PRYSMIAN
CABLES & SYSTEMS








Company Presentation

Italian Investor Conference – Borsa Italiana

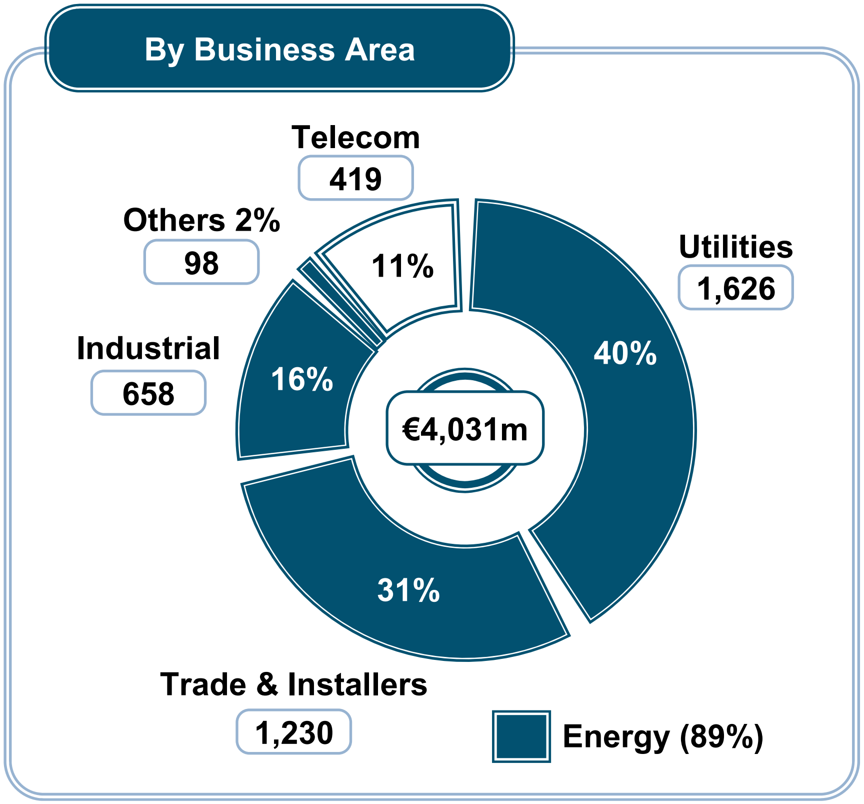
Tokyo, 8th October 2010

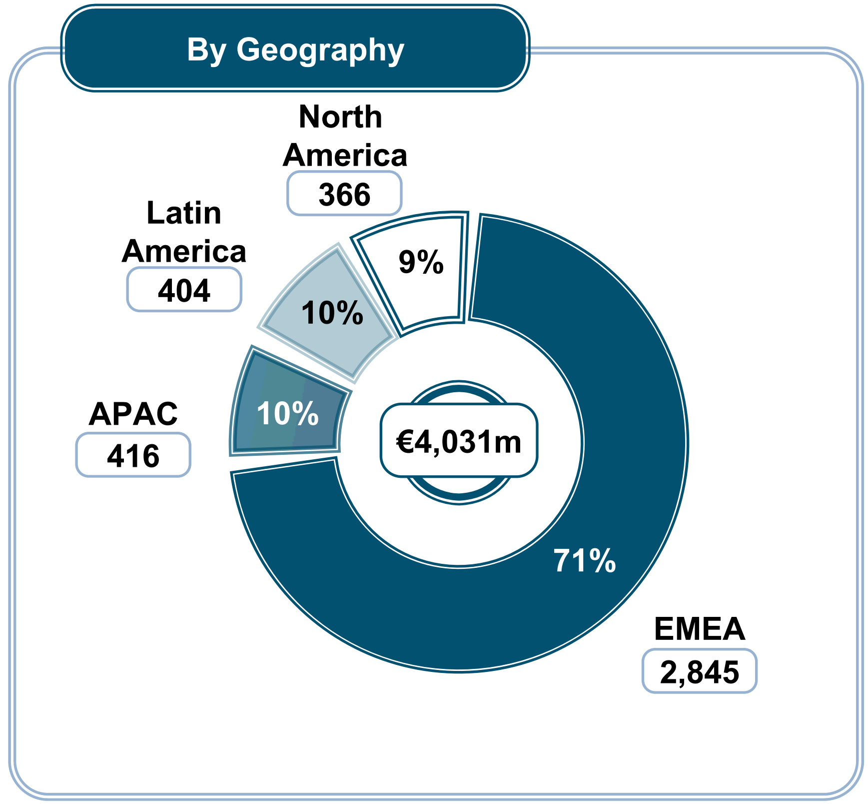
Agenda

- Group Overview
- Division Results & Outlook 2010
- Appendix

A Complete and Diversified Presence and Product Offering

Sales LTM H1 2010 Euro Millions

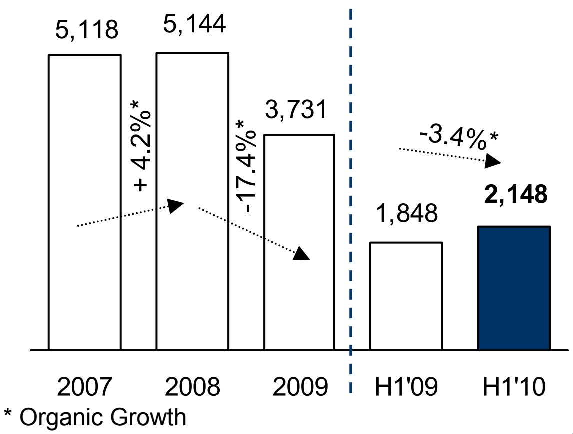




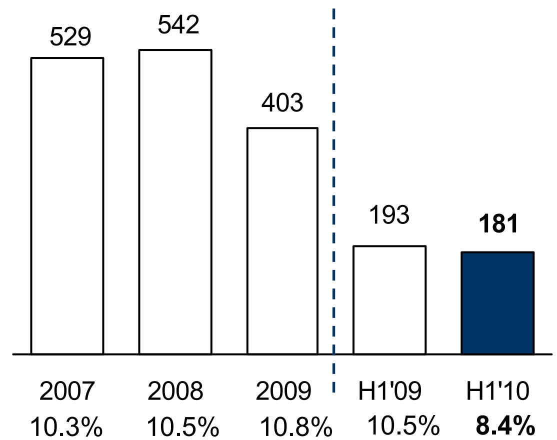
H1 2010 Key Financials

Euro Millions, % of Sales

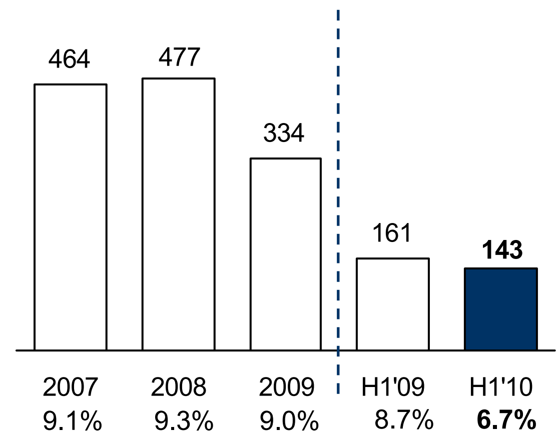
Sales



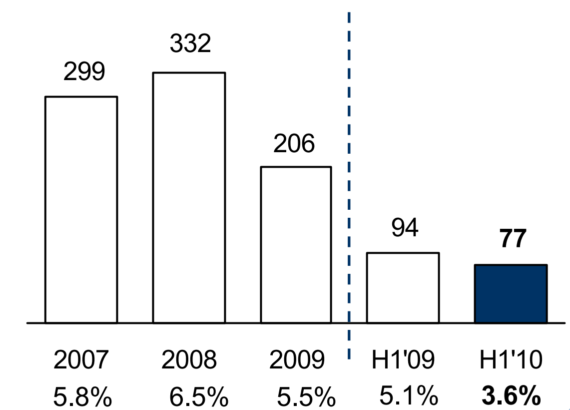
Adjusted EBITDA (1)



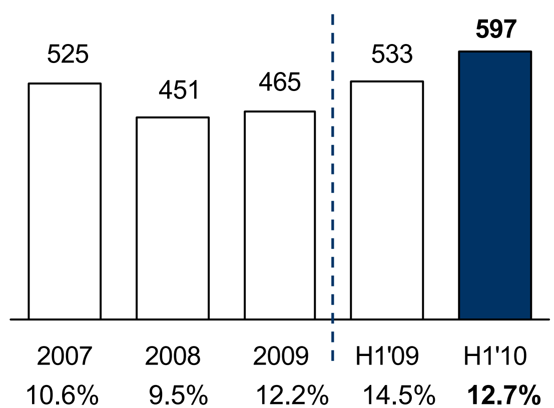
Adjusted EBIT (1)



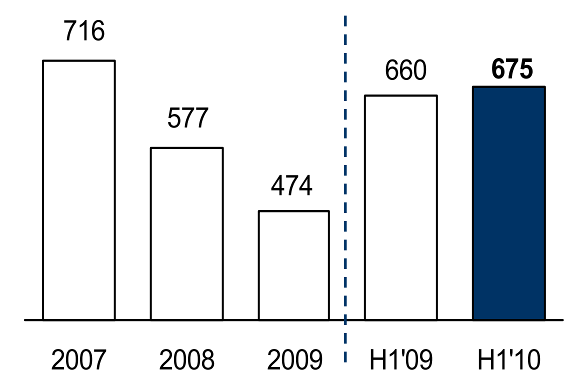
Adjusted Net Income (2)



Operative Net Working Capital (3)

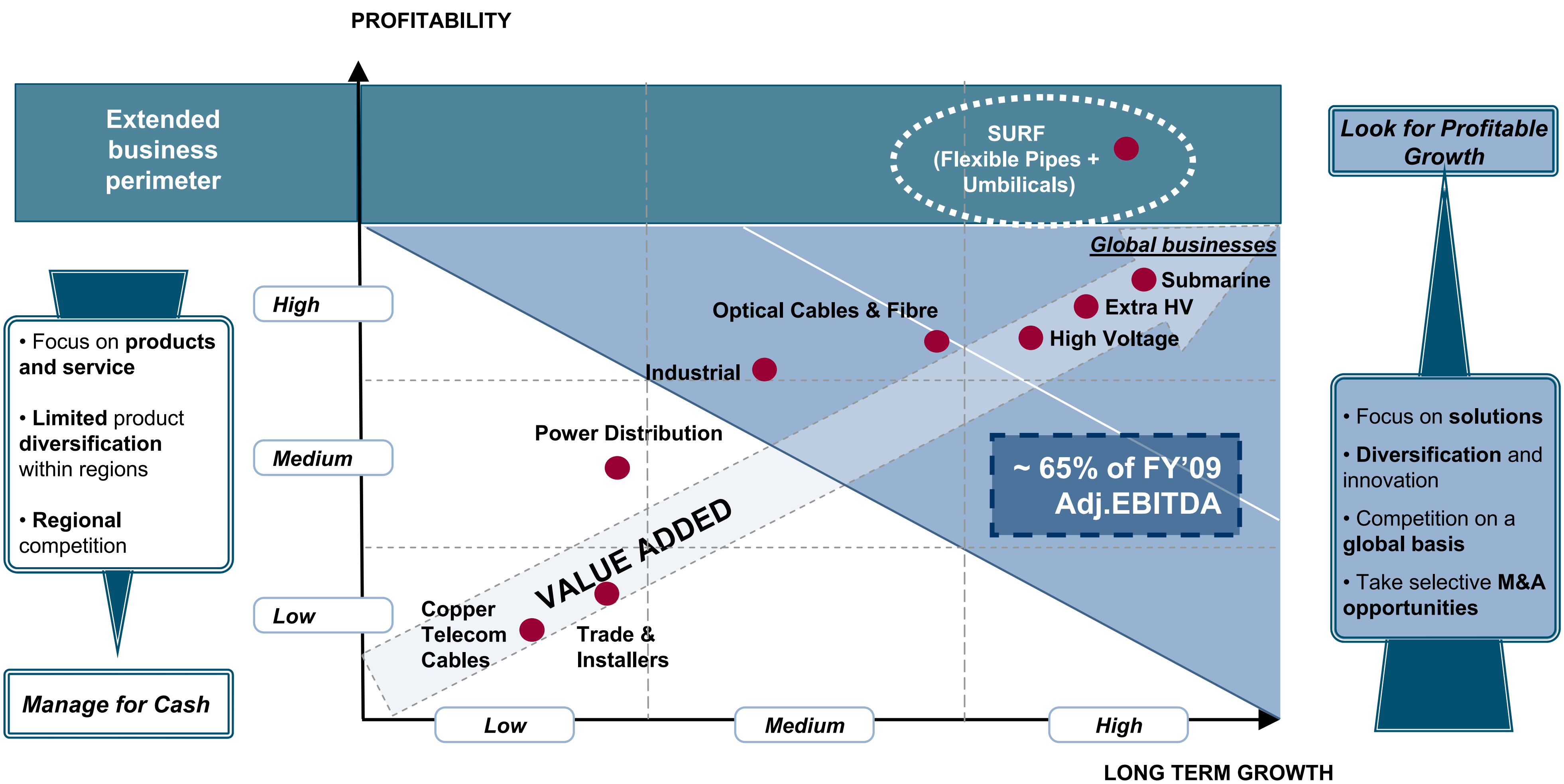


Net Financial Position



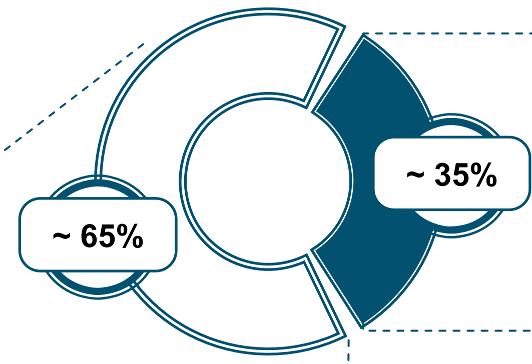
(1) Adjusted excluding non-recurring income/expenses and fair value change in derivatives; (2) Adjusted excluding non-recurring income/expenses, the effect of derivatives and exchange rate differences and the related tax effects
(3) Operative Net Working capital defined as Net Working Capital excluding the effect of derivatives; % of sales is defined as Operative Net Working Capital on annualized last quarter sales

Leadership in high resilience businesses



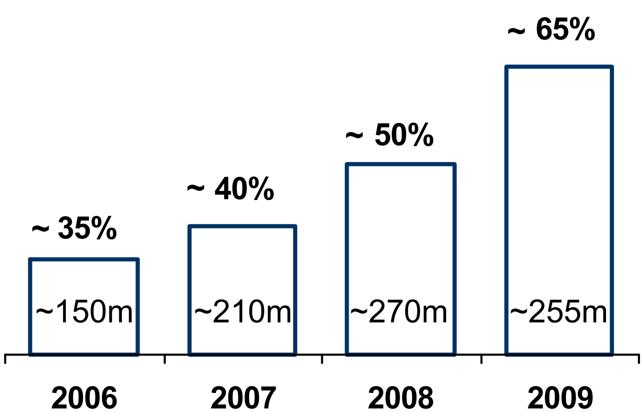
High technology segments supporting profitability in global downturn, potential upside from recovery in cyclical business

FY2009 Adj.EBITDA



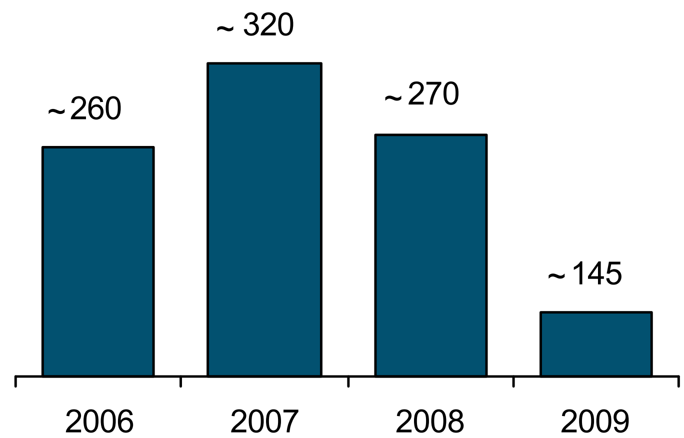
High technology business (1)

% on total Adj.EBITDA



Cyclical business (2)

Adj.EBITDA (€m)



- Fixed and variable costs decreased during the period improving operating leverage
- Limited downside risk from very low Q1 2010, volumes' recovery from Q2 2010 expected to stay in place

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

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

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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

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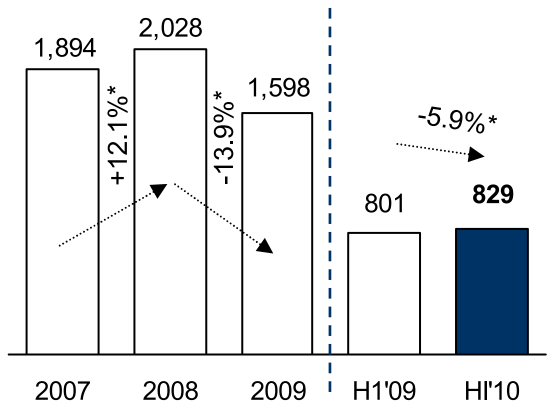
Utilities

