



Company Presentation

Pan-European Capital Goods & Aerospace CEO Conference – JP Morgan

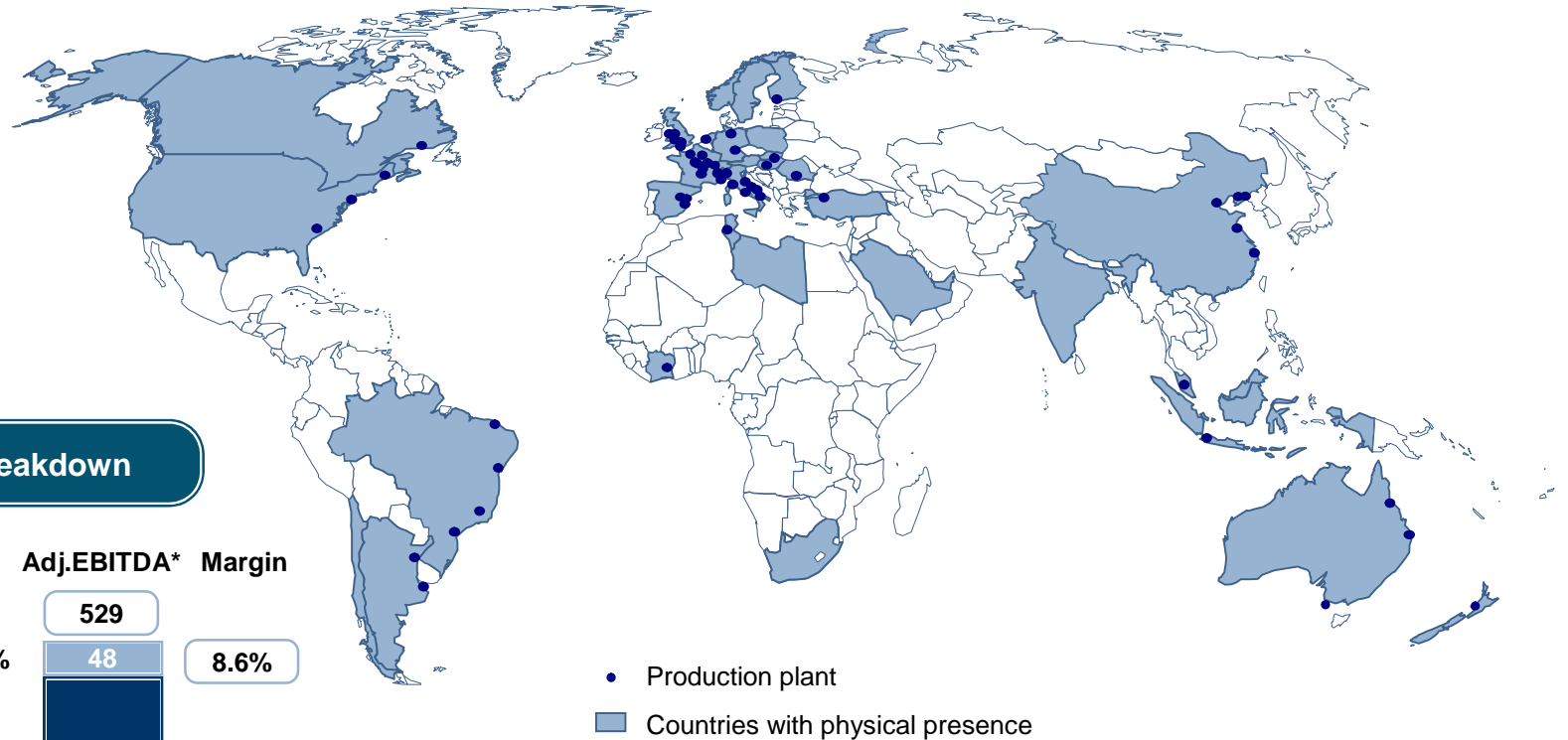
Surrey (UK), 11-12th June 2008

Agenda

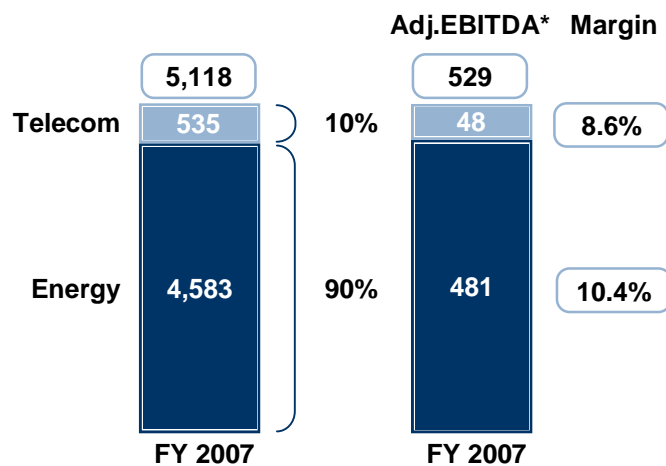
➤ Group Overview

- Division Results & Outlook 2008
- Financials
- Appendix

A Global Cable Manufacturer



Business Breakdown

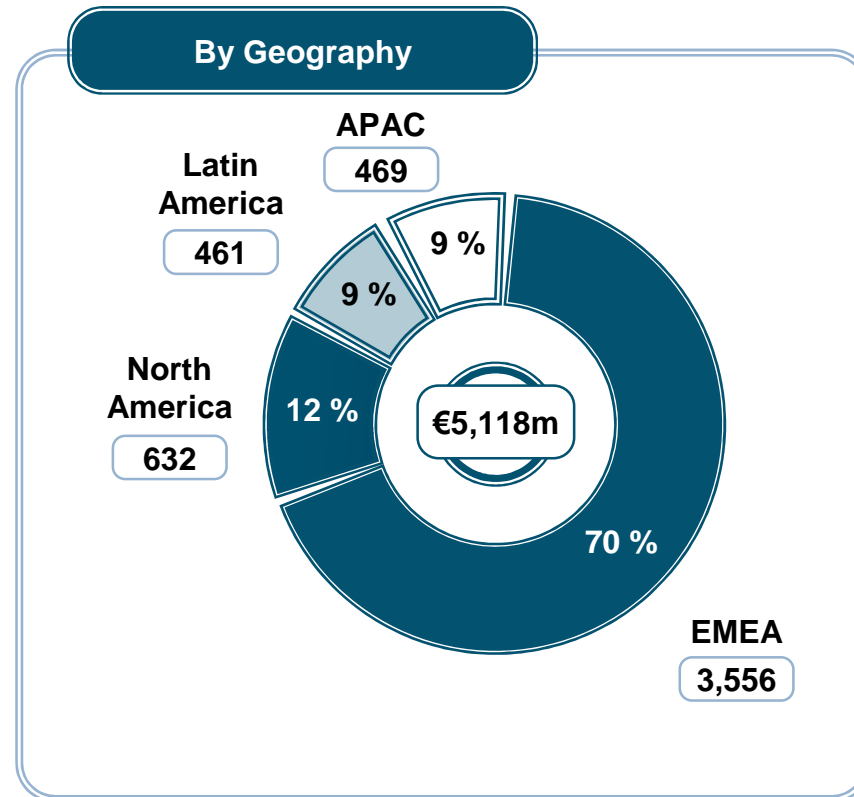
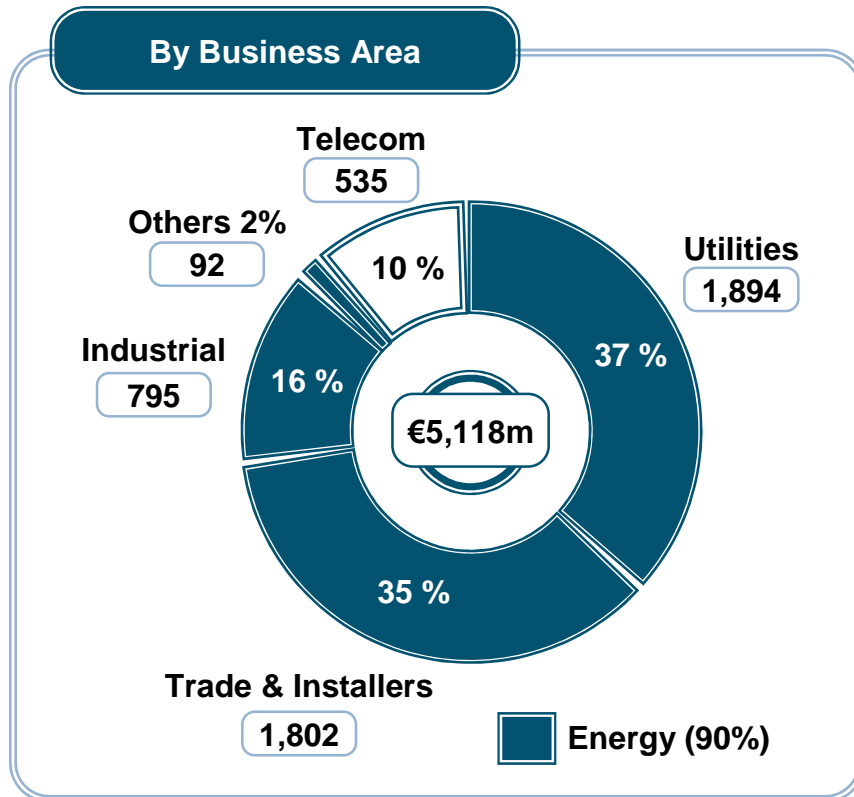


The Prysmian Group operates **54** plants, has subsidiaries in **36** countries with **12,243** (Dec.2007) employees and sells its products worldwide

*EBITDA adjusted excluding non-recurring items.

