

Company Presentation
November 2010

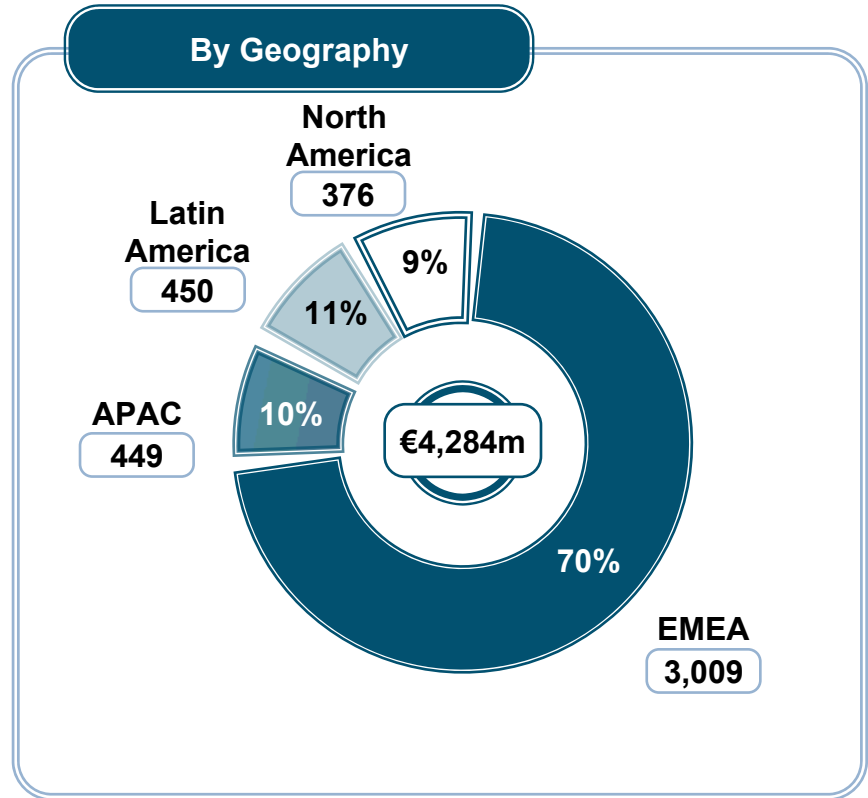
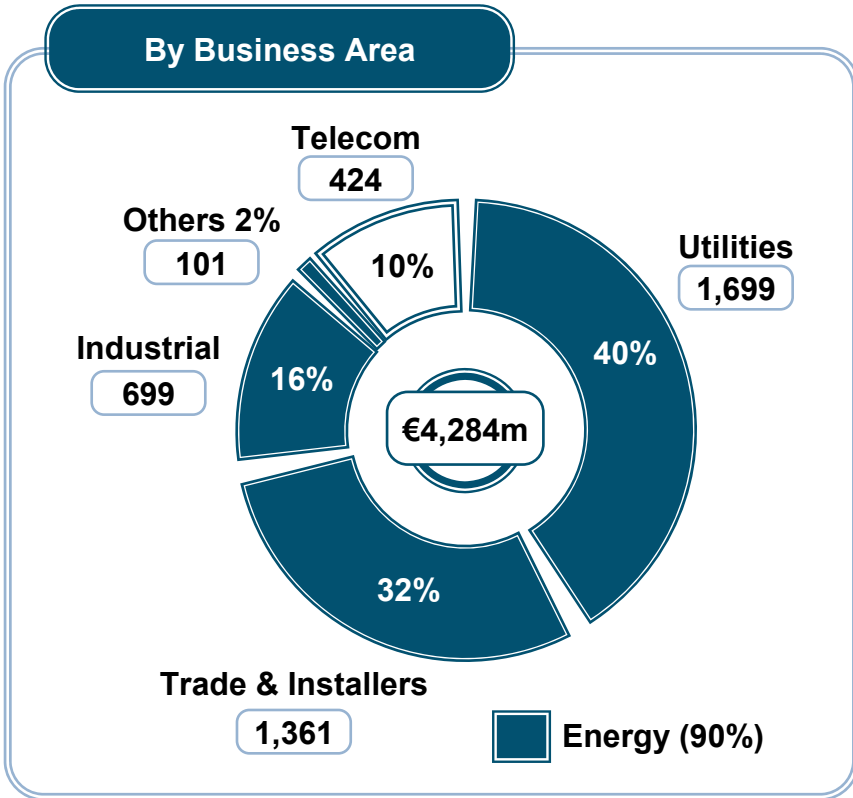
Agenda

➤ Group Overview

- Division Results & Outlook 2010
- Appendix

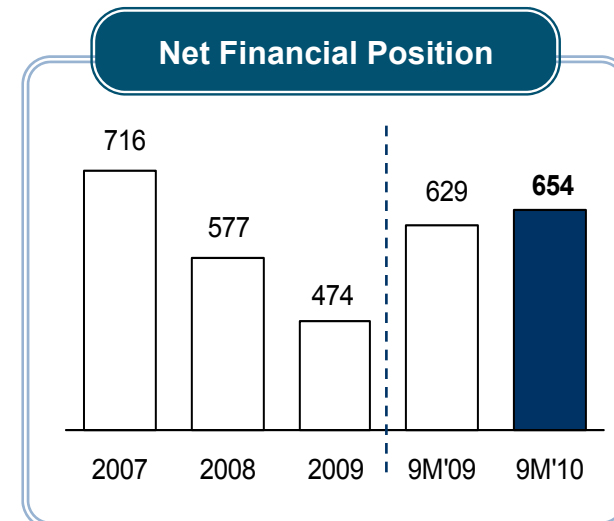
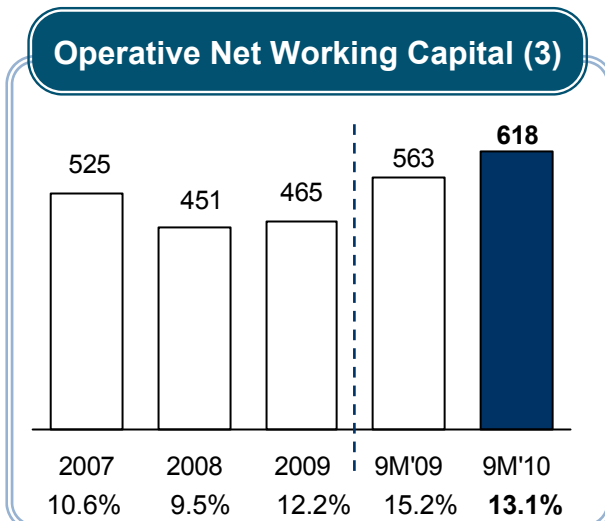
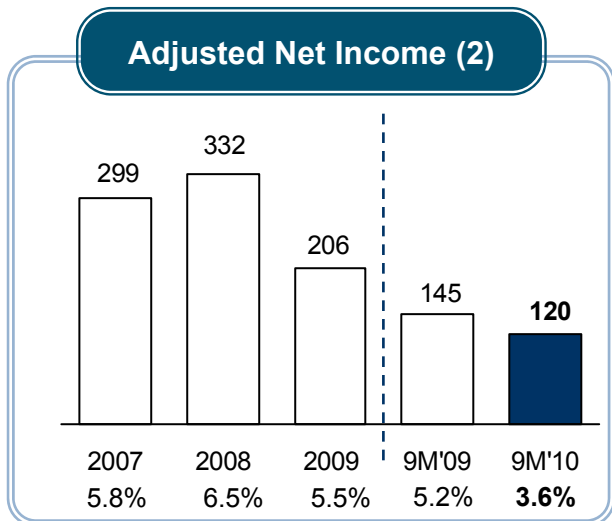
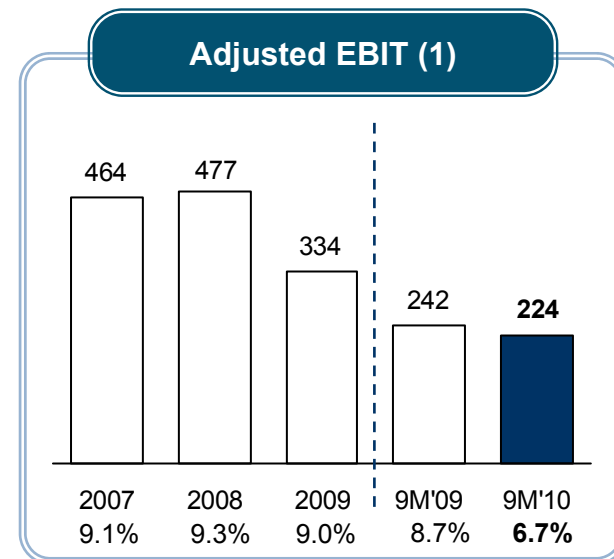
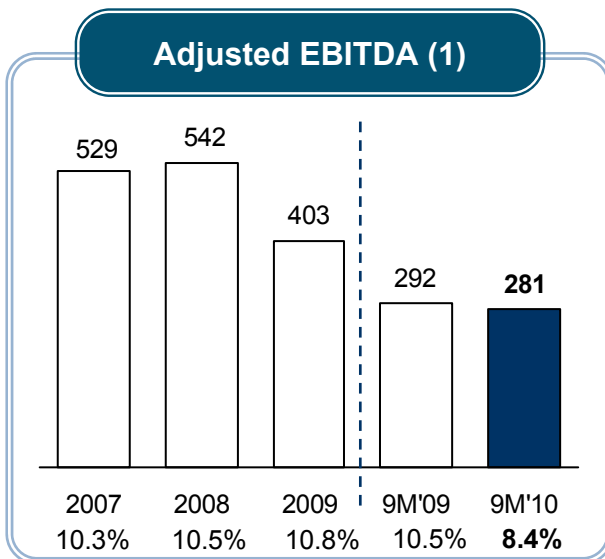
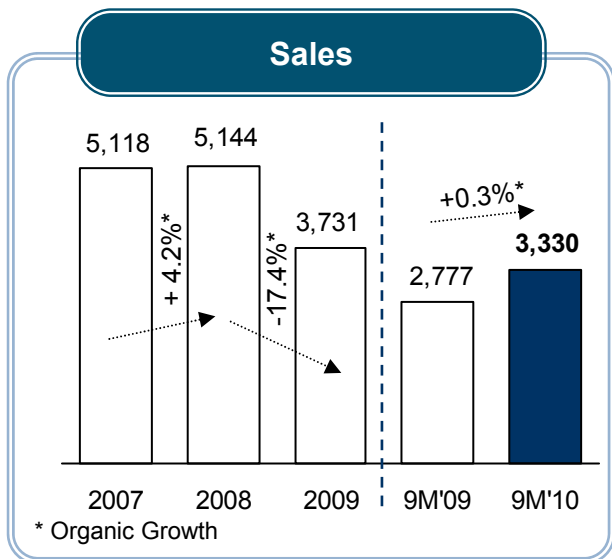
A Complete and Diversified Presence and Product Offering

Sales LTM 9M 2010 Euro Millions



9M 2010 Key Financials

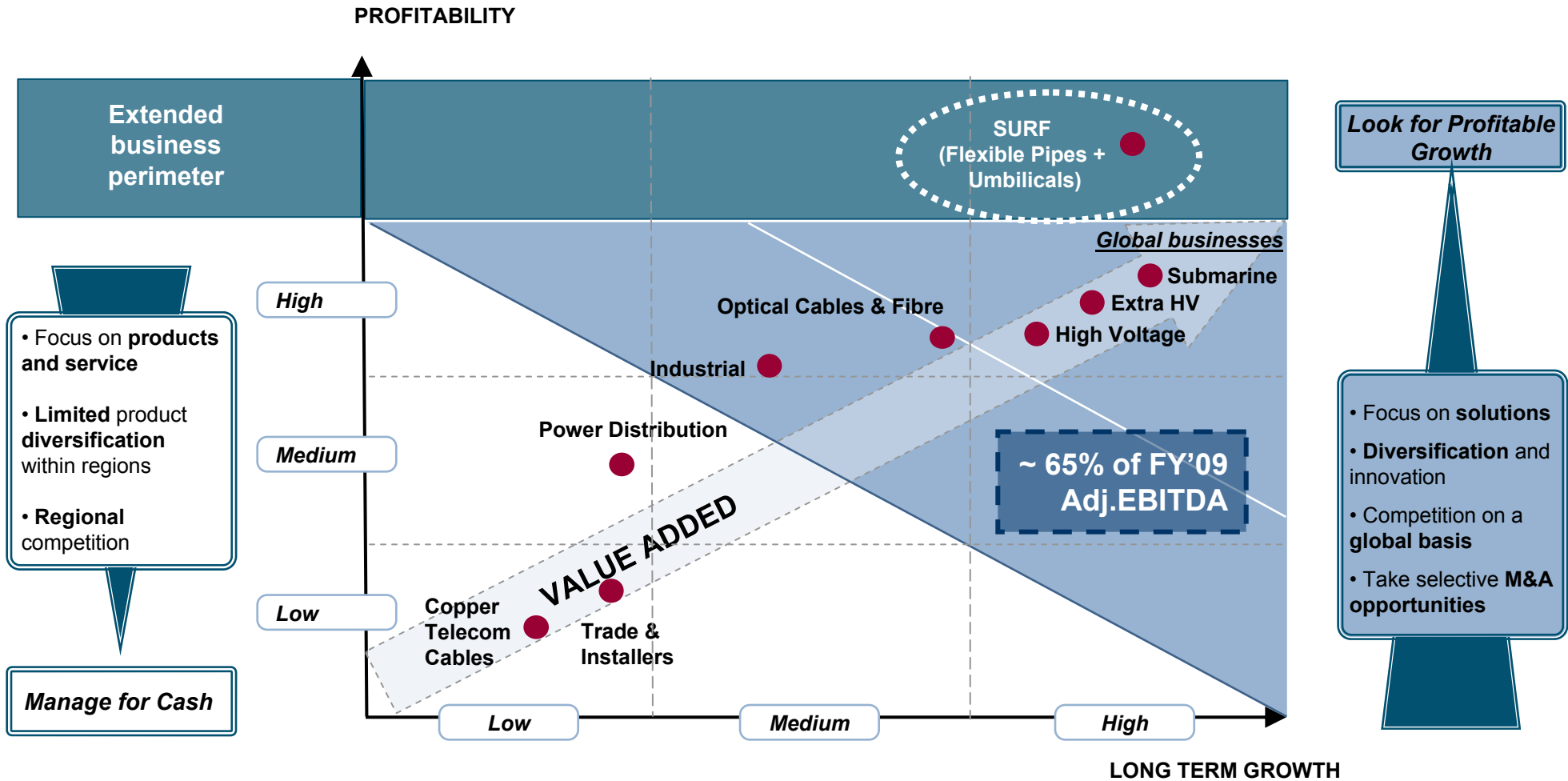
Euro Millions, % of Sales



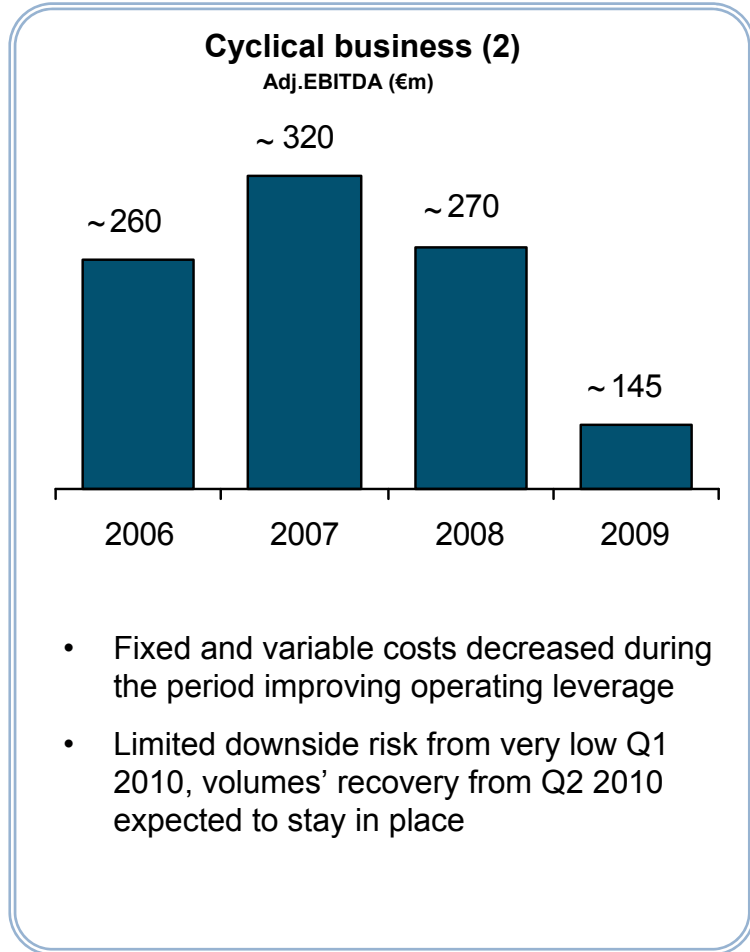
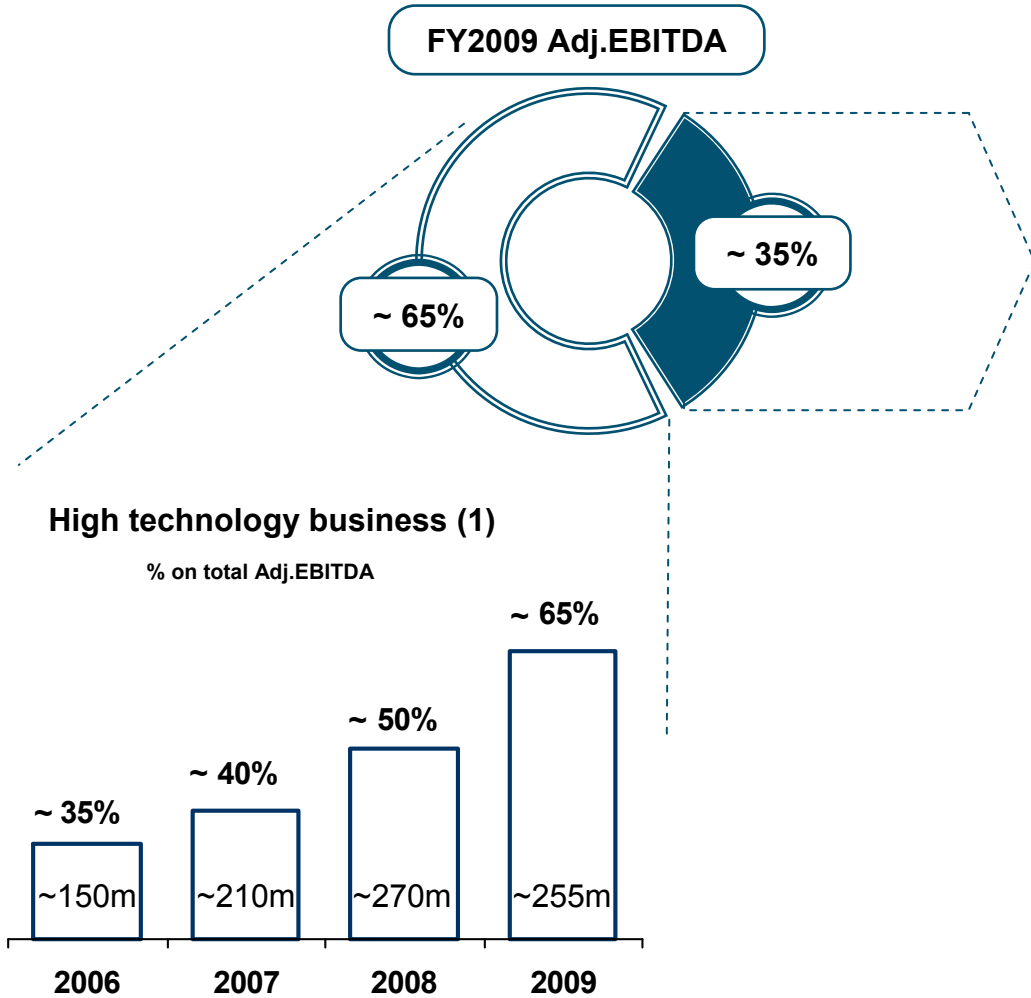
(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives; (2) Adjusted excluding non-recurring income/expenses, the effect of derivatives and exchange rate differences and the related tax effects