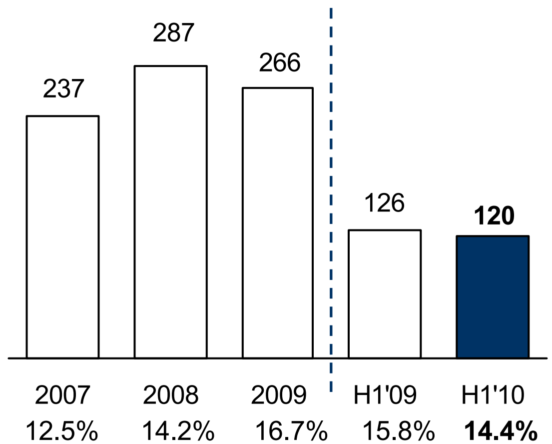
Euro Millions, % of Sales

Sales Vs Third Parties

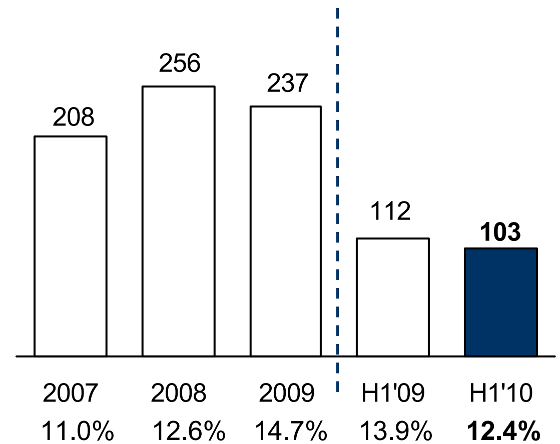


* Organic Growth

Adjusted EBITDA*



Adjusted EBIT*



Distribution

- Despite still weak construction demand, recovery in utilities capex ongoing
- Volume increase (Q2'10: +8% Vs Q2'09) driven by Europe expected to continue in second half
- Strengthened position with key accounts and positive development of new P-Laser technology
- Profitability still under pressure due to high non metal raw material price

Transmission

High Voltage

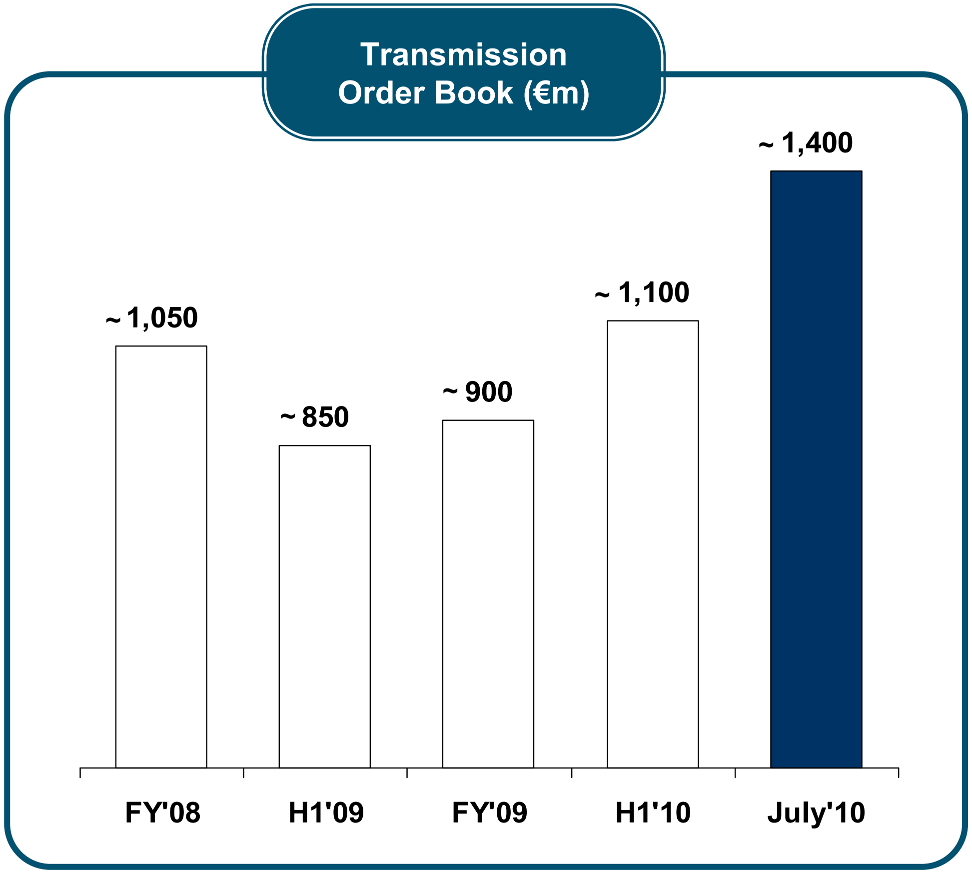
- Global demand recovering from weak 2009 driven by China and Middle East (new TRANSCO project in Abu Dhabi)
- New large European interconnections to be awarded next quarters
- Growing orders backlog expected to increase capacity utilization from 2011
- Signs of demand restarting in Russia and terrestrial connections resulting from new off-shore wind farm projects will further support orders intake

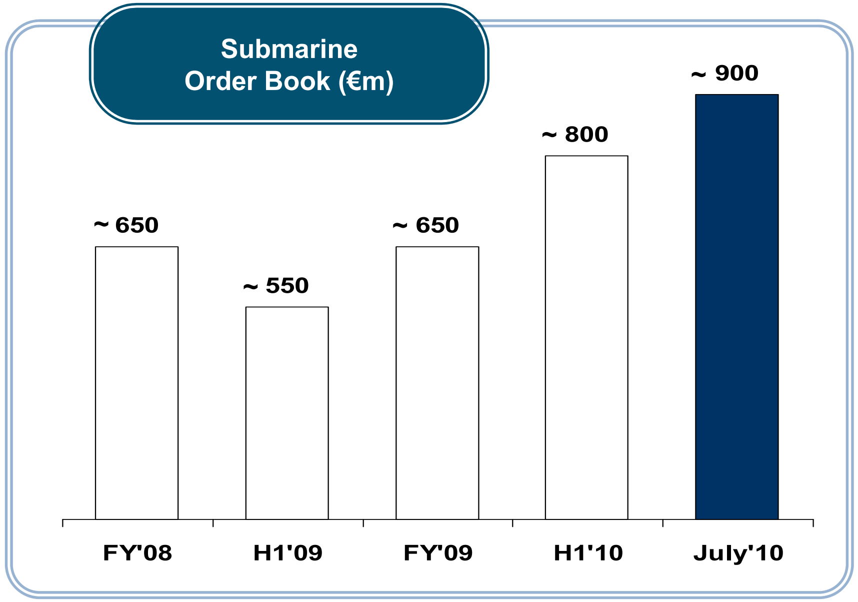
Submarine

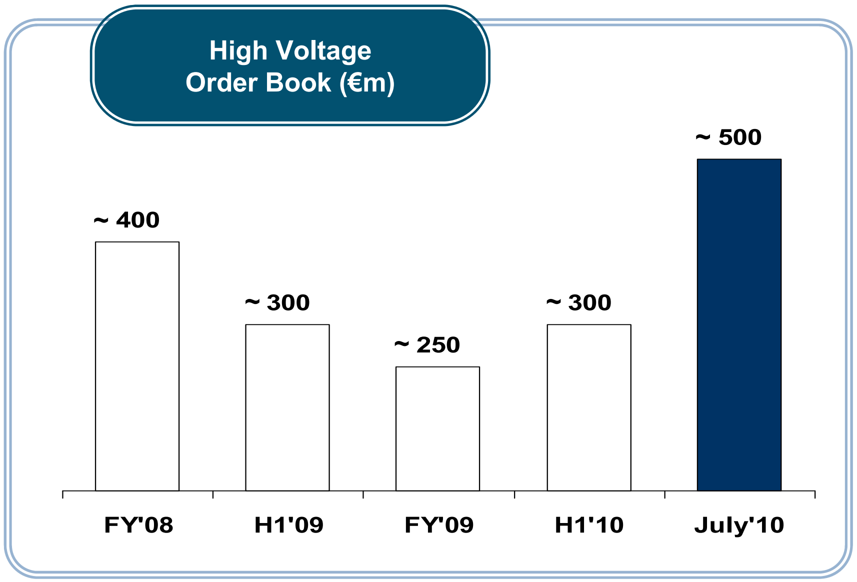
- Leadership in large and complex off-shore wind farm projects confirmed with the recent awards of BorWin2 and HelWin1
- Decided capacity increase to support strong trend in Renewable and new large subsea connections
- Growing profitability (compared to 2009) expected to continue in second half

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

Utilities Transmission – Growing Prysmian leadership in a sound market demand



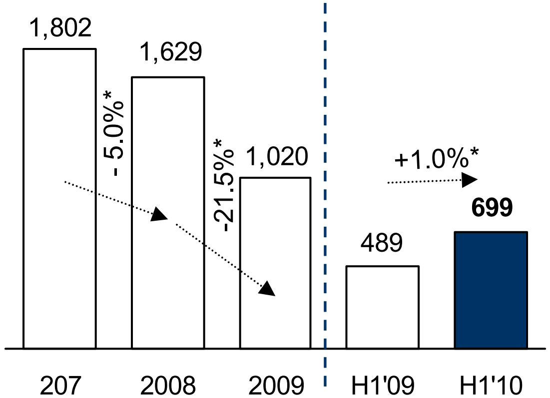




Trade & Installers

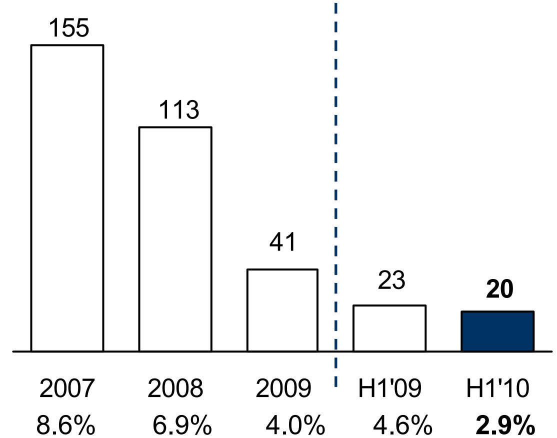
Euro Millions, % of Sales

Sales Vs Third Parties

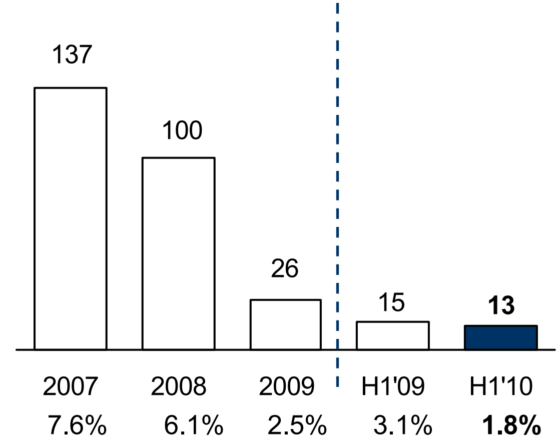


* Organic Growth

Adjusted EBITDA*



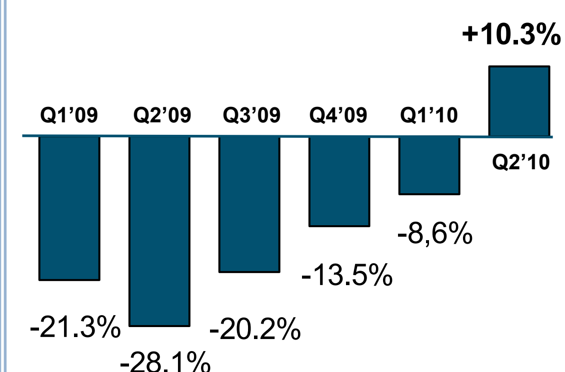
Adjusted EBIT*



Highlights

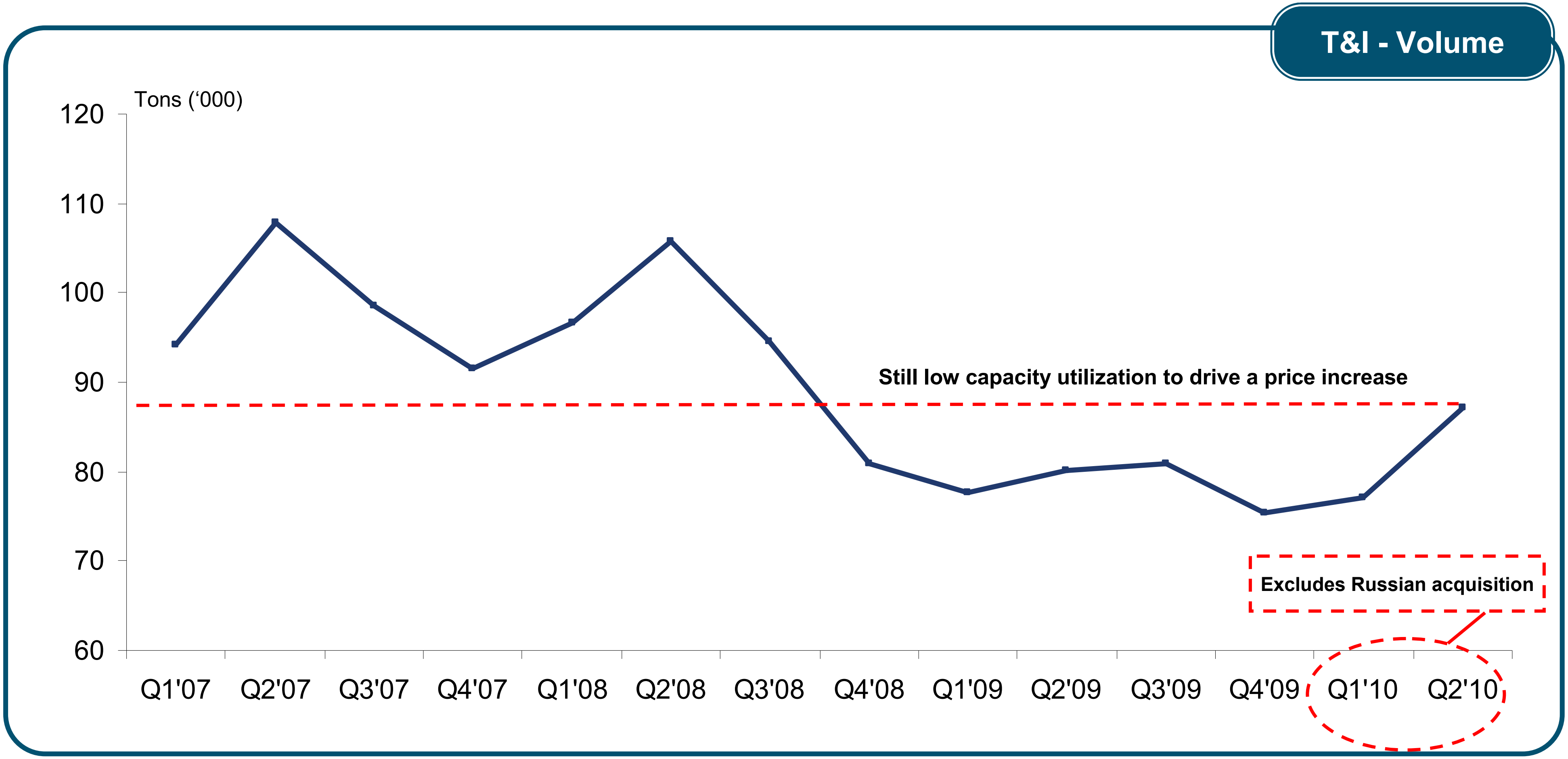
- Volume increase in Q2 (+9% Vs Q2'09 excl.acquisitions) expected to continue in H2
- Q2 profitability improvement due to better capacity utilization but still weak price level and high raw material costs
- Fast growing solar business through the wholesalers/distributors channel (e.g. France, Germany and UK)
- Leveraging on long established presence in South America/Australia and the new acquisition in Russia to benefit from the fast growth of these markets