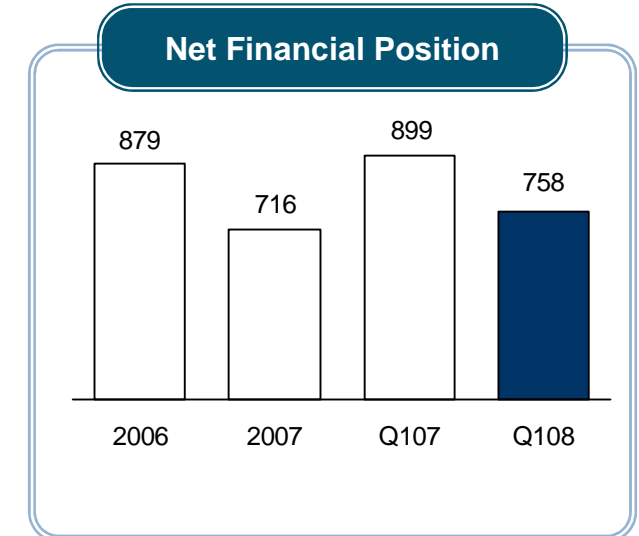
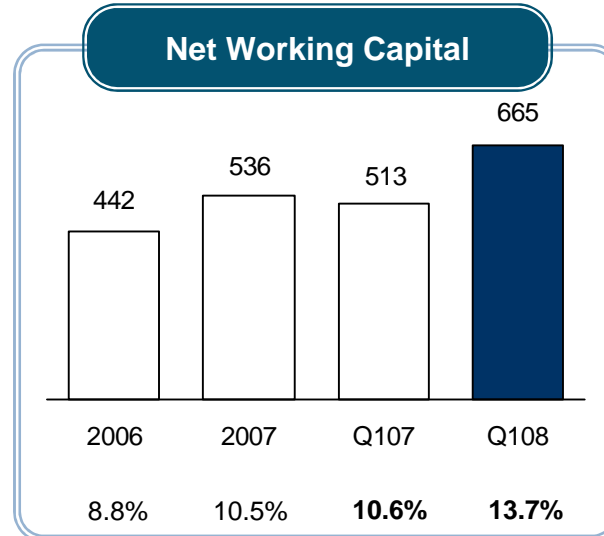
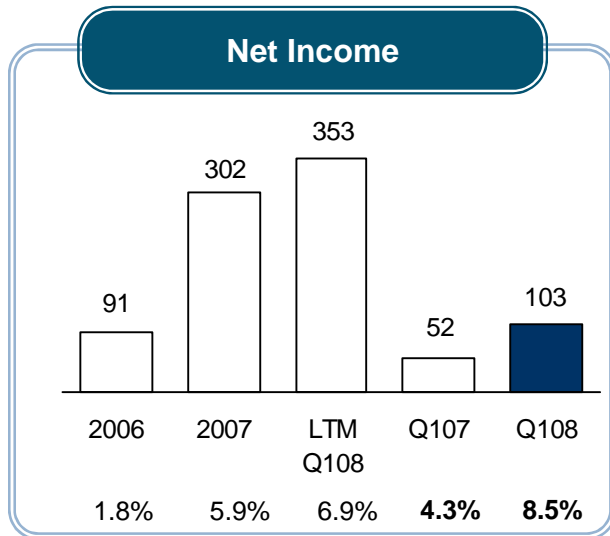
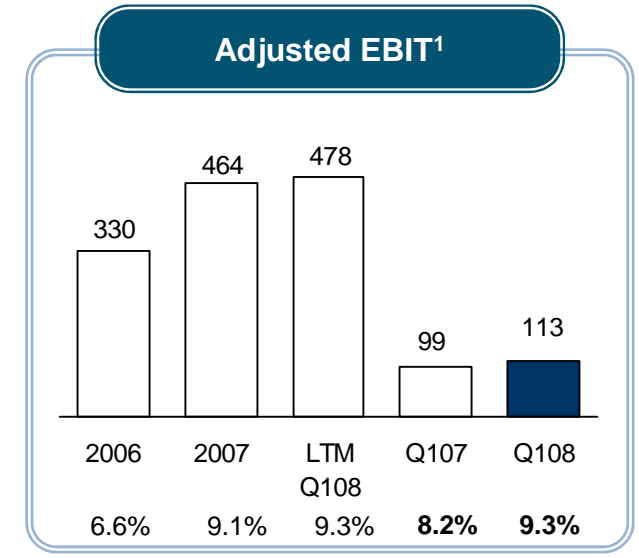
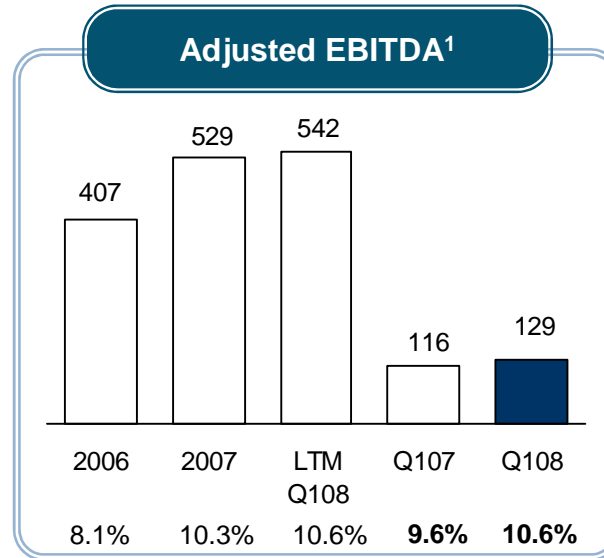
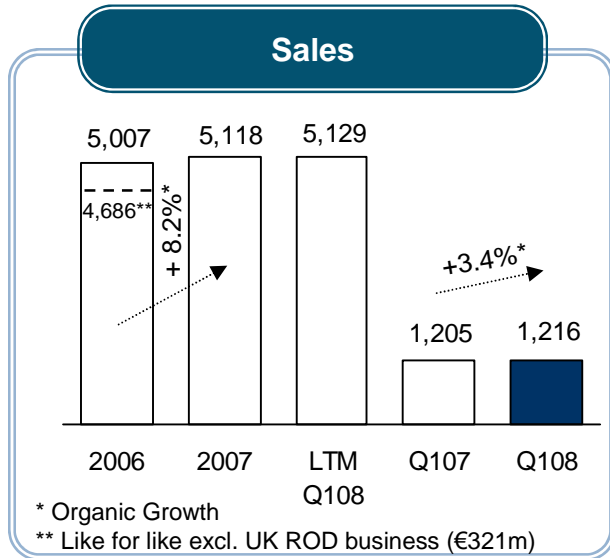
A Complete and Diversified Presence and Product Offering

