.

(3) Refer to purchases of government and blue chip corporate bonds for temporarily investing the Group's liquidity.

(4) Refer to the disposal of shares in American Superconductor.

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).

Prysmian S.p.A. has been listed on the Italian Stock Exchange since 3 May 2007 and has been included since September 2007 in the FTSE MIB index, comprising the top 40 Italian companies by capitalisation and stock liquidity.

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.

The consolidated financial statements contained herein were approved by the Board of Directors on 10 November 2010.

B. FORM AND CONTENT

The present third-quarter report has been prepared on a going concern basis, with the directors having assessed that there are no financial, operating or other kind of indicators that might provide evidence of the Group's inability to meet its obligations in the foreseeable future and particularly in the next 12 months.

The Company has prepared the present document 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 in accordance 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 the third-quarter report must be read in conjunction with the annual IFRS consolidated financial statements at 31 December 2009.

All the amounts shown in the tables in the following Notes are expressed in millions of Euro, unless otherwise stated.

B.1 FINANCIAL STATEMENTS AND DISCLOSURES

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 dated 28 July 2006 regarding disclosures.

When preparing the third-quarter 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.

B.2 ACCOUNTING STANDARDS

Accounting standards used for preparing the third-quarter report

The consolidation principles, the methods applied for converting financial statements into the presentation currency, the accounting standards as well as 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:

1. income taxes, which have been recognised using the best estimate of the weighted average rate for the full year;

2. the accounting standards and amendments discussed below and obligatorily applied with effect 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, the obligation to value a subsidiary's individual assets and liabilities at fair value at every individual stage of acquisition has been eliminated. 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 100% equity interest is not acquired, 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 the income statement and liabilities for any contingent consideration are recognised on the acquisition date.

The new standard has been applied prospectively from 1 January 2010.

As a result of adopting these amendments, the Group has expensed Euro 0.3 million in costs relating to the acquisition of Ravin Cables Limited in the 2009 income statement.

The following standards and interpretations, applicable from 1 January 2010, do not have a material impact on the Prysmian Group:

- *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 – Distribution of Non-cash Assets to Owners*
- New version of *IFRS 1 - First-time Adoption of International Financial Reporting Standards*, which removes certain transitional requirements no longer deemed 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 organisational efforts or costs in the transition process.

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 present document date, the European Union had completed the endorsement process needed for its application. The revised version of IAS 24 and the amendments to IFRS 8, published in the European Union's Official Journal on 20 July 2010, are applicable from 1 January 2011.

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. On October 28th, the IASB issued new requirements on the accounting for financial liabilities.

These requirements will be added to *IFRS 9* and complete the classification and measurement phase of the IASB's project to replace *IAS 39*.
At the present document 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 present document date, the European Union had completed the endorsement process needed for its application. The revised version of this interpretation, published in the European Union's Official Journal on 24 July 2010, is applicable from 1 July 2010.

Also on 26 November 2009, 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 present document date, the European Union had completed the endorsement process needed for its application. The revised version of this interpretation, published in the European Union's Official Journal on 20 July 2010, is applicable from 1 January 2011.

On 6 May 2010, the IASB published a series of *Improvements* to seven IFRSs, as part of its programme of annual improvements to its standards. At the current document date, the European Union had not yet completed the endorsement process needed for the application of these *Improvements*.

On 7 October 2010, the IASB published a number of amendments to *IFRS 7 – Financial Instruments: Disclosures*. These amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets and the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. At the current document date, the European Union had not yet completed the endorsement process needed for the application of these amendments, which are due to come into effect from 1 July 2011.

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

- *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 during the first nine months of 2010:

Acquisitions

- 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 Cable Co. L.L.C., a company based in the United Arab Emirates.

The year end of both companies is 31 March.

New company formations

- Surflex Umbilicais e Tubos Flexìveis do Brasil LTDA was formed in Brazil on 9 April 2010 and changed its name to Prysmian Surflex Umbilicais e Tubos Flexìveis do Brasil LTDA on 9 August 2010.

The company is owned by Prysmian Cavi e Sistemi Energia S.r.l. (99.83%) and by Prysmian Cavi e Sistemi Telecom S.r.l. (0.17%).

Liquidations

- Bicc (Malaysia) Sdn Bhd completed its winding-up process and consequent removal from the local company registry on 21 January 2010.
- Aberdare Cables in the United Kingdom was closed down on 29 June 2010 and removed from the local company registry.

Mergers by absorption

- Prysmian Energia Holding S.r.l. completed its merger into Prysmian Cavi e Sistemi Energia S.r.l. on 1 July 2010.

As a result, Prysmian Energia Holding S.r.l. has ceased to exist and all its former holdings of equity investments have been transferred to Prysmian Cavi e Sistemi Energia S.r.l.

- Prysmian Telecom S.r.l completed its merger into Prysmian Cavi e Sistemi Telecom S.r.l. on 1 July 2010.

