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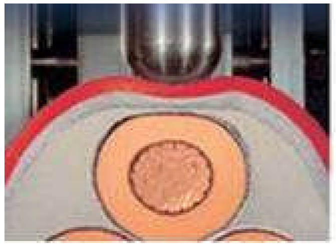


2006 Quarterly Financial Results

August 1st, 2007

Consolidated Profit and Loss Statement

Euro Millions, % of Sales

YTD (Euro / Mio)	**March 2006**	**June 2006**	**September 2006**	**December 2006**	**March 2007**
Sales	**1.107**	**2.417**	**3.725**	**5.007**	**1.205**
Contribution Margin[1]	**180**	**411**	**620**	**827**	**222**
% on sales	*16,3%*	*17,0%*	*16,6%*	*16,5%*	*18,4%*
Fixed Cost and Others (excl. Non recurring items)	(100)	(205)	(300)	(420)	(106)
Non recurring items [2]	*(2)*	*(11)*	*(19)*	*(36)*	*36*
EBITDA	**78**	**194**	**302**	**371**	**152**
% on sales	*7,1%*	*8,0%*	*8,1%*	*7,4%*	*12,6%*
Adjusted EBITDA	***80***	***205***	***320***	***407***	***116***
% on sales	*7,2%*	*8,5%*	*8,6%*	*8,1%*	*9,6%*
EBIT	**52**	**143**	**228**	**258**	**135**
% on sales	*4,7%*	*5,9%*	*6,1%*	*5,2%*	*11,2%*
Non recurring items	*(7)*	*(21)*	*(34)*	*(72)*	*36*
Adjusted EBIT	***59***	***164***	***262***	***330***	***99***
% on sales	*5,3%*	*6,8%*	*7,0%*	*6,6%*	*8,2%*
Financial charges[3]	(14)	(19)	(66)	(110)	(64)
EBT	**38**	**124**	**162**	**147**	**71**
% on sales	*3,4%*	*5,1%*	*4,4%*	*2,9%*	*5,9%*
Taxes	(16)	(48)	(66)	(56)	(19)
% on EBT	*42,3%*	*38,8%*	*40,7%*	*38,2%*	*26,7%*
Net income	**22**	**76**	**96**	**91**	**52**
Net income attributable to the Group	*22*	*75*	*94*	*89*	*49*

[1] Defined as: Adjusted EBITDA + Fixed Costs

[2] Including Euro/Mio 39 profit from Purchase Price Adjustment with Pirelli in March 07

[3] Including in March 07 Bank Fees write off equal to Euro/Mio 59

Non-Recurring Items

Euro Millions

YTD (Euro / Mio)	March 2006	June 2006	September 2006	December 2006	March 2007
Price adjustments[1]	-	-	-	-	(39)
Restructuring	-	7	14	17	1
Launch of Prysmian brand	2	4	4	6	-
IPO costs	-	-	-	10	2
TLC submarine (disposed in 2004)	-	-	-	1	-
IT Segregation and other fees	0	0	1	1	-
EBITDA adjustments	**2**	**11**	**19**	**36**	**(36)**
of which attributable to Energy Business	*2*	*11*	*17*	*22*	*1*
of which attributable to Telecom Business	*0*	*0*	*0*	*2*	*-*
of which Corporate	*-*	*-*	*1*	*12*	*(37)*
Pirelli brand licence D&A	5	10	15	32	-
Goodwill reallocation	-	-	-	5	-
EBIT adjustments	**7**	**21**	**34**	**72**	**(36)**
of which attributable to Energy Business	*7*	*21*	*32*	*54*	*1*
of which attributable to Telecom Business	*0*	*0*	*0*	*2*	*-*
of which Corporate	*-*	*-*	*1*	*16*	*(37)*
Non Recurring Bank Fees	-	-	8	15	59
(Gain)/Loss Derivatives	(13)	(31)	(16)	14	(18)
(Gain)/Loss Exchange Rate	(1)	(5)	(5)	(12)	1
(Gain)/Loss Cash Flow Hedge[2]	-	-	-	(2)	(4)
EBT Adjustments	**(7)**	**(14)**	**20**	**87**	**2**

[1] Resulting from €39.8m Price adjustments from Pirelli net of €0.5m arbitration costs

[2] Release of equity reserve due to temporary mismatch of interest rate derivatives (transition from old to new credit agreement)

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Financial Charges

Euro Millions

YTD (Euro / Mio)	**March 2006**	**June 2006**	**September 2006**	**December 2006**	**March 2007**
Net interest expenses	(16)	(33)	(40)	(62)	(14)
Bank fees	(2)	(4)	(6)	(8)	(3)
Non Recurring Bank fees	-	-	(8)	(15)	(59)
Other financial expenses	(10)	(17)	(35)	(25)	(6)
Gain/(loss) on exchange rates	1	5	5	12	(1)
Gain/(loss) on derivatives	13	31	16	(14)	18
Net financial charges	**(14)**	**(19)**	**(67)**	**(112)**	**(64)**
Share in net income of associates	-	-	1	2	-
Total financial charges	**(14)**	**(19)**	**(66)**	**(110)**	**(64)**