Sales FY 2007 Euro Millions



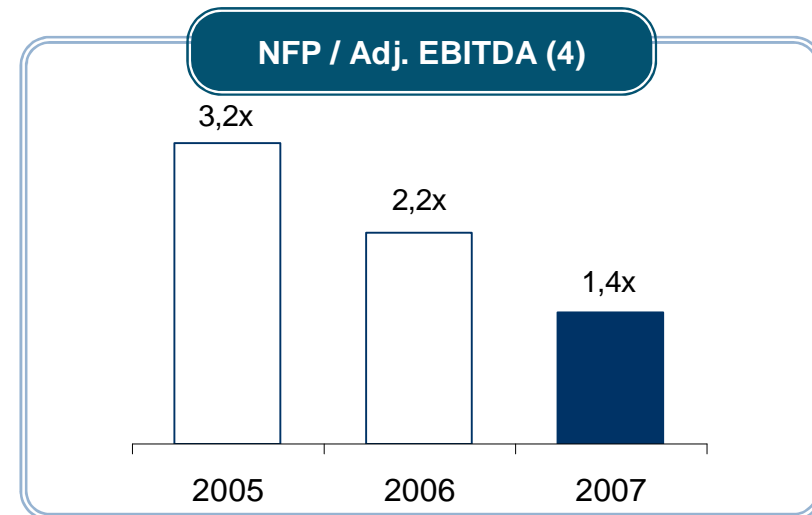
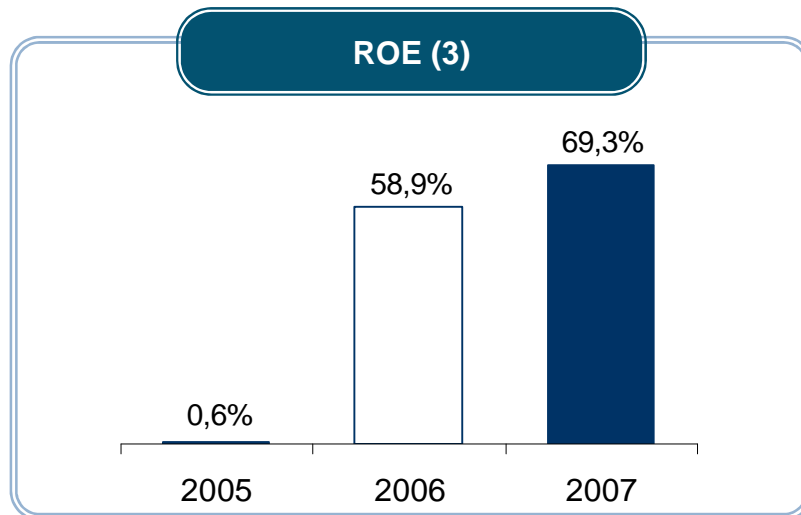
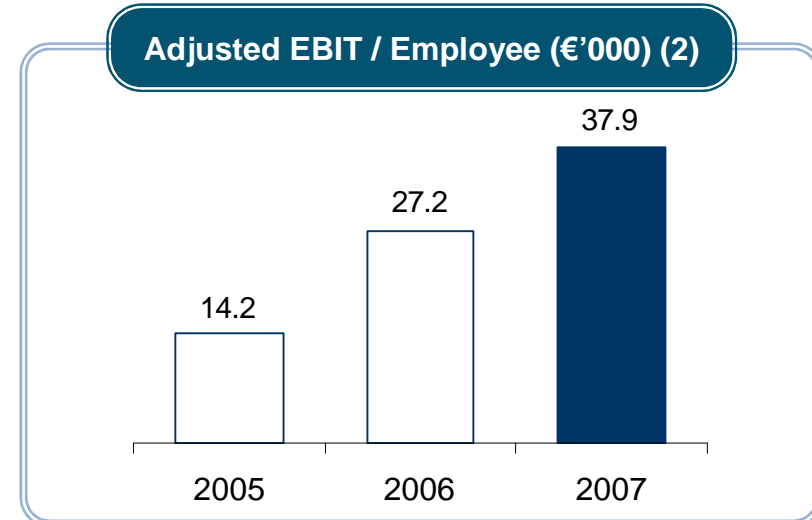
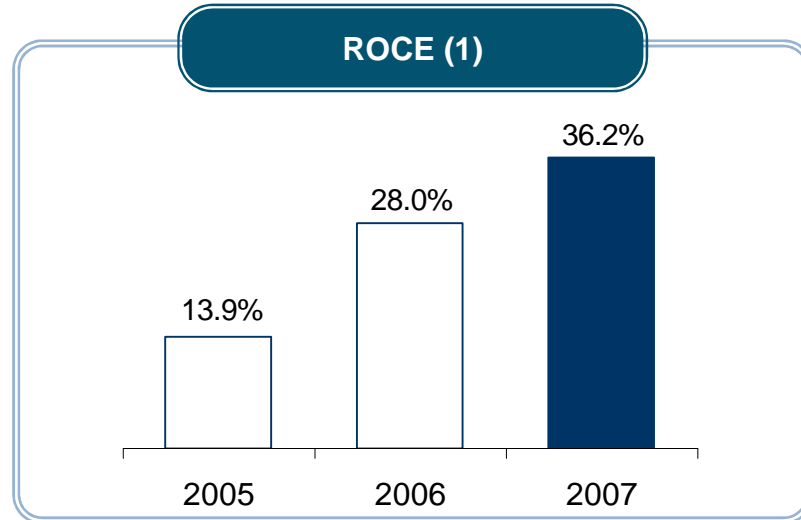
Q1 2008 Key Financials

Euro Millions, % of Sales



¹ EBITDA and EBIT adjusted excluding non-recurring items.

Key Performance Ratios



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

(2) Year end employees: 12,082 (2005); 12,143 (2006); 12,243 (2007)

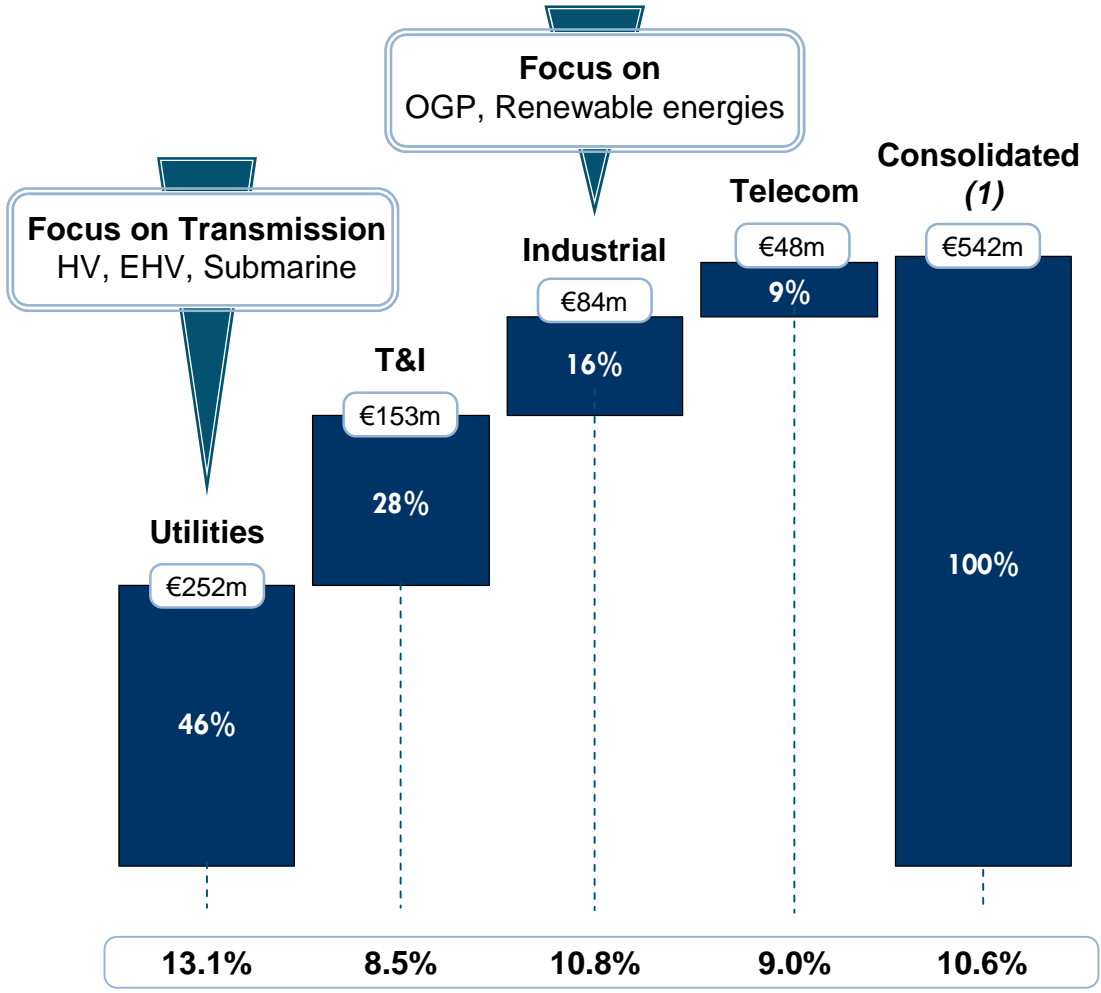
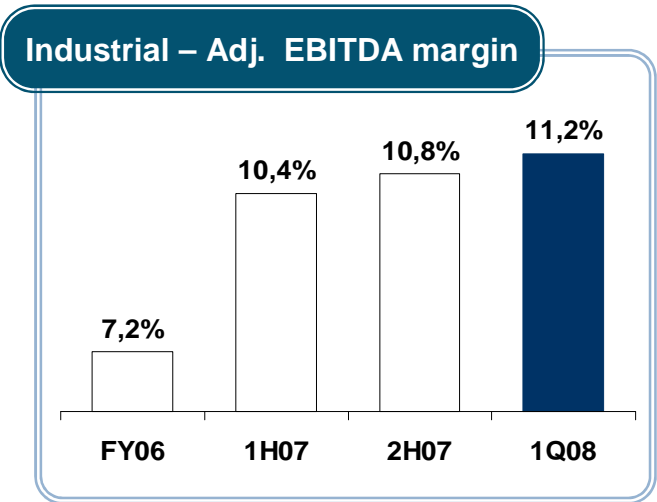
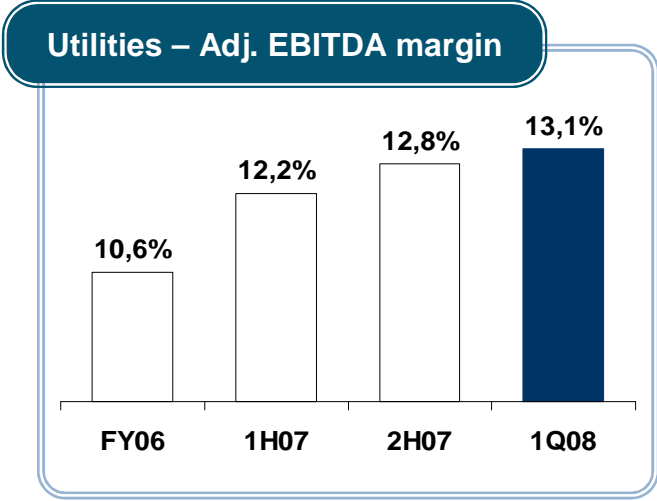
(3) Calculated as Net Income after minorities / Shareholders equity ex. Minorities YE