As a result, Prysmian Telecom S.r.l. has ceased to exist and all the share capital of Prysmian Cavi e Sistemi Telecom Energia S.r.l. is now held by Prysmian S.p.A.

These mergers form part of the Group's ongoing process of simplifying corporate structure.

Attachment A to the present document contains a list of the companies included in the scope of consolidation at 30 September 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)								9 months 2010
	Energy					Telecom	Corporate/ Eliminations	Group total
	Utilities	Trade & Installers	Industrial	Other	Total			
Sales of goods and services:								
- third parties	1,292	1,095	529	81	2,997	333	-	3,330
- Group companies	1	1	-	14	16	6	(22)	-
Total sales of goods and services	**1,293**	**1,096**	**529**	**95**	**3,013**	**339**	**(22)**	**3,330**
Adjusted EBITDA (A)	**182**	**32**	**41**	**1**	**256**	**25**	**-**	**281**
% of sales	14.1%	2.9%	7.7%	-	8.5%	7.3%		8.4%
EBITDA (B)	**179**	**29**	**41**	**(1)**	**248**	**25**	**(1)**	**272**
% of sales	13.8%	2.6%	7.7%	-	8.3%	7.3%		8.2%
Amortisation and depreciation (C)	(25)	(12)	(14)	-	(51)	(6)	**-**	**(57)**
Adjusted operating income (A+C)	**157**	**20**	**27**	**1**	**205**	**19**	**-**	**224**
% of sales	12.2%	1.9%	5.1%	-	6.8%	5.6%		6.7%
Fair value change in metal derivatives (D)								**3**
Impairment of production facilities (E)								**(6)**
Operating income (B+C+D+E)								**212**
% of sales								6.3%
Share of income from investments in associates and dividends from other companies					2			2
Finance costs								(247)
Finance income								168
Taxes								(43)
Profit/(loss) for the period								**92**
Attributable to:								
Owners of the parent								90
Non-controlling interests								2

Reconciliation of EBITDA to Adjusted EBITDA

	Utilities	Trade & Installers	Industrial	Other	Total	Telecom	Corporate/ Eliminations	Group total
EBITDA (A)	**179**	**29**	**41**	**(1)**	**248**	**25**	**(1)**	**272**
Non-recurring expenses/(income):								
Company reorganisation	1	4	-	-	5	-	1	6
Antitrust investigation legal costs	1	-	-	-	1	-	-	1
Environmental remediation	1	-	-	-	1	-	-	1
Release of provision for tax inspections	-	(1)	(1)	-	(2)	-	-	(2)
Special project costs	-	-	1	2	3	-	-	3
Total non-recurring expenses/(income) (B)	**3**	**3**	**-**	**2**	**8**	**-**	**1**	**9**
Adjusted EBITDA (A+B)	**182**	**32**	**41**	**1**	**256**	**25**	**-**	**281**

(in millions of Euro)	Energy					Telecom	Corporate/ Eliminations	Group total 9 months 2009
	Utilities	Trade & Installers	Industrial	Other	Total			
Sales of goods and services:								
- third parties	1,191	754	458	62	2,465	312	-	2,777
- Group companies	-	1	-	11	12	5	(17)	-
Total sales of goods and services	**1,191**	**755**	**458**	**73**	**2,477**	**317**	**(17)**	**2,777**
Adjusted EBITDA (A)	**192**	**32**	**40**	**3**	**267**	**25**	**-**	**292**
% of sales	16.2%	4.3%	8.7%	-	10.8%	7.7%		10.5%
EBITDA (B)	**183**	**27**	**39**	**3**	**252**	**24**	**(5)**	**271**
% of sales	15.4%	3.6%	8.5%	-	10.2%	7.5%		9.8%
Amortisation and depreciation (C)	(21)	(10)	(12)	(2)	(45)	(5)	-	**(50)**
Adjusted operating income (A+C)	**171**	**22**	**28**	**1**	**222**	**20**	**-**	**242**
% of sales	14.2%	2.9%	6.2%	-	8.9%	6.4%		8.7%
Fair value change in metal derivatives (D)								88
Impairment of production facilities (E)								-
Operating income (B+C+D+E)								**309**
% of sales								11.1%
Share of income from investments in associates and dividends from other companies					2			2
Finance costs								(237)
Finance income								206
Taxes								(76)
Profit/(loss) for the period								**204**
Attributable to:								
Owners of the parent								203
Non-controlling interests								1

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	**183**	**27**	**39**	**3**	**252**	**24**	**(5)**	**271**
Non-recurring expenses/(income):								
Company reorganisation	3	5	1	-	9	1	-	10
Antitrust investigation legal costs	6	-	-	-	6	-	1	7
Special project costs	-	-	-	-	-	-	4	4
Total non-recurring expenses/(income) (B)	**9**	**5**	**1**	**-**	**15**	**1**	**5**	**21**
Adjusted EBITDA (A+B)	**192**	**32**	**40**	**3**	**267**	**25**	**-**	**292**

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 9 months 2010
Sales of goods and services	**2,323**	***593***	**296**	**353**	**358**	**3,330**

(in millions of Euro)	EMEA*	*of which Italy*	North America	Latin America	Asia Pacific	Total 9 months 2009
Sales of goods and services	**1,950**	***373***	**269**	**268**	**290**	**2,777**

* 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 company 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 adjusted over the course of the twelve-month period from the acquisition date.