Sales Org.growth development



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

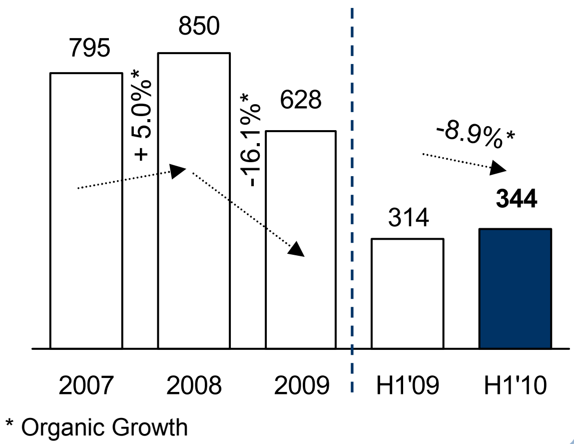
T&I – Volume trend across the cycle



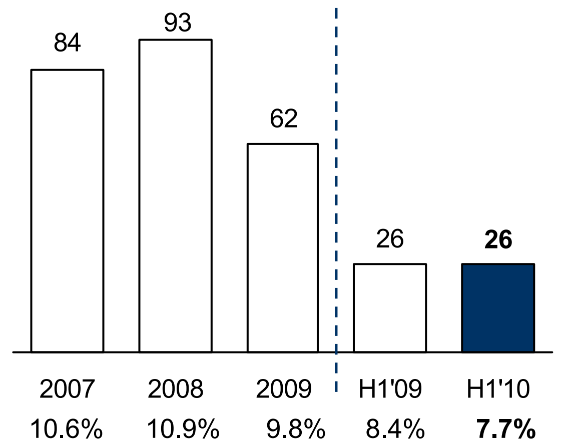
Industrial

Euro Millions, % of Sales

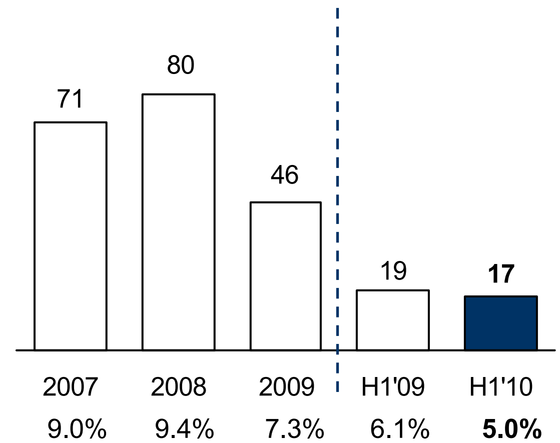
Sales Vs Third Parties



Adjusted EBITDA*



Adjusted EBIT*



Highlights

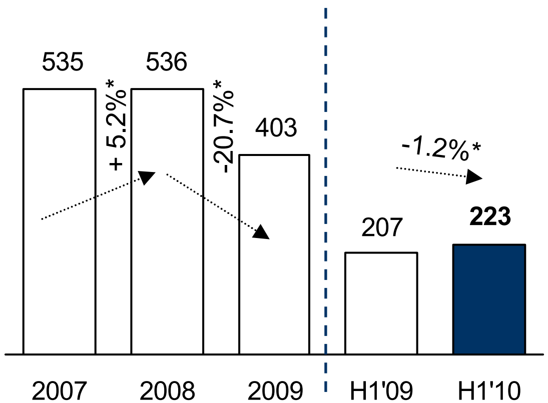
- Recovery trend in line with expectations with increasing volume contribution from extra-European countries
  - OGP: strong order book in umbilicals covering FY'10
  - Renewable energy: growing trend confirmed in Europe and new projects planned in China and South America
  - Other Priority segments: still weak demand with first signs of recovery in Mining (APAC and South America)
  - Others: ongoing volume recovery in Automotive with a strong presence in top profitability countries (e.g. Brazil)
- Profitability improvement Vs Q1'10 mainly driven by higher contribution from OGP and renewable energy. Based on current order book H2'10 profitability expected higher than first half

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

Telecom

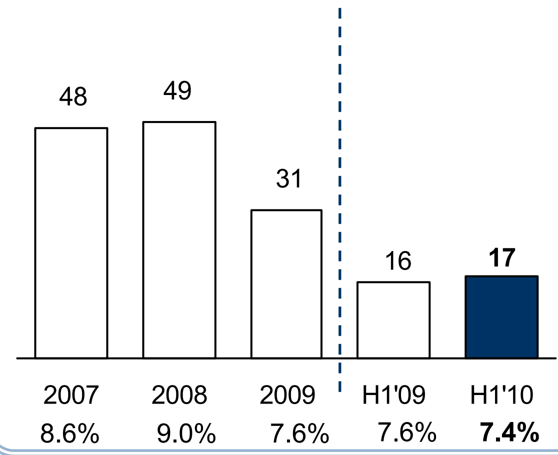
Euro Millions, % of Sales

Sales Vs Third Parties

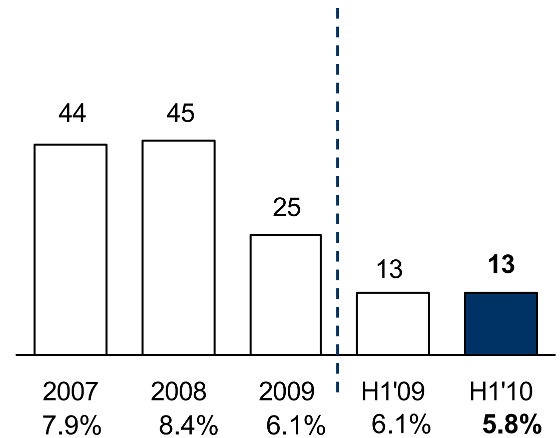


* Organic Growth

Adjusted EBITDA*



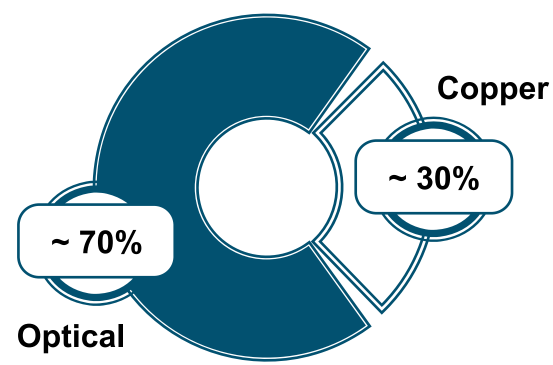
Adjusted EBIT*



Highlights

- Global demand stable in optical (Vs 2009) with still limited investments by large incumbents in Europe and US
  - Increasing market share in all geographical areas with over 5% volume growth in H1'10 Vs H1'09
  - Growing demand by alternative operators in North/Eastern Europe and South America
  - Investments increase by large European incumbents as key driver for future growth
- Volume confirmed at previous year level in Copper cables despite declining demand
- Improving cost structure with higher flexibility in production and better geographical footprint

2009 Sales by business



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

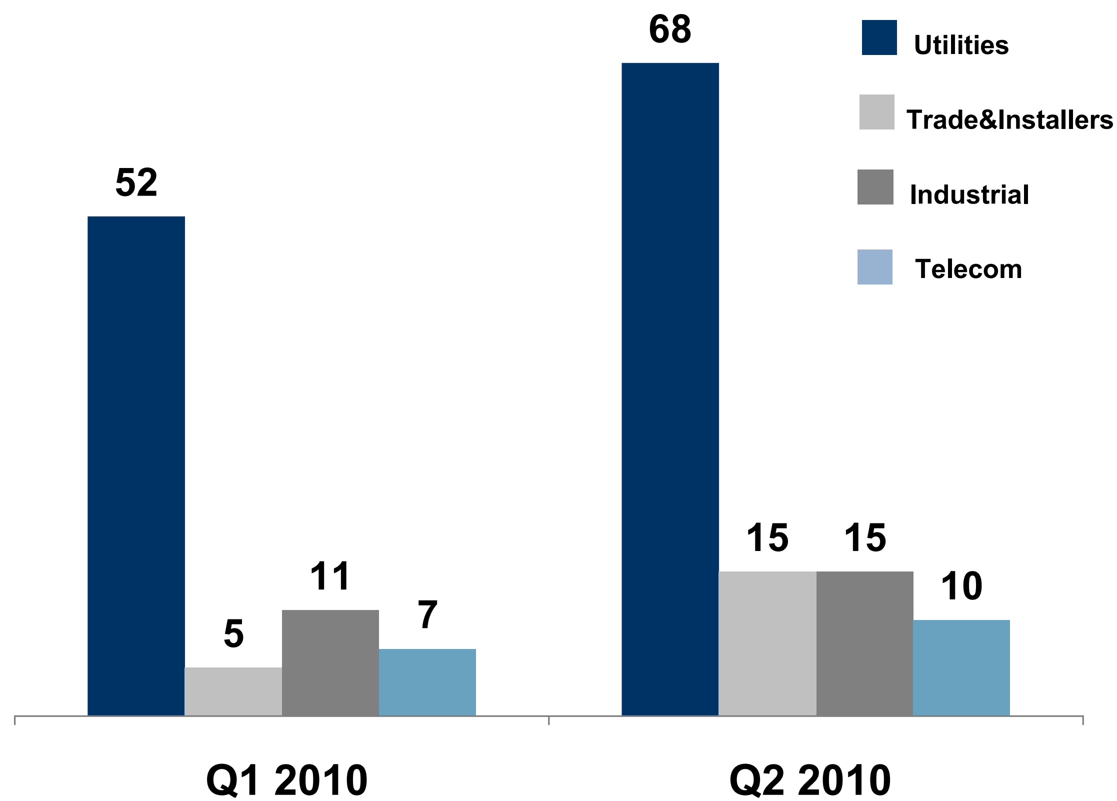
Organic growth and profitability recovery across all the segments

Euro Millions

Organic Growth evolution (%)

	Q1 2010	Q2 2010
Utilities	-13.1%	+1.0%
Trade & Installers	-8.6%	+10.3%
Industrial	-17.3%	+1.0%
Total Energy	-11.7%	+4.7%
Total Telecom	-6.5%	+3.4%
Total Group	-11.2%	+4.3%

Adj. EBITDA evolution (€m)



2010 Outlook – Sales and profitability trend in line with expectations to achieve FY target

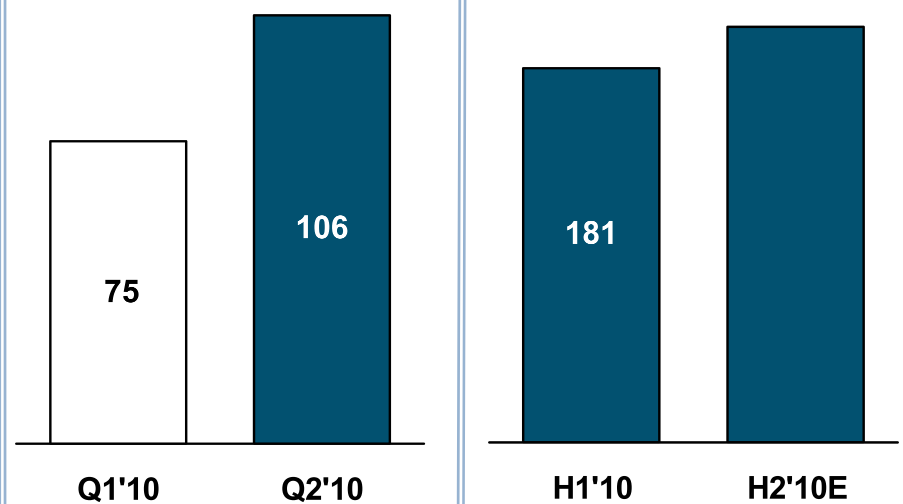
2010 Adj.EBITDA Target

€ 350m — € 400m

Midpoint TARGET confirmed:

- Order book in Transmission to drive H2 Utilities profitability increase (Vs H1’10)
- Volume recovery in T&I and Power Distribution (from Q1 level) expected to continue in H2
- Industrial order book confirming growing contribution from high value added segments in H2 (Vs H1’10)

Adj.EBITDA expected evolution (€m)



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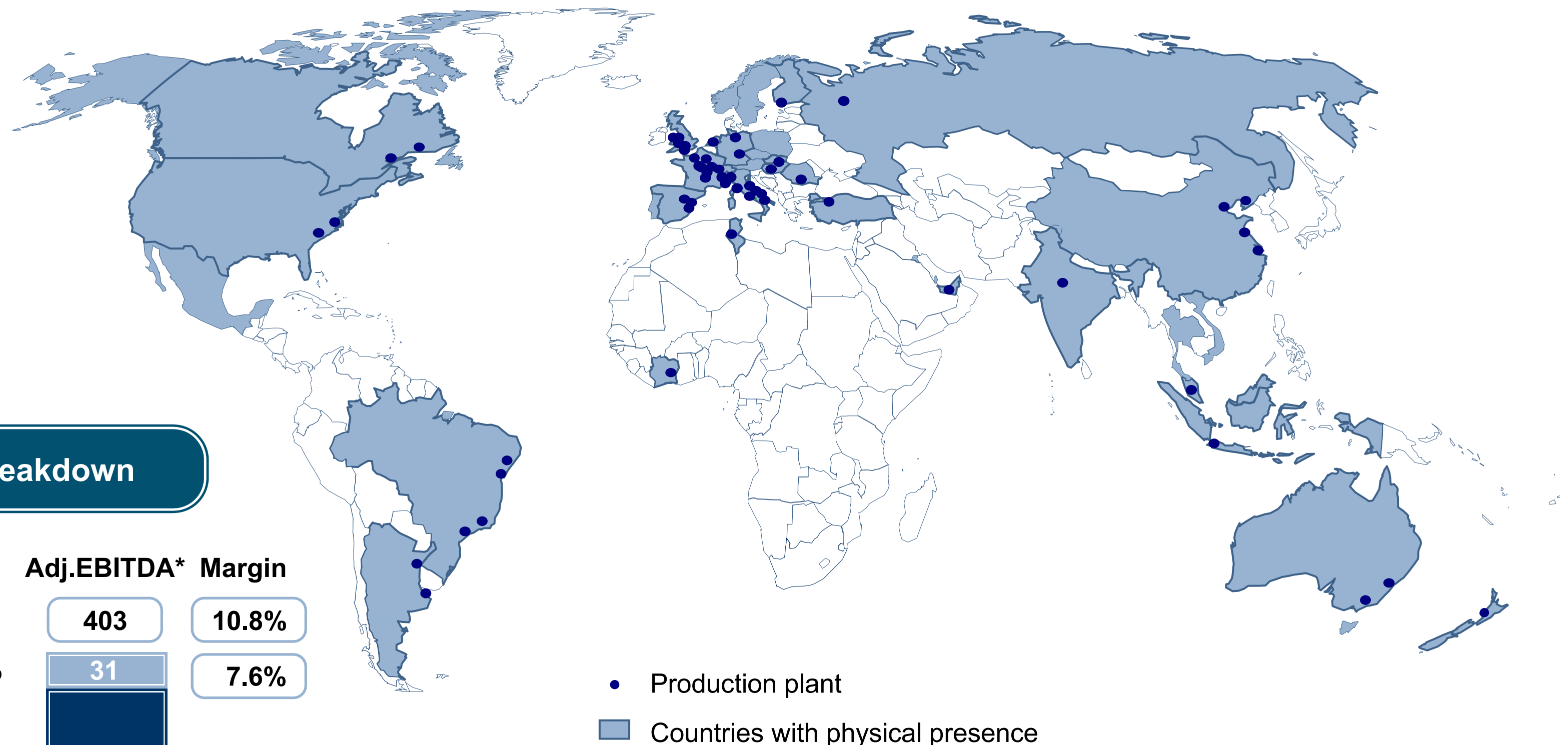
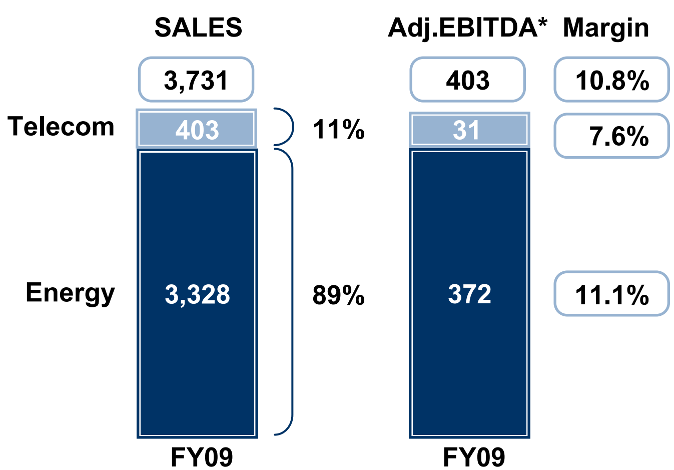
A Global Cable Manufacturer
Company Global Presence



Business Breakdown



The Prysmian 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

1998 – 2001: Growth by acquisition

Acquisitions (Siemens, NKF, MM, BICC)

2001 – 2005: Restructuring process

Closure of 11 plants
Disposal of enamelled and transposed wires activities

2005 – 2008: Profitable growth

July 28th 2005: Goldman Sachs acquisition and birth of Prysmian Group

Listing

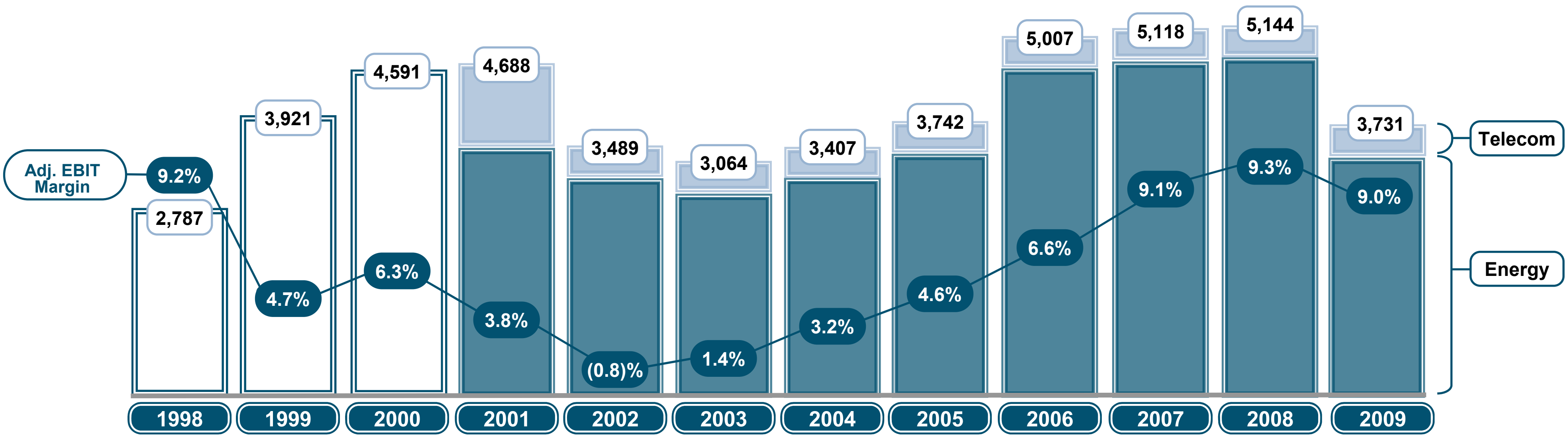
May 3rd 2007: Company listed on the Milan Stock Exchange (IPO)