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

Adj. EBITDA breakdown by business

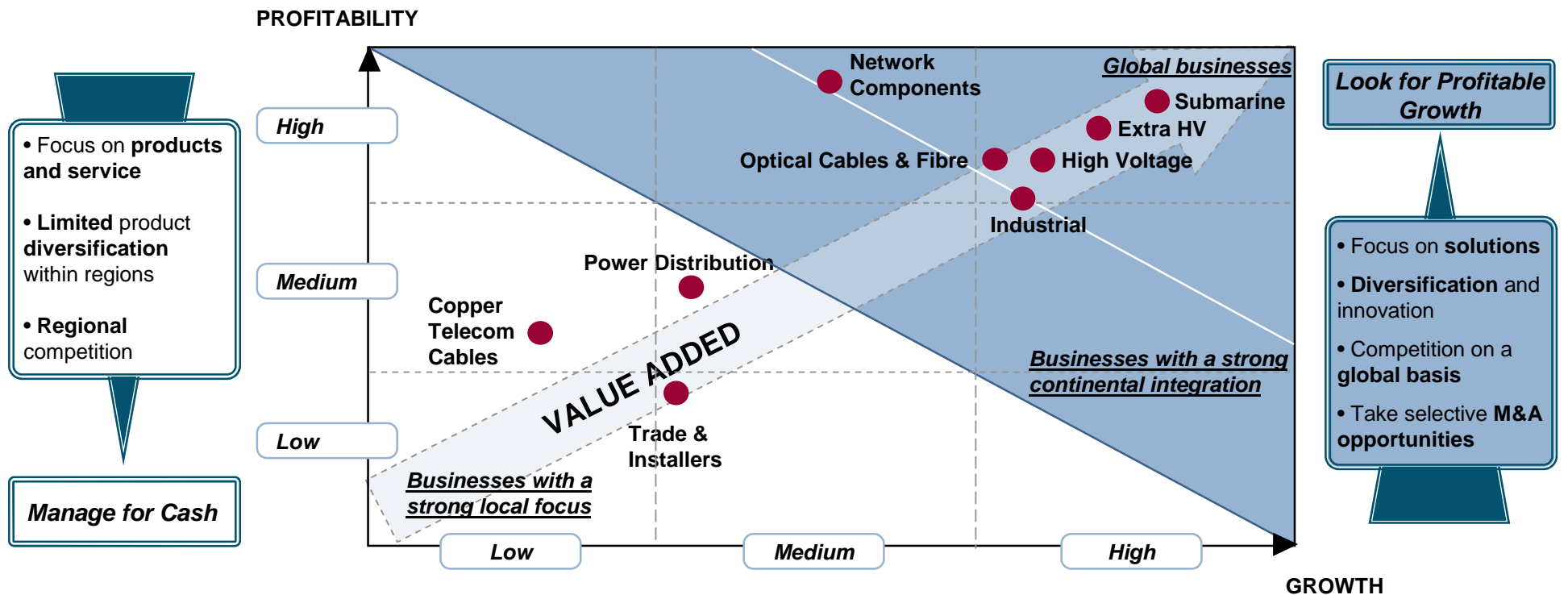
Euro Millions, % of Sales

Increasing capacity in high profitability businesses to further improve ROCE and exposure to long visibility segments



(1) Includes €5m Adj. EBITDA from Other activities

Clear Segmentation Strategy Focused on High Value-Added Products

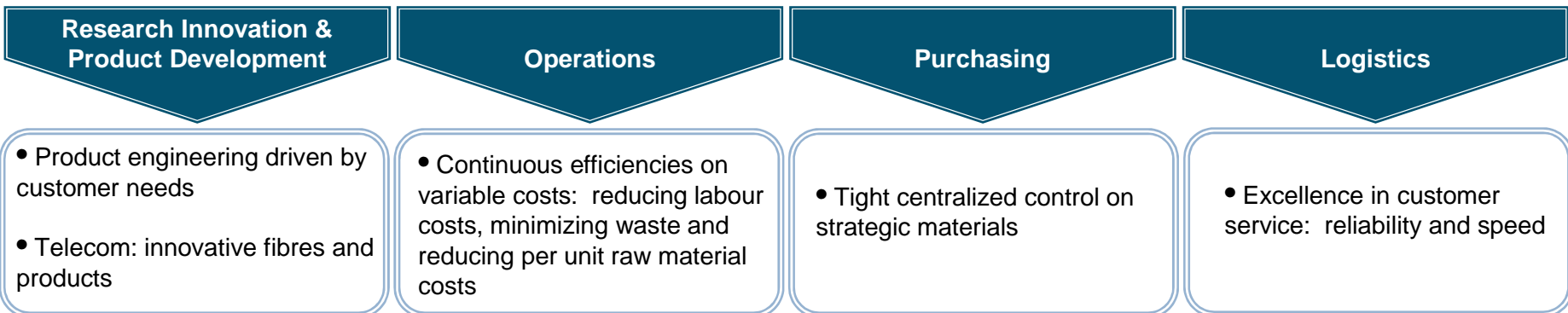


- Focus on **products and service**
- **Limited product diversification** within regions
- **Regional competition**

Manage for Cash

Look for Profitable Growth

- Focus on **solutions**
- **Diversification** and innovation
- Competition on a **global basis**
- Take selective **M&A opportunities**



Agenda

➤ Group Overview

➤ Division Results & Outlook 2008

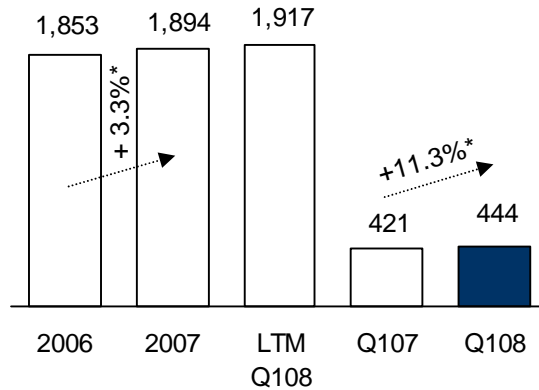
➤ Financials

➤ Appendix

Utilities

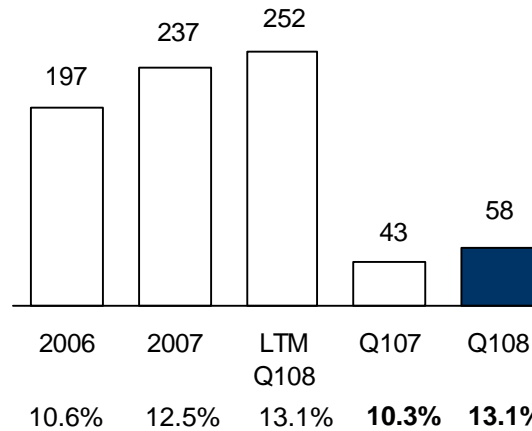
Euro Millions, % of Sales

Sales Vs Third Parties

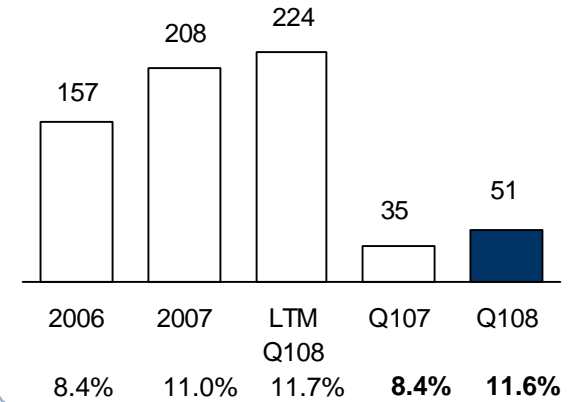


* Organic Growth

Adjusted EBITDA



Adjusted EBIT



Distribution

- Decrease in volumes due to weak USA demand partially offset by Europe and APAC
- Q1'08 margin stable Vs Q1'07 despite strong comparable basis
- Product mix improvement in key European markets: Italy, UK and Spain

Transmission

HIGH VOLTAGE

- Double digit organic growth
- Substantial margin improvement due to projects mix
- Strong increase in orders backlog (over 50% of 2009 production capacity)
- New investments in progress to sustain 2009 volumes growth

SUBMARINE

- High double digit sales increase expected to continue
- Strong demand driving further increase in order book