(3) Operative Net Working capital defined as Net Working Capital excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

Leadership in high resilience businesses



High technology segments supporting profitability in global downturn, potential upside from recovery in cyclical business



(1) Includes Utilities Transmission, Industrial (Priority), TLC Optical

(2) Includes Trade&Installer, Power Distribution, Industrial (no priority segments), TLC copper

Long term drivers to keep growing in high technology segments

Utilities Transmission

- First tangible signs of start in European interconnections
- Grid expansion and replacement of ageing networks
- Leading player in fast-growing off-shore wind farms

Industrial Priority Segments

- Recovery in oil off-shore exploitation activities
- Growing investments in Asia-Pacific
- Development of renewable energy sources

Telecom Optical

- Optical cables: network expansion in developed countries and infrastructure demand in APAC
- Europe lagging behind US in optical infrastructure as growth driver for the future

Agenda

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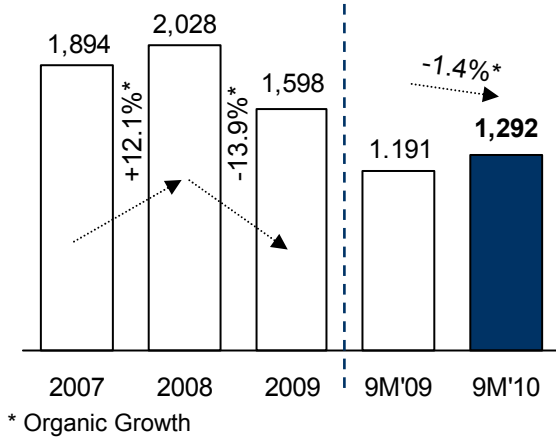
➤ Division Results & Outlook 2010

➤ Appendix

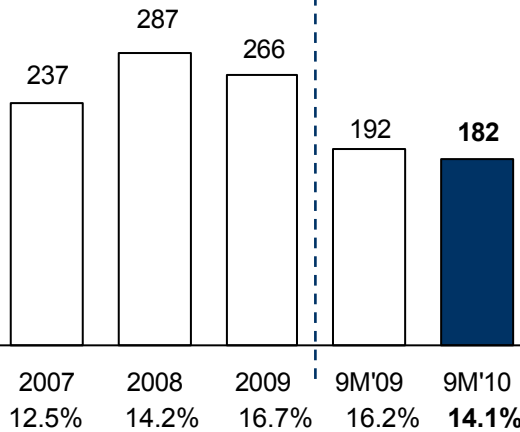
Utilities

Euro Millions, % of Sales

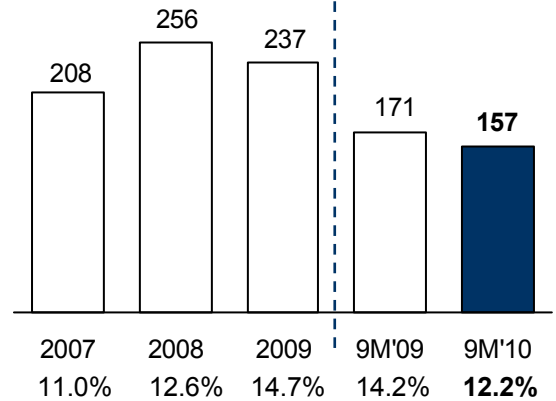
Sales Vs Third Parties



Adjusted EBITDA (1)



Adjusted EBIT (1)



Distribution

- Ongoing volume recovery driven by key accounts in European countries (Germany and France) expected to continue in Q4
- Sound demand in South America but still weak US market
- Profitability still under pressure due to high non metal raw material price

Transmission

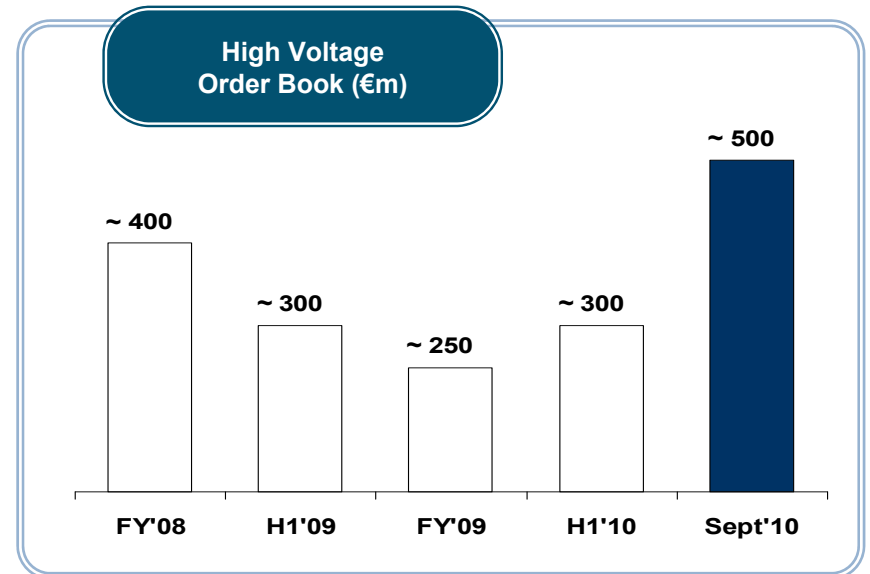
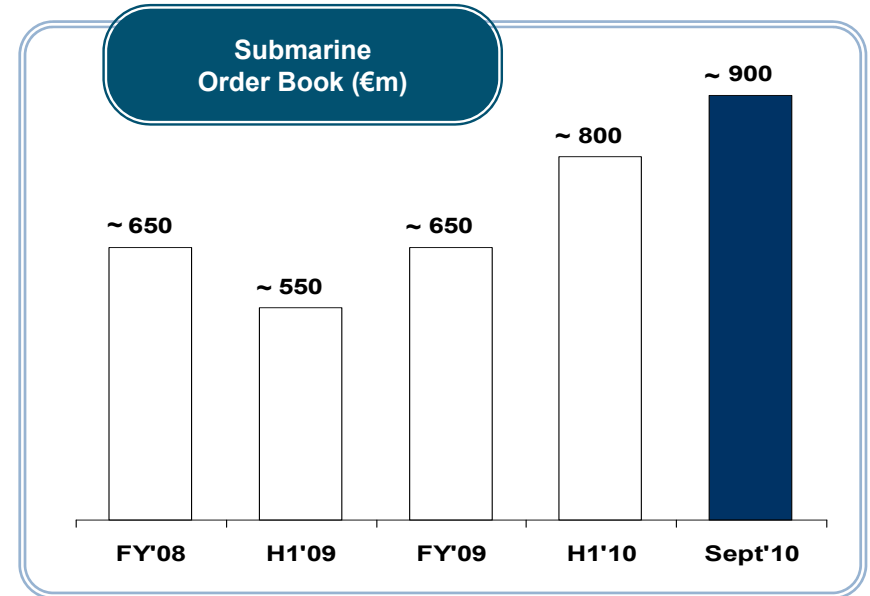
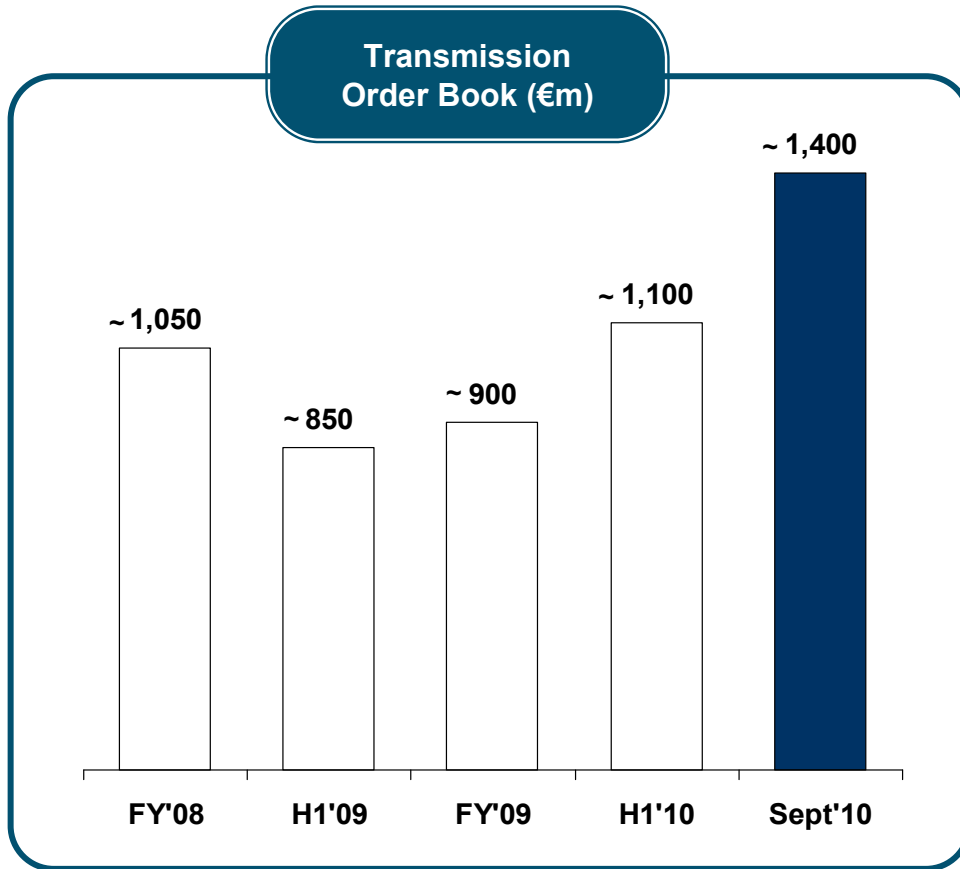
High Voltage

- Large interconnections in Europe expected to support high orders backlog (almost 1 year sales)
- Positive outlook in China and Middle East confirmed also for next year on growing infrastructure needs
- Emerging demand in Oceania and first project awarded in India

Submarine

- As anticipated on orders' backlog, strong sales performance in H2'10
- Positive trend confirmed with new tenders for large subsea connections and off-shore wind farms projects to be awarded next quarters
- Production capacity increase to be completed by next year to support record orders' backlog (approx. 2.5 years sales)

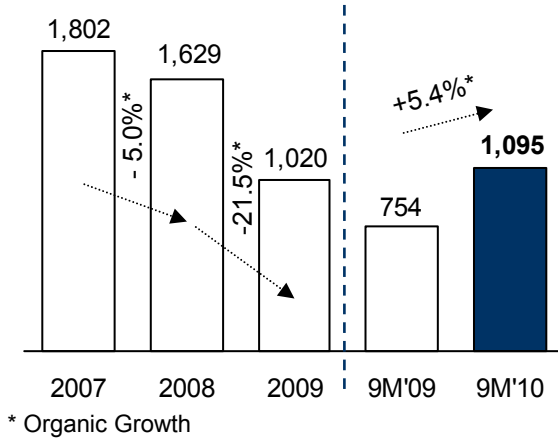
Utilities Transmission – Growing Prysmian leadership in a sound market demand



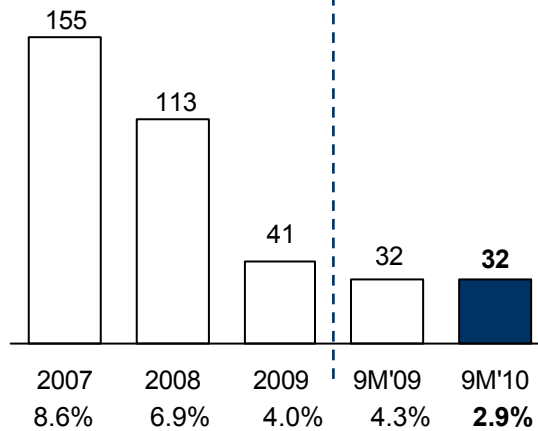
Trade & Installers

Euro Millions, % of Sales

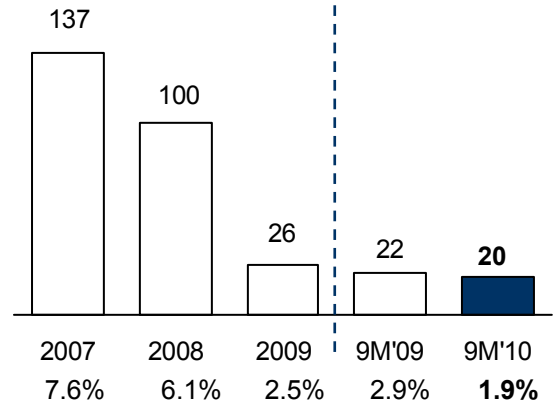
Sales Vs Third Parties



Adjusted EBITDA (1)



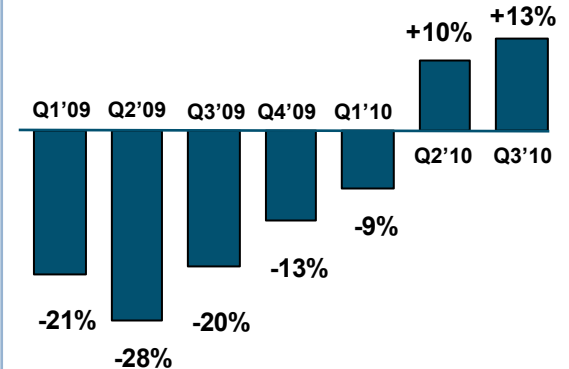
Adjusted EBIT (1)



Highlights

- Volume recovery from bottom level (Q1'10) confirmed also in Q3'10 (+11% Vs Q3'09 excl.acquisitions)
 - Europe (e.g. Germany, Eastern Europe, Turkey) and South America as key geographical areas supporting demand
- Positive impact on profitability fully driven by volume growth
- Ongoing supply chain optimization to strengthen clients' service, improve time to market and decrease production costs

Sales Org.growth development

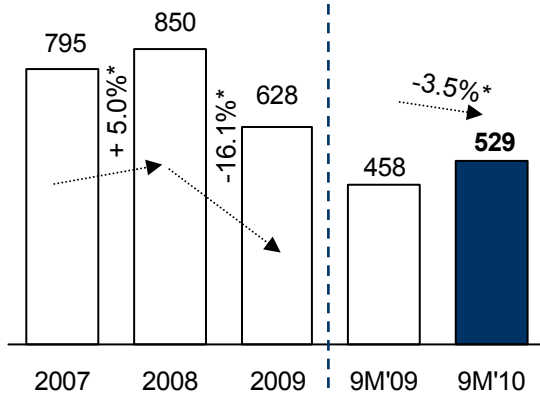


(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives

Industrial

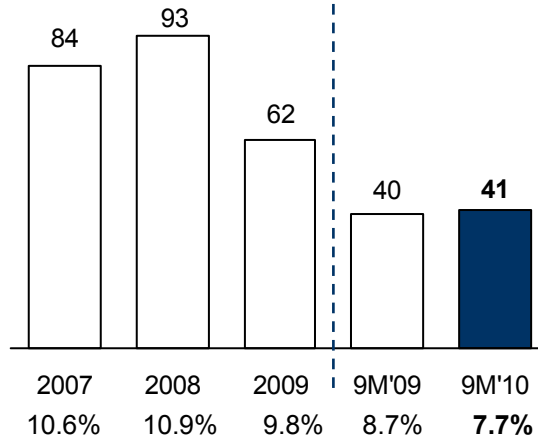
Euro Millions, % of Sales

Sales Vs Third Parties

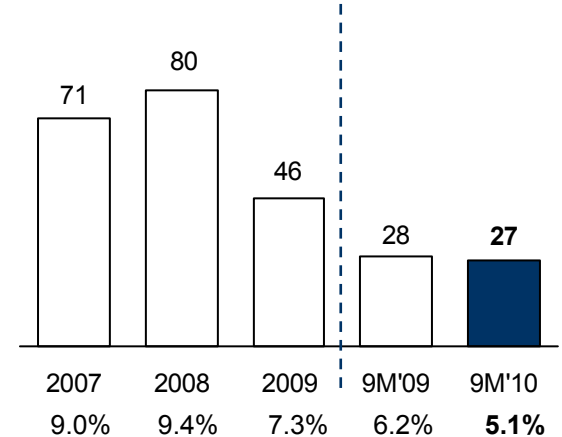


* Organic Growth

Adjusted EBITDA (1)



Adjusted EBIT (1)

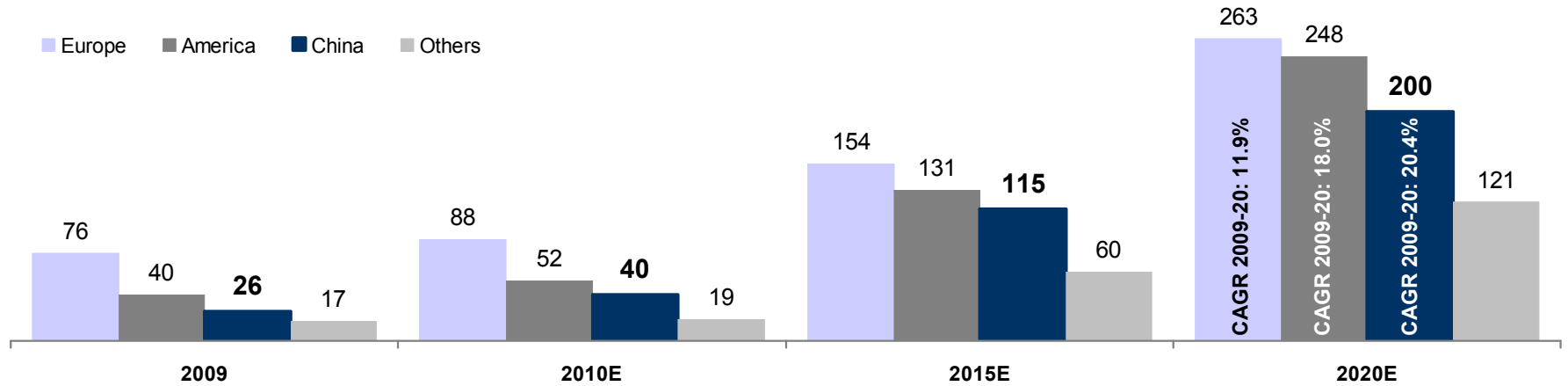


Highlights

- Growing contribution from OGP and Renewable expected to improve results in Q4. Still high potential for profitability recovery for all other applications with first signs of upturn from emerging markets
 - OGP: new projects (from H2'10) driving sales growth next quarters both in on-shore and off-shore (mainly in Middle East, South America and North Africa)
 - SURF: high order book in Umbilicals mainly loaded from Q4'10. Starting first supplies of Flexible pipes to Petrobras by year-end
 - Renewable energy: strong performance in Wind driven by China with growing presence in South America and Australia. High double digit growth in Solar products supported by European countries (Germany, France and Eastern Europe) with first applications also in emerging markets (e.g. China)
 - Others: continuous weak demand in Crane and Marine partially offset by recovery in Mining and Railway/Rolling Stock out of Europe. Ongoing volume recovery in Automotive (mainly Brazil)

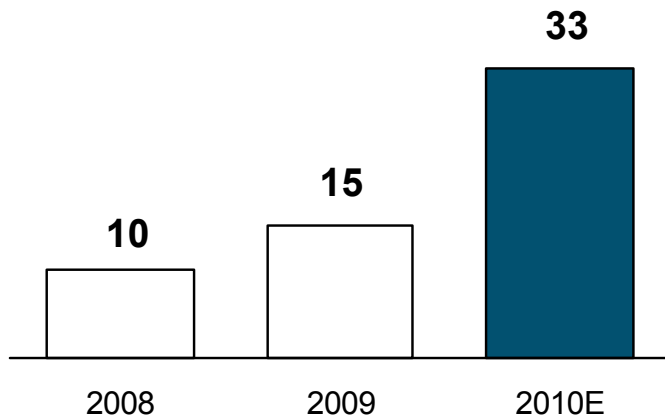
Industrial – Strong Leadership achieved in the fast growing Chinese wind market