Details of the acquisition cost for Ravin Cables and related 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)	7
Goodwill (A)- (B)	**15**
Financial outlay for acquisition	22
Cash and cash equivalents held by acquired companies	(1)
Acquisition cash flow	**21**

* 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 joint ventures	3	3
Inventories	7	6
Trade and other receivables	12	13
Trade and other payables	(4)	(4)
Deferred taxes	-	(1)
Current taxes	(2)	(3)
Borrowings from banks and other lenders	(10)	(10)
Cash and cash equivalents	2	1
Net assets	**11**	**14**
Net assets acquired - 51% (B)	**6**	**7**

* The fair values are provisional ones

The acquisition has given rise to a provisional amount of Euro 15 million in goodwill, which has been recorded in "Intangible assets" and allocated to the India CGU within the Energy segment.

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.

Ravin Cables also owns 49% of Power Plus Cable Co. L.L.C., a company based in the United Arab Emirates. The shareholders' agreement, amended following the acquisition by Prysmian, establishes that this company is jointly controlled.

Details of the acquisition cost for Power Plus Cable Co. L.L.C. and related financial outlay are reported in the following table:

(in millions of Euro)	
Value attributed to the investment	3
Total acquisition cost (A)	**3**
Fair value of net assets acquired* (B)	3
Goodwill (A)-(B)	**-**
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	7	7
Inventories	1	1
Trade and other receivables	1	1
Trade and other payables	(1)	(1)
Borrowings from banks and other lenders	(5)	(5)
Net assets acquired (B) **	**3**	**3**

* The fair values are provisional ones

** Power Plus Cable is consolidated proportionately, meaning that the amounts consolidated represent 49% of this company's reported total.

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)	1
Goodwill (A)-(B)	**2**
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	12
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)	-	**1**

* 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	45	11
- Disposals	-	-
- Business combinations	15	17
- Depreciation, amortisation and impairment	(53)	(4)
- Currency translation differences	27	2
Total movements	**34**	**26**
Balance at 30 September 2010	**906**	**69**
Of which:		
- Historical cost	1,239	159
- Accumulated depreciation/amortisation and impairment	(333)	(90)
Net book value	**906**	**69**

(in millions of Euro)	Property, plant and equipment	Intangible assets
Balance at 31 December 2008	**806**	**31**
Movements in period:		
- Investments	65	11
- Disposals	(1)	-
- Depreciation, amortisation and impairment	(47)	(3)
- Currency translation differences	21	-
Total movements	**38**	**8**
Balance at 30 September 2009	**844**	**39**
Of which:		
- Historical cost	1,105	123
- Accumulated depreciation/amortisation and impairment	(261)	(84)
Net book value	**844**	**39**

Investments during 2010 in property, plant and equipment amount to Euro 45 million at 30 September 2010. Of these:
- 59% refer to projects for increasing production capacity and developing new products;
- 7% are for projects to improve industrial efficiency;
- 31% are for structural work on buildings or for entire production lines to make them compliant with the latest regulations;
- 2% refer to expenditure on replacing a series of obsolete office equipment;
- the remaining 1% refer to research and development expenditure.

Investments in intangible assets amount to Euro 11 million, of which Euro 5 million refers to the SAP Consolidation project, aimed at standardising the information system in all the Group's companies over the next few years, while Euro 6 million refers to new product development.
Intangible assets have also increased by Euro 17 million for the recognition of goodwill relating to the acquisitions of Ravin Cables Limited (Euro 15 million) and Investitsionno – Promyshlennaya Kompaniya Rybinskelektrokabel (Euro 2 million).
There was no need to recognise any impairment losses at 30 September 2010. This does not mean that impairment losses, even significant ones, will not emerge when tests are performed in more detail for the purposes of the annual financial statements.

2. AVAILABLE-FOR-SALE FINANCIAL ASSETS

These mostly refer to government and blue chip corporate bonds held solely for investing the Group's liquidity, and hence are not instrumental to its business.
Securities that mature within 12 months of the reporting date are classified as current assets, while shares and bonds that mature more than 12 months from the reporting date are classified as non-current assets unless they are expected to be sold in the near term.
All the non-instrumental bonds are highly liquid.
The increase reported in the first nine months of 2010 reflects the investment of part of the cash raised by the bond issue discussed in Note 10. Borrowings from banks and other lenders.
The assets classified as non-current also include Euro 2 million in shares, treated as instrumental to the Group's business. During the month of June, the shares in American Superconductor were sold for Euro 3 million.