Global Leader in Transmission

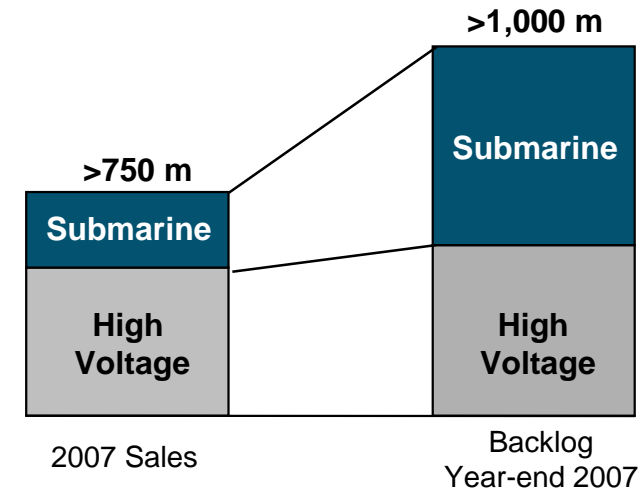
2007 Utilities Sales Breakdown

Distribution

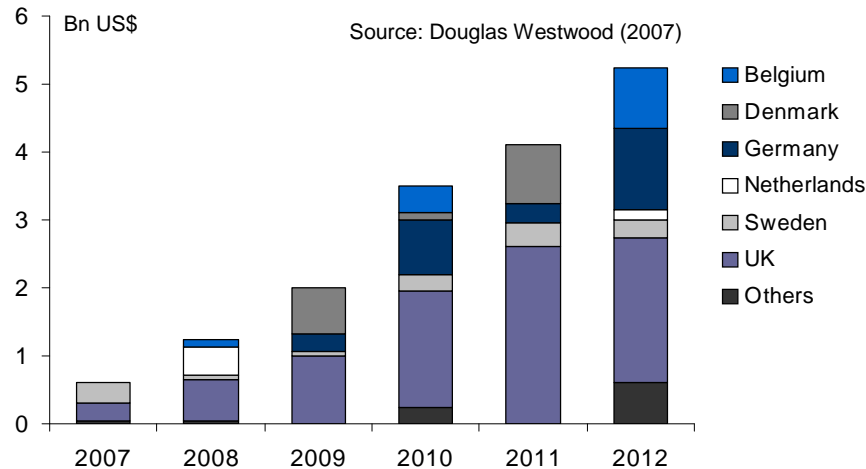
~ 60%

~ 40%

Transmission
- High Voltage
- Submarine



Off-shore Wind farms – Capital Expenditure

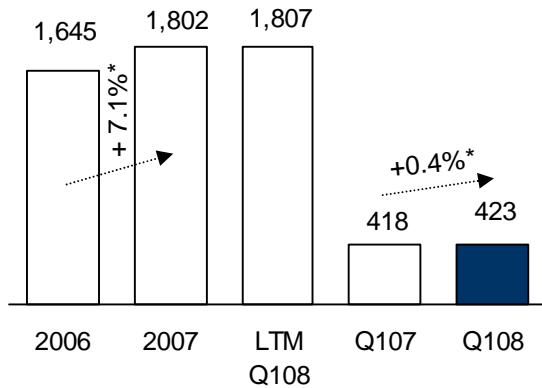


- Over US\$ 15 bn of capital expenditure in the 2008-12 period
- Limited number of players
- High entry barriers both in assets and know-how
- Transmission requirement moving from MV to HV and EHV
- Governments are stimulating investments
- 9 projects already awarded to Prysmian

Trade & Installers

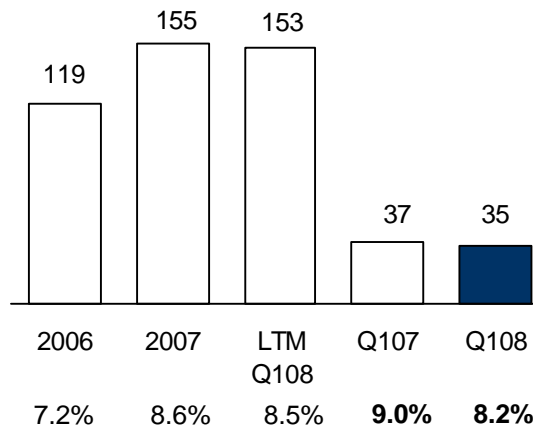
Euro Millions, % of Sales

Sales Vs Third Parties

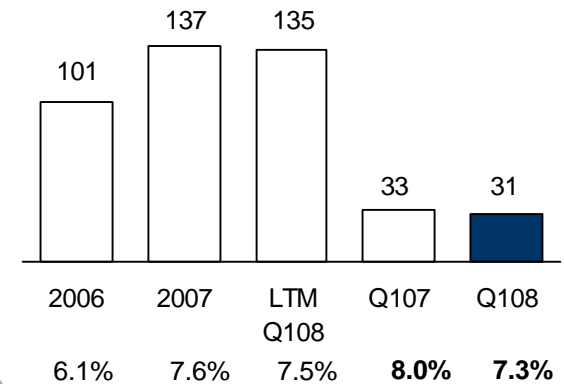


* Organic Growth

Adjusted EBITDA



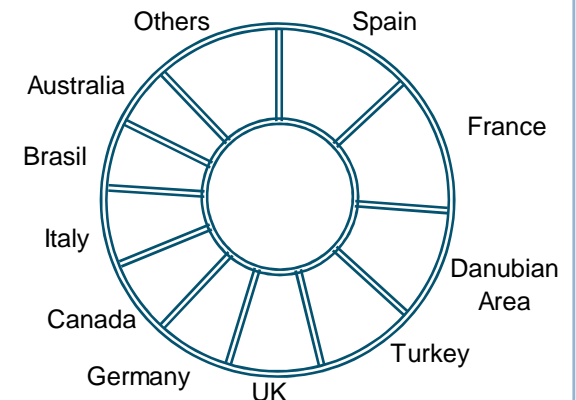
Adjusted EBIT



Highlights

- Volumes substantially stable in all geographical areas (EMEA, North America, South America and APAC)
- Slight margin erosion (started in 2007) in a limited number of countries partially offset by general improvement of product (e.g. LSOH, Fire resistant) and channel mix
 - Margins also negatively affected by exchange rate