Global Wind capacity installed (GW)

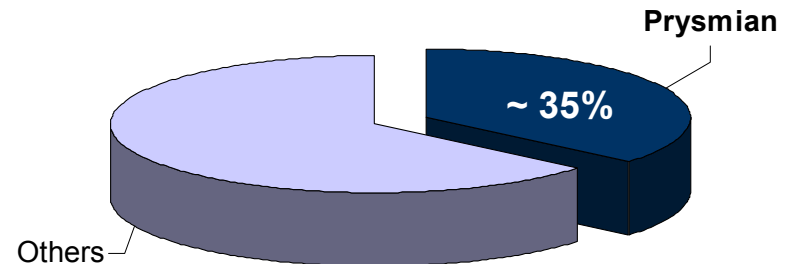


Source: Global Wind Energy Council (October 2010)

Wind Tower business: Prysmian sales in China (€m)



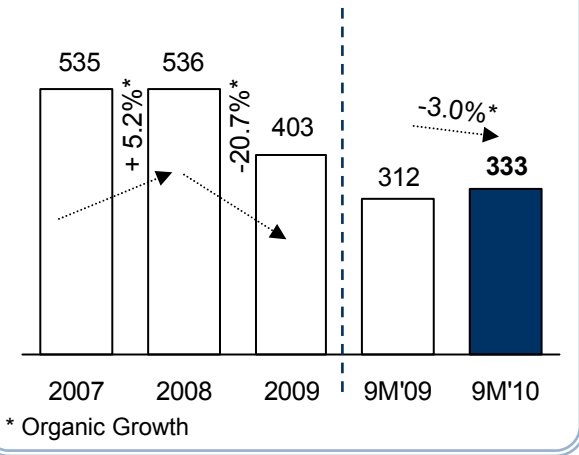
Prysmian Market share in China wind cable market (2010E)



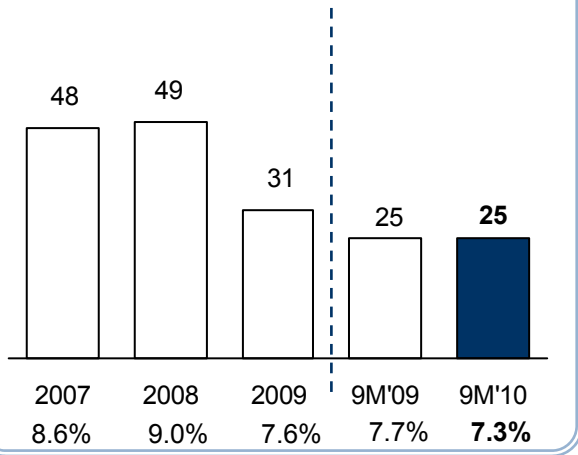
Telecom

Euro Millions, % of Sales

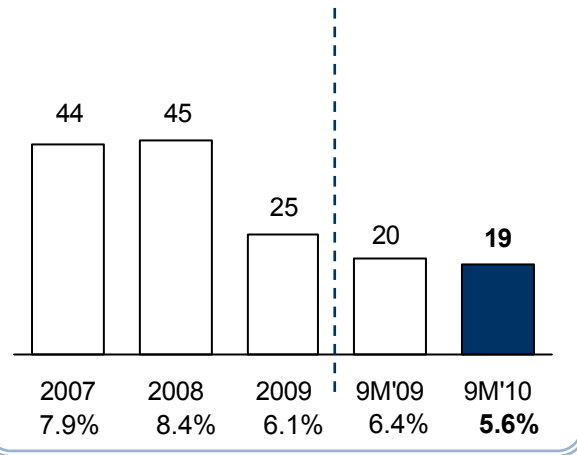
Sales Vs Third Parties



Adjusted EBITDA (1)



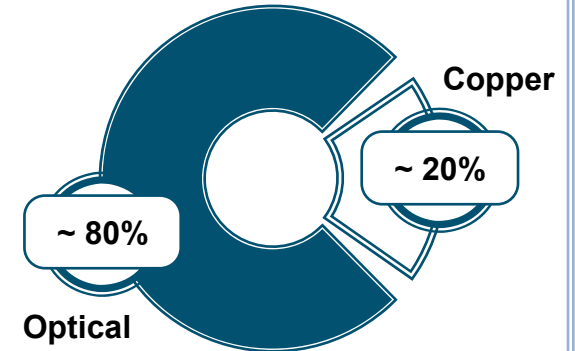
Adjusted EBIT (1)



Highlights

- Growing optical cables in US and Europe offset by demand reduction in China
 - Improving market share in US with key accounts enlarging customers base
 - UK, France, Turkey and Germany as key drivers of volume increase in Europe
 - Successful development of optical cable business in Middle East
- Strong development of high profitable Network components and OPGW business

9M'10 Profitability by business

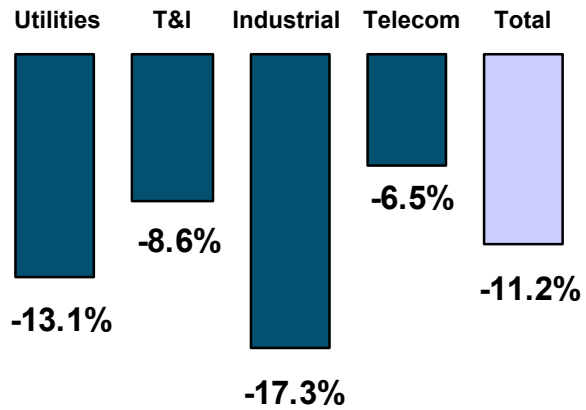


(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives

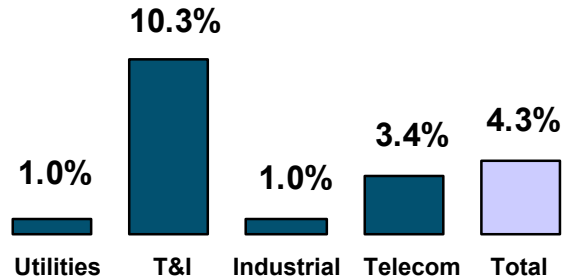
Organic growth improvement confirmed across all the Energy segments

Euro Millions

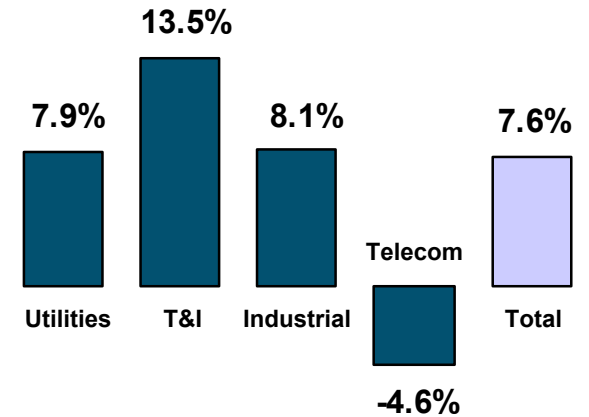
Q1'10 Org. Growth (%)



Q2'10 Org. Growth (%)

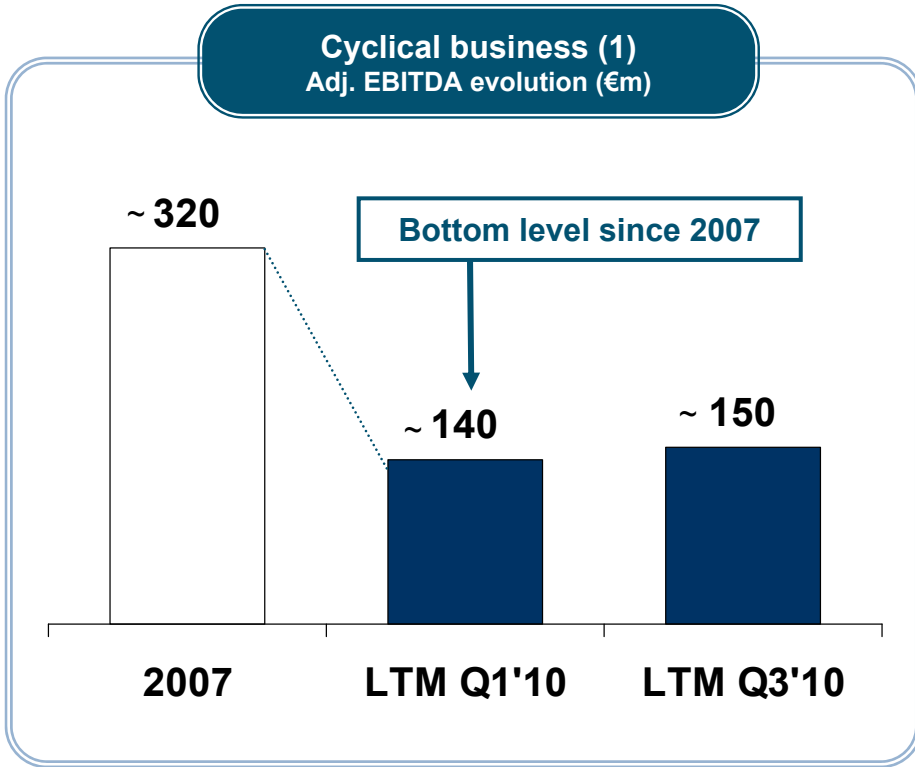


Q3'10 Org. Growth (%)

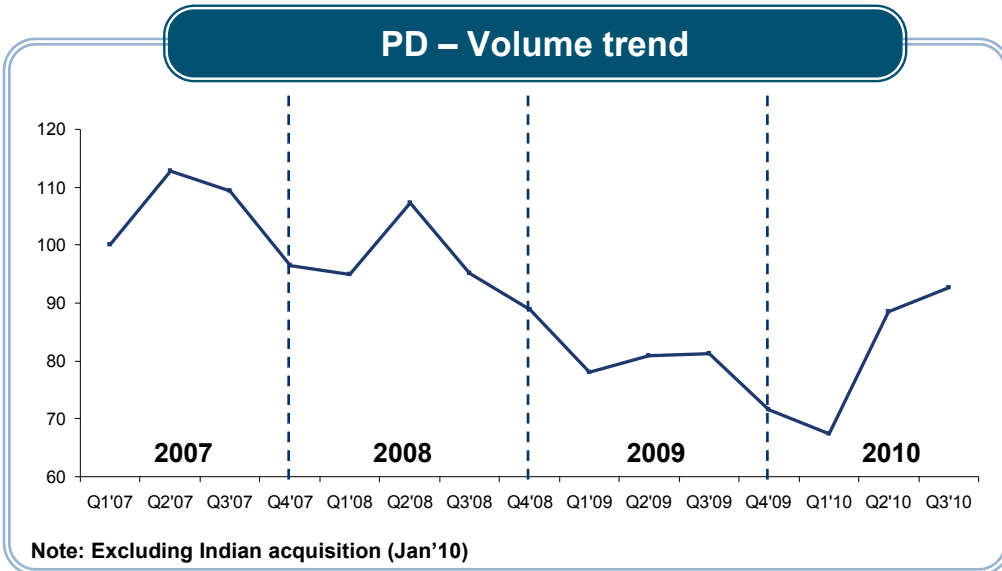
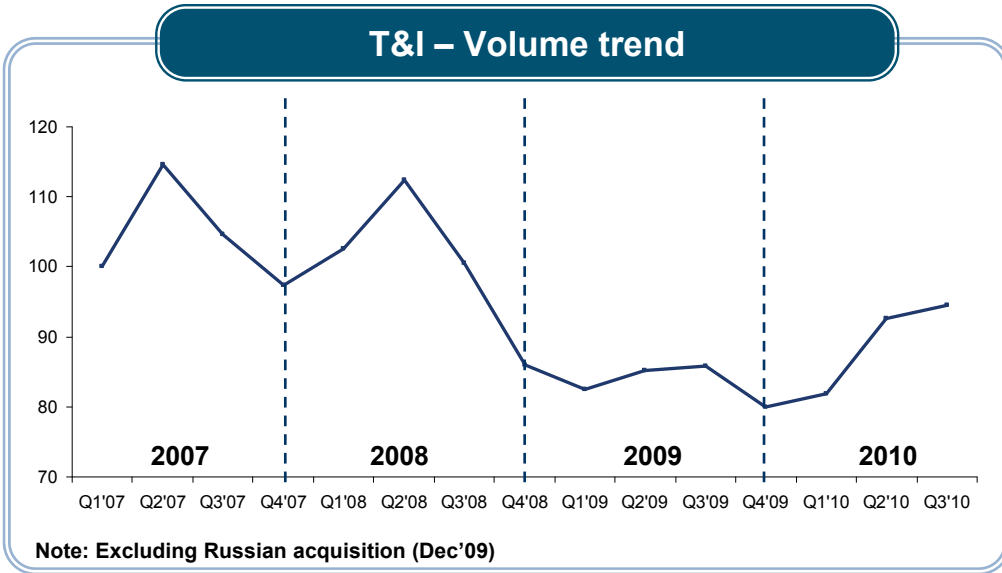


Ongoing recovery in Cyclical business profitability driven by volume upturn

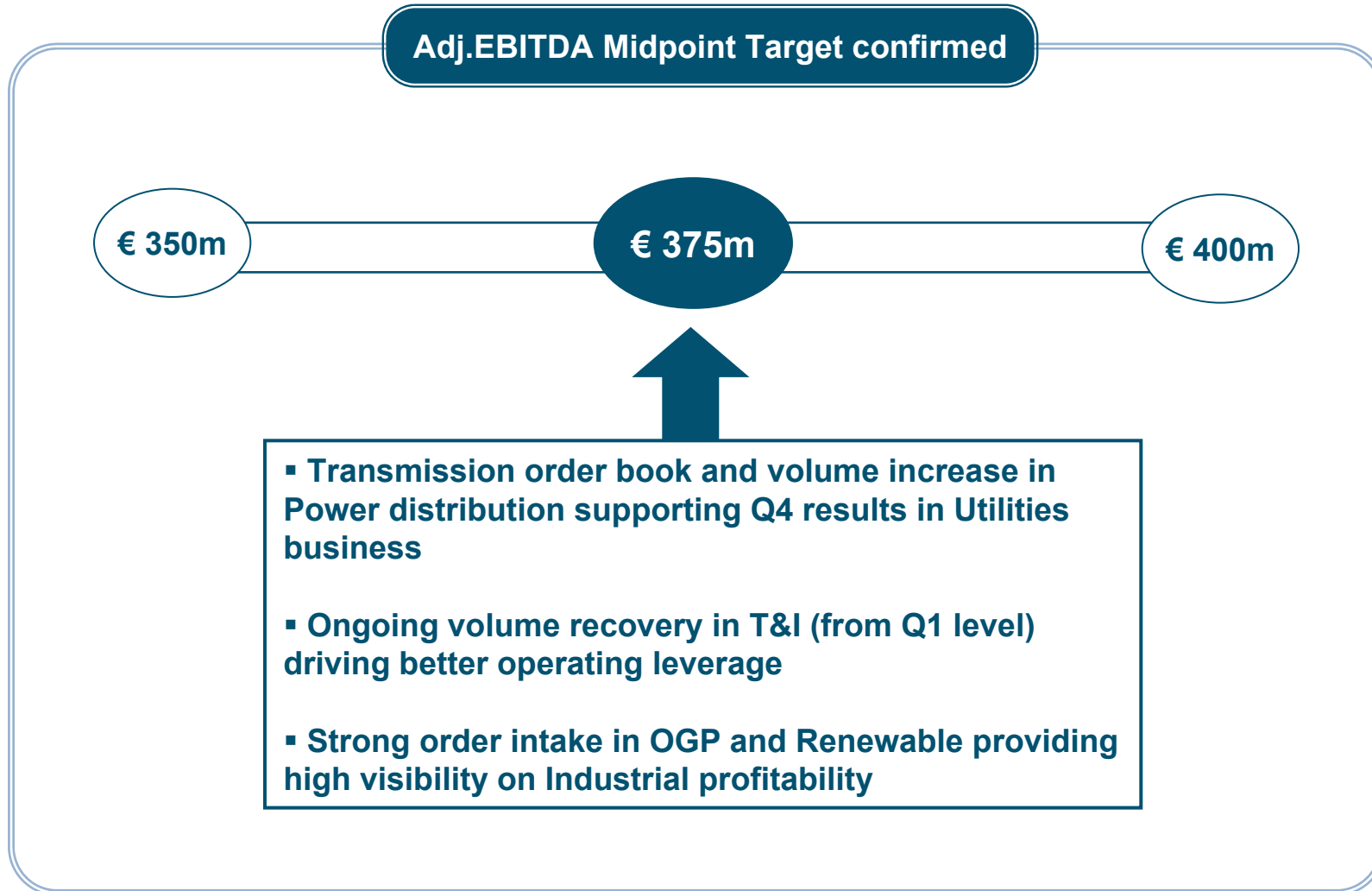
Euro Millions



(1) Includes Trade&Installer, Power Distribution, Industrial (no priority segments), TLC copper



2010 Outlook – Market recovery in line with initial expectations to achieve FY Target

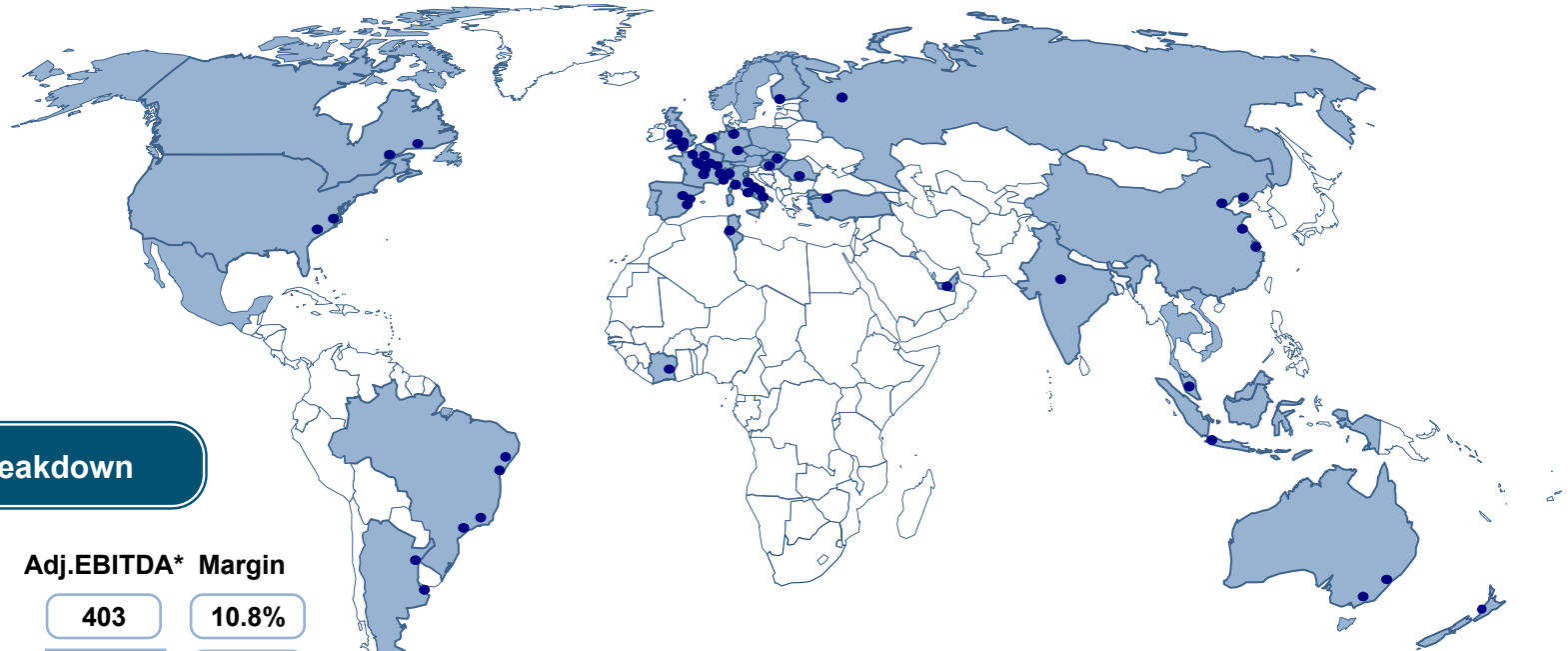


Agenda

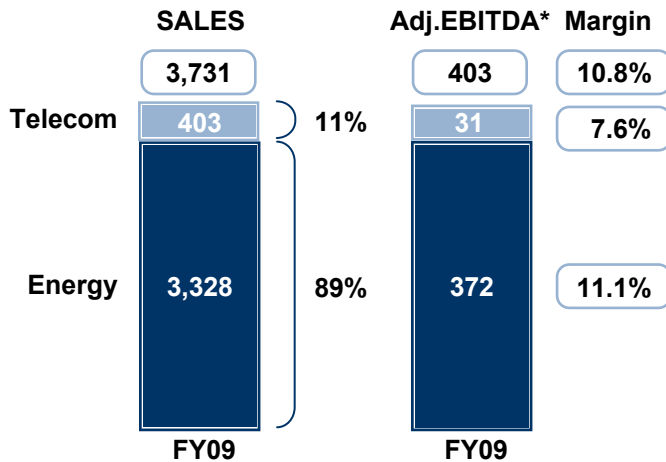
- Group Overview
- Division Results & Outlook 2010
- Appendix