3. TRADE AND OTHER RECEIVABLES

These are detailed as follows:

(in millions of Euro)		30 September 2010	
	Non- current	Current	Total
Trade receivables	-	899	899
Allowance for doubtful accounts	-	(43)	(43)
Total trade receivables	**-**	**856**	**856**
Other receivables:			
Tax receivables	14	99	113
Financial receivables	1	66	67
Prepaid finance costs	16	3	19
Receivables from employees	2	4	6
Construction contracts	-	191	191
Advances	-	13	13
Others	13	47	60
Total other receivables	**46**	**423**	**469**
Total	**46**	**1,279**	**1,325**

(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 43 million at 30 September 2010 (Euro 39 million at 31 December 2009).
The increase of Euro 33 million in financial receivables is largely due to the investment in time deposits of part of the proceeds of the bond issue described in Note 10.

4. INVENTORIES

These are detailed as follows:

(in millions of Euro)	30 September 2010	31 December 2009
Raw materials	195	126
of which allowance for obsolete and slow-moving raw materials	*(11)*	*(11)*
Work in progress and semi-finished goods	181	118
of which allowance for obsolete and slow-moving work in progress and semi-finished goods	*(4)*	*(8)*
Finished goods	263	199
of which allowance for obsolete and slow-moving finished goods	*(21)*	*(24)*
Total	**639**	**443**

5. DERIVATIVES

These are detailed as follows:

(in millions of Euro)	30 September 2010	
	Asset	**Liability**
Non-current		
Interest rate swaps (cash flow hedges)	-	21
Forward currency contracts on commercial transactions (cash flow hedges)	9	4
Forward currency contracts on financial transactions (cash flow hedges)	-	6
Total hedging derivatives	**9**	**31**
Forward currency contracts on financial transactions	2	17
Metal derivatives	3	1
Total other derivatives	**5**	**18**
Total non-current	**14**	**49**
Current		
Forward currency contracts on commercial transactions (cash flow hedges)	11	9
Total hedging derivatives	**11**	**9**
Forward currency contracts on commercial transactions	5	2
Forward currency contracts on financial transactions	3	7
Metal derivatives	17	6
Total other derivatives	**25**	**15**
Total current	**36**	**24**
Total	**50**	**73**

(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 financial transactions (cash flow hedges)	-	-
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**

6. 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.

7. CASH AND CASH EQUIVALENTS

These are detailed as follows:

(in millions of Euro)	30 September 2010	31 December 2009
Cash and cheques	9	3
Bank and postal deposits	381	489
Total	**390**	**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 235 million at 30 September 2010 compared with Euro 289 million at 31 December 2009.

8. ASSETS HELD FOR SALE

These are detailed as follows:

(in millions of Euro)	30 September 2010	31 December 2009
Land	16	22
Buildings	1	6
Total	**17**	**28**

The balance at 30 September 2010 reflects the land and buildings of the plant in Eastleigh in the United Kingdom, which was classified as held for sale after reorganising Energy segment production activities in 2008.
The plant in Prescot was sold during the first nine months of 2010 for Euro 6 million.
The additional reduction of Euro 5 million since 31 December 2009 reflects the recognition of an impairment loss of Euro 6 million due to the property market crisis, as partially offset by an increase of Euro 1 million due to appreciation of the Euro against the British pound during 2010.

9. SHARE CAPITAL AND RESERVES

Consolidated equity has increased by Euro 20 million since 31 December 2009, mainly due to Euro 90 million in profit for the period attributable to the Group, as partially offset by the dividend of Euro 75 million paid by Prysmian S.p.A..

The share capital of Prysmian S.p.A. amounts to Euro 18,202,930.20 at 30 September 2010, corresponding to 182,029,302 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 (*)	688,812	-	688,812
Treasury shares	-	-	-
Balance at 30 september 2009	**181,235,039**	**(3,028,500)**	**178,206,539**

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2009	**181,235,039**	**(3,028,500)**	**178,206,539**
Capital increase (*)	794,263	-	794,263
Treasury shares	-	-	-
Balance at 30 September 2010	**182,029,302**	**(3,028,500)**	**179,000,802**

(*) Resulting from the exercise of part of the options under the first three tranches of the Stock Option Plan.

The reclassification between the cash flow hedges reserve and other reserves, shown in the statement of changes in equity, refers to incorrect movements in the cash flow hedges reserve in the years 2007-2009. Correct treatment in each of these years would not have had a significant impact on either the income statement or equity.

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 quoted 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 permitted 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 could not exceed the amount of undistributed earnings and distributable reserves reported in the most recently approved annual financial statements. The programme was to last for a maximum of 18 months commencing from the date of the shareholders' approval and therefore expired on 9 October 2010.

10. BORROWINGS FROM BANKS AND OTHER LENDERS

These are detailed as follows:

(in millions of Euro)			30 September 2010
	Non- current	**Current**	**Total**
Borrowings from banks	810	62	872
Bond	395	10	405
Finance lease obligations	1	1	2
Total	**1,206**	**73**	**1,279**

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

Details of borrowings from banks and of the bond are as follows:

(in millions of Euro)	30 September 2010	31 December 2009
Credit Agreement	771	960
Bond	405	-
Other borrowings	101	72
Total	**1,277**	**1,032**

Under the credit agreement signed on 18 April 2007 ("New Credit Agreement"), Prysmian S.p.A. and some of its subsidiaries were granted a total of Euro 1,700 million in credit.
On 16 April 2010, Prysmian 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.