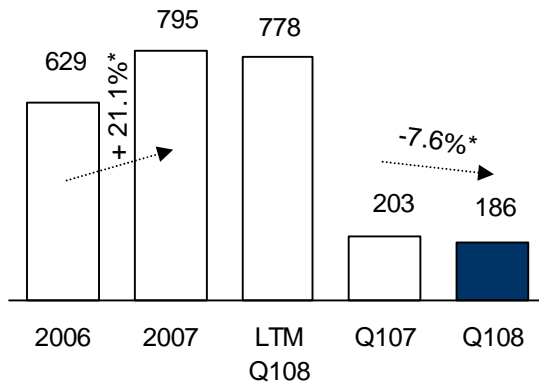
FY2007 Sales by geography



Industrial

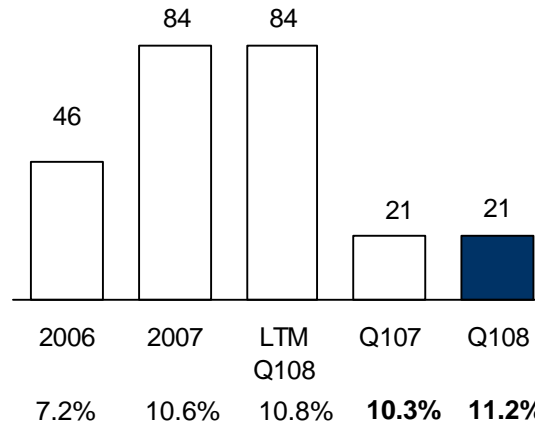
Euro Millions, % of Sales

Sales Vs Third Parties

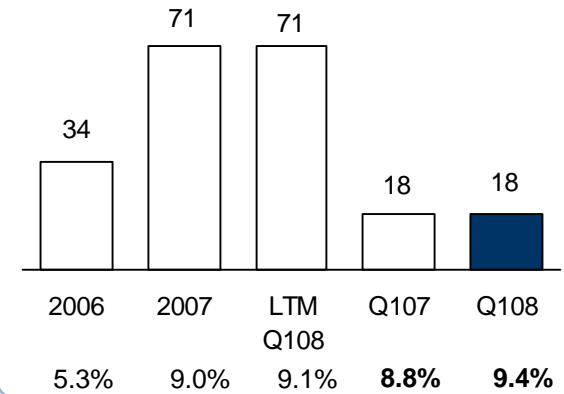


* Organic Growth

Adjusted EBITDA



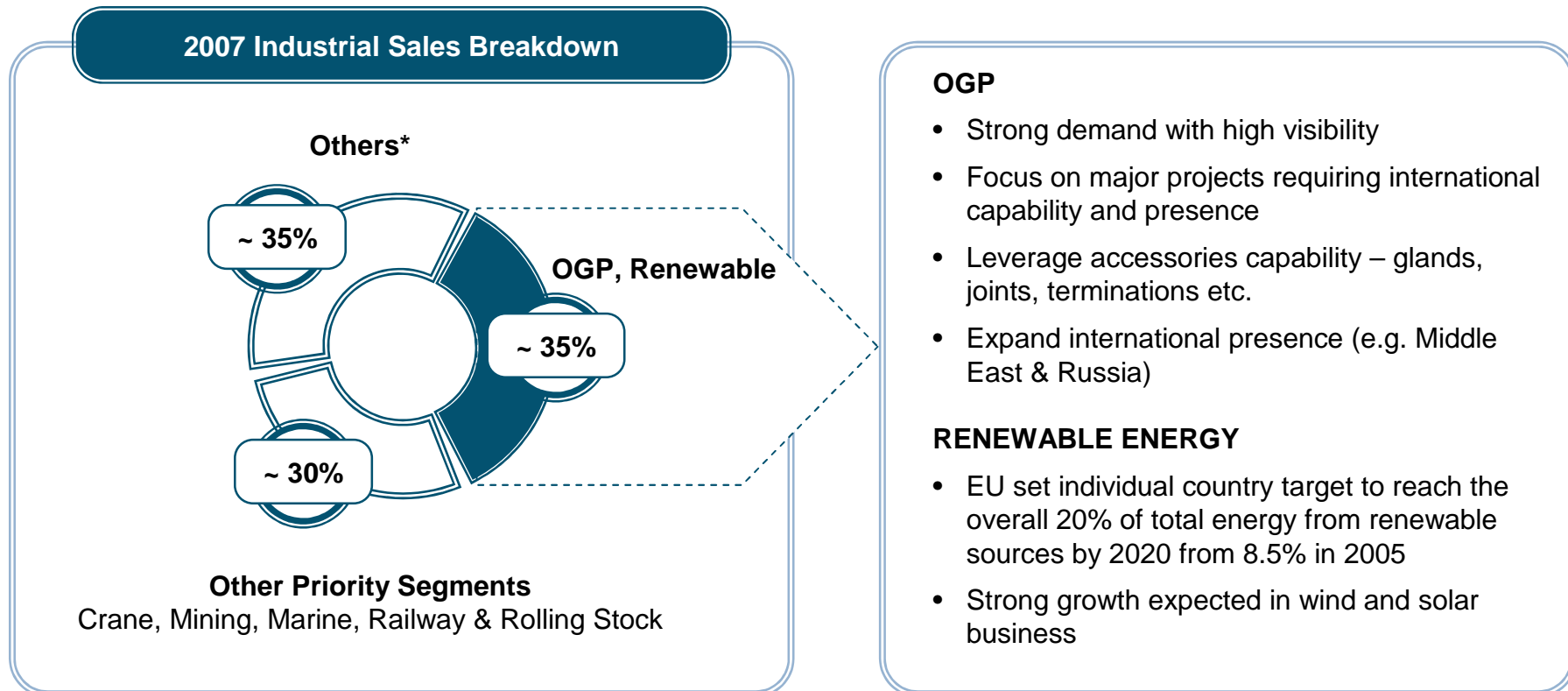
Adjusted EBIT



Highlights

- Lower volumes due to projects phasing and temporary production constraints:
 - OGP: phasing of umbilical projects in Brazil; strong order book to drive sales growth next quarters 2008 and H1'09
 - Mining (Australia): big contracts awarded in Q1'07 expected to come in H2'08
 - Renewable energies: growth expected to accelerate during the year also penetrating new markets (e.g. Italy and France)
 - Significant revenues growth in Marine (e.g. Finland) and Crane (e.g. Germany and Italy)

Industrial – High growth expected in Priority segments

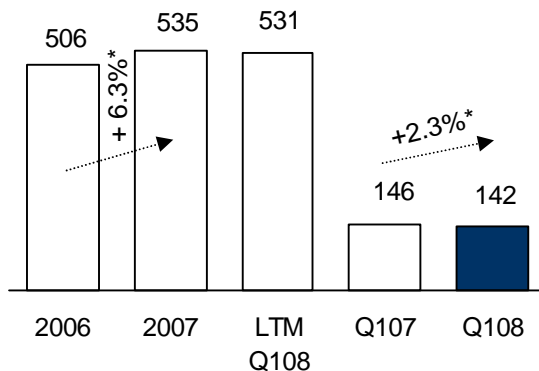


* Others include: Automotive, Branchement, Defence, Electromedical, Nuclear, other niches

Telecom Division

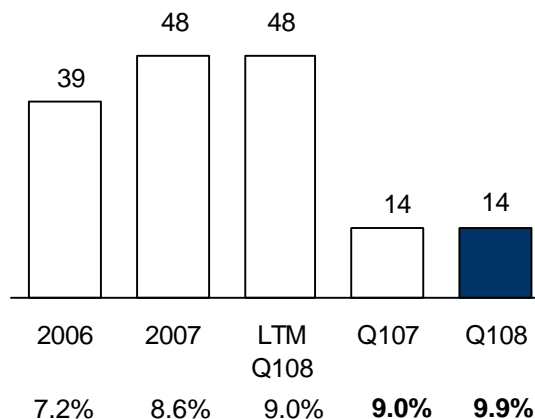
Euro Millions, % of Sales

Sales Vs Third Parties

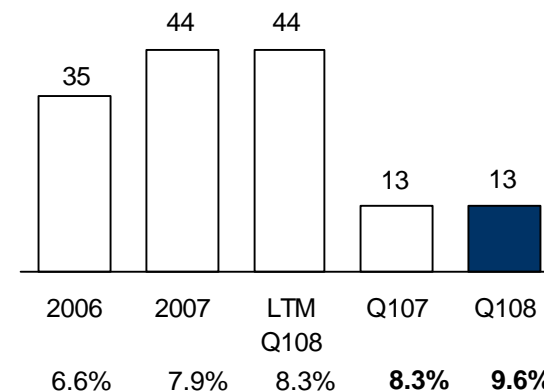


* Organic Growth

Adjusted EBITDA



Adjusted EBIT



Highlights

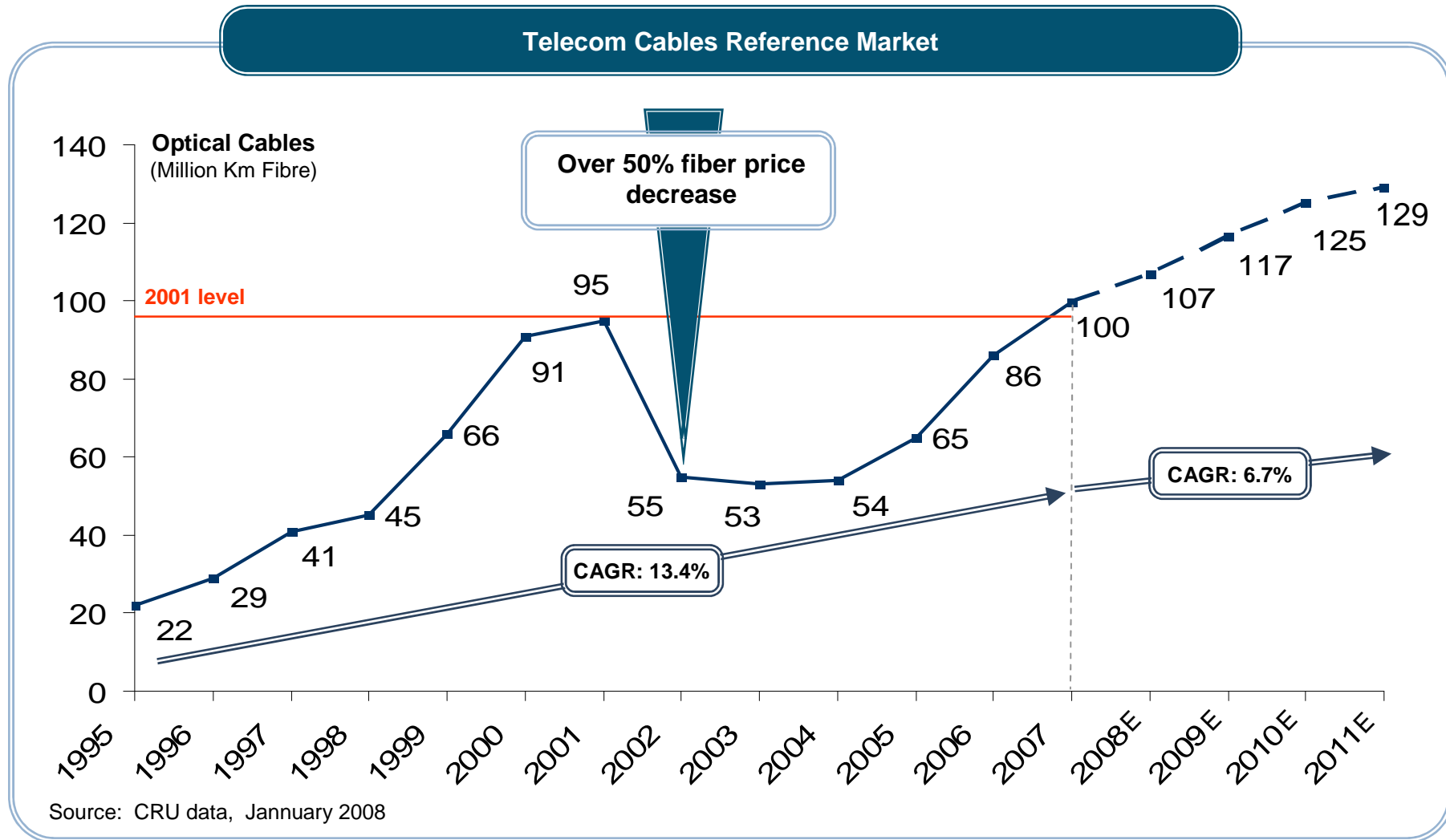
- **Optical cables:**

- Solid market demand leading to double digit volume growth
- Weak US\$ negatively impacting sales and profitability
- Improved product mix supported by FTTH activities
- Maintaining strong position with incumbent operators worldwide whilst growing the business with alternative players

- **Copper cables:**

- Focus on xDSL to improve product mix
- Retaining volume and market share with existing incumbent operators in Europe, APAC and South America
- Development in emerging markets

Telecom – View on optical cables price development



Outlook 2008

- Strong organic growth in power Transmission expected to continue
- Order book in OGP and Other Priority segments to drive growth in Industrial
- FY Adj.EBITDA expected above 2007 level
- Continuous strong cash generation