A Global Cable Manufacturer

Company Global Presence



Business Breakdown

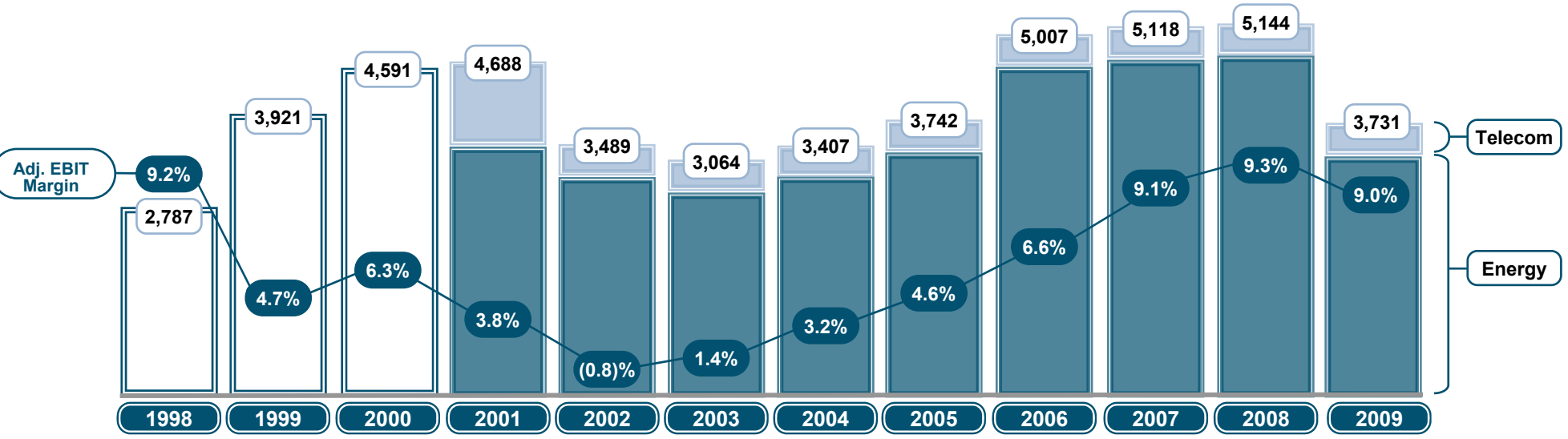
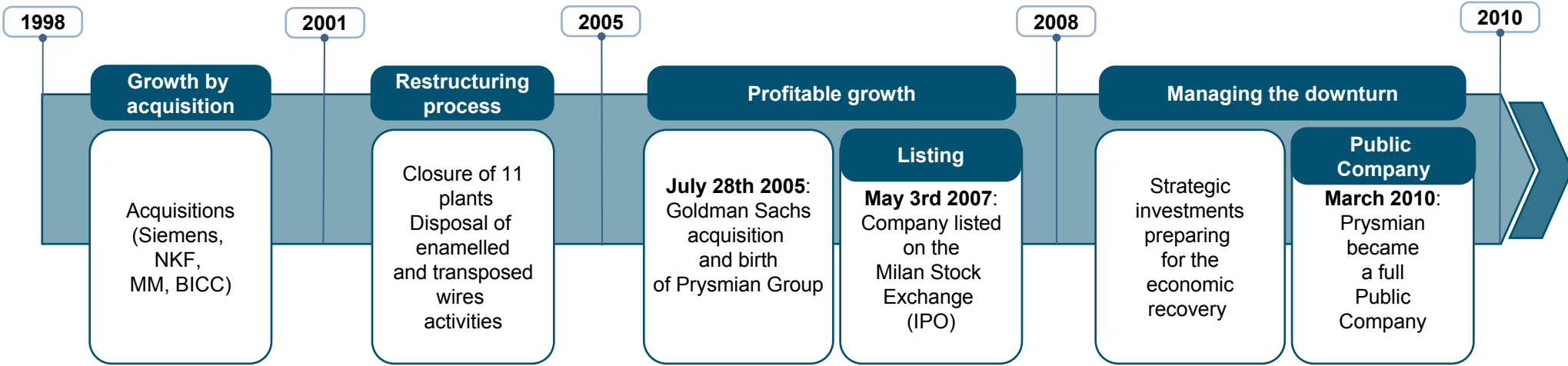


- Production plant
- Countries with physical presence

The Prysman Group operates **56** plants, has subsidiaries in **39** countries with approx. **11,704** (31Dec09) employees and sells its products worldwide

*EBITDA adjusted excluding non-recurring items.

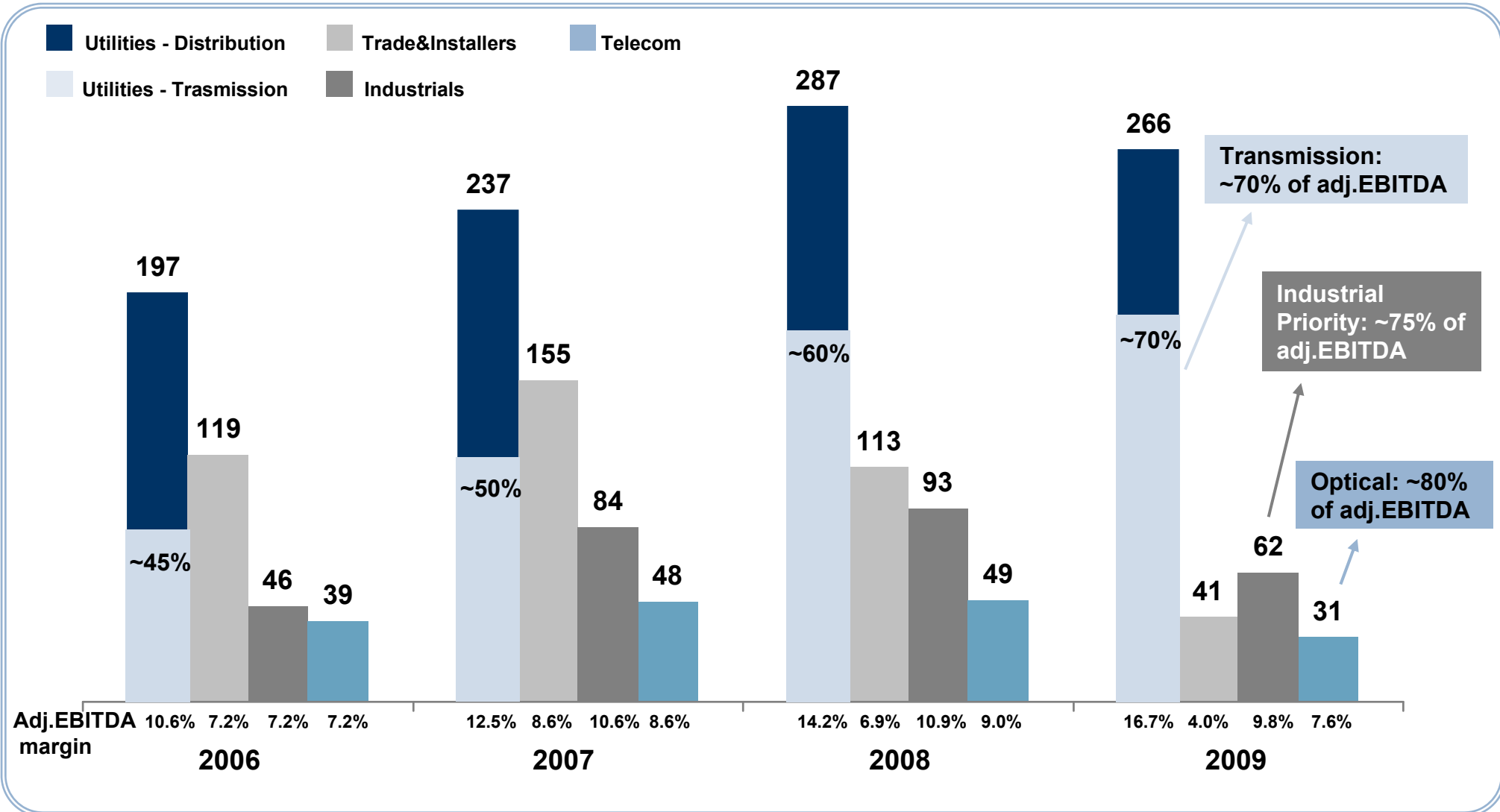
Prysmian Key Milestones



Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2009 Prysmian accounts, data reported under IFRS.

A unique portfolio driving sustainable margin growth

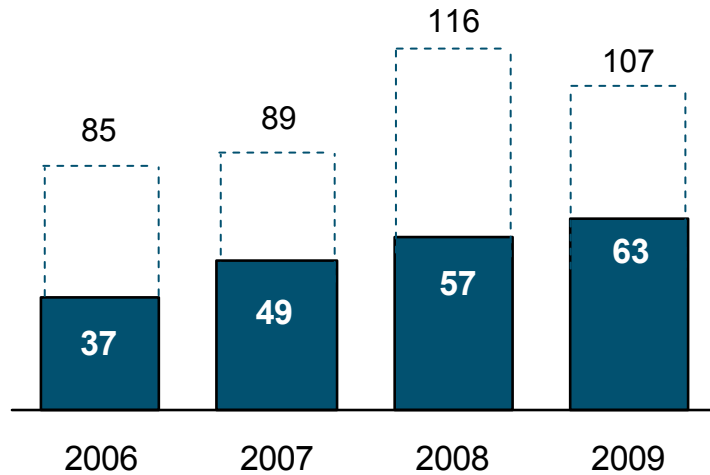
Adj.EBITDA (€ Millions); Adj.EBITDA margin (%)



Laying the future

Disciplined capex to fuel growth in high value added segments

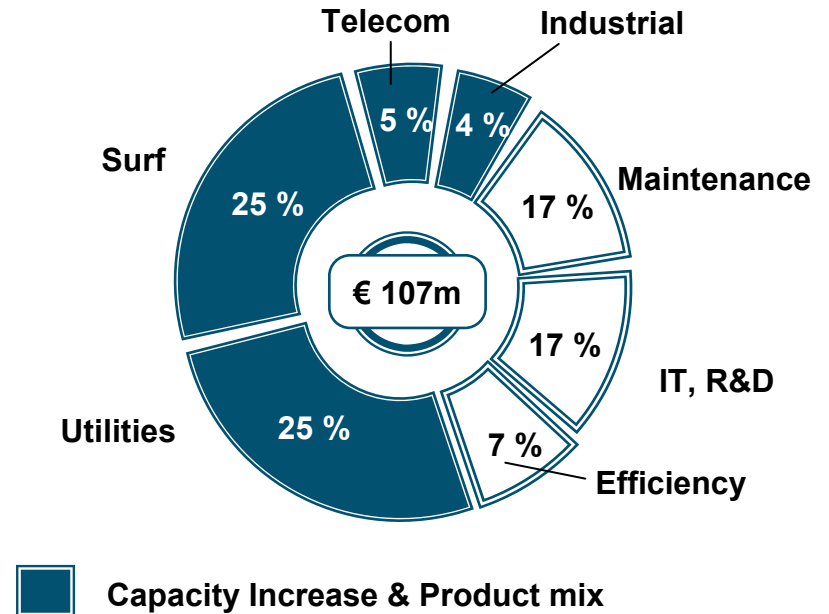
Capacity Increase & Product mix development (€m)



Utilities	35%	73%	72%	43%
Industrial	3%	14%	9%	6%
Surf	57%	-	4%	43%
T&I	-	10%	2%	-
Telecom	5%	3%	13%	8%
Total*	100%	100%	100%	100%

* % of Capacity Increase & Product mix

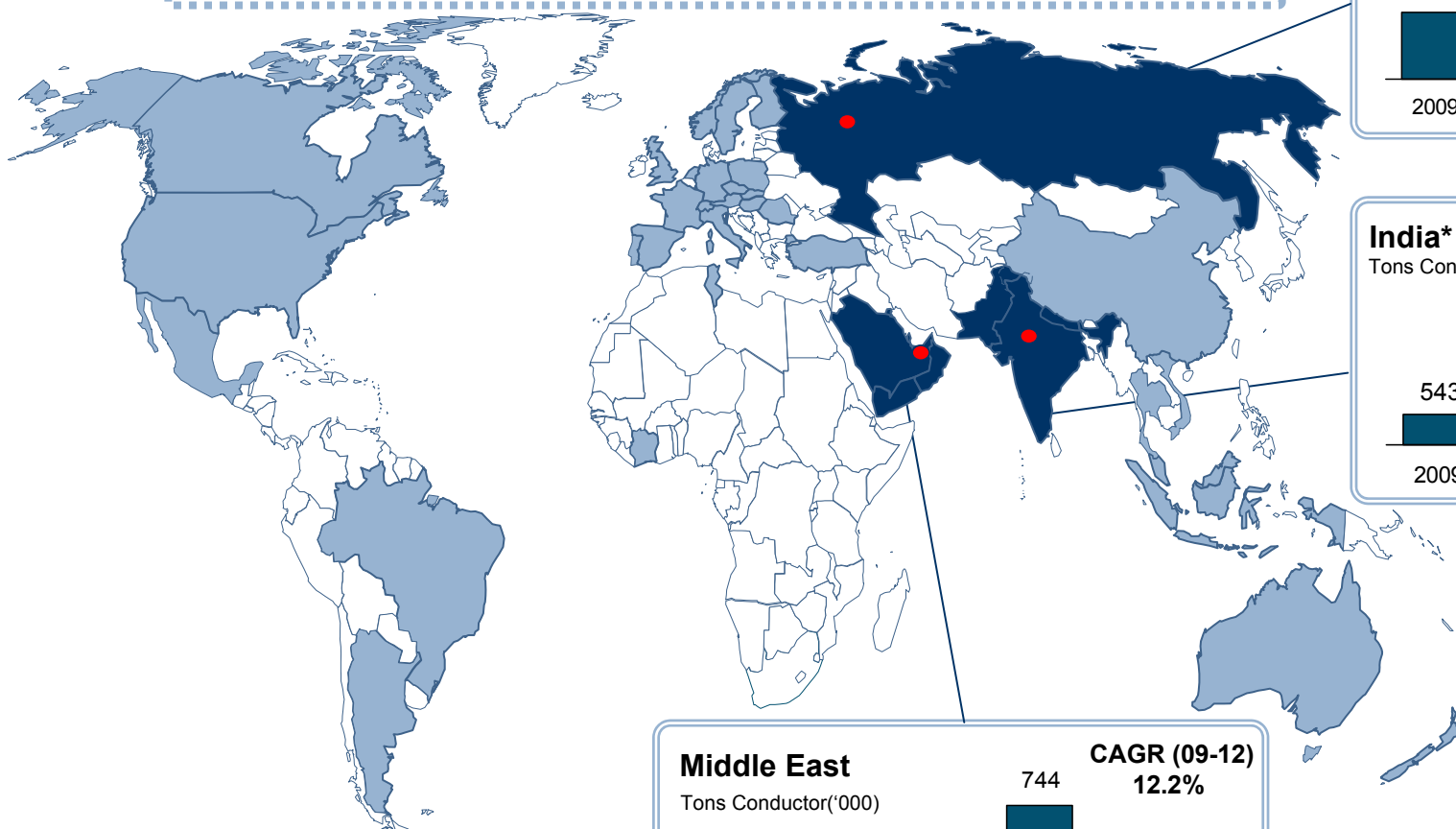
Capital Expenditure by destination (2009)



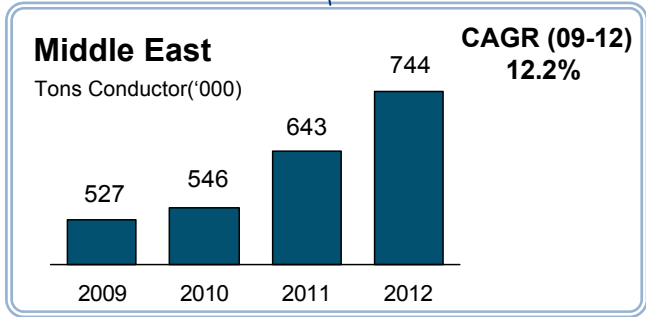
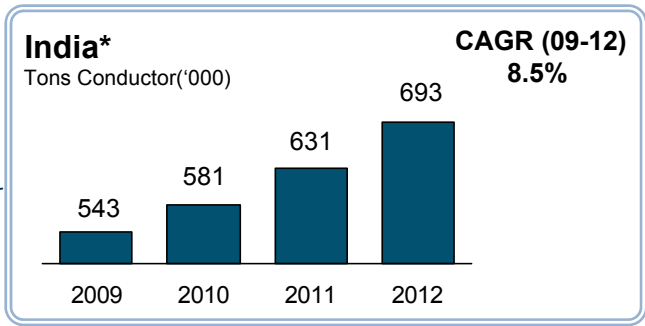
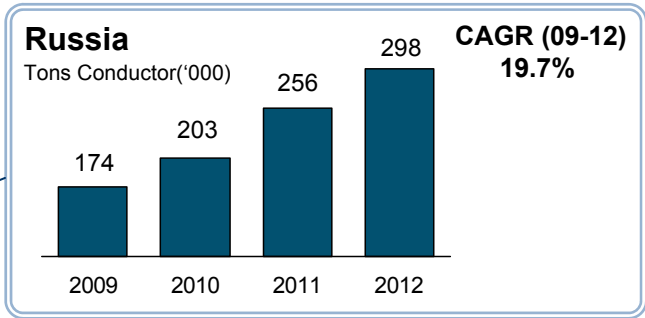
Laying the future

First milestones in targeting high growth countries

Worldwide Energy Cables Reference Market (CAGR 2009-12: 7.0%)



■ Countries with physical presence
● New production plants

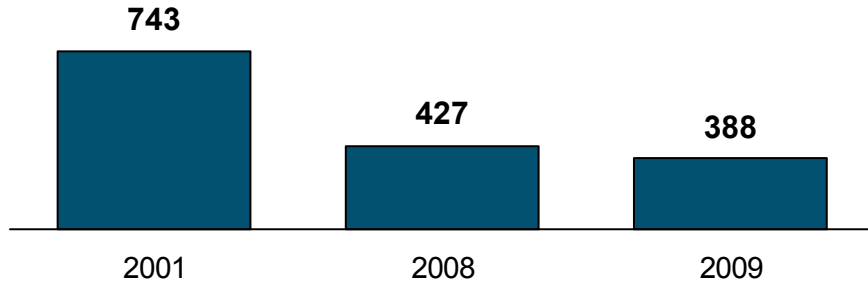


Source: CRU data (November 2009), includes Energy cables = Low Voltage and Power Cable
 * India defined as Indian Subcontinent

Laying the future

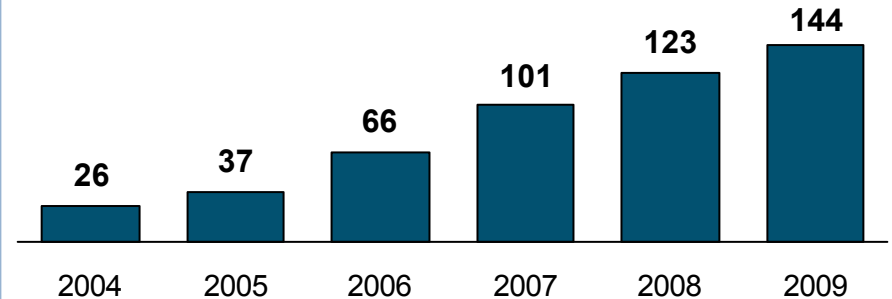
Ideally positioned to cope with industry challenges and benefit from recovery

**Prysmian Focus on Fixed Costs Reduction
(Total Fixed Costs p.a. in €m)**



- Continuous optimization of geographical production footprint
- Improve plants productivity through optimized production process
- Lean organizational structure at Headquarter and subsidiaries level

**Prysmian Continuous Focus on Industrial Efficiencies
(Cumulative Gross Efficiencies in €m)**



- Continue improving material efficiency, reducing scrap and over-usage
- More effective cable design
- Optimize organization and process to achieve further manpower efficiency
- Reduce impact of other costs (logistic, utilities, maintenance, ...)