The following tables summarise the committed lines available to the Group at 30 September 2010 and 31 December 2009:

(in millions of Euro)			30 September 2010
	Total lines	Used	Unused
Term Loan Facility	770	(770)	-
Revolving Credit Facility	400	(7)	393
Bonding Facility	300	(144)	156
Total New Credit Agreement	**1,470**	**(921)**	**549**
Securitization	350	-	350
Total	**1,820**	**(921)**	**899**

(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 in the bond:

(in millions of Euro)	Credit Agreement	Bond	Other borrowings	Total
Balance at 31 December 2009	**960**	-	**72**	**1.032**
Business combinations	-	-	15	15
Currency translation differences	6	-	5	11
Drawings	-	395	93	488
Repayments	(200)	-	(66)	(266)
Amortisation of bank and financial fees and other expenses	2	-	-	2
Interest and other	3	10	(18)	(5)
Total movements	**(189)**	**405**	**29**	**245**
Balance at 30 September 2010	**771**	**405**	**101**	**1.277**

(in millions of Euro)	Credit Agreement	Bond	Other borrowings	Total
Balance at 31 December 2008	**995**	-	**159**	**1.154**
Currency translation differences	(6)	-	(7)	(13)
Drawings	-	-	-	-
Repayments	-	-	(99)	(99)
Amortisation of bank and financial fees and other expenses	2	-	-	2
Other	3	-	(4)	(1)
Total movements	**(1)**	**-**	**(110)**	**(111)**
Balance at 30 September 2009	**994**	**-**	**49**	**1.043**

On 21 January 2010, the Group entered a long-term credit agreement for Euro 1,070 million with a syndicate of prime 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 million, 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.

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.
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.

NET FINANCIAL POSITION

(in millions of Euro)	Note	30 September 2010	Of which related parties (Note 22)	31 December 2009	Of which related parties (Note 22)
Long- term financial payables					
Term Loan Facility		770		864	
Bank fees		(3)		(4)	
New Credit Agreement	10	**767**		**860**	
Bond	10	395		-	
Finance leases	10	1		2	
Forward currency contracts on financial transactions	5	23		3	
Interest rate swaps	5	21	1	2	
Other financial payables	10	43		22	
Total long- term financial payables		**1,250**		**889**	
Short- term financial payables					
Term Loan Facility	10	4		100	
Bank fees		-		-	
Bond	10	10		-	
Finance leases	10	1		2	
Securitization	10	-		-	
Interest rate swaps	5	-		12	3
Forward currency contracts on financial transactions	5	7		8	
Other financial payables	10	58		50	1
Total short- term financial payables		**80**		**172**	
Total financial liabilities		**1,330**		**1,061**	
Long- term financial receivables	3	1		2	
Available- for- sale financial assets (non- current) [1]	3	80		-	
Long- term bank fees	3	16		4	
Interest rate swaps	5	-		-	
Forward currency contracts on financial transactions (non-current)	5	2		5	
Forward currency contracts on financial transactions (current)	5	3		6	
Short- term financial receivables	3	66		33	
Available- for- sale financial assets (current) [1]	3	71		-	
Short- term bank fees	3	3		3	
Financial assets held for trading	6	44		42	
Cash and cash equivalents	7	390		492	
Net financial position		**654**		**474**	

[1] These refer to bonds held solely for investing the Group's liquidity, which are not instrumental to its business and are highly liquid.

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	30 September 2010	Of which related parties (Note 22)	31 December 2009	Of which related parties (Note 22)
Net financial position - as reported above		**654**		**474**	
Long-term financial receivables	3	1		2	
Long-term bank fees	3	16		4	
Net forward currency contracts on commercial transactions	5	(10)		(3)	
Net metal derivatives	5	(13)		(11)	
Recalculated net financial position		**648**		**466**	

11. TRADE AND OTHER PAYABLES

These are detailed as follows:

(in millions of Euro)	30 September 2010		
	Non-current	**Current**	**Total**
Trade payables	-	814	814
Total trade payables	**-**	**814**	**814**
Other payables:			
Tax and social security payables	11	76	87
Advances	-	89	89
Payables to employees	-	50	50
Accrued expenses	-	85	85
Others	7	69	76
Total other payables	**18**	**369**	**387**
Total	**18**	**1,183**	**1,201**

(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 54 million due to customers for construction contracts at 30 September 2010 compared with Euro 58 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.

Other includes Euro 26 million for put options given to minority shareholders in companies not wholly-owned by the Group.

Trade payables include positions relating to the purchase of strategic metals (copper, aluminium and lead), whose payment terms are longer than normal for this type of transaction.