Agenda

- Group Overview
- Division Results & Outlook 2008
- **Financials**
- Appendix

Profit and Loss Statement

Euro Millions

	Q1 2007	Q1 2008	FY 2007
Sales	1,205	1,216	5,118
<i>YoY total growth</i>		0.9%	2.2%
<i>YoY organic growth</i>		3.4%	8.2%
Contribution Margin (1)	222	234	960
<i>% on sales</i>	18.4%	19.3%	18.8%
Fixed Costs (2)	(106)	(105)	(431)
<i>Non recurring items</i>	36	(1)	44
EBITDA	152	128	573
<i>% on sales</i>	12.6%	10.5%	11.2%
Adjusted EBITDA	116	129	529
<i>% on sales</i>	9.6%	10.6%	10.3%
EBIT	135	112	508
<i>% on sales</i>	11.2%	9.2%	9.9%
<i>Non recurring items</i>	36	(1)	44
Adjusted EBIT	99	113	464
<i>% on sales</i>	8.2%	9.3%	9.1%
<i>Financial charges</i>	(64)	23	(121)
EBT	71	135	387
<i>% on sales</i>	5.9%	11.1%	7.6%
<i>Taxes</i>	(19)	(32)	(85)
<i>% on EBT</i>	26.7%	24.0%	21.9%
Net income	52	103	302
<i>Net income attributable to the Group</i>	49	101	300

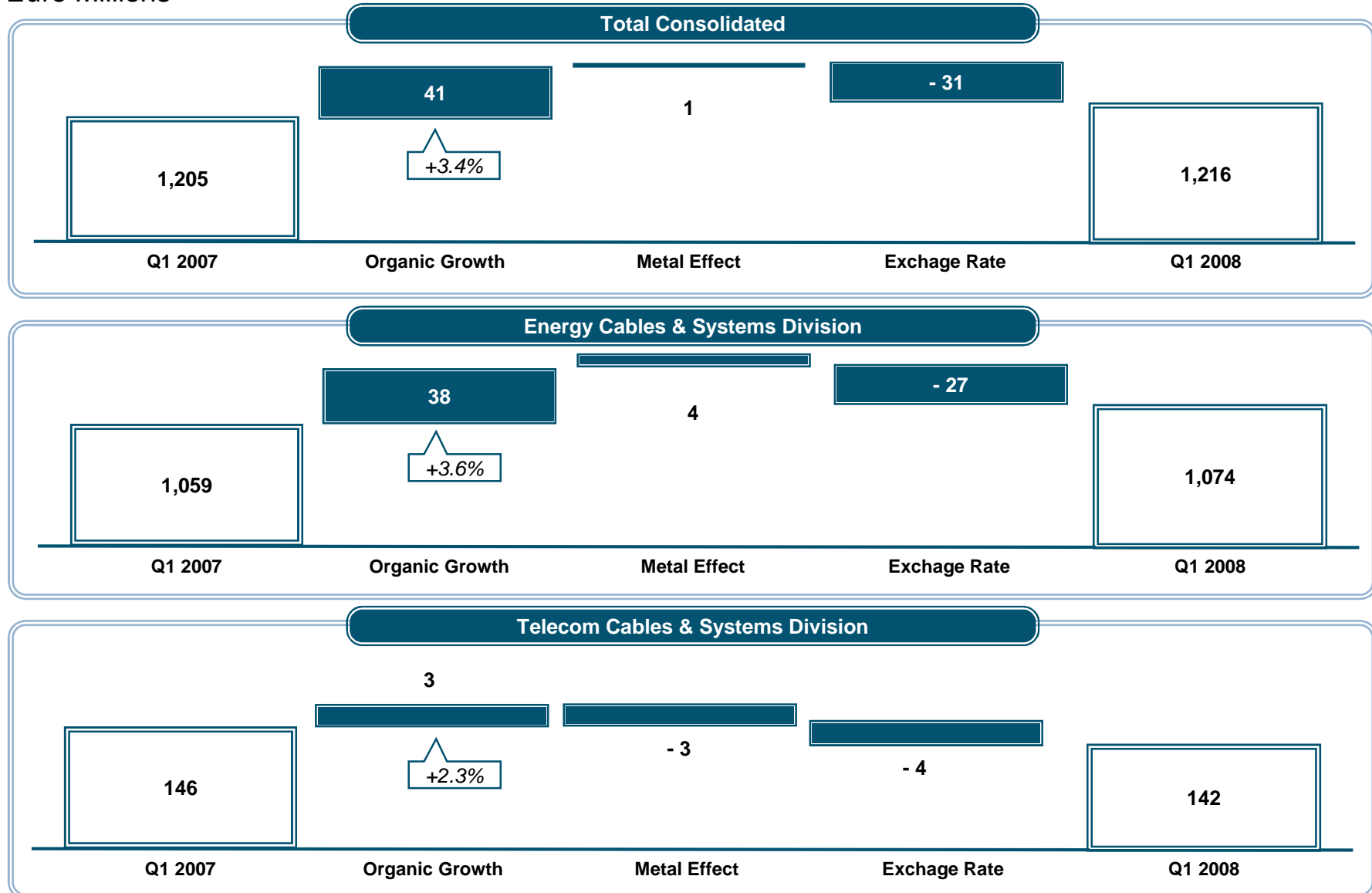
Notes

(1) Defined as: Adjusted EBITDA + Fixed costs

(2) Excluding non recurring items

Sales Drivers Vs Third Parties

Euro Millions



Extraordinary Effects

Euro Millions

	Q1 2007	Q1 2008	FY 2007
Price adjustment	39	-	39
Other settlements with Pirelli	-	-	21
Restructuring	(1)	(0)	(6)
IPO costs	(2)	-	(8)
TLC submarine (disposed in 2004)	-	(0)	(1)
Other	-	(1)	(1)
EBITDA adjustments	36	(1)	44
<i>of which attributable to Energy Business</i>	<i>(1)</i>	<i>(0)</i>	<i>(6)</i>
<i>of which attributable to Telecom Business</i>	<i>-</i>	<i>(0)</i>	<i>(1)</i>
<i>of which Corporate</i>	<i>37</i>	<i>(1)</i>	<i>51</i>
EBIT adjustments	36	(1)	44
<i>of which attributable to Energy Business</i>	<i>(1)</i>	<i>-</i>	<i>(6)</i>
<i>of which attributable to Telecom Business</i>	<i>-</i>	<i>-</i>	<i>(1)</i>
<i>of which Corporate</i>	<i>37</i>	<i>(1)</i>	<i>51</i>
Bank Fees Write-Off (non cash)	(59)	-	(59)
Gain/(Loss) Derivatives	18	50	8
Gain/(Loss) Exchange Rate	(1)	(8)	3
Gain/(Loss) Cash Flow Hedge (1)	4	-	4
EBT adjustments	(2)	41	(1)
Tax	3	(10)	4
Net Income Adjustments	1	31	3

Notes

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

Financial Charges

Euro Millions

	Q1 2007	Q1 2008	FY 2007
Net interest expenses (1)	(19)	(18)	(69)
- gain on cash flow hedge	4	-	4
Bank fees Amortization	(3)	(1)	(6)
Bank fees Write-Off	(59)	-	(59)
Gain/(loss) on exchange rates	(1)	(8)	3
Gain/(loss) on derivatives	18	50	8
Net financial charges	(64)	23	(123)
Share in net income of associates	-	-	2
Total financial charges	(64)	23	(121)

Notes

(1) Including Other financial expenses

Energy Division: Profit and Loss Statement

Euro Millions

	Q1 2007	Q1 2008	FY 2007
Sales	1.081	1.077	4.618
Sales vs. Third parties	1.059	1.074	4.583
<i>YoY total growth</i>		1,4%	1,8%
<i>YoY organic growth</i>		3,6%	8,4%
Contribution Margin (1)	192	204	851
<i>% on sales</i>	17,8%	18,9%	18,4%
EBITDA	102	115	475
<i>% on sales</i>	9,4%	10,6%	10,3%
<i>Non recurring items</i>	(1)	(0)	(6)
Adjusted EBITDA	103	115	481
<i>% on sales</i>	9,5%	10,6%	10,4%
EBIT	86	100	414
<i>% on sales</i>	8,0%	9,2%	9,0%
<i>Non recurring items</i>	(1)	(0)	(6)
Adjusted EBIT	87	100	420
<i>% on sales</i>	8,0%	9,2%	9,1%

Notes

(1) Defined as: Adjusted EBITDA + Fixed costs

Telecom Division: Profit and Loss Statement

Euro Millions

	Q1 2007	Q1 2008	FY 2007
Sales	151	144	548
Sales vs. Third parties	146	142	535
<i>YoY total growth</i>		-2,7%	5,7%
<i>YoY organic growth</i>		2,3%	6,3%
Contribution Margin (1)	30	30	109
<i>% on sales</i>	20,2%	21,1%	20,0%
EBITDA	14	14	47
<i>% on sales</i>	9,0%	9,9%	8,5%
<i>Non recurring items</i>	-	-	(1)
Adjusted EBITDA	14	14	48
<i>% on sales</i>	9,0%	10,2%	8,6%
EBIT	13	13	43
<i>% on sales</i>	8,3%	9,3%	7,8%
<i>Non recurring items</i>	-	-	(1)
Adjusted EBIT	13	13	44
<i>% on sales</i>	8,3%	9,6%	7,9%