Prysmian Divisions and Business Areas

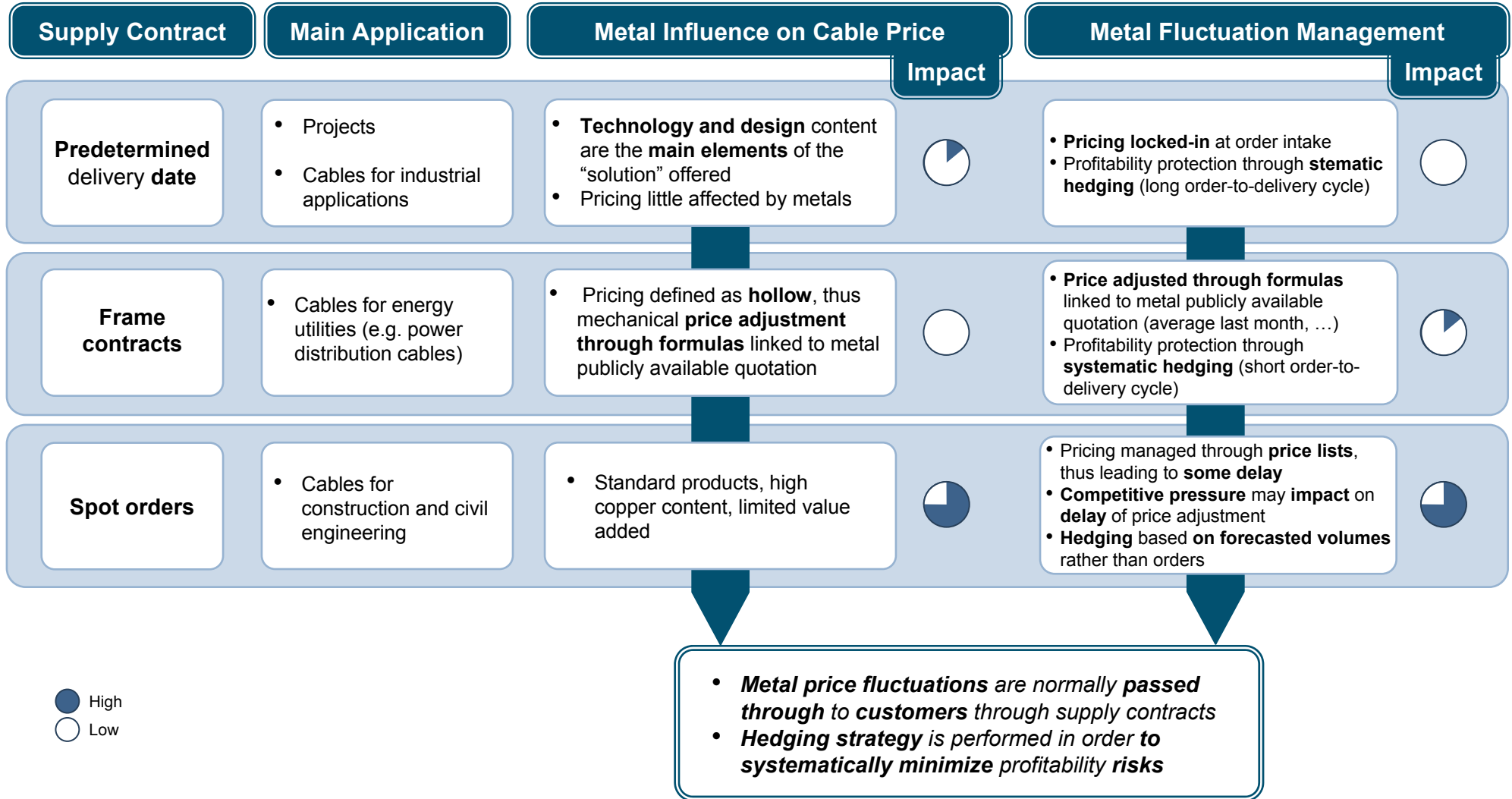
Euro Millions, 2009

Division	Business area	Business line	Sales	Adj. EBITDA ¹	Adj. EBITDA %	
Energy Cables & Systems	Utilities	<ul style="list-style-type: none"> Power Distribution High Voltage & Extra High Voltage 	1,598	266	16.7%	
		<ul style="list-style-type: none"> Submarine 				Power transmission and distribution networks
		<ul style="list-style-type: none"> Network Components 				Power submarine cables Components for power distribution and transmission networks
Energy Cables & Systems	Trade & Installers	<ul style="list-style-type: none"> Trade & Installers 	1,020	41	4.0%	
		<ul style="list-style-type: none"> Industrial 	Special application cables for OEMs and industrial contractors (e.g. OGP, renewable, transportation, crane, mining, marine, etc.)	628	62	9.8%
Telecom Cables & Systems	Telecom	<ul style="list-style-type: none"> Optical Cables & Fibre 	403	31	7.6%	
		<ul style="list-style-type: none"> Copper Cables 				Cables and components for Telecom networks
Prysmian ²			3,731	403	10.8%	

¹ EBITDA adjusted excluding non-recurring items and including Other activities (€3m)

² Including Other activities (FY09 Sales: €82m)

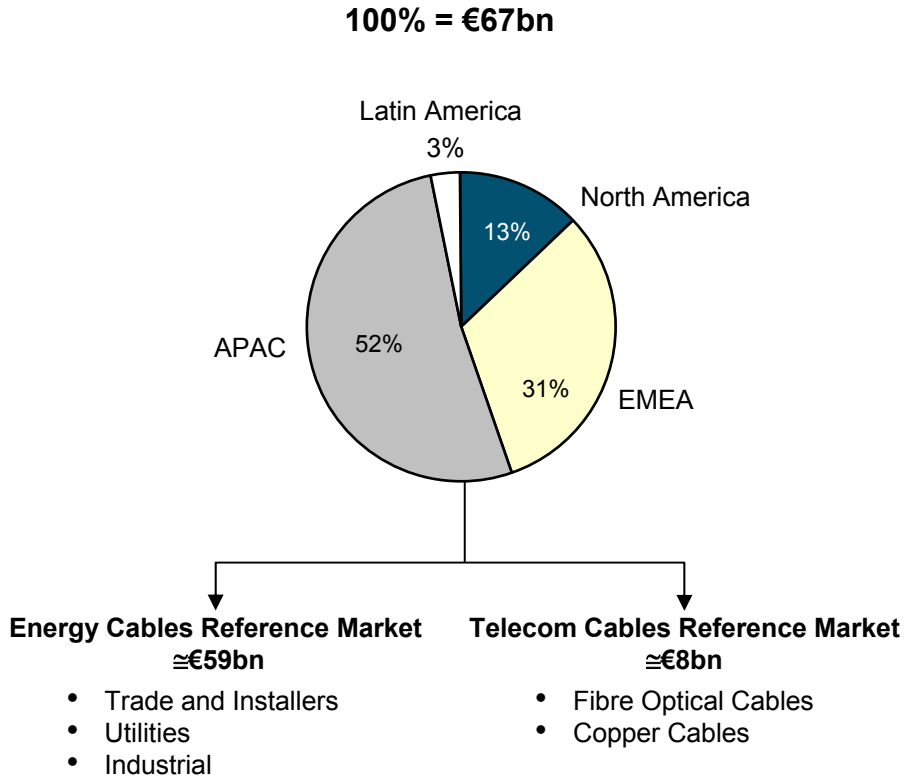
Metal Price Impact on Profitability



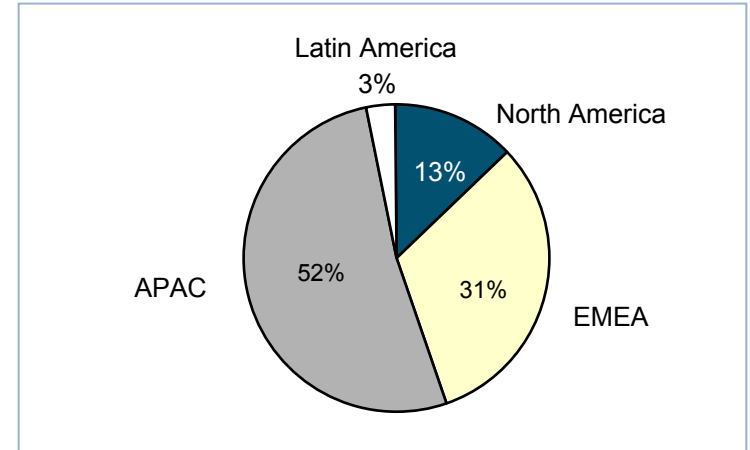
 High
 Low

The Global Cables Reference Market

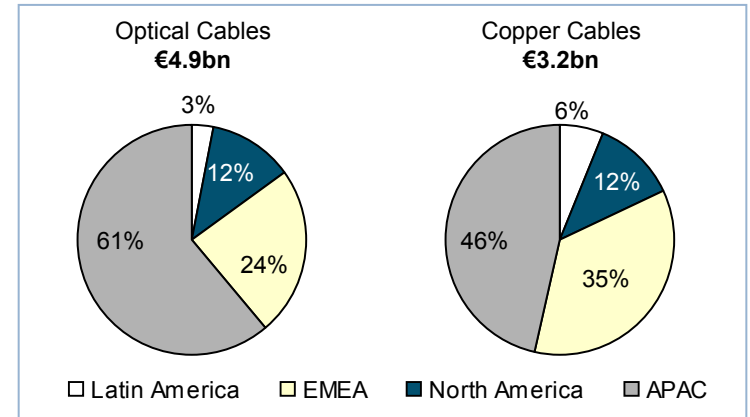
World-Wide Cable Reference Market Size, 2009



Energy Cables Reference Market (~€59bn)



Telecom Cables Reference Market (~€8bn)

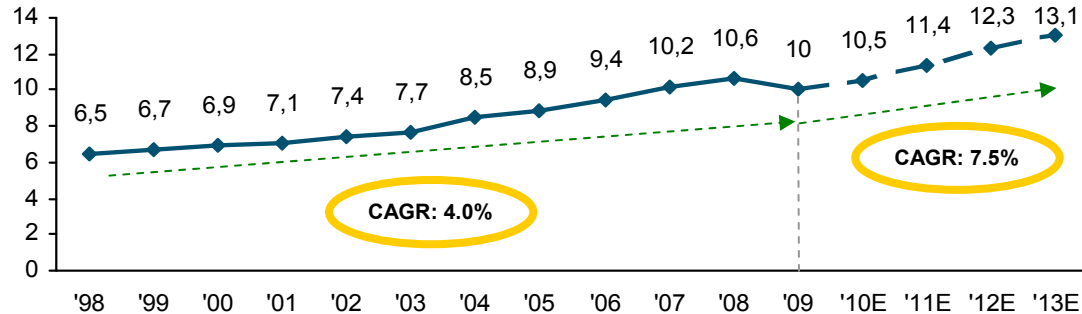


Source: Company analysis based on CRU data- Wire and Cable Quarterly April 2010. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for the energy sector and internal telecom data and copper LAN cables for the telecom sector). Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic

Market Volumes Trend

Energy Cables Reference Market

Million Tons Conductor

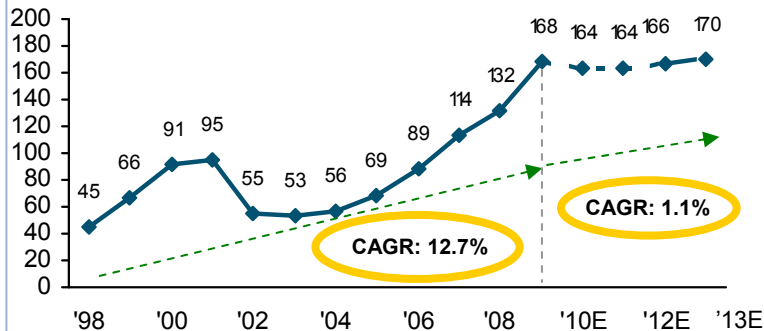


- Long term growth driven by:
 - Energy consumption
 - Investments in power grid interconnections
 - Investments in power transmission and distribution
 - Infrastructure investments
 - Renewable energy

Telecom Cables Reference Market

Optical Cables

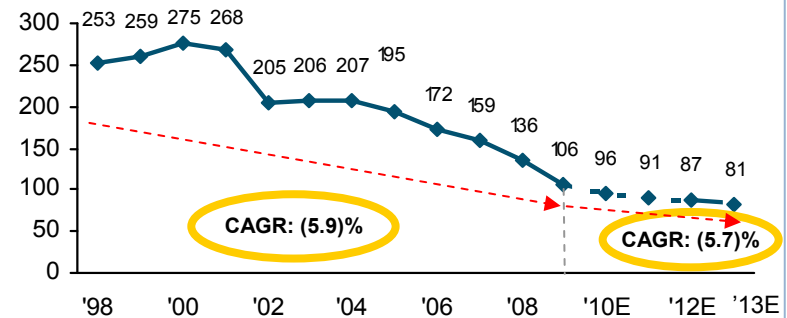
Million Km Fibre



- Market growth driven by increased investment in fibre access networks (FTTx) and Next Generation Networks

Copper Cables

Million Km Pair



- Declining historical development in copper cables expected to continue

Dividend approved by the Shareholders meeting

Dividend Policy

- Dividend x share confirmed at 2009 level (€ 0.417 x share)
 - Dividend payable April 2010: € 74m (1)
- Pay-out ratio: 30% on reported Net Income
- Dividend yield of 3.2% (2)
- Sustainable despite tough scenario

(1) Based on 178,206,539 shares with dividend right:
Total shares (181,235,039) – Treasury shares (3,028,500)

(2) Last 30 trading days average share price (€12.92) at 26/02/2010

(3) Based on 177,895,400 shares (average n° of shares in 2009; excl. Treasury shares)

Earning Per Share (3)

€ 1.40

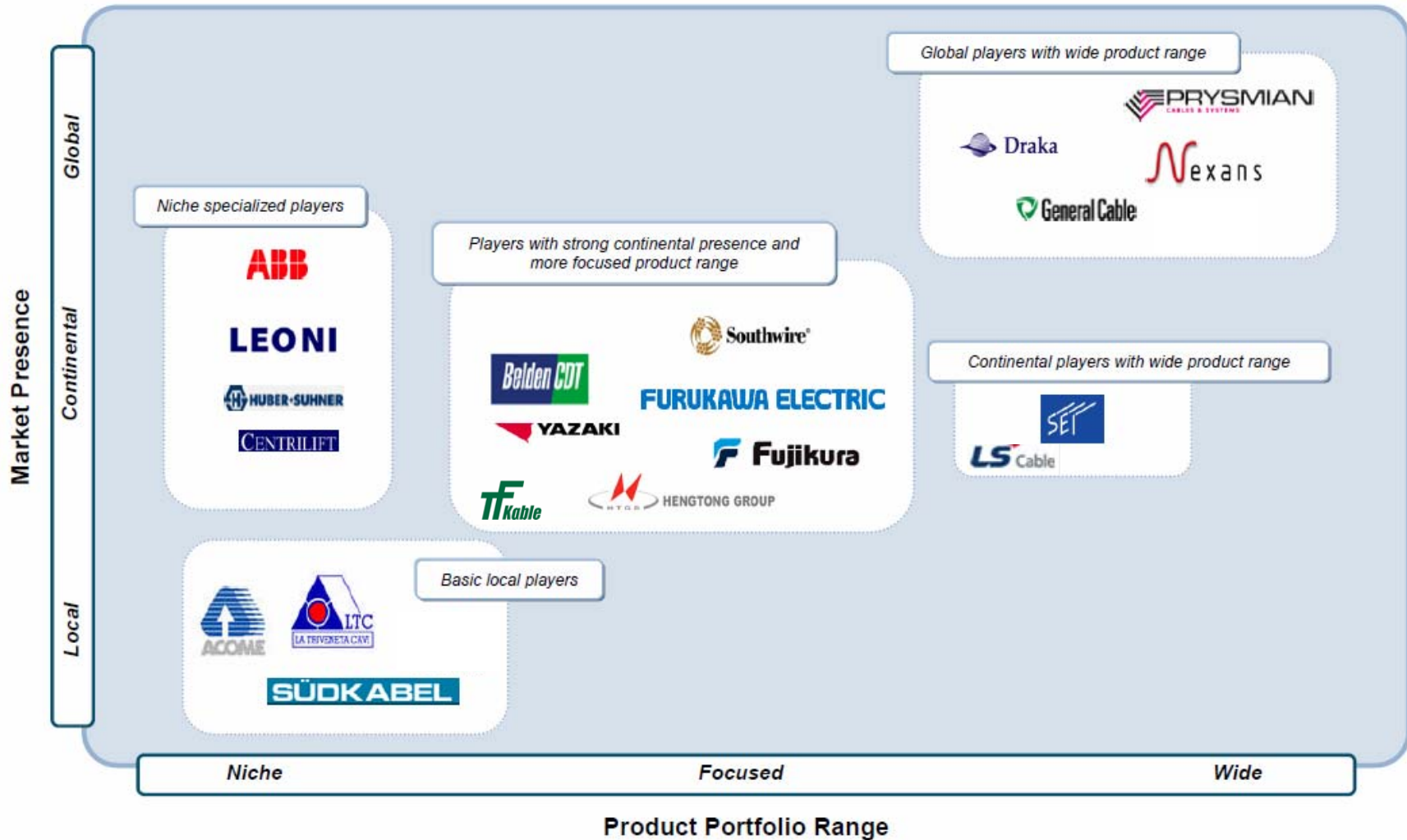
Dividend Per Share

€ 0.417

Appendix - Energy

Clusters of Cable Manufacturers in the Industry

Competitive scenario – Energy Cables



Utilities - Submarine Systems

Key success factors

- Track record and reliability
- Ability to design/execute turnkey solution
- Quality of network services
- Product innovation
- State-of-the-art cable laying ship

Action plan

Capacity expansion completed to support growth in 2010-12 (production capacity fully saturated for 2010 and 2011) through:

- Leverage on strong off-shore wind-farms trend
- Secure orders to protect long-term growth
- Focus on flawless execution