12. PROVISIONS FOR RISKS AND CHARGES

These are detailed as follows:

(in millions of Euro)			30 September 2010
	Non- current	Current	Total
Restructuring costs	1	4	5
Contractual and legal risks	26	34	60
Environmental risks	2	5	7
Tax inspections	2	17	19
Other risks and charges	8	10	18
Total	**39**	**70**	**109**

(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	1	4
Increases	1	15	1	-	4	21
Utilisations	(2)	(10)	(1)	(5)	(3)	(21)
Releases	(1)	(6)	-	(1)	(1)	(9)
Other	(1)	2	1	9	-	11
Total movements	(3)	3	1	4	1	6
Balance at 30 September 2010	**5**	**60**	**7**	**19**	**18**	**109**

The utilisation of Euro 2 million from the provision for restructuring costs largely refers to projects to rationalise production in Germany, France and Italy.

The increase of Euro 15 million in the provision for contractual and legal risks mostly refers to:

- contractual risks (Euro 9 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 utilisation of Euro 10 million from this provision includes Euro 8 million for risks relating to contractual guarantees and indemnities.

Provisions for legal risks also include the estimated legal costs of the antitrust investigations currently in progress (see Note 18 for more details).

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.

The utilisation and release of this provision (Euro 6 million in total) are the result of ending a dispute involving one of the Group's foreign companies.

13. EMPLOYEE BENEFIT OBLIGATIONS

These are detailed as follows:

(in millions of Euro)

	30 September 2010	31 December 2009
Pension funds	97	88
Employee indemnity liability (Italian TFR)	23	22
Medical benefit plans	22	18
Termination benefits and others	14	14
Total	**156**	**142**

Pension funds and medical benefit plans have increased by a total of Euro 13 million, mainly because of actuarial losses recognised in equity and because of lower valuations of pension fund assets in the United Kingdom, United States and Canada.

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

(in millions of Euro)

	9 months 2010	9 months 2009
Pension funds	5	5
Employee indemnity liability (Italian TFR)	1	1
Medical benefit plans	3	2
Termination benefits and others	5	5
Total	**14**	**13**

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

	Average 9 months 2010	%	Closing at 30 September 2010	%
Blue collar	9,128	74%	9,284	74%
White collar and management	3,195	26%	3,185	26%
Total	**12,323**	**100%**	**12,469**	**100%**

	Average 9 months 2009	%	Closing at 31 December 2009	%
Blue collar	8,887	74%	8,629	74%
White collar and management	3,054	26%	3,075	26%
Total	**11,941**	**100%**	**11,704**	**100%**

14. OPERATING INCOME

Operating income is Euro 212 million in the first nine months of 2010 (Euro 309 million in the first nine months of 2009) and includes the following non-recurring items:

(in millions of Euro)	9 months 2010	9 months 2009
Release of provision for tax inspections	2	-
Special project costs	(3)	(4)
Environmental remediation	(1)	-
Company reorganisation	(6)	(10)
Antitrust investigation legal costs	(1)	(7)
Impairment of assets held for sale	(6)	-
Total non- recurring (expenses)/ income	**(15)**	**(21)**

15. FINANCE INCOME AND COSTS

Finance costs are detailed as follows:

(in millions of Euro)	9 months 2010	9 months 2009
Interest on borrowings	12	24
Interest on bond	10	-
Amortisation of bank and financial fees and other expenses	4	3
Interest costs on employee benefits	5	6
Other bank interest	4	7
Costs for undrawn credit lines	-	-
Sundry bank fees	5	5
Other	19	10
Finance costs	**59**	**55**
Net losses on interest rate swaps	7	**-**
Net losses on forward currency contracts	22	4
Losses on derivatives	**29**	**4**
Foreign currency exchange losses	159	178
Total finance costs	**247**	**237**

Finance income is detailed as follows:

(in millions of Euro)	9 months 2010	9 months 2009
Interest income from banks and other financial institutions	5	6
Other finance income	1	3
Other non- recurring finance income:		
Gain on disposal of available- for- sale financial assets	*2*	*-*
Release of provision for interest on disputed tax	*-*	*8*
Total non- recurring finance income	2	8
Finance income	**8**	**17**
Foreign currency exchange gains	160	189
Total finance income	**168**	**206**

16. 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 both of the periods presented:

(in millions of Euro)	9 months 2010	9 months 2009
Current income taxes	49	60
Deferred income taxes	(6)	16
Total	**43**	**76**

The tax rate in the first nine months of 2010 is 32% compared with 27% in the same period of 2009. This increase is mainly attributable to less utilisation of carryforward tax losses.

17. 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 nine months of 2010, involving the issue of a total of 2,029,302 shares.
Diluted earnings per share have been determined by taking into account, when calculating the number of outstanding shares, the potential dilutive effect of options granted under the existing Stock Option Plan.