2008 – 2010: Managing the downturn

Strategic investments preparing for the economic recovery

Public Company

March 2010: Prysmian became a full Public Company



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

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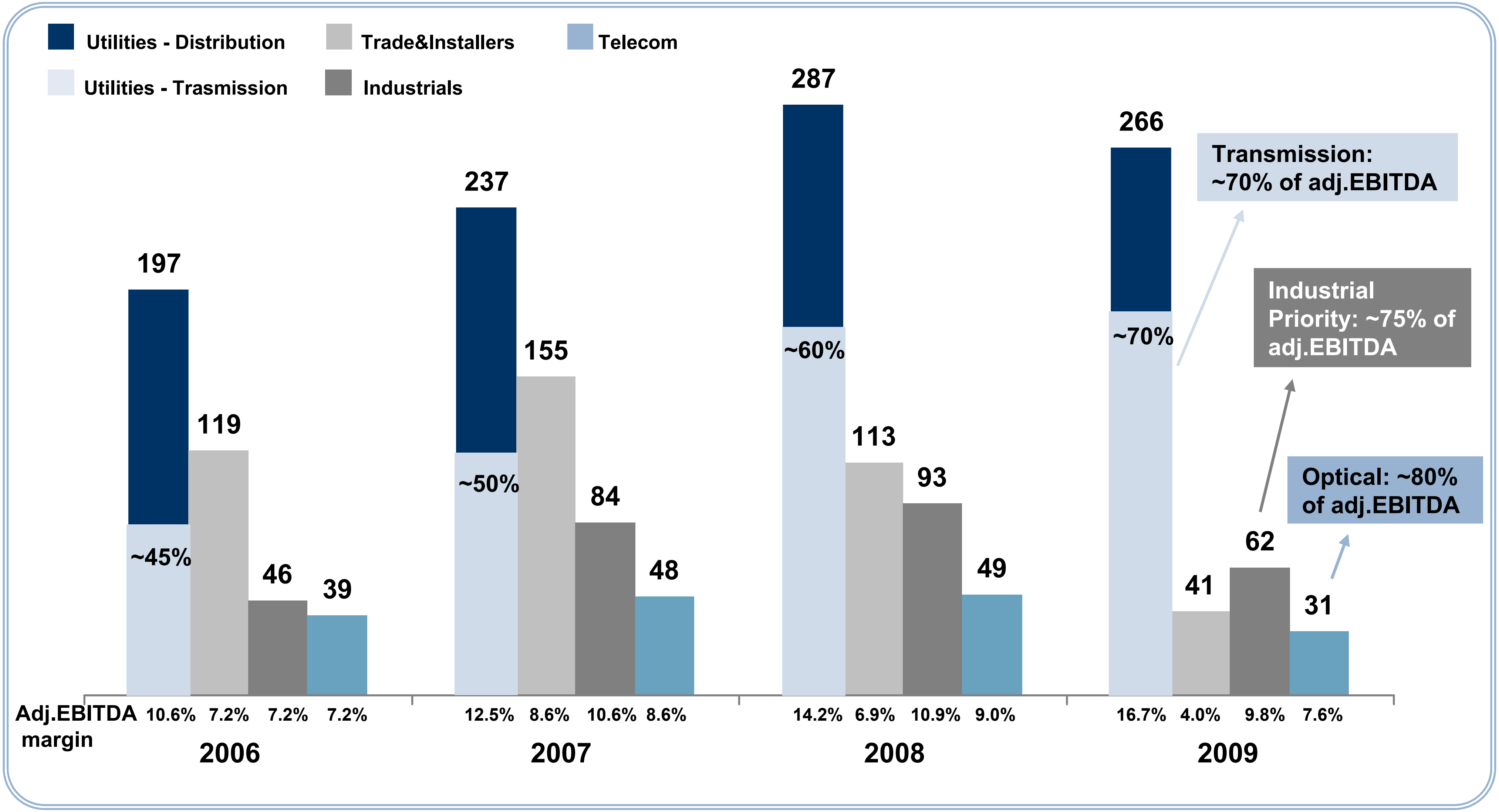
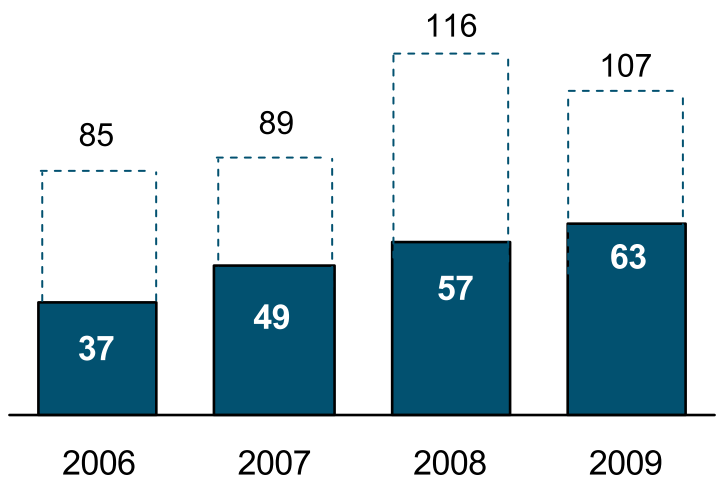
A unique portfolio driving sustainable margin growth

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



Laying the future
Disciplined capex to fuel growth in high value added segments

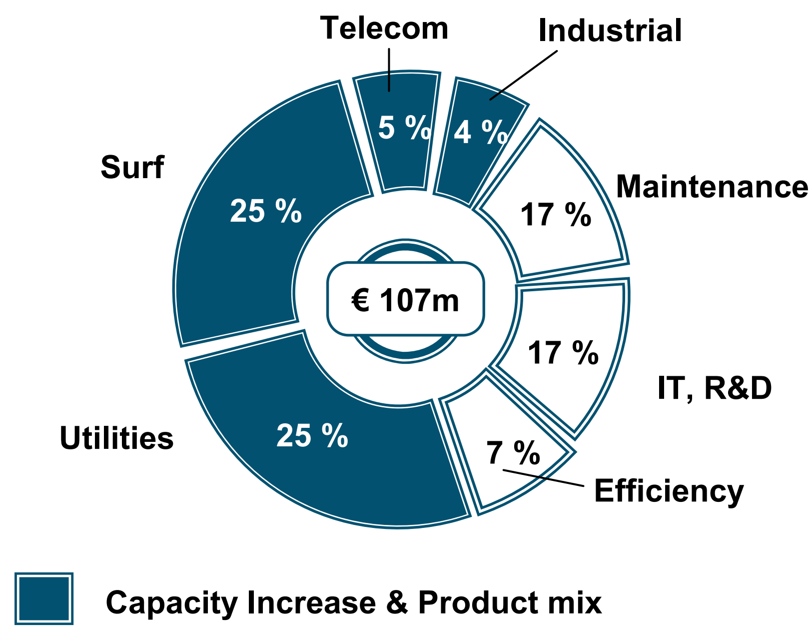
Capacity Increase & Product mix development (€m)



	2006	2007	2008	2009
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%

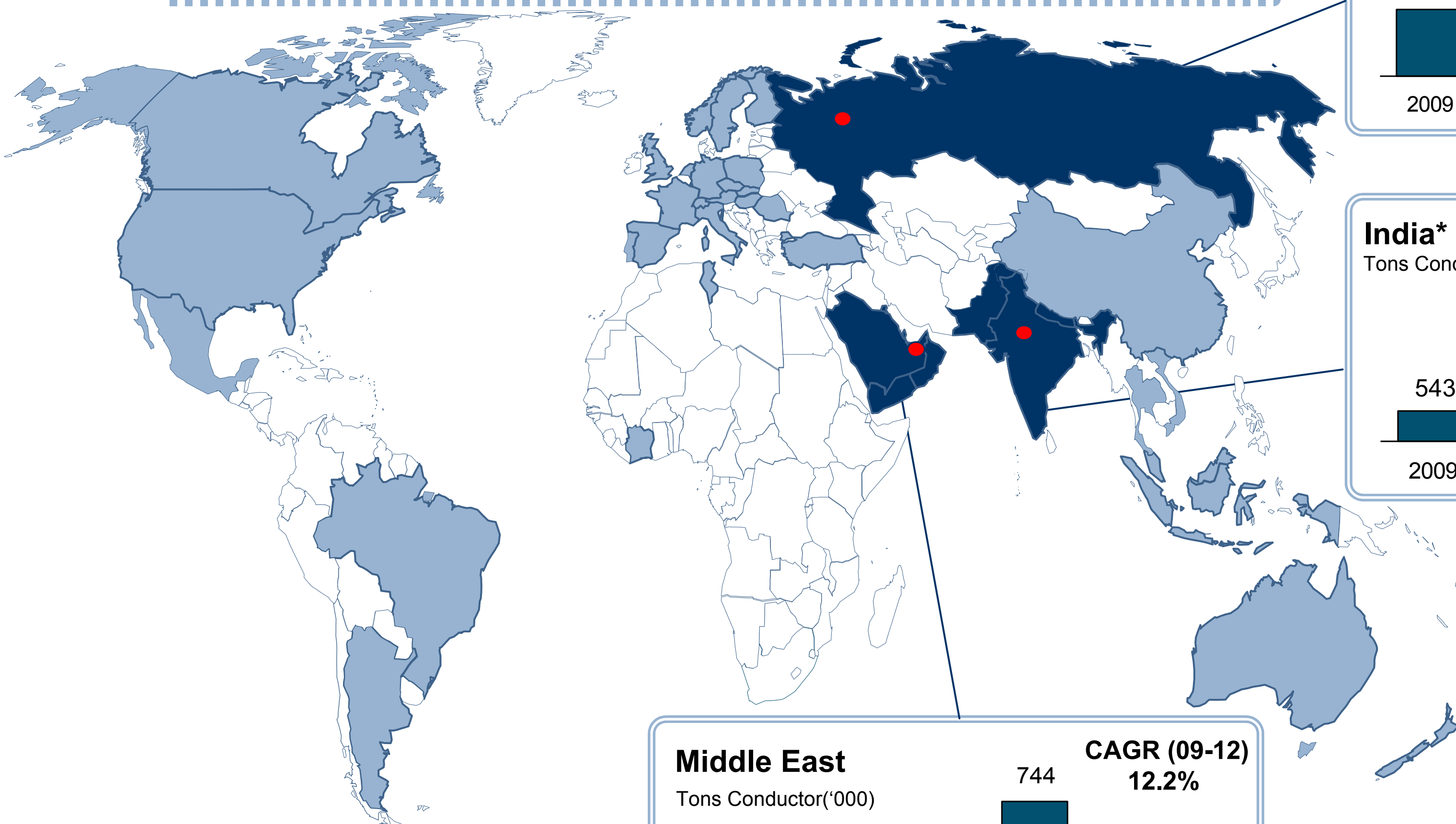
* % of Capacity Increase & Product mix

Capital Expenditure by destination (2009)



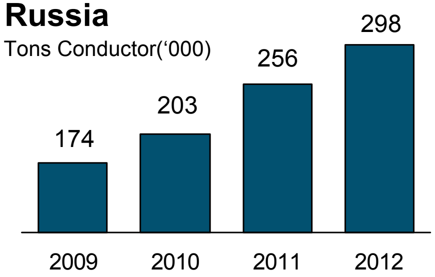
Laying the future
First milestones in targeting high growth countries

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



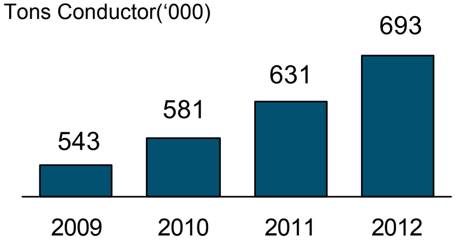
Russia
Tons Conductor('000)

CAGR (09-12) 19.7%



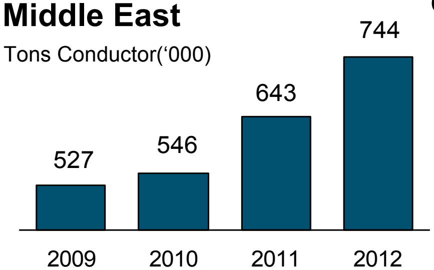
India*
Tons Conductor('000)

CAGR (09-12) 8.5%



Middle East
Tons Conductor('000)

CAGR (09-12) 12.2%



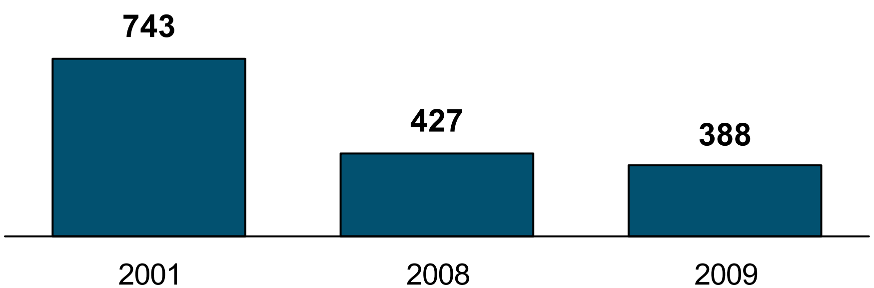
- Countries with physical presence
- New production plants

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

Laying the future

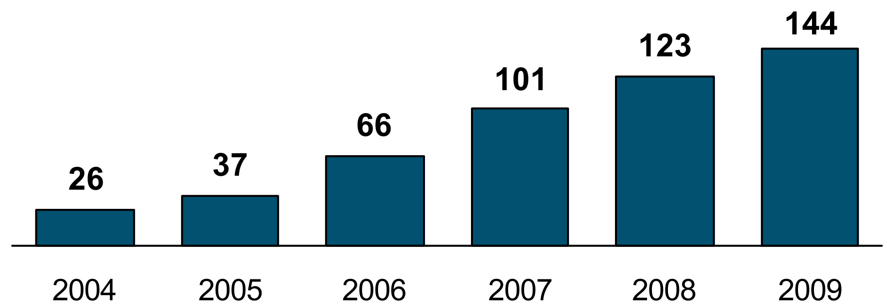
Ideally positioned to cope with industry challenges and benefit from recovery

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**	• Power Distribution • High Voltage & Extra High Voltage	Cables for **power transmission** and **distribution** networks	1,598	266	16.7%
		• Submarine	**Power submarine** cables			
		• Network Components	**Components** for **power distribution and transmission** networks			
	Trade & Installers	• Trade & Installers	Cables for **construction projects** and **civil engineering, building wires**	1,020	41	4.0%
	Industrial	• 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**	• Optical Cables & Fibre • Copper Cables	Cables and components for **Telecom networks**	403	31	7.6%
	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

Supply Contract	Main Application	Metal Influence on Cable Price	Impact	Metal Fluctuation Management	Impact
Predetermined delivery **date**	• Projects • Cables for industrial applications	• **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 **stematic hedging** (long order-to-delivery cycle)	
Frame contracts	• Cables for energy utilities (e.g. power distribution cables)	• Pricing defined as **hollow**, thus mechanical **price adjustment through formulas** linked to metal publicly available quotation		• **Price adjusted through formulas** linked to metal publicly available 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**, thus leading to **some delay** • **Competitive pressure** may **impact** on **delay** of price adjustment • **Hedging** based **on forecasted volumes** rather than orders	

- ***Metal price fluctuations** are normally **passed through** to **customers** through supply contracts*
- ***Hedging strategy** is performed in order **to systematically minimize** profitability **risks***

High
Low

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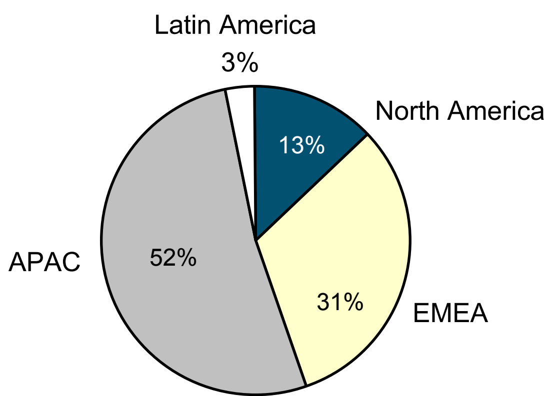
The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2009

100% = €67bn



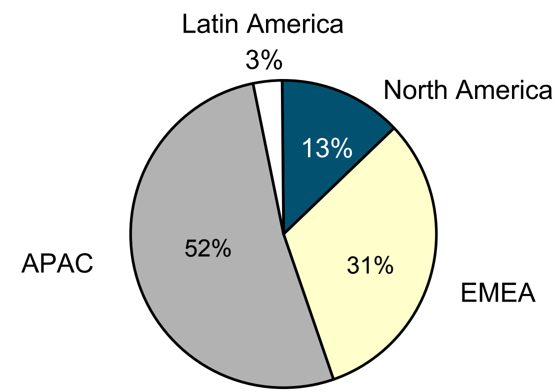
Energy Cables Reference Market
≅€59bn

- Trade and Installers
- Utilities
- Industrial

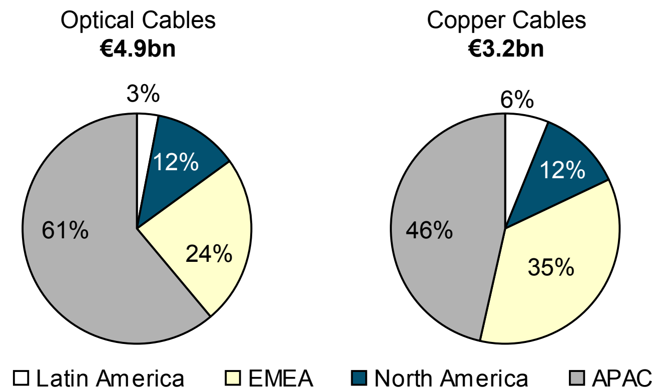
Telecom Cables Reference Market
≅€8bn

- Fibre Optical Cables
- Copper Cables

Energy Cables Reference Market (~€59bn)