Taxes

Euro Millions, % of EBT

YTD (Euro / Mio)	March 2006	June 2006	September 2006	December 2006	March 2007
Current Taxes	(18)	(43)	(62)	(78)	(23)
Deferred Taxes	2	(5)	(3)	22	4
Total	**(16)**	**(48)**	**(65)**	**(56)**	**(19)**

	March 2006	June 2006	September 2006	December 2006	March 2007
EBT	38	124	162	147	71
Taxes	(16)	(48)	(65)	(56)	(19)
Tax rate	**42,3%**	**38,7%**	**40,4%**	**38,2%**	**26,7%**

Energy Division: Profit and Loss Statement

Euro Millions

YTD (Euro / Mio)	**March 2006**	**June 2006**	**September 2006**	**December 2006**	**March 2007**
Sales	**1.002**	**2.191**	**3.391**	**4.570**	**1.081**
Sales to third parties	**984**	**2.158**	**3.332**	**4.501**	**1.059**
Contribution Margin[1]	**153**	**350**	**533**	**717**	**192**
% on sales	*15,3%*	*16,0%*	*15,7%*	*15,7%*	*17,8%*
Fixed Cost and Others (excl. Non recurring items)	(82)	(169)	(247)	(349)	(89)
Non recurring items	*(2)*	*(11)*	*(17)*	*(22)*	*(1)*
EBITDA[2]	**69**	**170**	**269**	**346**	**102**
% on sales	*6,8%*	*7,8%*	*7,9%*	*7,6%*	*9,4%*
Adjusted EBITDA [2]	***70***	***181***	***286***	***368***	***103***
% on sales	*7,0%*	*8,3%*	*8,4%*	*8,1%*	*9,5%*
EBIT	**43**	**122**	**198**	**241**	**86**
% on sales	*4,3%*	*5,6%*	*5,8%*	*5,3%*	*8,0%*
Non recurring items	*(7)*	*(21)*	*(32)*	*(54)*	*(1)*
Adjusted EBIT	***50***	***143***	***230***	***295***	***87***
% on sales	*5,0%*	*6,5%*	*6,8%*	*6,4%*	*8,0%*
Corporate Costs				***(11)***	***(8)***
Reported EBITDA				***357***	***110***
				7,8%	*10,1%*

[1] Defined as: Adjusted EBITDA + Fixed Costs

[2] Including Corporate costs allocated by Business

Note: Starting from 1H2007 Financial Results, Corporate costs will be allocated by Business Division (Energy and Telecom). To provide a comparable basis same criteria was applied to 2006 Quarters Results

Energy Division by Business Area

Euro Millions - YTD

Sales (Euro / Mio)	June 2006	September 2006	December 2006
Utilities	895	1.357	1.863
of which to third parties	*891*	*1.351*	*1.853*
Trade & Installers	796	1.237	1.650
of which to third parties	*795*	*1.236*	*1.645*
Industrial	303	465	637
of which to third parties	*299*	*458*	*629*
Others Energy	197	332	420
of which to third parties	*174*	*288*	*374*
TOTAL ENERGY	**2.191**	**3.391**	**4.570**
VS THIRD PARTIES	***2.158***	***3.332***	***4.501***

Adjusted EBITDA (Euro / Mio)	June 2006	September 2006	December 2006
Utilities	104	156	197
% on sales	*11,7%*	*11,5%*	*10,6%*
Trade & Installers	49	82	119
% on sales	*6,1%*	*6,6%*	*7,2%*
Industrial	24	41	46
% on sales	*8,0%*	*8,7%*	*7,3%*
Others Energy	4	8	5
% on sales	*2,0%*	*2,3%*	*1,2%*
TOTAL ENERGY	**181**	**286**	**368**
% on sales	***8,3%***	***8,4%***	***8,1%***

Adjusted EBIT (Euro / Mio)	June 2006	September 2006	December 2006
Utilities	84	127	157
% on sales	*9,3%*	*9,4%*	*8,4%*
Trade & Installers	40	69	101
% on sales	*5,0%*	*5,5%*	*6,1%*
Industrial	18	32	34
% on sales	*6,1%*	*6,9%*	*5,3%*
Others Energy	1	2	3
% on sales	*0,4%*	*0,7%*	*0,8%*
TOTAL ENERGY	**143**	**230**	**295**
% on sales	***6,5%***	***6,8%***	***6,4%***

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Telecom Division: Profit and Loss Statement