(in millions of Euro)	9 months 2010	9 months 2009
Profit attributable to owners of the parent	90	203
Weighted average number of ordinary shares (thousands)	178,812	177,792
Basic earnings per share (in Euro)	**0.50**	**1.14**
Profit attributable to owners of the parent	90	203
Weighted average number of ordinary shares (thousands)	178,812	177,792
Adjustments for: Dilution from incremental shares arising from exercise of stock options (thousands)	610	1,055
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	179,422	178,847
Diluted earnings per share (in Euro)	**0.50**	**1.14**

18. 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. Subsequently, 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 in progress 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 awarded in 2003. Prysmian Cavi e Sistemi Energia S.r.l. received official notice of this claim in April 2010 and has since filed its defence.

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.

19. 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 36 million at 30 September 2010 (Euro 40 million at 30 September 2009).

Prysmian Cavi e Sistemi Energia S.r.l. owns 51% of the shares in Ravin Cables Limited (India).
The related shareholders' agreement establishes that, in the event of a "deadlock" in the company's management, the minority shareholders will have a put option over 49% of the shares.
The option would be exercised at fair market value on the exercise date.
Even if the probability that this option will be exercised is currently remote, Prysmian has recognised its estimated costs among its liabilities.

20. 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 49 million at 30 September 2010 (Euro 35 million at 30 September 2009).

21. 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.

22. RELATED PARTY TRANSACTIONS

During 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);

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 Group's continuing operations.

The following tables provide a summary of the related party transactions as of and during the nine months ended 30 September 2010:

(in millions of Euro)				30 September 2010
	Trade and other receivables	**Derivatives classified as assets**	**Trade and other payables**	**Financial payables and derivatives classified as liabilities**
Associates	6	-	4	-
Other related parties:				
The Goldman Sachs Group Inc.	-	-	-	1
Total	**6**	**-**	**4**	**1**

(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**
Ultimate parent company	-	-	-	-
Associates	2	-	4	-
Other related parties:				
The Goldman Sachs Group Inc.	-	-	-	4
Total	**2**	**-**	**4**	**4**

(in millions of Euro)			9 months 2010
	Sales of goods and services	**Cost of goods and services**	**Finance income/ (costs)**
Associates	16	4	-
Other related parties:			
The Goldman Sachs Group Inc.	-	-	(8)
Total	**16**	**4**	**(8)**

(in millions of Euro)			9 months 2009
	Sales of goods and services	**Cost of goods and services**	**Finance income/ (costs)**
Ultimate parent company	-	-	-
Associates	9	3	-
Other related parties:			
The Goldman Sachs Group Inc.	-	-	(1)
Total	**9**	**3**	**(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 5.4 million at 30 September 2010 (Euro 5.1 million at 30 September 2009).

23. 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 nine months of 2010.

24. 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)	30 September 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	-	-	-	-
Cancelled	(10,895)	-	(69,726)	-
Exercised	(794,263)	4.65	(688,812)	4.65
Options at end of period	755,278	4.65	1,560,436	4.65
of which vested at end of period	86,336	4.65	880,599	4.65
of which exercisable*	-	-	-	-
of which not vested at end of period	668,942	4.65	679,837	4.65

* Options can be exercised only in specified periods

On 15 April 2010, the Shareholders' Meeting of Prysmian S.p.A. approved an amendment to this incentive plan, with the introduction of 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 Board's approval of the Company's proposed financial statements for 2012 (the original option expiry date was 30 days after the Board's approval of the proposed financial statements for 2010). 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, there has been no 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.

25. DIVIDEND PAYMENT

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 75 million. The dividend was paid on 22 April 2010.

26. EXCHANGE RATES

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

		Closing rates at		Average rates
	30 September 2010	31 December 2009	9 months 2010	9 months 2009
Europe				
British Pound	0.860	0.888	0.857	0.886
Swiss Franc	1.329	1.484	1.400	1.511
Hungarian Forint	275.750	270.420	275.372	283.620
Norwegian Krone	7.968	8.300	7.988	8.839
Swedish Krona	9.142	10.252	9.647	10.709
Romanian Leu	4.272	4.236	4.186	4.230
Turkish Lira	1.985	2.171	2.002	2.148
Polish Zloty	3.985	4.105	4.004	4.380
Russian Rouble	41.692	43.154	39.753	44.333
North America				
US Dollar	1.365	1.441	1.314	1.366
Canadian Dollar	1.407	1.513	1.361	1.594
South America				
Brazilian Real	2.312	2.508	2.340	2.841
Argentine Peso	5.405	5.474	5.120	5.059
Chilean Peso	659.403	730.384	683.384	781.485
Oceania				
Australian Dollar	1.407	1.601	1.465	1.823
New Zealand Dollar	1.844	1.980	1.853	2.274
Africa				
CFA Franc	655.957	655.957	655.957	655.957
Tunisian Dinar	1.936	1.897	1.887	1.867
Asia				
Chinese Renminbi (Yuan)	9.132	9.835	8.946	9.335
United Arab Emirates Dirham	5.012	5.291	4.827	5.018
Hong Kong Dollar	10.592	11.171	10.214	10.591
Singapore Dollar	1.794	2.019	1.817	2.012
Indian Rupee	60.815	66.829	60.415	66.797
Indonesian Rupiah	12,173.440	13,626.130	11,991.412	14,592.030
Malaysian Ringgit	4.210	4.933	4.278	4.867
Saudi Riyal	5.118	5.403	4.929	5.124