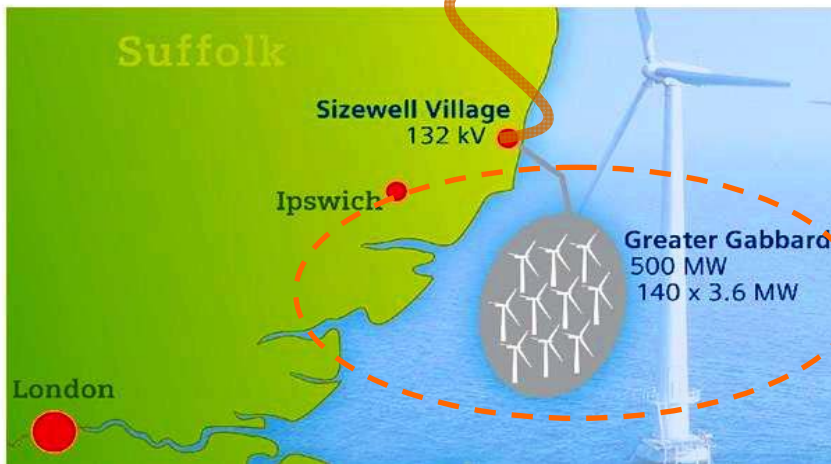
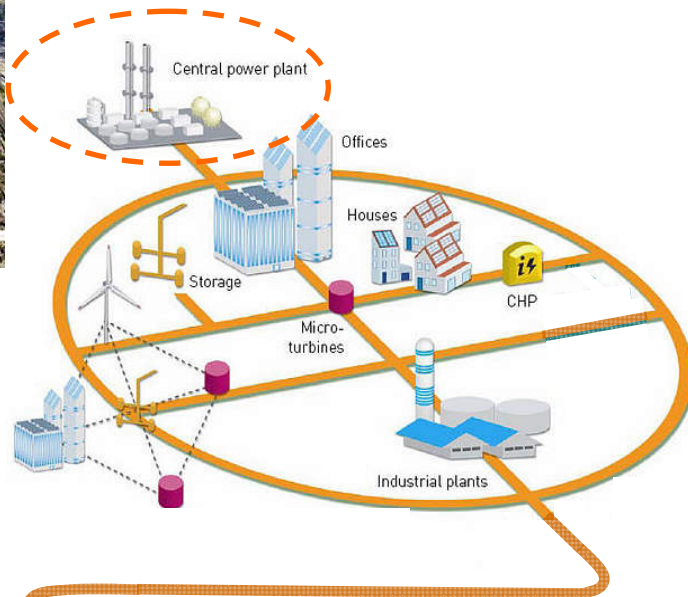
(1) Prysmian portion of the project

Key Projects	Customer	Period	€m (1)
• HelWin1	• TenneT	2011-13	150
• BorWin2	• TenneT	2010-13	250
• Messina	• Terna	2010-13	300
• Kahramaa	• Qatar General Electricity	2009-10	140
• Greater Gabbard	• Fluor Ltd	2009-10	93
• Cometa	• RED Electrica de España	2008-11	119
• Trans Bay	• Trans Bay Cable LLC	2008-10	\$125m
• Sa.Pe.I	• Terna	2006-10	418
• Neptune	• Neptune RTS	2005-07	159
• GCC Saudi – Bahrain	• Gulf Cooperation Council Interconnection Authority	2006-10	132
• Angel development	• Woodside		
• Rathlin Island	• Northern Ireland Electricity		
• Ras Gas WH10-11	• J. Ray Mc Dermott		

Transmission - Renewable as new driver for Underground HV investments

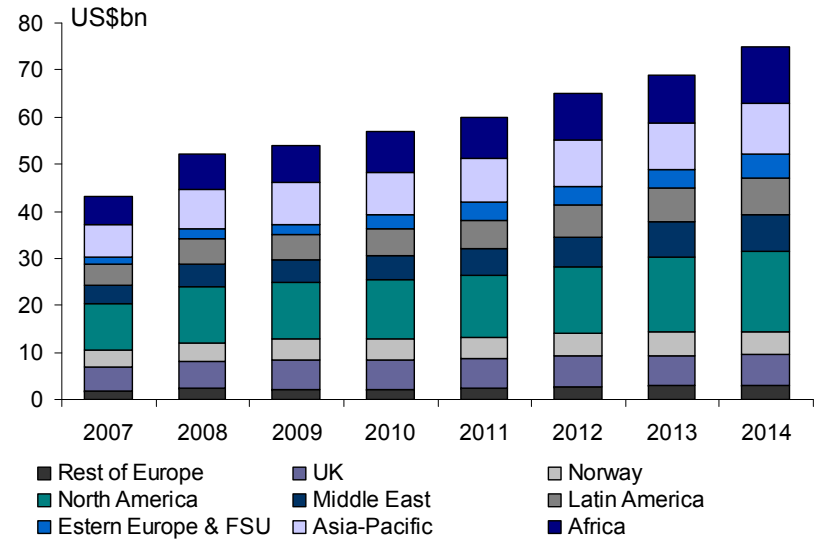


Central power plant located in the city



Off-shore wind farms far from urban areas

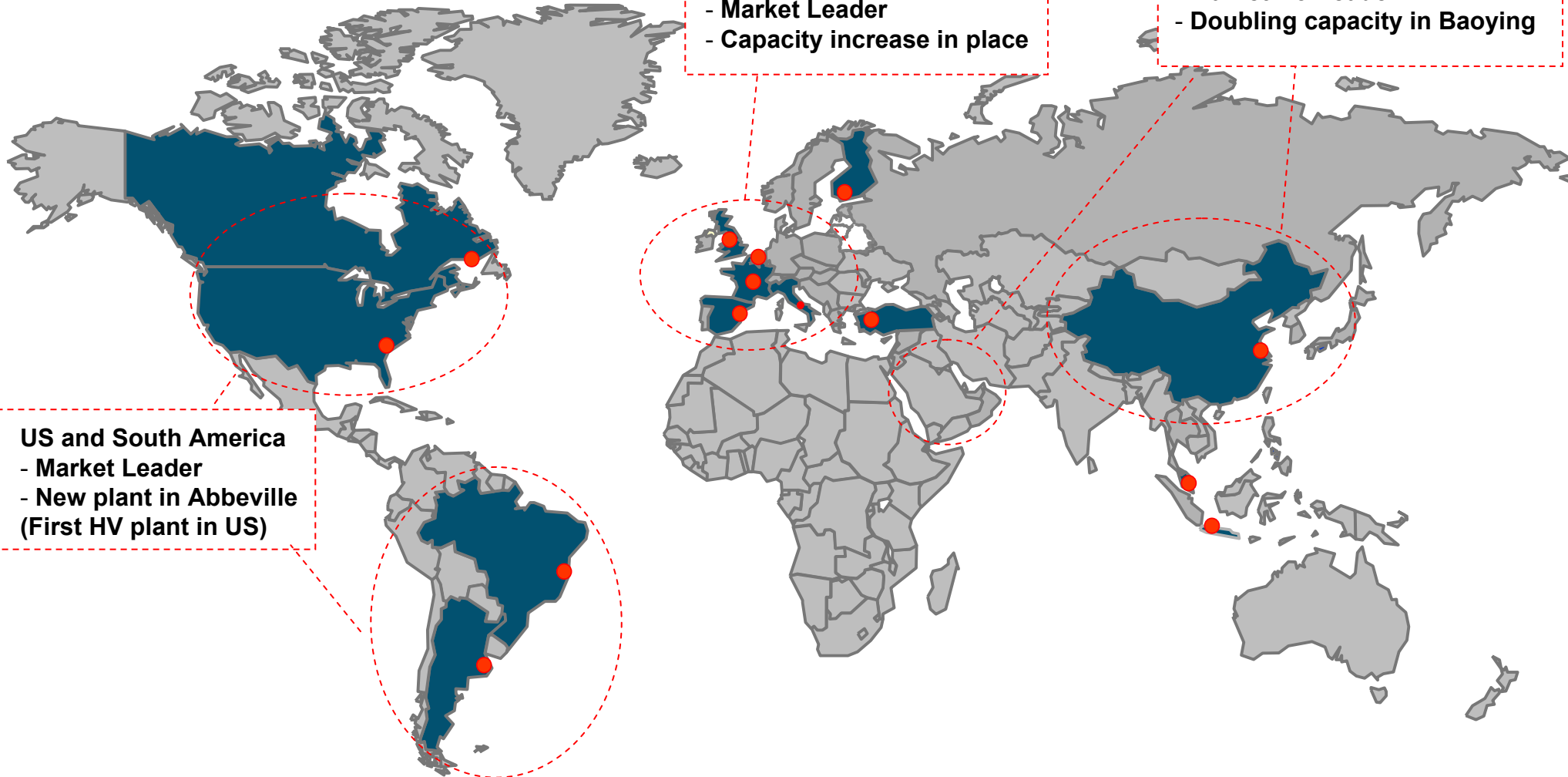
Off-shore Wind farms – Capital Expenditure



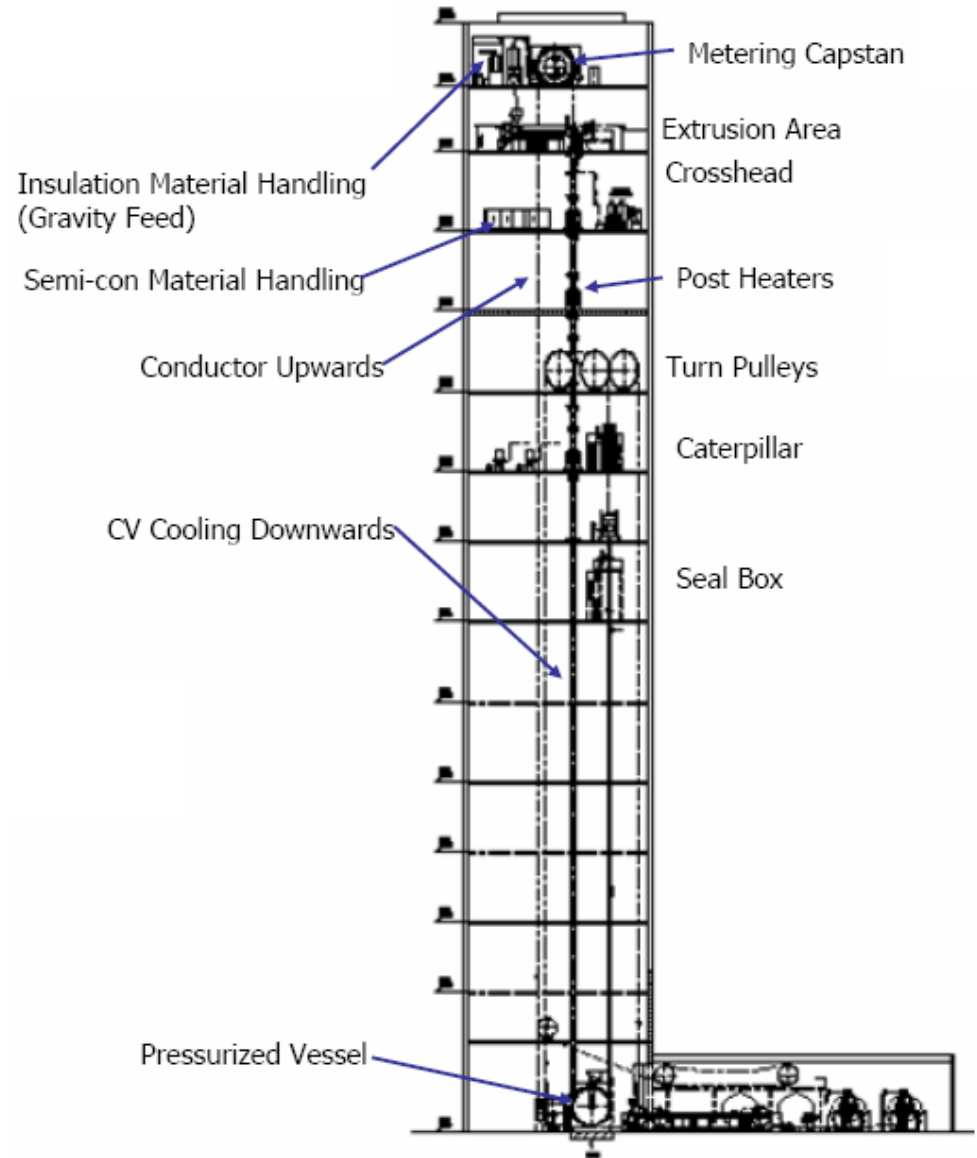
Source: Douglas Westwood (November 2009)

Utilities - Leading position in underground HV with a global reach

● HV Production plant



Utilities - New HV plant in Abbeville (US)



Utilities - Power Distribution

Market drivers

- Long term growth in electricity consumption
- Mandated improvements in service quality
- Investment incentives to utilities
- Urbanization

Key customers

Key customers are all major national distribution network operators



Key success factors

- Time to market
- Quality of service
- Technical support
- Cost leadership
- Customer relationship

Action plan

- Improve service level and time to market
- Reduce product cost
 - Cable design optimization
 - Alternative materials / compounds introduction
 - Process technologies improvement
- Innovate
 - New insulation materials
 - P-LASER launch in Europe

Trade & Installers

Business Description

- Low voltage cables for residential and non residential construction
- Channel differentiation with both:
 - Direct sales to end customers (Installers)
 - Indirect sales through
 - Specialised distributors
 - General distributors
 - Wholesalers
 - Do-it-yourself/modern distribution
- Wide range of products including
 - Value added fire retardant
 - Environmental friendly
 - Specialised products

Key customers

- Key customers include major:
 - Specialised distributors



- General distributors



- Wholesalers



- Installers



Trade & Installers

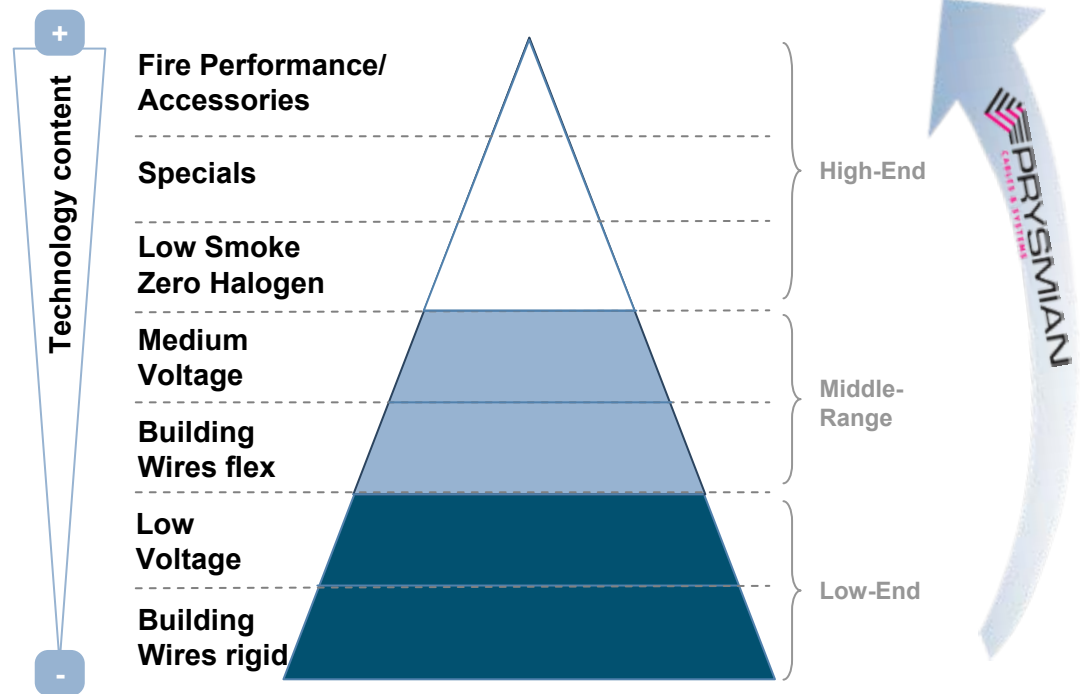
Key success factors

- Product range
- On-time delivery / Product availability
- Inventory/WC management
- Cost leadership
- Channel management
- Customers' relationship

Action plan

- Continuously redefine product portfolio
 - Focus on high-end products (e.g. Fire Performance)
- Exploit channel/market specificity
 - Focus on wholesalers and installers
 - Protect positioning in high margin countries
 - Grow global accounts
- Continuously improve service level
- Benefit from changes in regulatory regime

Product overview



Industrial

Business description

Integrated cable solutions for industrial and infrastructure activities

- Oil Gas & Petrochemical**
Cabling solutions to oil and petrochemicals industries such as umbilical cables for platforms (Up-stream Off-shore) and cable solutions for refineries (Down-Stream On-shore)



- Renewable Energy**
Products for wind and solar energy generation



- Infrastructure**
Products for port, railway, and airport



- Mining**
Products for harsh environment application



- Transportation**
Products for trains, ships, automobiles



- Other niches:**
Defence, nuclear, electromedical, branchement, ...

Key customers

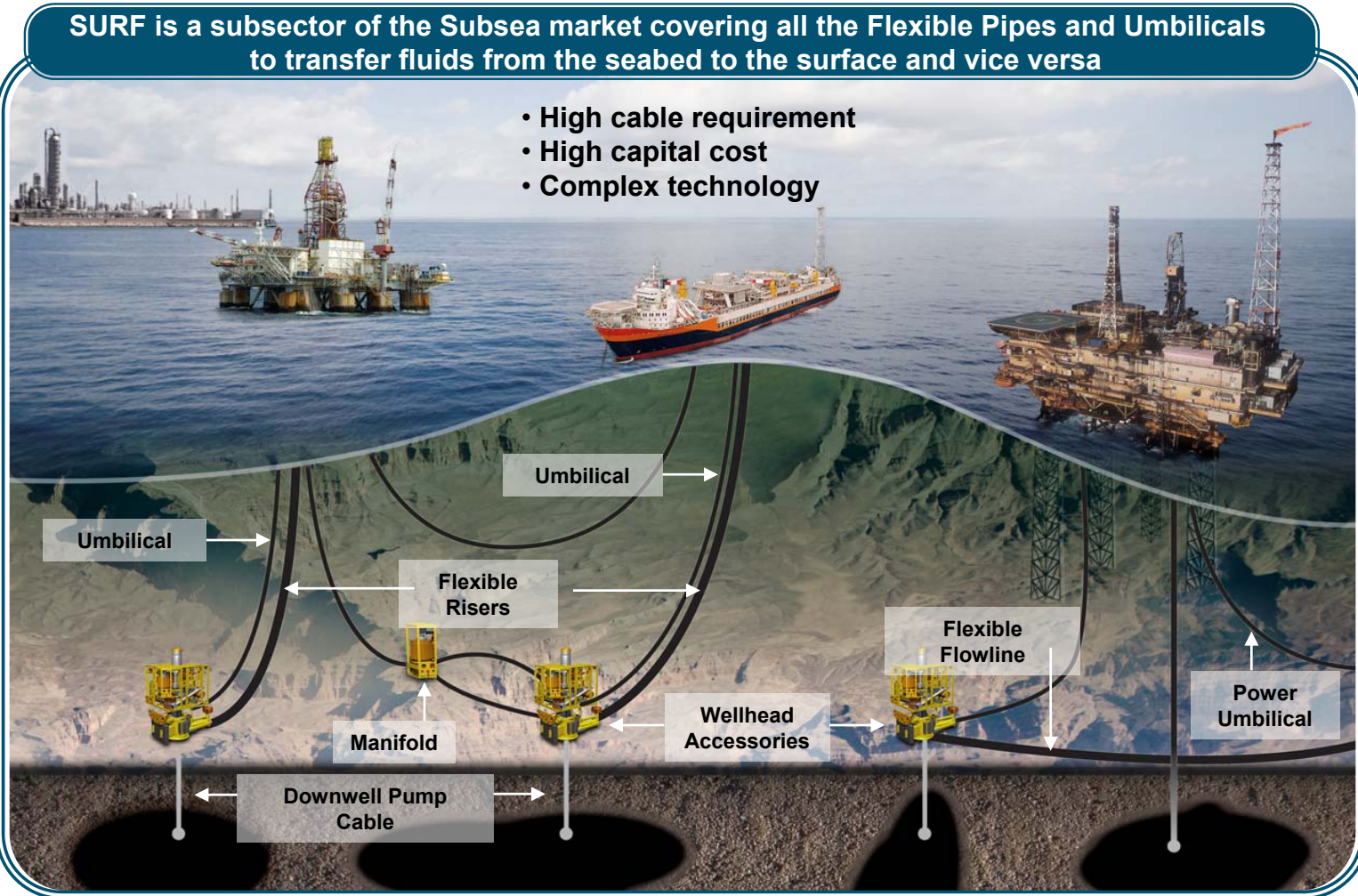
Large and differentiated customer base generally served through direct sales



Industrial - SURF (Subsea Umbilicals, Risers and Flowline)