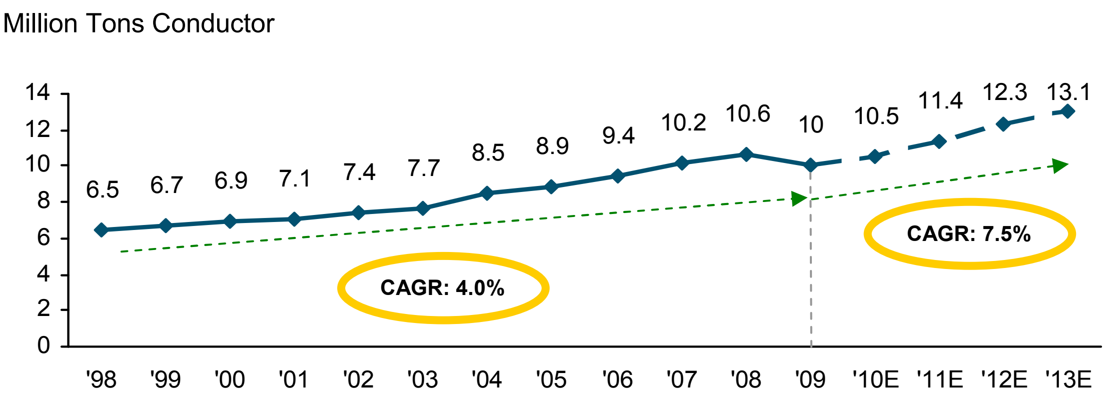
Telecom Cables Reference Market (~€8bn)



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

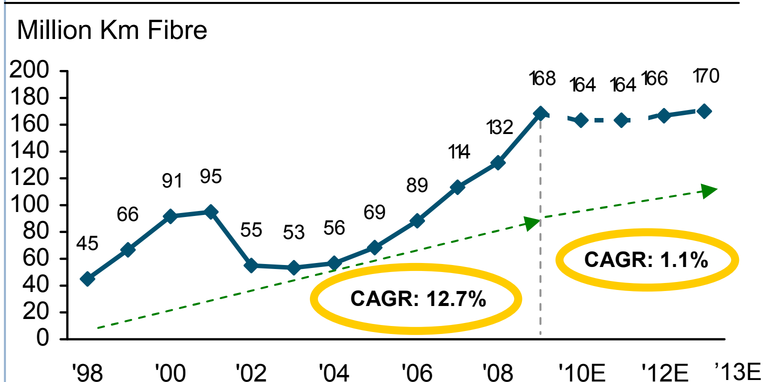
Energy Cables Reference Market



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

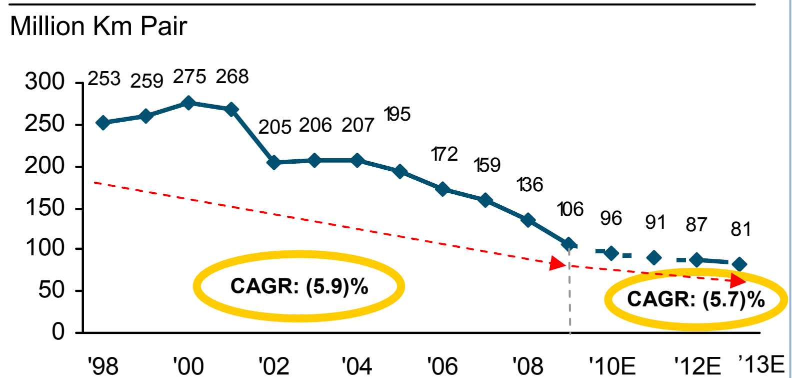
Telecom Cables Reference Market

Optical Cables



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

Copper Cables



- Declining historical development in copper cables expected to continue

Source: Company analysis based on April '10 CRU data. Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic.

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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

Earning Per Share (3)

€ 1.40

Dividend Per Share

€ 0.417

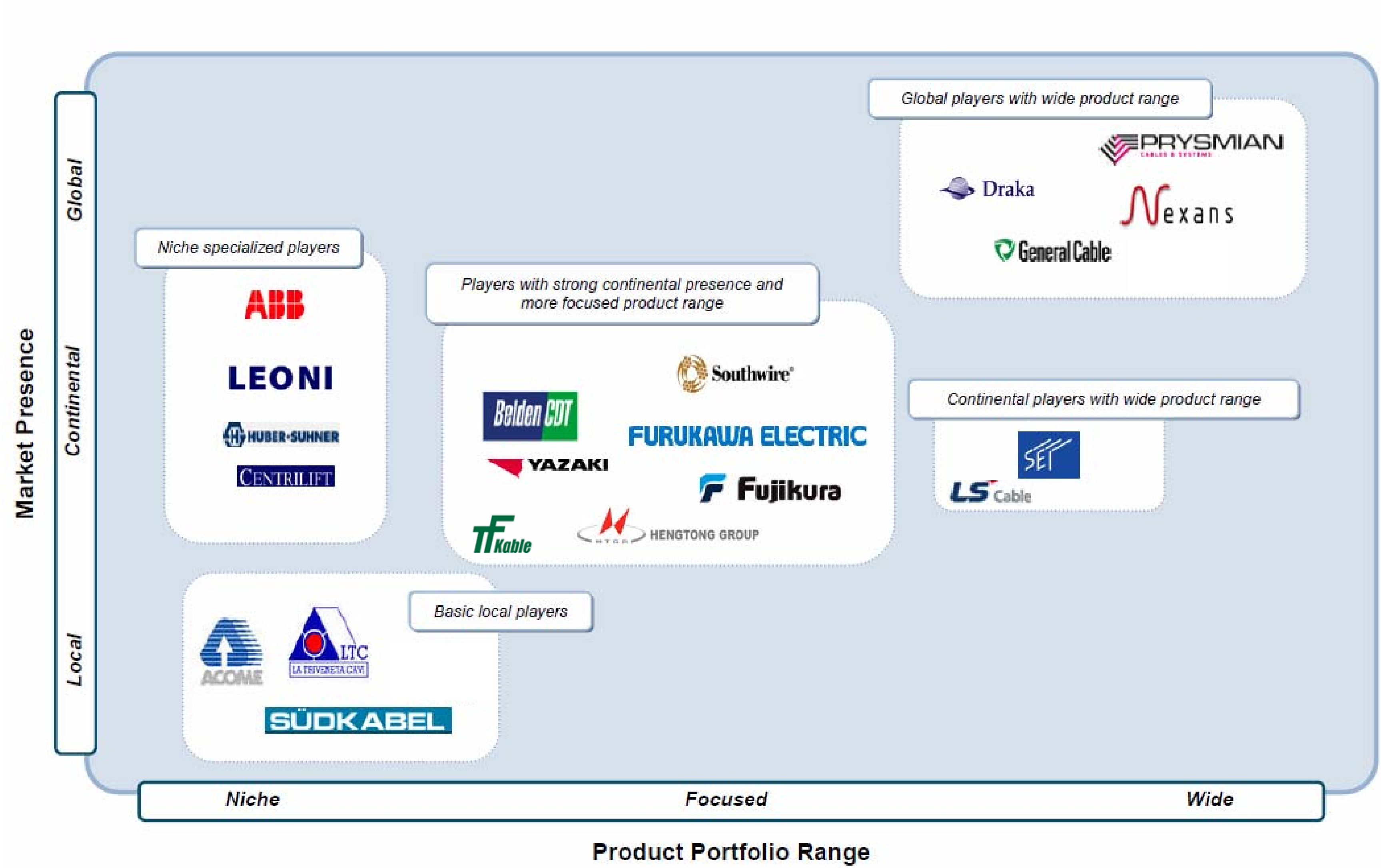
(1) Based on 178,206,539 shares with dividend right:
Total shares (181,235,039) – Treasury shares (3,028,500)

(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)

Appendix - Energy

Clusters of Cable Manufacturers in the Industry
Competitive scenario – Energy Cables



PRYSMIAN CABLES & SYSTEMS

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:

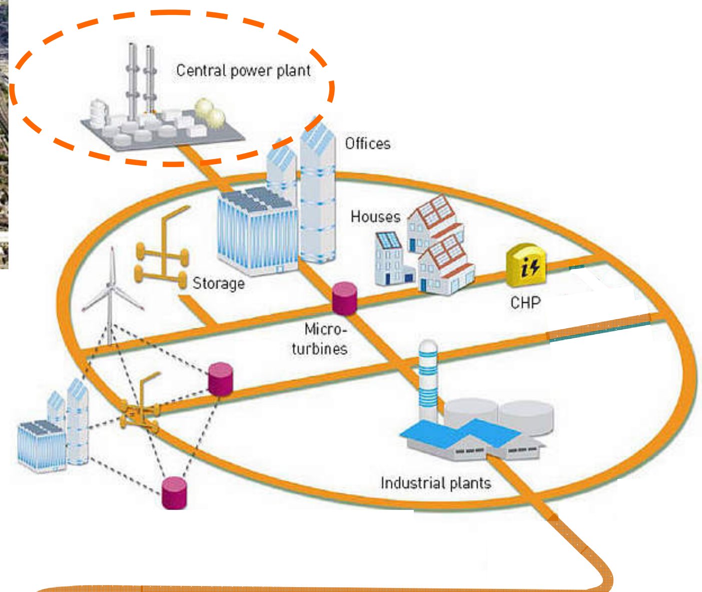
- Leverage on strong off-shore wind-farms trend
- Secure orders to protect long-term growth
- Focus on flawless execution

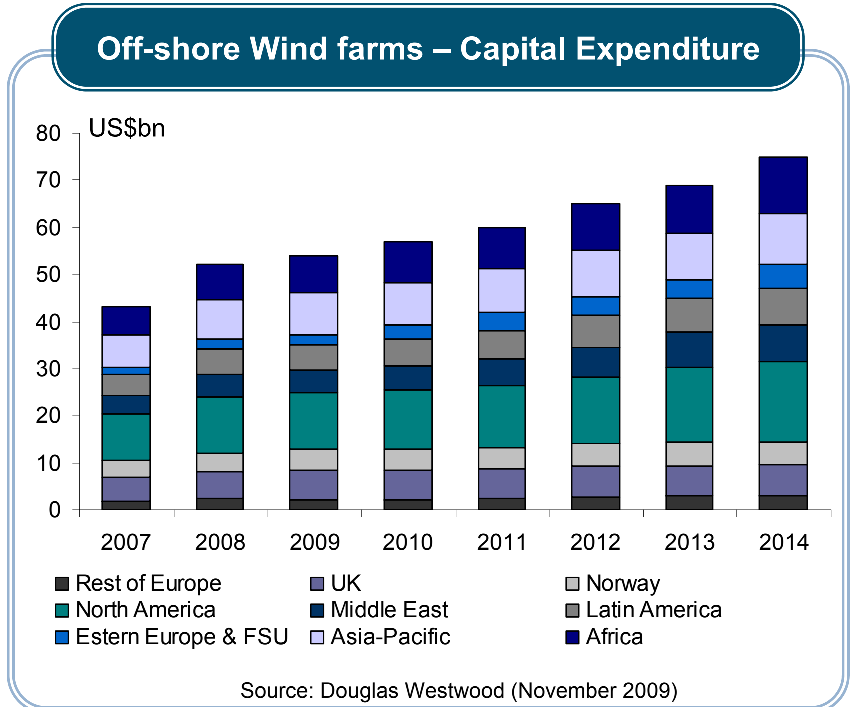
Key Projects	Customer	Period	€m (1)
HelWin1	TenneT	2011-13	150
BorWin2	TenneT	2010-13	250
Messina	Terna	2010-13	300
Kahramaa	Qatar General Electricity	2009-10	140
Greater Gabbard	Fluor Ltd	2009-10	93
Cometa	RED Electrica de España	2008-11	119
Trans Bay	Trans Bay Cable LLC	2008-10	$125m
Sa.Pe.I	Terna	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		

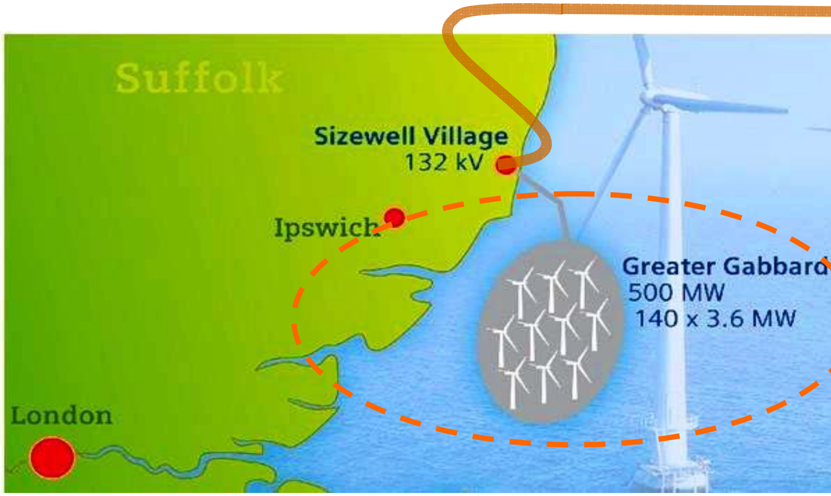
(1) Prysmian portion of the project

Transmission - Renewable as new driver for Underground HV investments

Central power plant located in the city







Off-shore wind farms far from urban areas

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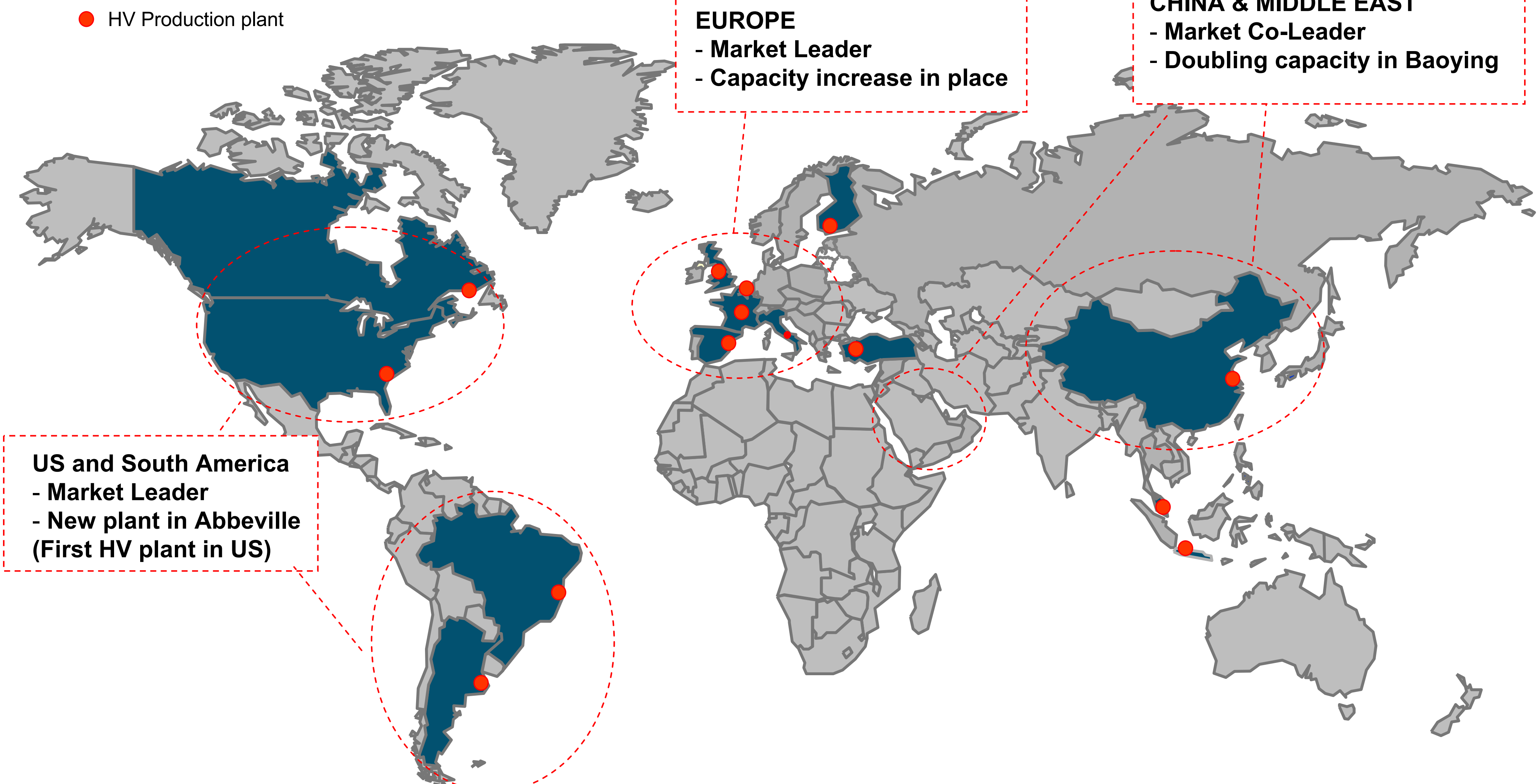
Utilities - Leading position in underground HV with a global reach