27. SUBSEQUENT EVENTS

On 12 October 2010, the Board of Directors of Prysmian S.p.A. updated the by-laws for certain provisions contained in Italian Decrees 27 and 39 dated 27 January 2010 and respectively relating to the exercise of certain rights of shareholders in listed companies and to statutory audits of annual separate and consolidated accounts.
More in detail, the by-laws have been amended to replace references to the "audit of the accounts" with the new concept of "statutory audit", and to alter the procedures governing publication of notices calling shareholders' meetings, governing presentation and publication of lists for the appointment of directors and statutory auditors and governing participation and representation in shareholders' meetings. Lastly, the by-laws have been amended to allow shareholders to notify the participation of a proxy at shareholders' meeting by sending the required document to a certified email address.

On 14 October 2010, Prysmian announced the launch of a new customer-centric organisational model with the creation of two new positions.

The Chief Operating Officer (COO), in the person of Massimo Battaini, will be responsible for the Group's entire supply chain (purchasing, operations, logistics). The main task of the new COO will be to implement a faster and leaner organisational strategy particularly aimed at accelerating the Group's decision-making process and time to market.

The Chief Commercial Officer (CCO), in the person of Fabio Romeo, will be accountable for the Group's sales and marketing, covering both the Energy and Telecom segments, with the aim of providing all Prysmian businesses with a common approach, a coherent strategy and the right level of resources. One of the main tasks of the new CCO will be to develop a more customer-centric approach, that will further enhance Prysmian's ability to meet customer needs and expectations.

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Pursuant to art. 154-bis par. 2 of Italy's Financial Markets Consolidation Act, Massimo Branda and Jordi Calvo, as managers responsible for preparing corporate accounting documents, declare that the information contained in this quarterly report corresponds to the underlying documents, accounting books and records.

Milan, 10 November 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	Share capital	% ownership	Direct parent company
Europe					
Austria					
Prysmian OEKW GmbH	Vienna	Euro	2,071,176	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Russian Federation					
Limited Liability Company "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel"	Rybinsk city	Russian Rouble	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 Rouble	31,800,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kom Rybinskelektrokabel"
Limited Liability Company "Torgoviy Dom Rybinskelektrokabel"	Rybinsk city	Russian Rouble	8,512,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kom Rybinskelektrokabel"
Limited Liability Company "NPP Rybinskelektrokabel"	Rybinsk city	Russian Rouble	50,000,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kom Rybinskelektrokabel"
Finland					
Prysmian Cables and Systems OY	Kirkkonummi	Euro	2,000,000	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
France					
Prysmian (French) Holdings S.A.S.	Paron de Sens	Euro	173,487,250	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
GSCP Athena (French) Holdings II S.A.S.	Paron de Sens	Euro	37,000	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 Cavi e Sistemi Energia 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 Cavi e Sistemi Energia 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 Cavi e Sistemi Energia S.r.l.
Prysmian Pension Scheme Trustee Limited	Eastleigh	British Pound	1	100.00%	Prysmian S.p.A.
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	Share capital	% 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 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 Cavi e Sistemi Telecom S.r.l.	Milan	Euro	31,930,000	100.00%	Prysmian S.p.A.
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 Cavi e Sistemi Energia S.r.l.
Prysmian (Dutch) Holdings B.V.	Delft	Euro	18,000	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Romanian Leu	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 Cavi e Sistemi Energia S.r.l.
				0.005%	Prysmian S.p.A.
Spain					
Prysmian Cables y Sistemas S.A.	Vilanova I la Geltrù	Euro	14,000,000	85.71%	Prysmian Cavi e Sistemi Energia 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.A.
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 Cavi e Sistemi Energia 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	Currency	Share capital	% 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
Prysmian Surflex Umbilicais e Tubos Flexìveis do Brasil LTDA	Vila Velha	Brazilian Real	50,000	99.83%	Prysmian Cavi e Sistemi Energia S.r.l.
				0.17%	Prysmian Cavi e Sistemi Telecom S.r.l.
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	3,500,000	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	35,000,000	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	55,000,000	83.00%	Prysmian Cavi e Sistemi Energia S.r.l.
				17.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian (China) Investment Company Ltd.	Beijing	Euro	55,000,000	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					
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	Currency	Share capital	% 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
U.A.E.					
Power Plus Cables CO: L.L.C.	Fujairah	U.A.E. Dirham	51,000,000	49.00%	Ravin Cables Limited
				51.00%	Third parties

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

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Germany					
Kabeltrommel GmbH & CO.KG	Troisdorf	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	Sokolów	Polish Zloty	394,000	20.05%	Prysmian Cavi e Sistemi Energia S.r.l.
				79.95%	Third parties