SURF is a subsector of the Subsea market covering all the Flexible Pipes and Umbilicals to transfer fluids from the seabed to the surface and vice versa

- High cable requirement
- High capital cost
- Complex technology



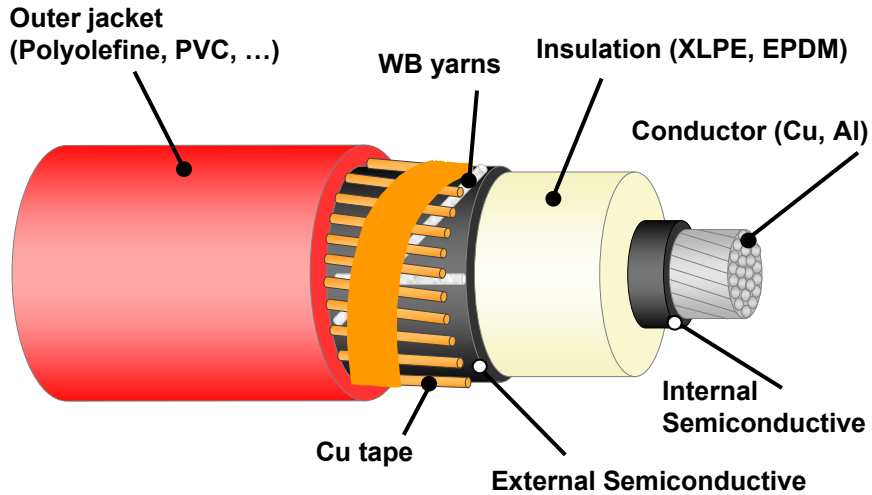
Umbilical



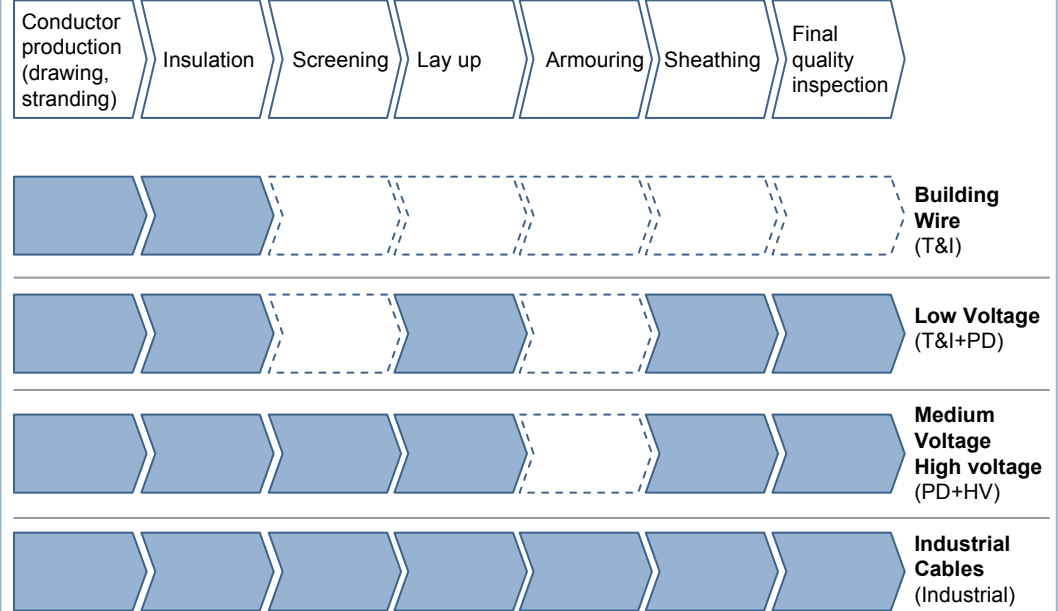
Flexible Pipe

Macro-structure of Energy Cables

Product macro structure



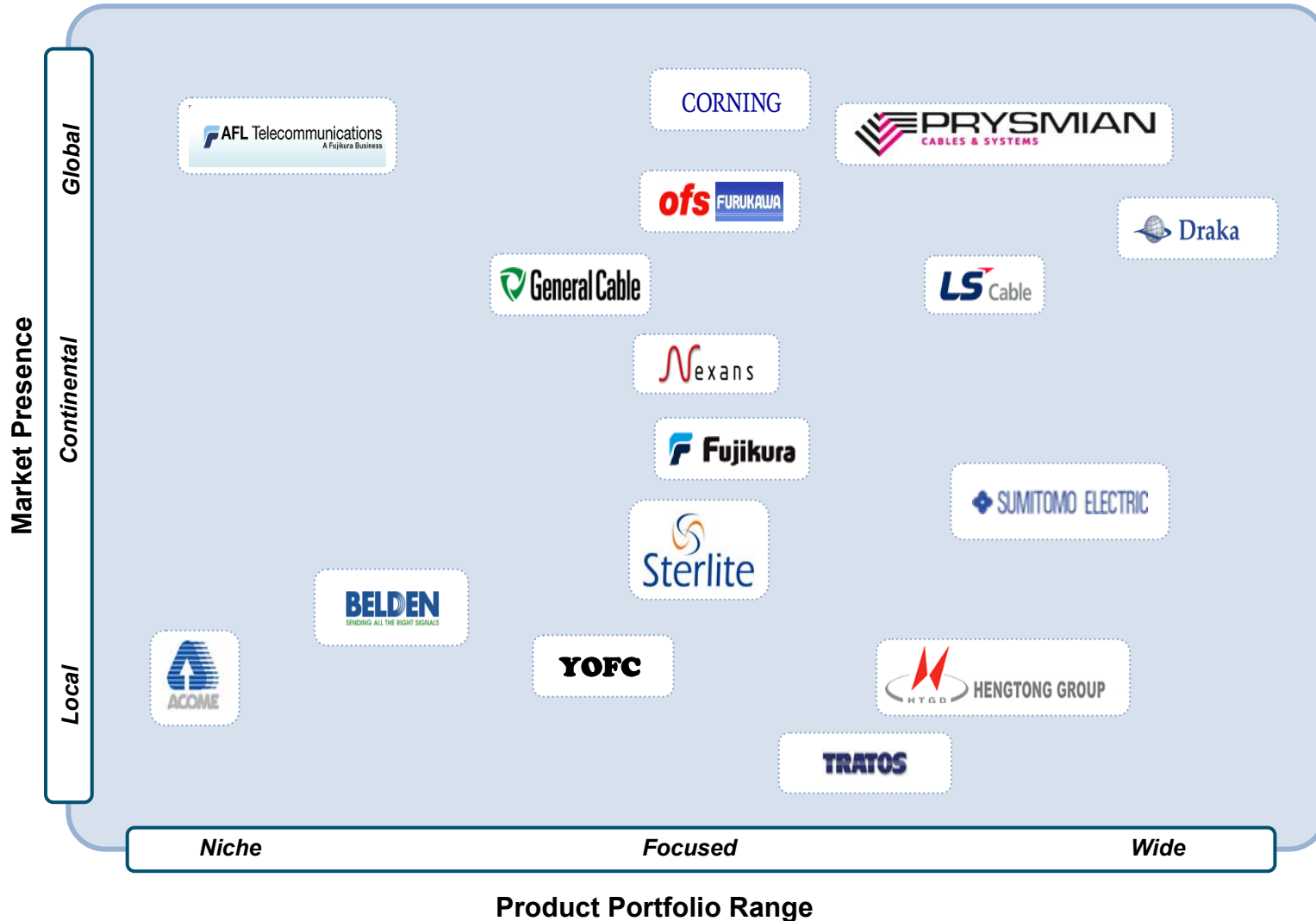
Production process



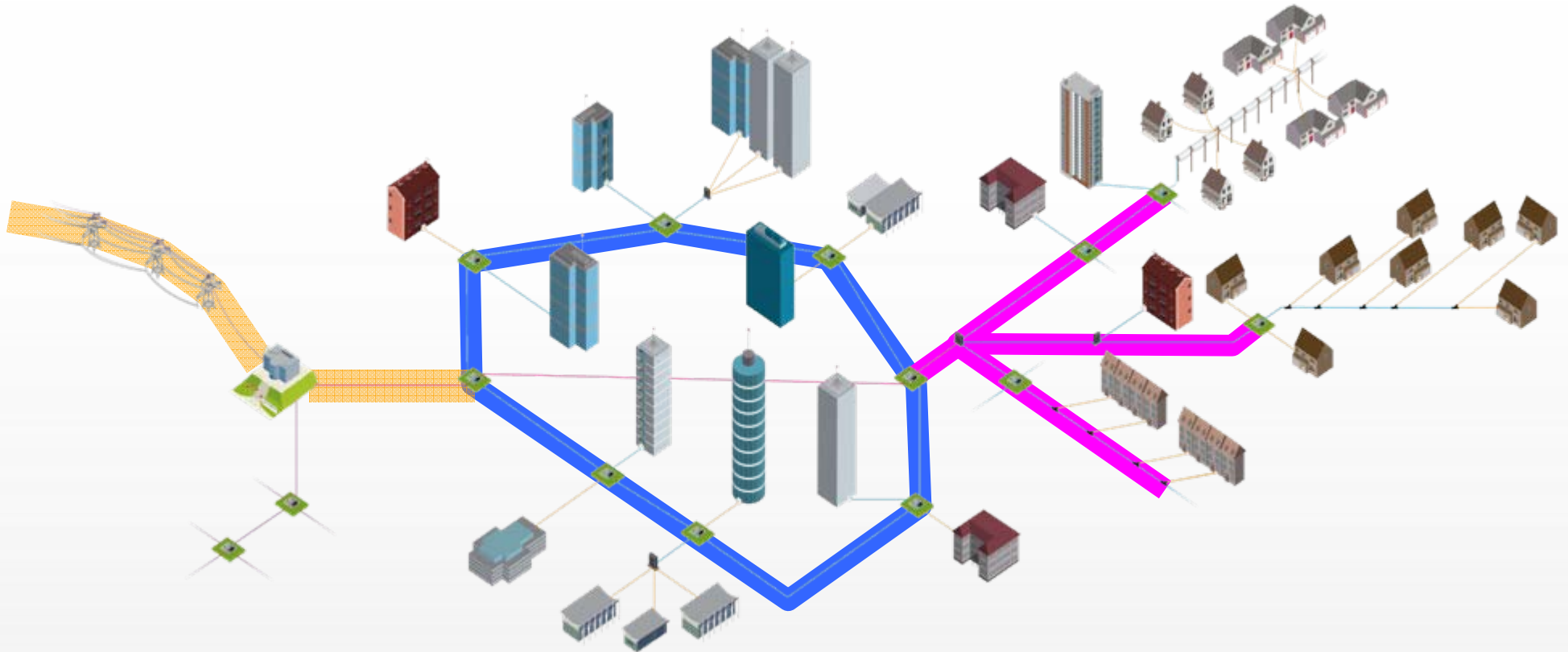
Appendix - Telecom

Major Players within the Telecom Industry

Competitive scenario



Telecom Cables Main Applications



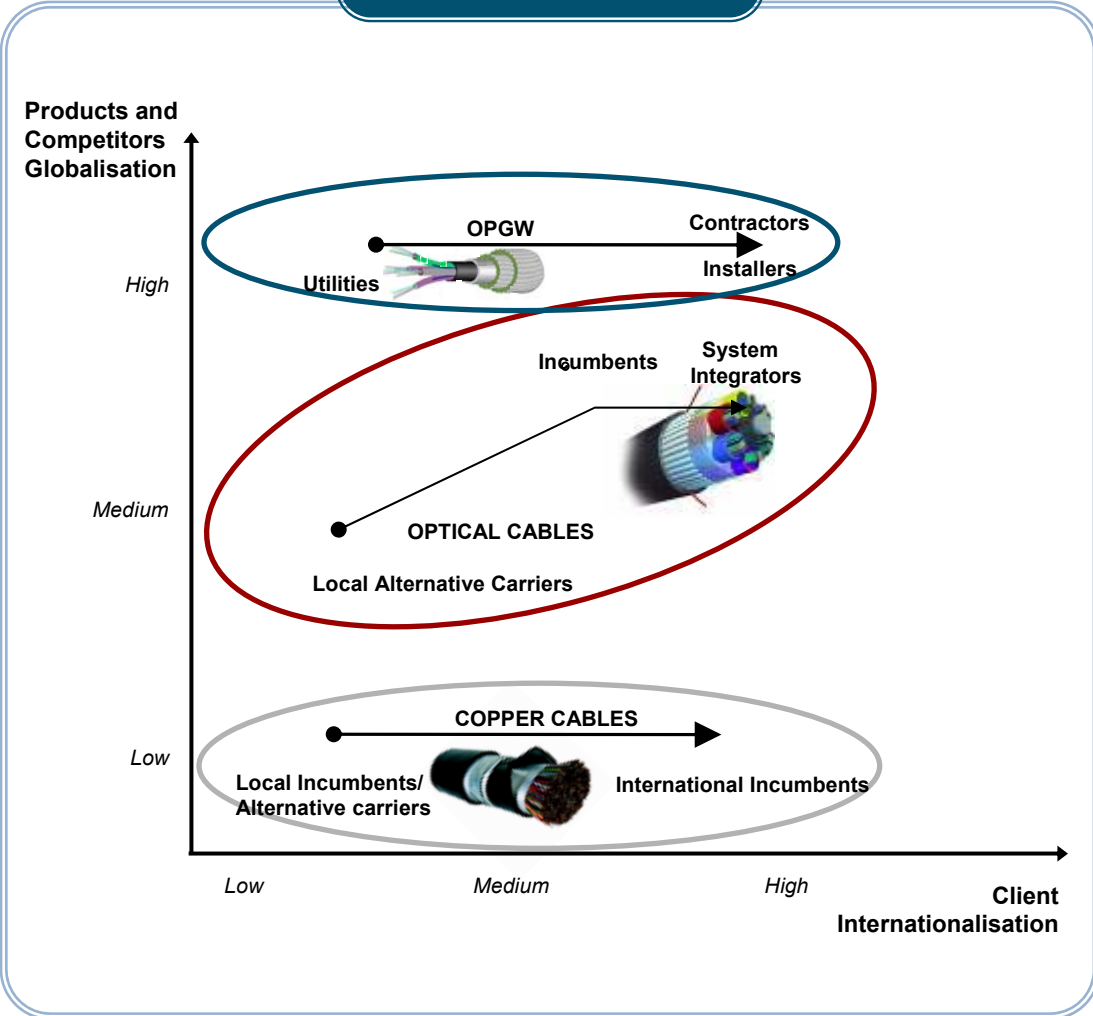
BACKBONE

METROPOLITAN RING

ACCESS NETWORK

Telecom - Key Products and Customers

Key products



Key customers

Key customers include some of the main operators of the telecom sectors

TELCO Carriers





System Integrators



Other Operators



Overview of Telecom Business Lines

Business Area	Business Line	Level of Technology	Product Standardisation	
1	 Optical	Optical cables	High	Medium
		Optical Fibre	Very High	High
2	 Communication Copper Cables	xDSL	High	Medium
		Standard multi-pair cable	Low	High

Optical cables

- A complete range of fibre optic products suitable for the transmission of voice/video/data signals in a wide variety of applications (from long-haul through to metro/access systems and finally the last mile access)

Copper cables

- A complete range of copper telecommunication cables suitable for the transmission of voice/video/data signals including a range of xDSL cable products for high speed broadband applications

Optical cables

Market Trends

- Demand function of level of capital expenditures budgeted by large telecom companies (PTT/incumbents as well as alternative operators) for network infrastructures, mainly as a consequence of:
 - Growing number of internet users
 - Diffusion of broadband services / other high-tech services (i.e. IPTV)

Key success factors

- Continuous innovation and development of new cable & fibre products
- Cable design innovation with special focus on installation cost reduction
- Relentless activity to maintain the highest quality and service level
- Focus on costs to remain competitive in a highly price sensitive environment

Strategic value of Fibre

- Fibre optic represents the major single component cost of optical cables
- Fibre optic production has high entry barriers:
 - Owned licenses difficult to obtain
 - Long time to develop know-how
 - Capital intensity
- When fibre optic is short, vertically integrated cable manufacturers leverage on a strong competitive advantage

Action plan

- Maintain & reinforce position with key established clients
- Further penetration of large incumbents in emerging regions
- Optimize utilization of low cost manufacturing units
- Expand distribution model in Domestic & Export
- Streamline the intercompany process
- Fully integrated products sales
- Refocus on export activities
- Increase level and effectiveness of agents

Macro-structure of Telecom Cables

Product macro structure	Production process
<p>Fibre optic</p> <p>Primary Coating (250 Micron) Cladding (125 Micron) Core (10 Micron)</p> <p>Main Technologies: OVD - VAD - MCVD</p>	<pre> graph LR A[Pre form deposition] --> B[Consolidation] B --> C[Drawing] C --> D[Final quality inspection] </pre>
<p>Optical cables</p> <p>(Tracking resistant) Sheathing Compound Sheath Fillers Ripcords Central strength member Loose tubes Optical fibres Aramid Yarns</p>	<pre> graph LR A[Colouring] --> B[Buffering] B --> C[Lay up] C --> D[Armouring (yarn or metal)] D --> E[Sheathing] E --> F[Final quality inspection] </pre>
<p>Copper cables</p> <p>Outer sheath Screen/Armour Stranded pairs core Insulated Conductors</p>	<pre> graph LR A[Conductor production] --> B[Insulation] B --> C[Twining] C --> D[Lay up] D --> E[Armouring] E --> F[Sheathing] F --> G[Final quality inspection] </pre>