Euro Millions

YTD (Euro / Mio)	March 2006	June 2006	September 2006	December 2006	March 2007
Sales	**126**	**268**	**406**	**537**	**151**
Sales to third parties	**123**	**258**	**393**	**506**	**146**
Contribution Margin[1]	**27**	**60**	**86**	**110**	**30**
% on sales	*21,4%*	*22,4%*	*21,3%*	*20,5%*	*20,2%*
Fixed Cost and Others (excl. Non recurring items)	(17)	(36)	(52)	(71)	(17)
Non recurring items	*(0)*	*(0)*	*(0)*	*(2)*	-
EBITDA[2]	**10**	**24**	**34**	**37**	**14**
% on sales	*7,9%*	*8,9%*	*8,4%*	*6,9%*	*9,0%*
Adjusted EBITDA[2]	***10***	***24***	***34***	***39***	***14***
% on sales	*7,9%*	*9,0%*	*8,4%*	*7,2%*	*9,0%*
EBIT	**9**	**21**	**31**	**33**	**13**
% on sales	*7,0%*	*8,0%*	*7,7%*	*6,2%*	*8,3%*
Non recurring items	*(0)*	-	*(0)*	*(2)*	-
Adjusted EBIT	***9***	***21***	***32***	***35***	***13***
% on sales	*7,0%*	*8,0%*	*7,8%*	*6,6%*	*8,3%*

	December 2006	March 2007
Corporate Costs	***(0)***	***(0)***
Reported EBITDA	***37*** *7,0%*	***14*** *9,1%*

[1] Defined as: Adjusted EBITDA + Fixed Costs

[2] Including Corporate costs allocated by Business

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Balance Sheet

Euro Millions

(Euro / Mio)	2005 December	2006 March	2006 June	2006 September	2006 December	2007 March
Net fixed assets	923	901	873	874	875	867
Net working capital	490	589	674	680	442	513
Provisions	(183)	(182)	(182)	(175)	(140)	(133)
Net Capital Employed	**1.230**	**1.308**	**1.365**	**1.379**	**1.177**	**1.247**
Employee provisions	132	131	129	129	128	126
Shareholders' equity	205	249	284	179	170	222
of which attributable to minority interest	*22*	*20*	*17*	*19*	*19*	*22*
Net financial position	892	928	952	1.071	879	899
Debt Shareholders Loans	115	118	122	41	42	43
Bank Fees	(59)	(57)	(55)	(73)	(63)	(6)
Net financial position vs Third Parties	836	867	884	1.103	900	862
Total Financing and Equity	**1.230**	**1.308**	**1.365**	**1.379**	**1.177**	**1.247**

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Net Working Capital

Euro Millions

(Euro / Mio)	2005	2006				2007
	December	March	June	September	December	March
Inventories	466	533	588	612	535	594
Trade accounts receivables	842	955	1.045	1.015	848	912
Trade accounts payables	(604)	(679)	(744)	(726)	(736)	(792)
Other receivables/(payables)	(214)	(220)	(215)	(221)	(205)	(201)
Net working capital	**490**	**589**	**674**	**680**	**442**	**513**

Cash Flow

Euro Millions

(Euro / Mio)	March 2006	June 2006	September 2006	December 2006	March 2007
EBITDA	**78**	**194**	**302**	**371**	**152**
Price adjustment	-	-	-	-	(40)
Gains/losses on disposals	-	(1)	(1)	(8)	(1)
Net Change in provisions	(3)	(4)	3	(3)	(2)
Cash flow from operations (before WC changes)	**75**	**189**	**304**	**359**	**109**
Working Capital changes	(86)	(188)	(194)	43	(64)
Paid Income Taxes	(11)	(29)	(50)	(56)	(16)
Cash flow from operations	**(22)**	**(28)**	**60**	**347**	**29**
Price adjustment	-	-	-	-	40
Net CAPEX[1]	(8)	(12)	(28)	(69)	(10)
Free Cash Flow (unlevered)	**(30)**	**(40)**	**32**	**278**	**59**
Financial charges	(14)	(19)	(67)	(112)	(22)
Free Cash Flow (levered)	**(44)**	**(59)**	**(35)**	**166**	**37**
Proceeds from share capital and other movements in SH equity	-	-	(90)	(90)	-
SHL Reimbursement	-	-	(51)	(51)	-
Dividends paid	-	-	-	-	-
Net Cash flow	**(44)**	**(59)**	**(176)**	**25**	**37**
Net financial position at the beginning of the period	**(892)**	**(892)**	**(892)**	**(892)**	**(879)**
Net cash flow	(44)	(59)	(176)	25	37
Other variations[2]	8	(1)	(3)	(11)	(57)
Net financial position at the end of the period	**(928)**	**(952)**	**(1.071)**	**(879)**	**(899)**

[1] Not including movements of the item “Securities held for trading” (included in Net Financial Position)
[2] Including of €59m due to bank fees write-off in Q107