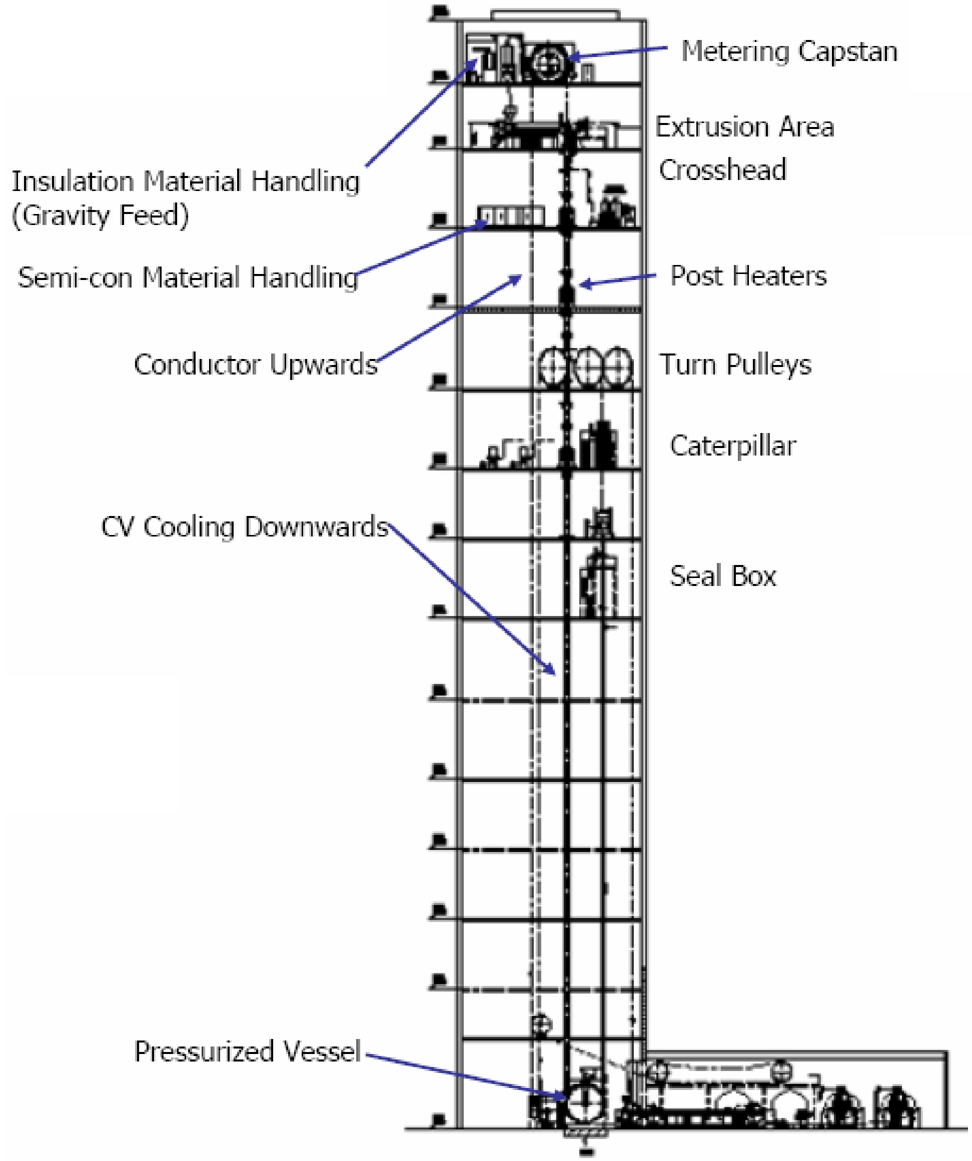
EUROPE
- Market Leader
- Capacity increase in place

CHINA & MIDDLE EAST
- Market Co-Leader
- Doubling capacity in Baoying

US and South America
- Market Leader
- New plant in Abbeville
(First HV plant in US)

PRYSMIAN CABLES & SYSTEMS

Utilities - New HV plant in Abbeville (US)



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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

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Trade & Installers

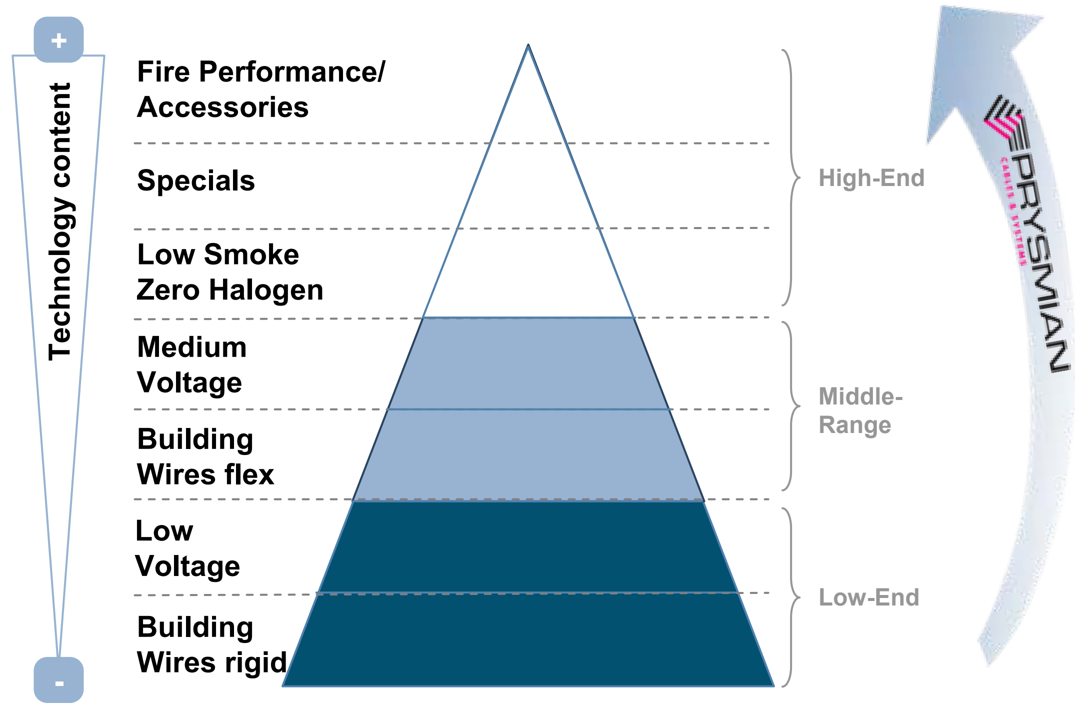
Key success factors

- 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



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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, ...

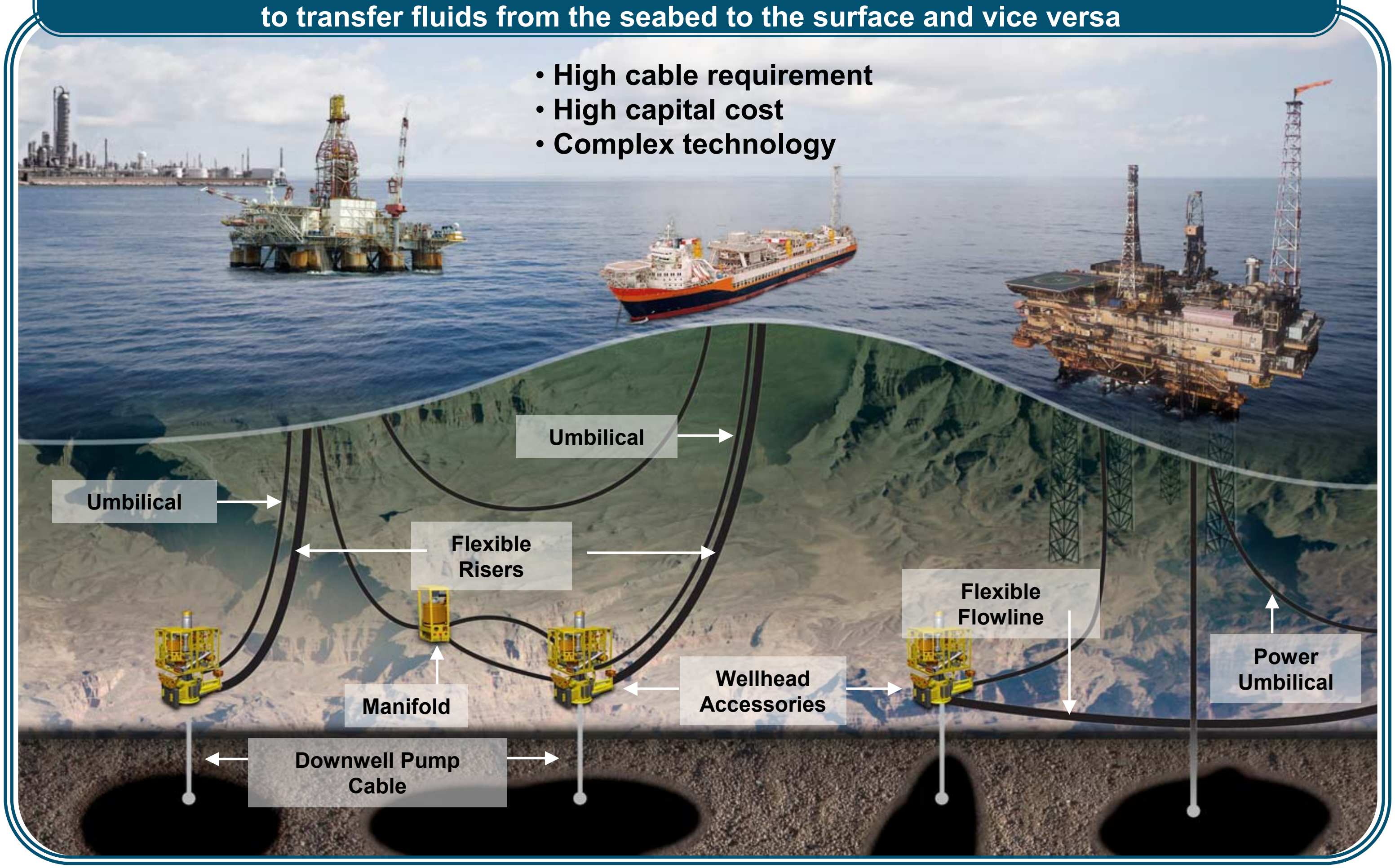
Key customers

Large and differentiated customer base generally served through direct sales

BR PETROBRAS
ZPMC Shanghai Zhenhua Port Machinery
SNCF
NOSKAB
wampfler solutions for a moving world
R&M Electrical Group Limited
SIEMENS
YAZAKI
ALSTOM
RFI
AKER KVÆRNER
SAM Electronics STN Schiffselektrik
Valeo
Elektroskandia En vaken grossist
Snamprogetti
PEUGEOT

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



Umbilical

Flexible Pipe

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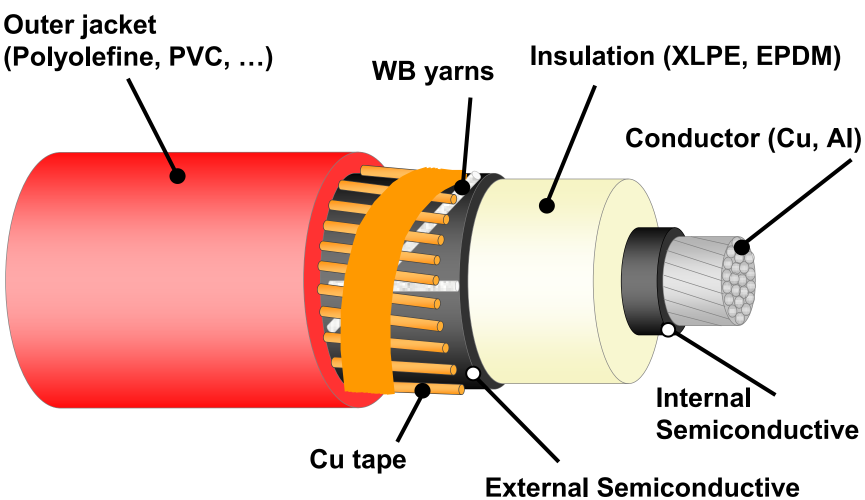
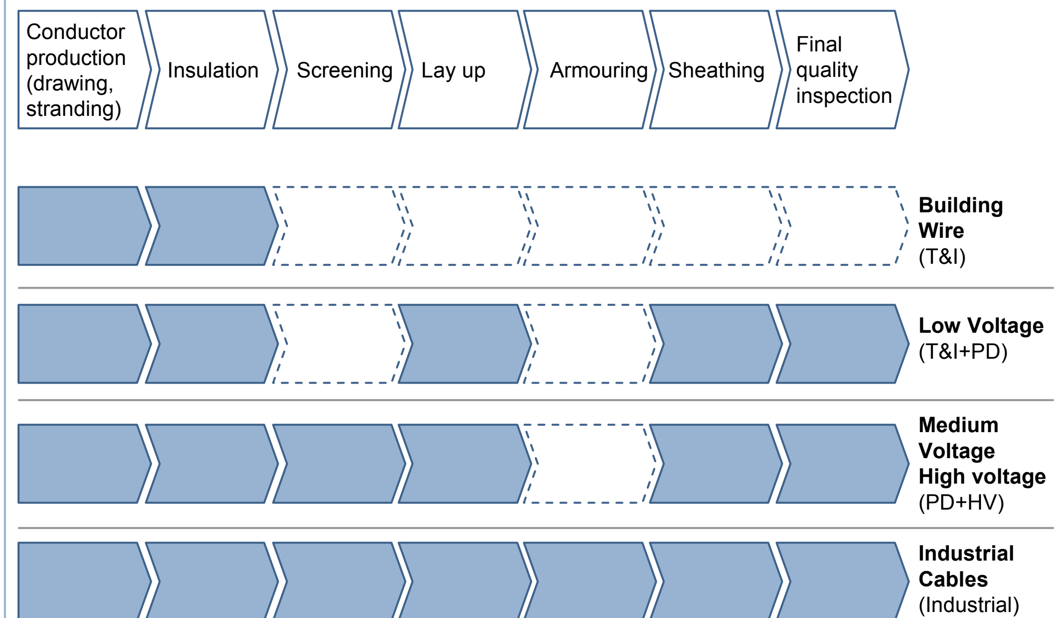
Macro-structure of Energy Cables