Appendix - Financials

Profit and Loss Statement

Euro Millions

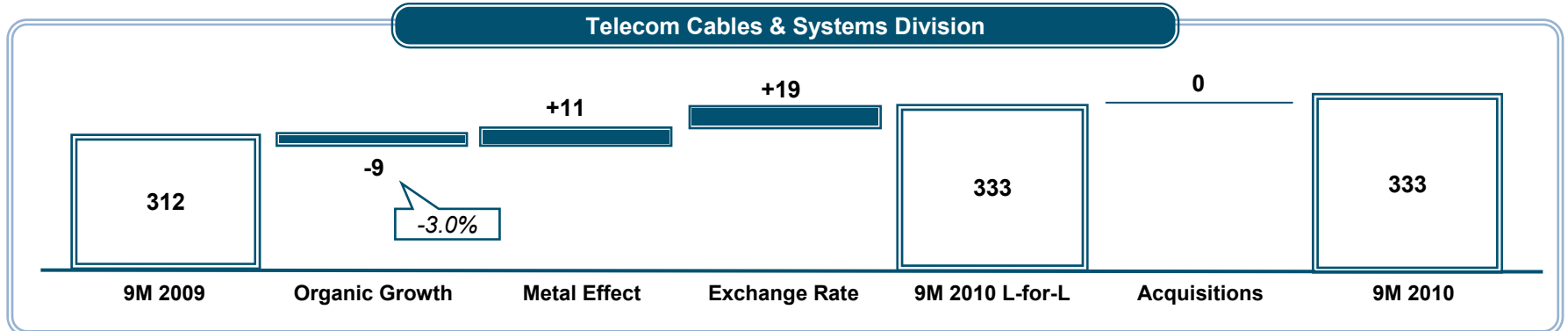
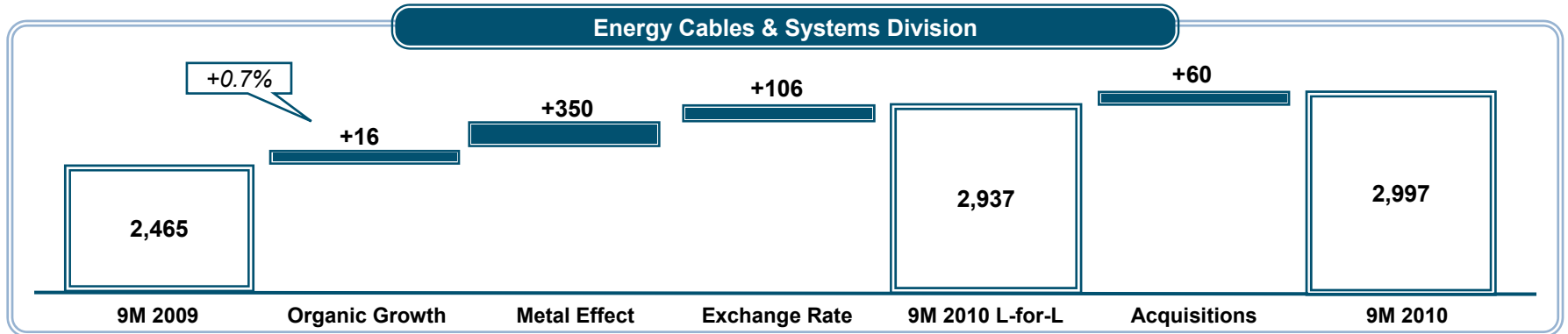
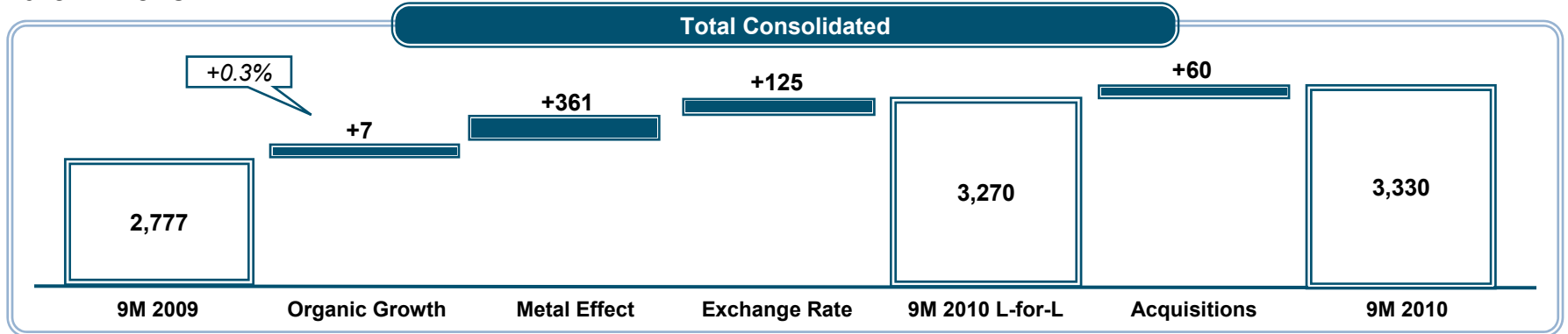
	9M 2009	9M 2010	FY 2009
Sales	2,777	3,330	3,731
<i>YoY total growth</i>	-29.8%	19.9%	-27.5%
<i>YoY like for like growth</i>	-30.2%	17.8%	-27.8%
<i>YoY organic growth</i>	-17.5%	0.3%	-17.4%
Contribution Margin	592	590	791
<i>% on sales</i>	21.3%	17.7%	21.2%
Fixed Costs	(300)	(309)	(388)
Adj.EBITDA	292	281	403
<i>% on sales</i>	10.5%	8.4%	10.8%
<i>Non recurring items</i>	(21)	(9)	(37)
EBITDA	271	272	366
<i>% on sales</i>	9.8%	8.2%	9.8%
Adj.EBIT	242	224	334
<i>% on sales</i>	8.7%	6.7%	9.0%
<i>Non recurring items</i>	(21)	(9)	(37)
<i>Special items (1)</i>	88	(3)	89
EBIT	309	212	386
<i>% on sales</i>	11.1%	6.3%	10.3%
<i>Financial charges</i>	(29)	(77)	(49)
EBT	280	135	337
<i>% on sales</i>	10.1%	4.0%	9.0%
<i>Taxes</i>	(76)	(43)	(85)
<i>% on EBT</i>	27.0%	32.0%	25.2%
Net income	204	92	252
<i>Extraordinary items (after tax)</i>	59	(28)	46
Adj.Net income	145	120	206

Notes

(1) Starting from Q3'09 fair value of raw material derivatives (previously included in Financial charges) is included in Special items.

Sales Drivers Vs Third Parties

Euro Millions



Extraordinary Effects

Euro Millions

	9M 2009	9M 2010	FY 2009
Restructuring	(10)	(6)	(19)
Legal costs	(7)	(1)	(11)
Other	(4)	(2)	(7)
EBITDA adjustments	(21)	(9)	(37)
Special items	88	(3)	89
<i>Gain/(loss) on metal derivatives</i>	88	3	91
<i>Assets impairment (plant closure)</i>	-	(6)	(2)
EBIT adjustments	67	(12)	52
Gain/(Loss) on other derivatives (1)	(4)	(29)	(2)
Gain/(Loss) exchange rate	11	1	(1)
Other one-off financial income/exp.	8	2	9
EBT adjustments	82	(38)	58
Tax	(23)	10	(12)
Net Income adjustments	59	(28)	46

Notes

(1) Including currency and interest derivatives

Financial Charges

Euro Millions

	9M 2009	9M 2010	FY 2009
Net interest expenses	(35)	(47)	(44)
- One-off effects	8	2	9
Bank fees Amortization	(3)	(4)	(5)
Gain/(loss) on exchange rates	11	1	(1)
Gain/(loss) on derivatives (1)	(4)	(29)	(2)
Net financial charges	(31)	(79)	(52)
Share in net income of associates	2	2	3
Total financial charges	(29)	(77)	(49)

Notes

(1) Including currency and interest derivatives

Statement of financial position (Balance Sheet)

Euro Millions

	9M 2009	9M 2010	FY 2009
Net fixed assets	924	1,004	958
Net working capital	583	641	479
<i>of which Derivatives assets/(liabilities)</i>	20	23	14
<i>Operative Net working capital</i>	563	618	465
Provisions	(97)	(117)	(123)
Net Capital Employed	1,410	1,528	1,314
Employee provisions	124	156	142
Shareholders' equity	657	718	698
<i>of which attributable to minority interest</i>	18	40	21
Net financial position	629	654	474
<i>Bank Fees</i>	(12)	(22)	(11)
<i>Net financial position vs Third Parties</i>	641	676	485
Total Financing and Equity	1,410	1,528	1,314

**Main effects
(9M'10 Vs FY'09):**

- Metal price: ~€ 82m
- Acquisitions: ~€ 14m
- Project Business: ~€ 46
- Currency translation: ~€ 7

Cash Flow

Euro Millions

Including ~€ 82m negative metal price effect

	9M 2009	9M 2010	FY 2009	LTM 9M 2010
Adj.EBITDA	292	281	403	392
Non recurring items	(21)	(9)	(37)	(25)
EBITDA	271	272	366	367
Equity Compensation IFRS2	-	-	1	1
Net Change in provisions	(19)	(11)	(12)	(4)
Cash flow from operations (before WC changes)	252	261	355	364
Working Capital changes	(108)	(179)	36	(35)
Paid Income Taxes	(44)	(47)	(62)	(65)
Cash flow from operations	100	35	329	264
Acquisitions	-	(21)	(3)	(24)
Net Operative CAPEX	(75)	(50)	(106)	(81)
Net Financial CAPEX	9	5	9	5
Free Cash Flow (unlevered)	34	(31)	229	164
Financial charges	(12)	(48)	(46)	(82)
Free Cash Flow (levered)	22	(79)	183	82
Dividends	(75)	(75)	(75)	(75)
Other Equity movements	5	13	5	13
Net Cash flow	(48)	(141)	113	20
Net financial position at the beginning of the period	(577)	(474)	(577)	(629)
Net cash flow	(48)	(141)	113	20
Other variations	(4)	(39)	(10)	(45)
Net financial position at the end of the period	(629)	(654)	(474)	(654)

Including € 17m bank fees related to the new Forward Start Agreement and Eurobond

Energy Segment: Profit and Loss Statement

Euro Millions

	9M 2009	9M 2010	FY 2009
Sales	2,477	3,013	3,344
Sales vs. Third Parties	2,465	2,997	3,328
<i>YoY total growth</i>	-30.2%	21.6%	-27.8%
<i>YoY like for like growth</i>	-30.6%	19.2%	-28.1%
<i>YoY organic growth</i>	-17.0%	0.7%	-17.0%
Contribution Margin	526	524	706
<i>% on sales</i>	21.2%	17.4%	21.1%
Fixed Costs	(259)	(268)	(334)
Adj. EBITDA	267	256	372
<i>% on sales</i>	10.8%	8.5%	11.1%
Adj. EBIT	222	205	309
<i>% on sales</i>	8.9%	6.8%	9.3%

Energy – Sales by business area

Euro Millions, % of Sales Growth

	9M 2009	9M 2010	Total Growth	Organic Growth
Utilities	1,191	1,293		
<i>of which to third parties</i>	1,191	1,292	8.5%	-1.4%
Trade & Installers	755	1,096		
<i>of which to third parties</i>	754	1,095	45.3%	5.4%
Industrial	458	529		
<i>of which to third parties</i>	458	529	15.7%	-3.5%
Others	73	95		
<i>of which to third parties</i>	62	81	<i>n.m.</i>	<i>n.m.</i>
Total Energy	2,477	3,013		
<i>of which to third parties</i>	2,465	2,997	21.6%	0.7%

Energy – Profitability by business area

Euro Millions, % of Sales

	9M 2009	9M 2010	9M 2009 % of Sales	9M 2010 % of Sales
Adjusted EBITDA				
Utilities	192	182	16.2%	14.1%
Trade & Installers	32	32	4.3%	2.9%
Industrial	40	41	8.7%	7.7%
Others	3	1	n.m.	n.m.
Total Energy	267	256	10.8%	8.5%
Adjusted EBIT				
Utilities	171	157	14.2%	12.2%
Trade & Installers	22	20	2.9%	1.9%
Industrial	28	27	6.2%	5.1%
Others	1	1	n.m.	n.m.
Total Energy	222	205	8.9%	6.8%

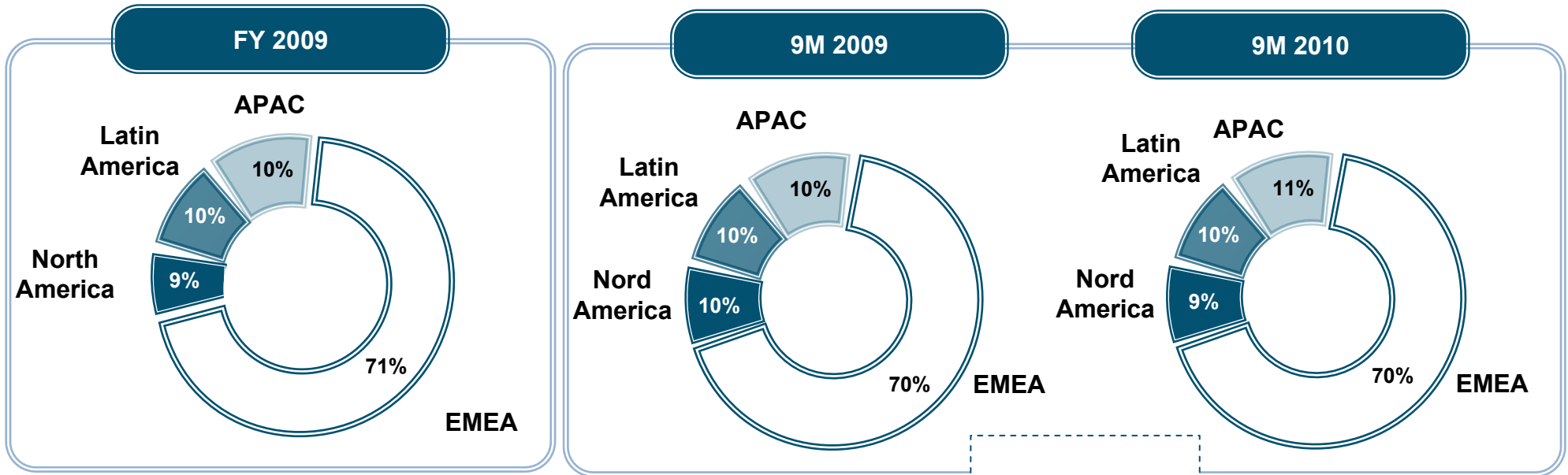
Telecom Segment: Profit and Loss Statement

Euro Millions

	9M 2009	9M 2010	FY 2009
Sales	317	339	411
Sales vs. Third Parties	312	333	403
<i>YoY total growth</i>	-26.6%	6.5%	-24.8%
<i>YoY like for like growth</i>	-26.8%	6.5%	-24.9%
<i>YoY organic growth</i>	-21.5%	-3.0%	-20.7%
Contribution Margin	65	66	85
<i>% on sales</i>	20.4%	19.6%	20.7%
Fixed Costs	(40)	(41)	(54)
Adj. EBITDA	25	25	31
<i>% on sales</i>	7.7%	7.3%	7.6%
Adj. EBIT	20	19	25
<i>% on sales</i>	6.4%	5.6%	6.1%

Sales Breakdown by Geographical Area

Euro Millions, % on Total Sales



	Total Growth	Organic Growth
<i>EMEA</i>	+19.1%	+2.0%
<i>North America</i>	+10.1%	-5.0%
<i>Latin America</i>	+31.6%	+4.9%
<i>APAC</i>	+23.6%	-10.7%

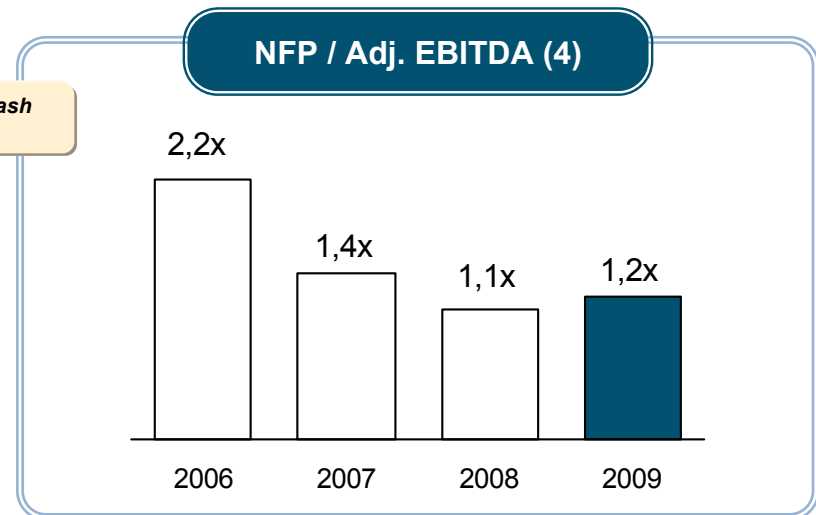
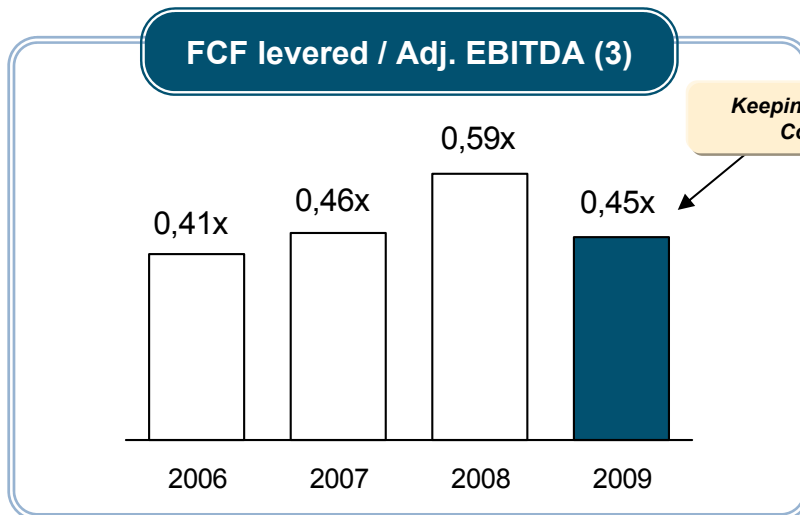
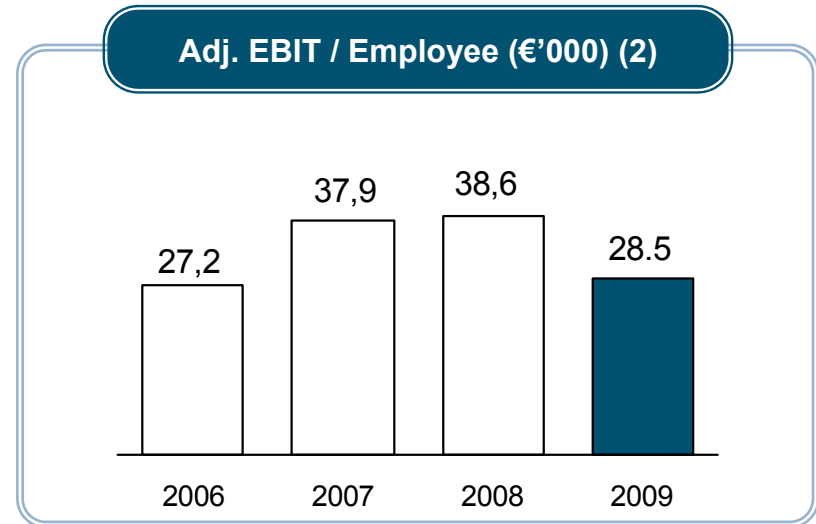
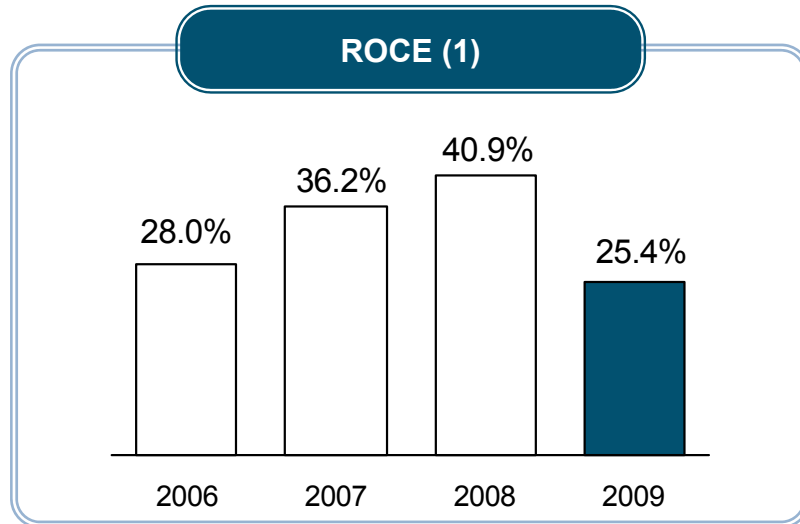
Long term financing agreement

- Two long term financing contracts expiring Mid 2012 (Cash/Unused committed credit lines at 30.09.10: over €1bn)
- € 1,070 million Forward Start Credit Agreement with maturity December 2014 (signed in January 2010) to refinance Term Loan and Revolving Facility at maturity May 2012
- € 400 million 5-year Eurobond (Coupon 5,25%) – Due on 9th April 2015
- ✓ € 200 million proceeds used to prepay Term Loan on 16th April 2010

	Amount €m	Unused at 30.09.10 €m	
Securitization	350	350	350 Maturity July 2012
Term Loan	770	-	670 Maturity December 2014
Revolving Facility	400	394	400 Maturity December 2014
Bonding Facility	300	156	300 Maturity May 2012

	30.09.09 €m	31.12.09 €m	30.09.10 €m
Term Loan	997	964	774
Eurobond	-	-	405
Securitization	-	-	-
Other Debt	80	101	155
Total Gross Debt	1,077	1,065	1,334
Cash & Cash equivalents	(371)	(492)	(390)
Other Financial Assets	(65)	(88)	(268)
NFP Vs third parties	641	485	676
Bank Fees	(12)	(11)	(22)
NFP	629	474	654

Key Performance Ratios



(1) Calculated as Adj. EBIT / (Shareholder's Equity YE + Net Debt YE + Employee provisions YE)

(2) Year end employees: 12,143 (2006); 12,243 (2007); 12,372 (2008); 11,704 (2009)

(3) Calculated as Free Cash Flow levered (before dividends, shares buy back and other equity movements) / Adj. EBITDA

(4) Net Financial Position to Third Parties YE / Adj. EBITDA

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