Product macro structure



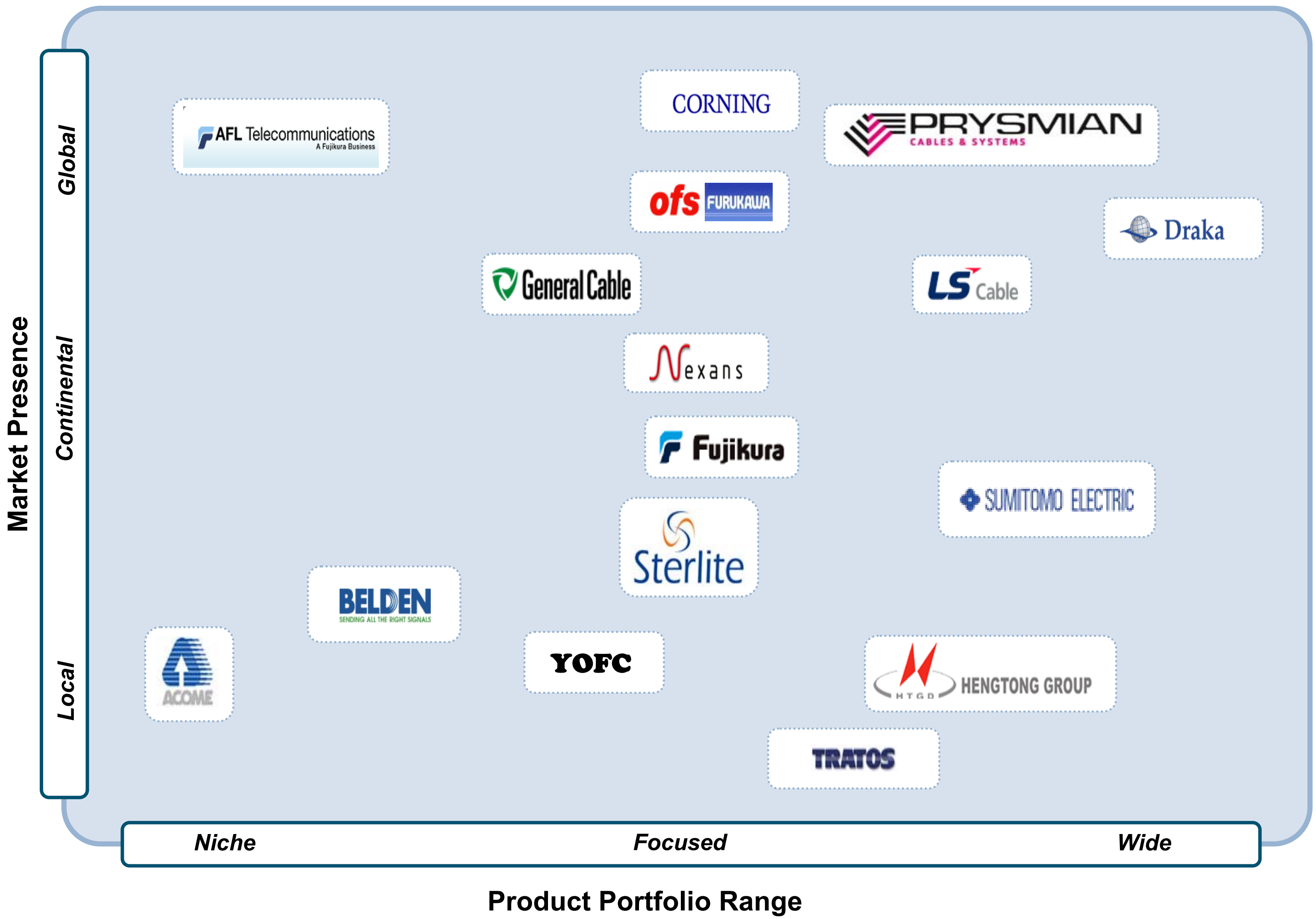
Production process



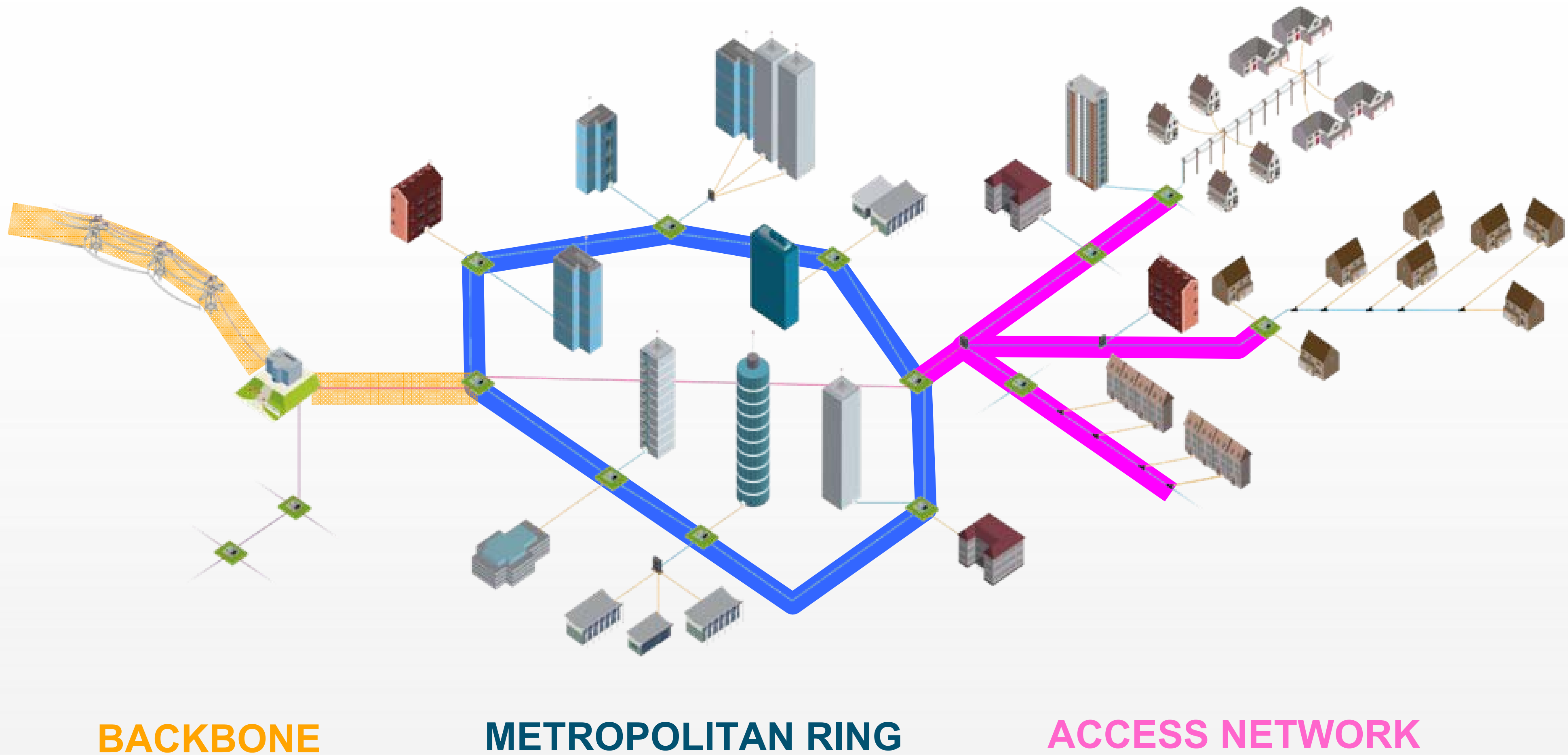
Appendix - Telecom

Major Players within the Telecom Industry

Competitive scenario



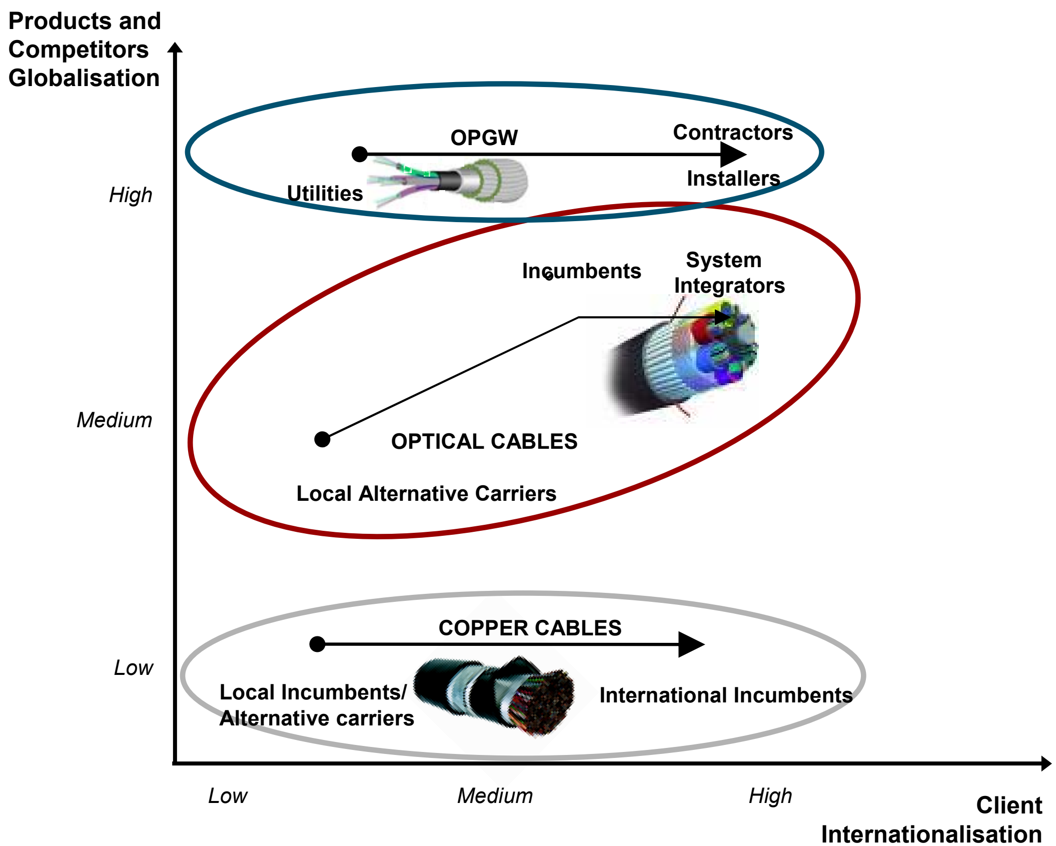
Telecom Cables Main Applications



PRYSMIAN CABLES & SYSTEMS

Telecom - Key Products and Customers

Key products



Key customers

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

TELCO Carriers

verizon, Telstra, BT

System Integrators

SIEMENS, ALCATEL, ZTE中兴

Other Operators

bharti, FASTWEB, NETCOLOGNE

PRYSMIAN CABLES & SYSTEMS

Overview of Telecom Business Lines

	Business Area	Business Line		Level of Technology	Product Standardisation
1	**Optical**	 Optical	Optical cables	High	Medium
			Optical Fibre	Very High	High
2	**Copper**	 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

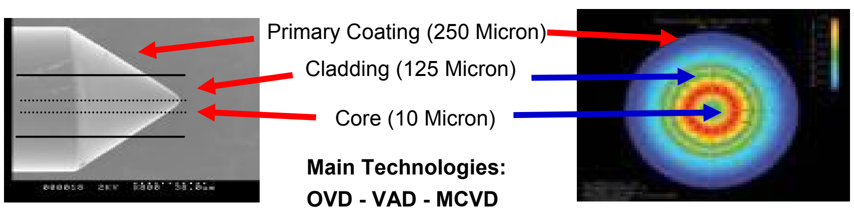
Action plan

- 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

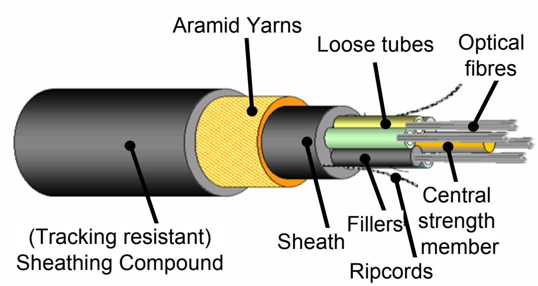
Macro-structure of Telecom Cables

	Product macro structure	Production process
Fibre optic	See figure 1 below	Pre form deposition → Consolidation → Drawing → Final quality inspection
Optical cables	See figure 2 below	Colouring → Buffering → Lay up → Armouring (yarn or metal) → Sheathing → Final quality inspection
Copper cables	See figure 3 below	Conductor production → Insulation → Twinning → Lay up → Armouring → Sheathing → Final quality inspection

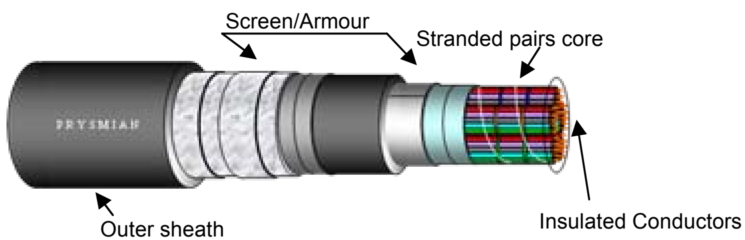
Fibre optic



Optical cables



Copper cables



Appendix - Financials

PRYSMIAN CABLES & SYSTEMS

Profit and Loss Statement

Euro Millions

	H1 2009	H1 2010	FY 2009
Sales	**1,848**	**2,148**	**3,731**
YoY total growth	*-30.5%*	*16.2%*	*-27.5%*
YoY like for like growth	*-31.1%*	*14.5%*	*-27.8%*
YoY organic growth	*-18.3%*	*-3.4%*	*-17.4%*
Contribution Margin	**393**	**387**	**791**
% on sales	*21.3%*	*18.0%*	*21.2%*
Fixed Costs	(200)	(206)	(388)
Adj.EBITDA	**193**	**181**	**403**
% on sales	*10.5%*	*8.4%*	*10.8%*
Non recurring items	*(13)*	*(6)*	*(37)*
EBITDA	**180**	**175**	**366**
% on sales	*9.8%*	*8.2%*	*9.8%*
Adj.EBIT	***161***	***143***	***334***
% on sales	*8.7%*	*6.7%*	*9.0%*
Non recurring items	*(13)*	*(6)*	*(37)*
Special items (1)	*75*	*(22)*	*89*
EBIT	**223**	**115**	**386**
% on sales	*12.1%*	*5.4%*	*10.3%*
Financial charges	*(16)*	*(51)*	*(49)*
EBT	***207***	***64***	***337***
% on sales	*11.2%*	*3.0%*	*9.0%*
Taxes	*(57)*	*(20)*	*(85)*
% on EBT	*27.5%*	*31.9%*	*25.2%*
Net income	**150**	**44**	**252**
Extraordinary items (after tax)	*56*	*(33)*	*46*
Adj.Net income	**94**	**77**	**206**

Notes

(1) Starting from Q3'09 fair value of raw material derivatives (previously included in Financial charges) is included in Special items. 2009 comparable data have been revised accordingly

PRYSMIAN
CABLES & SYSTEMS

Statement of financial position (Balance Sheet)

Euro Millions

	H1 2009	H1 2010	FY 2009
Net fixed assets	925	1,034	958
Net working capital	533	570	479
of which Derivatives assets/(liabilities)	-	(27)	14
Operative Net working capital	533	597	465
Provisions	(87)	(104)	(123)
Net Capital Employed	**1,371**	**1,500**	**1,314**
Employee provisions	126	158	142
Shareholders' equity	585	667	698
of which attributable to minority interest	21	39	21
Net financial position	660	675	474
Bank Fees	(13)	(23)	(11)
Net financial position vs Third Parties	673	698	485
Total Financing and Equity	**1,371**	**1,500**	**1,314**

Main effects (H1'10 Vs FY'09):

- Metal price: ~€ 81m
- Acquisitions: ~€ 14m
- Project Business: ~€ 15
- Currency translation: ~€ 12

PRYSMIAN CABLES & SYSTEMS

Cash Flow

Euro Millions

Including ~€ 81m negative metal price effect

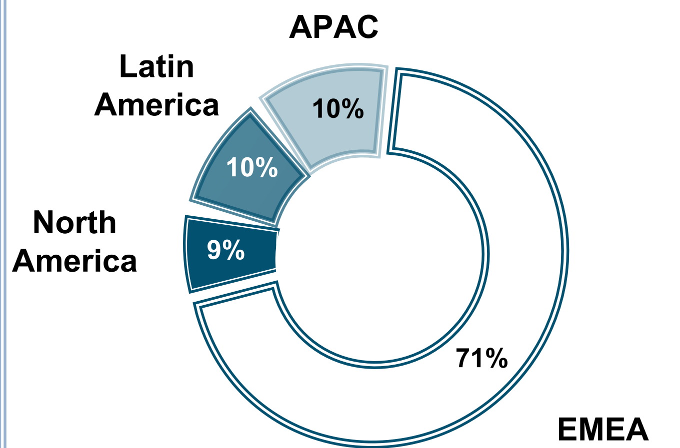
	H1 2009	H1 2010	FY 2009	LTM H1 2010
Adj.EBITDA	**193**	**181**	**403**	**391**
Non recurring items	(13)	(6)	(37)	(30)
EBITDA	**180**	**175**	**366**	**361**
Equity Compensation IFRS2	-	-	1	1
Net Change in provisions	(16)	(15)	(12)	(11)
Cash flow from operations (before WC changes)	**164**	**160**	**355**	**351**
Working Capital changes	(82)	(140)	36	(22)
Paid Income Taxes	(34)	(20)	(62)	(48)
Cash flow from operations	**48**	**0**	**329**	**281**
Acquisitions	-	(20)	(3)	(23)
Net Operative CAPEX	(51)	(31)	(106)	(86)
Net Financial CAPEX	3	5	9	11
Free Cash Flow (unlevered)	**0**	**(46)**	**229**	**183**
Financial charges	(16)	(36)	(46)	(66)
Free Cash Flow (levered)	**(16)**	**(82)**	**183**	**117**
Dividends	(75)	(75)	(75)	(75)
Other Equity movements	3	13	5	15
Net Cash flow	**(88)**	**(144)**	**113**	**57**
Net financial position at the beginning of the period	**(577)**	**(474)**	**(577)**	**(660)**
Net cash flow	(88)	(144)	113	57
Other variations	5	(57)	(10)	(72)
Net financial position at the end of the period	**(660)**	**(675)**	**(474)**	**(675)**

Including € 16m bank fees related to the new Forward Start Agreement and Eurobond

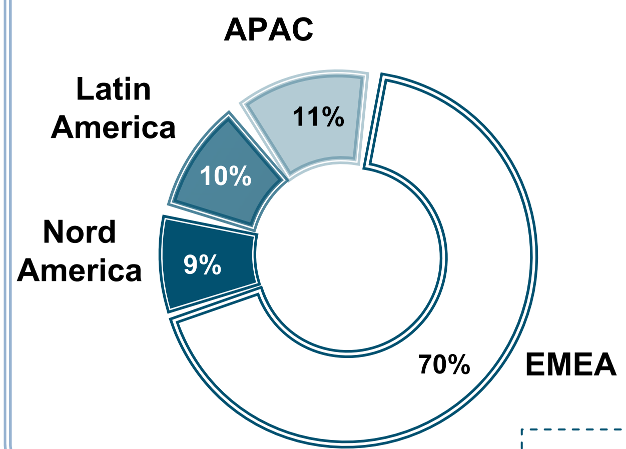
Sales Breakdown by Geographical Area

Euro Millions, % on Total Sales

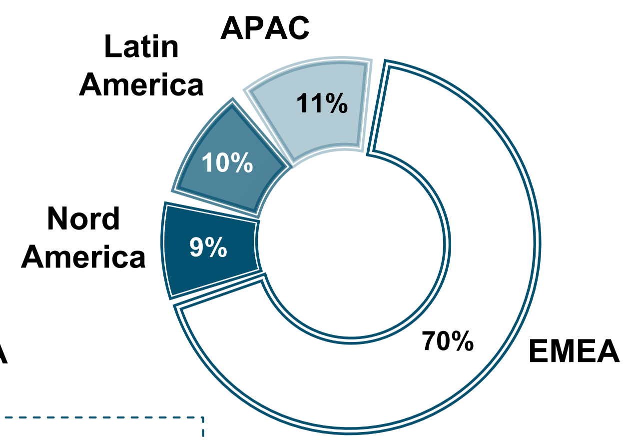
FY 2009



H1 2009



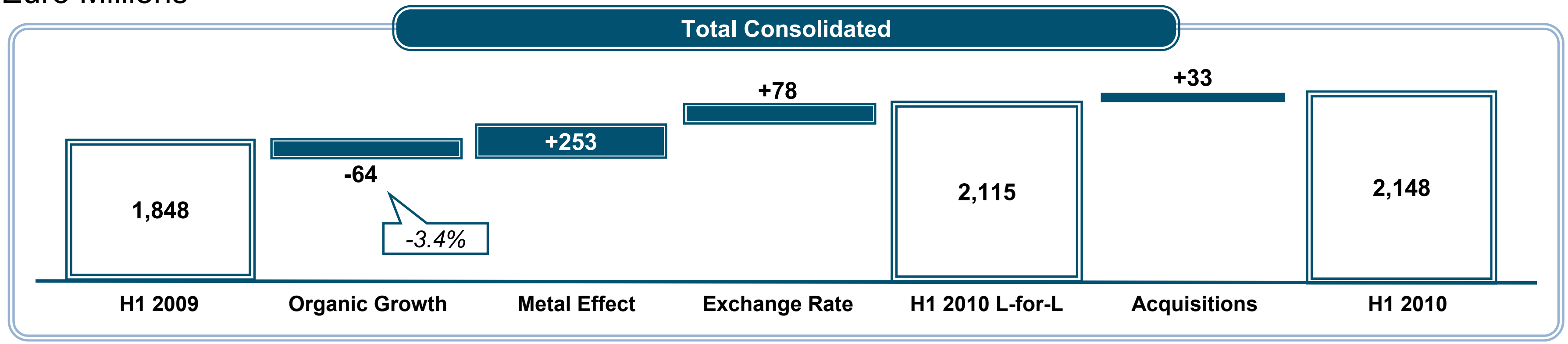
H1 2010

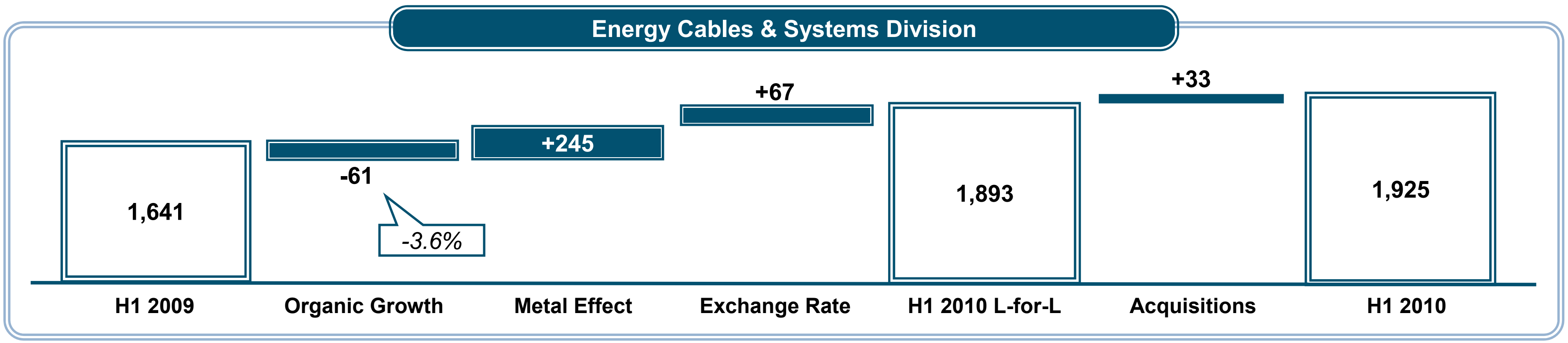


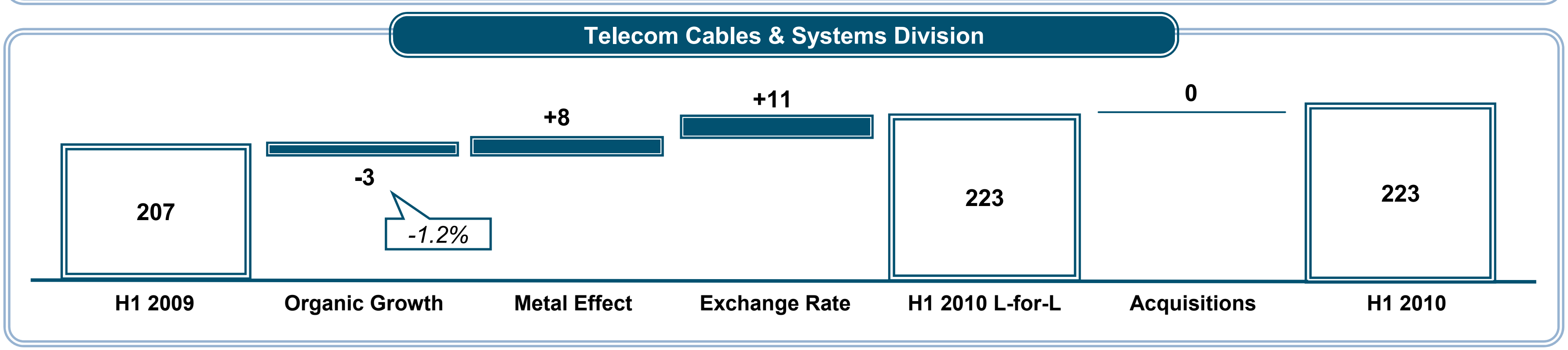
	Total Growth	Organic Growth
EMEA	*+16.1%*	*-1.3%*
North America	*+9.8%*	*-4.6%*
Latin America	*+21.3%*	*-6.1%*
APAC	*+18.2%*	*-14.0%*

Sales Drivers Vs Third Parties

Euro Millions







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Extraordinary Effects

Euro Millions

	H1 2009	H1 2010	FY 2009
Restructuring	(6)	(4)	(19)
Legal costs	(5)	-	(11)
Other	(2)	(2)	(7)
EBITDA adjustments	**(13)**	**(6)**	**(37)**
Special items	75	(22)	89
Gain/(loss) on metal derivatives	*75*	*(17)*	*91*
Assets impairment (plant closure)	*-*	*(5)*	*(2)*
EBIT adjustments	**62**	**(28)**	**52**
Gain/(Loss) on other derivatives (1)	(1)	(24)	(2)
Gain/(Loss) exchange rate	5	3	(1)
Other one-off financial Income/exp.	8	2	9
EBT adjustments	**74**	**(47)**	**58**
Tax	(18)	14	(12)
Net Income adjustments	**56**	**(33)**	**46**

Notes

(1) Including currency and interest derivatives

Financial Charges

Euro Millions

	H1 2009	H1 2010	FY 2009
Net interest expenses	**(20)**	**(28)**	**(44)**
- One-off effects	*8*	*2*	*9*
Bank fees Amortization	(2)	(3)	(5)
Gain/(loss) on exchange rates	5	3	(1)
Gain/(loss) on derivatives (1)	(1)	(24)	(2)
Net financial charges	**(18)**	**(52)**	**(52)**
Share in net income of associates	2	1	3
Total financial charges	**(16)**	**(51)**	**(49)**

Notes

(1) Including currency and interest derivatives

PRYSMIAN
CABLES & SYSTEMS

Energy Segment: Profit and Loss Statement

Euro Millions

	H1 2009	H1 2010	FY 2009
Sales	**1,649**	**1,935**	**3,344**
Sales vs. Third Parties	**1,641**	**1,925**	**3,328**
YoY total growth	*-30.6%*	*17.3%*	*-27.8%*
YoY like for like growth	*-31.1%*	*15.3%*	*-28.1%*
YoY organic growth	*-17.6%*	*-3.6%*	*-17.0%*
Contribution Margin	**348**	**343**	**706**
% on sales	*21.1%*	*17.7%*	*21.1%*
Fixed Costs	(171)	(179)	(334)
Adj. EBITDA	***177***	***164***	***372***
% on sales	*10.7%*	*8.5%*	*11.1%*
Adj. EBIT	***148***	***130***	***309***
% on sales	*9.0%*	*6.7%*	*9.3%*

Energy – Sales by business area

Euro Millions, % of Sales Growth

	H1 2009	H1 2010	Total Growth	Organic Growth
Utilities	801	829		
of which to third parties	*801*	*829*	*3.5%*	*-5.9%*
Trade & Installers	489	699		
of which to third parties	*489*	*699*	*43.0%*	*1.0%*
Industrial	314	344		
of which to third parties	*314*	*344*	*9.4%*	*-8.9%*
Others	45	63		
of which to third parties	*37*	*53*	*n.m.*	*n.m.*
Total Energy	**1,649**	**1,935**		
of which to third parties	***1,641***	***1,925***	***17.3%***	***-3.6%***

PRYSMIAN CABLES & SYSTEMS

Energy – Profitability by business area

Euro Millions, % of Sales

	H1 2009	H1 2010	H1 2009 % of Sales	H1 2010 % of Sales
Adjusted EBITDA				
Utilities	126	120	15.8%	14.4%
Trade & Installers	23	20	4.6%	2.9%
Industrial	26	26	8.4%	7.7%
Others	2	-2	n.m.	n.m.
Total Energy	**177**	**164**	**10.7%**	**8.5%**
Adjusted EBIT				
Utilities	112	103	13.9%	12.4%
Trade & Installers	15	13	3.1%	1.8%
Industrial	19	17	6.1%	5.0%
Others	2	-3	n.m.	n.m.
Total Energy	**148**	**130**	**9.0%**	**6.7%**

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Telecom Segment: Profit and Loss Statement

Euro Millions

	H1 2009	H1 2010	FY 2009
Sales	**211**	**225**	**411**
Sales vs. Third Parties	**207**	**223**	**403**
YoY total growth	*-29.6%*	*8.1%*	*-24.8%*
YoY like for like growth	*-29.8%*	*8.1%*	*-24.9%*
YoY organic growth	*-24.1%*	*-1.2%*	*-20.7%*
Contribution Margin	**44**	**44**	**85**
% on sales	*21.0%*	*19.6%*	*20.7%*
Fixed Costs	(28)	(27)	(54)
Adj. EBITDA	***16***	***17***	***31***
% on sales	*7.6%*	*7.4%*	*7.6%*
Adj. EBIT	***13***	***13***	***25***
% on sales	*6.1%*	*5.8%*	*6.1%*

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Net Working Capital

Euro Millions

	H1 2009	H1 2010	FY 2009
Inventories	476	608	443
Trade accounts receivables	680	828	622
Trade accounts payables	(556)	(818)	(561)
Other receivables/(payables)	(67)	(21)	(39)
Operative Net working capital	**533**	**597**	**465**
Derivatives assets/(liabilities)	-	(27)	14
Net working capital	**533**	**570**	**479**
% Operative NWC of sales (1)	***14.5%***	***12.7%***	***12.2%***

Notes

(1) % of sales is defined as Operative Net Working Capital on annualized last quarter sales

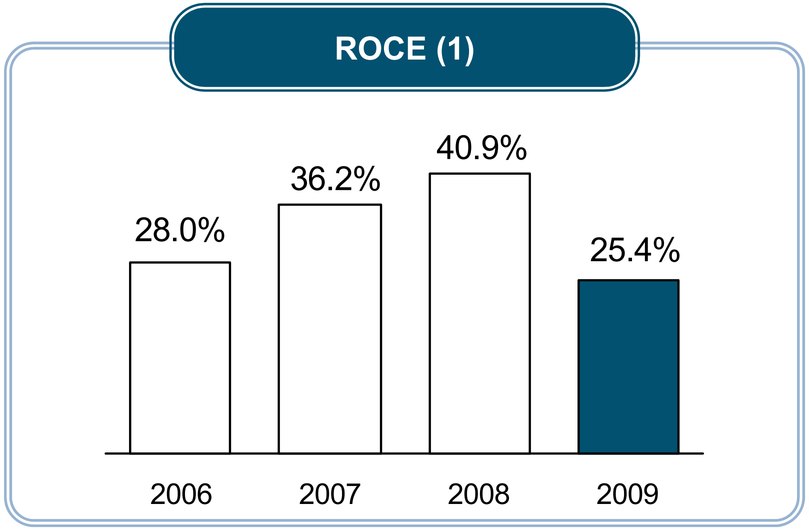
Long term financing agreement

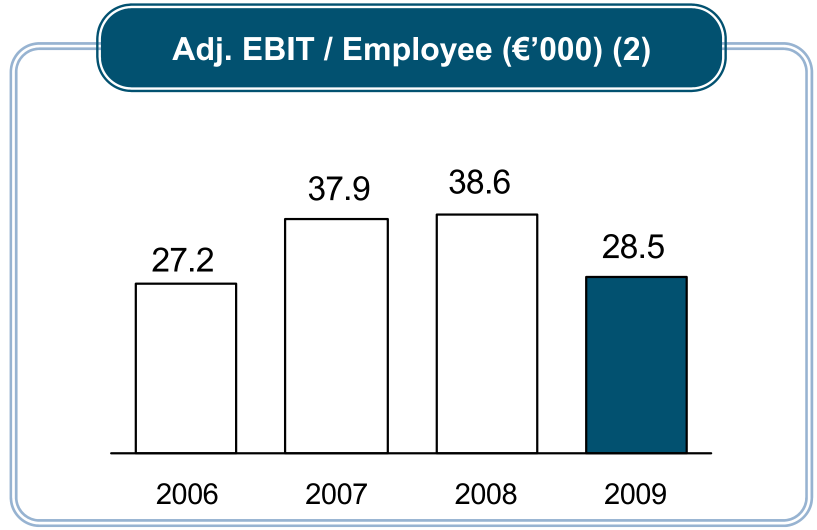
- **Two long term financing contracts expiring Mid 2012 (Cash/Unused committed credit lines at 30.06.10: over €1bn)**
- **€ 1,070 million Forward Start Credit Agreement with maturity December 2014 (signed in January 2010) to refinance Term Loan and Revolving Facility at maturity May 2012**
- **€ 400 million 5-year Eurobond (Coupon 5,25%) – Due on 9th April 2015**
  - ✓ **€ 200 million proceeds used to prepay Term Loan on 16th April 2010**

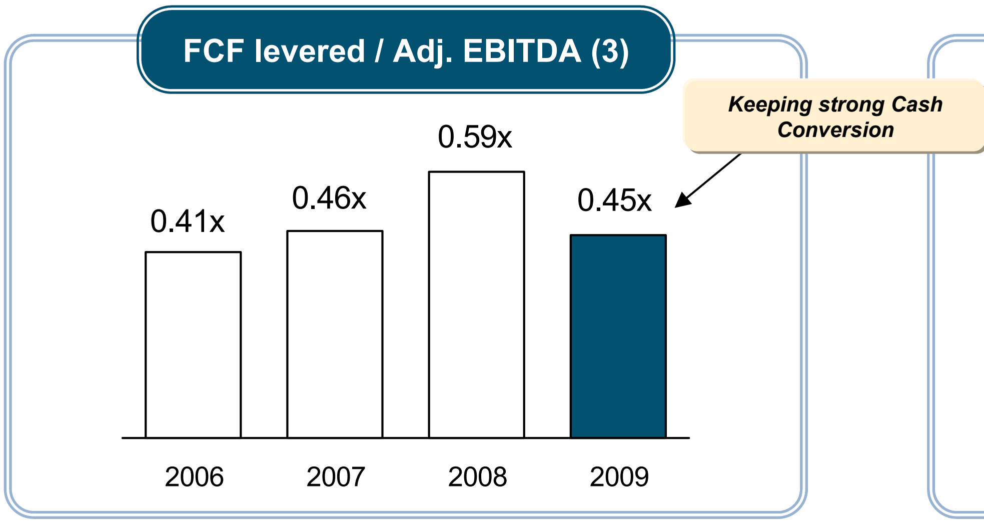
	Amount €m	Unused at 30.06.10 €m	
Securitization	350	300	350 Maturity July 2012
Term Loan	770	-	670 Maturity December 2014
Revolving Facility	400	393	400 Maturity December 2014
Bonding Facility	300	149	300 Maturity May 2012

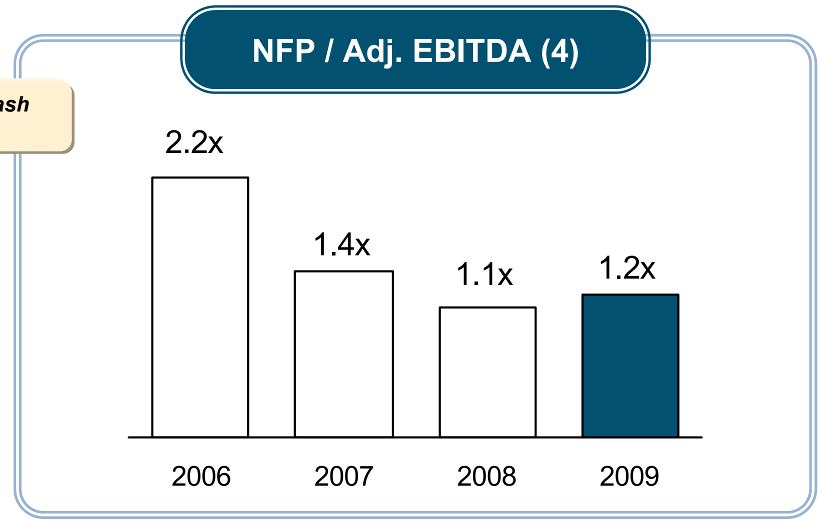
	30.06.09 €m	31.12.09 €m	30.06.10 €m
Term Loan	997	964	781
Eurobond	-	-	400
Securitization	-	-	50
Other Debt	94	101	215
Total Gross Debt	**1,091**	**1,065**	**1,446**
Cash & Cash equivalents	(344)	(492)	(462)
Other Financial Assets	(74)	(88)	(286)
NFP Vs third parties	**673**	**485**	**698**
Bank Fees	(13)	(11)	(23)
NFP	**660**	**474**	**675**

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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