Notes

(1) Defined as: Adjusted EBITDA + Fixed costs

Balance Sheet

Euro Millions

	Q1 2007	Q1 2008	FY 2007
Net fixed assets	867	855	881
Net working capital	513	665	536
<i>NWC as % on sales</i>	10.6%	13.7%	10.5%
Provisions	(133)	(128)	(135)
Net Capital Employed	1,247	1,392	1,282
Employee provisions	126	110	112
Shareholders' equity	222	524	454
<i>of which attributable to minority interest</i>	22	21	21
Net financial position	899	758	716
<i>Debt Shareholders Loans</i>	43	-	-
<i>Bank Fees</i>	(6)	(19)	(20)
<i>Net financial position vs Third Parties</i>	862	777	736
Total Financing and Equity	1,247	1,392	1,282

Cash Flow

Euro Millions

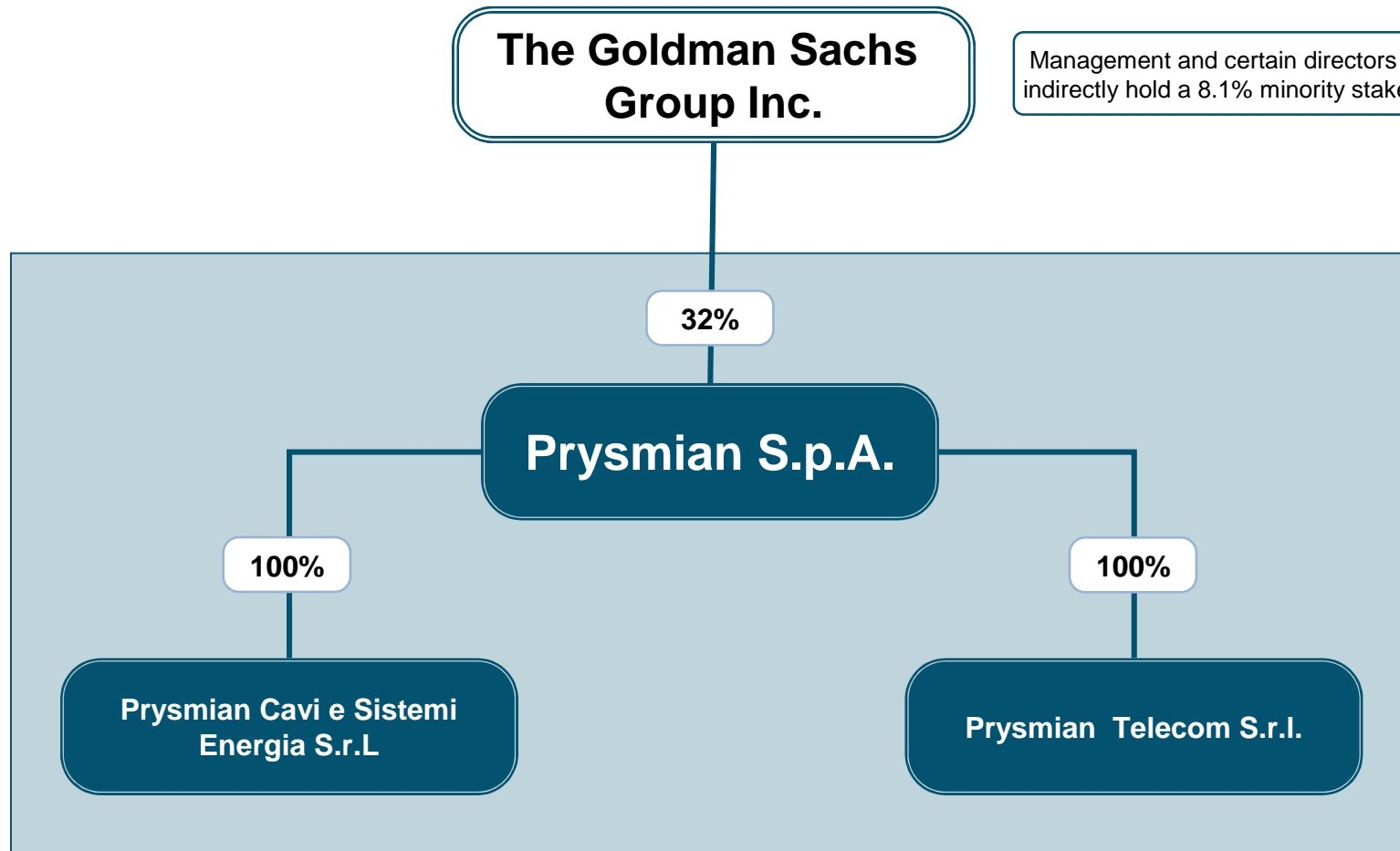
	Q1 2007	Q1 2008	FY 2007	LTM Q108
EBITDA	152	128	573	549
Price adj. and other settlements with Pirelli	(40)	-	(60)	(20)
Equity compensation (IFRS 2)	1	-	6	5
Gains/losses on disposals	(1)	-	(1)	-
Net Change in provisions	(2)	(2)	(6)	(6)
Cash flow from operations (before WC changes)	110	126	512	528
Working Capital changes	(65)	(112)	(60)	(107)
Paid Income Taxes	(16)	(14)	(86)	(84)
Cash flow from operations	29	0	366	337
Price adj. and other settlements with Pirelli	40	16	45	21
Net CAPEX (1)	(10)	(16)	(83)	(89)
Free Cash Flow (unlevered)	59	0	328	269
Financial charges	(22)	(14)	(83)	(75)
Free Cash Flow (levered)	37	(14)	245	194
Reserves distribution & Minorities movements	-	1	(2)	(1)
Shareholders Loan (Equity component)	-	-	(28)	(28)
Net Cash flow	37	(13)	215	165
Net financial position at the beginning of the period	(879)	(716)	(879)	(899)
Net cash flow	37	(13)	215	165
Other variations	(57)	(29)	(52)	(24)
Net financial position at the end of the period	(899)	(758)	(716)	(758)

(1) Not including movements of the item "Securities held for trading" (included in Net Financial Position)

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- Group Overview
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- **Appendix**

Prysmian Group Structure



Sustainable Dividend Policy

Dividend Policy

- €75m dividends in 2008 (25% Pay-out ratio)
- Dividend yield of 3.1% (1)
- Keep an efficient financial structure
 - Net Debt to EBITDA ratio
- Cash availability for M&A transactions

(1) Last month average share price (7Feb-7March08)

(2) As of 31 Dec 2007; 180,463,802 shares from 11 Apr. 2008

(3) Based on 180,463,802 shares as of 11 Apr. 2008;

Number of Shares (2)

180,000,000

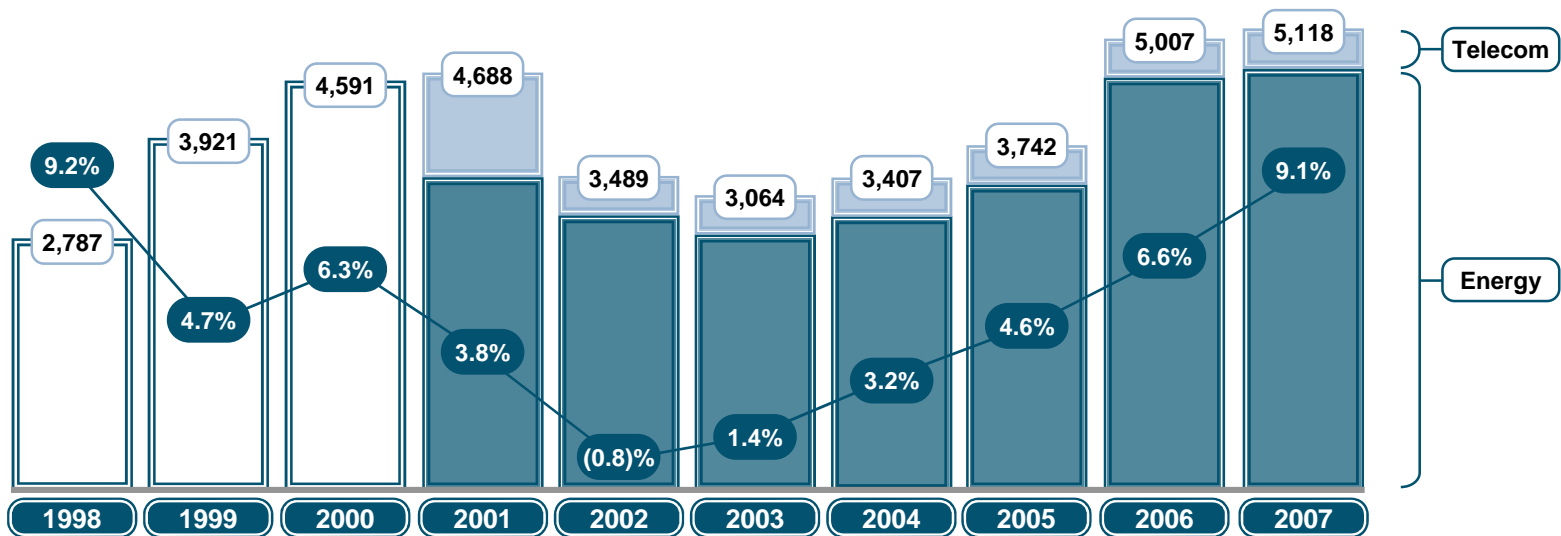
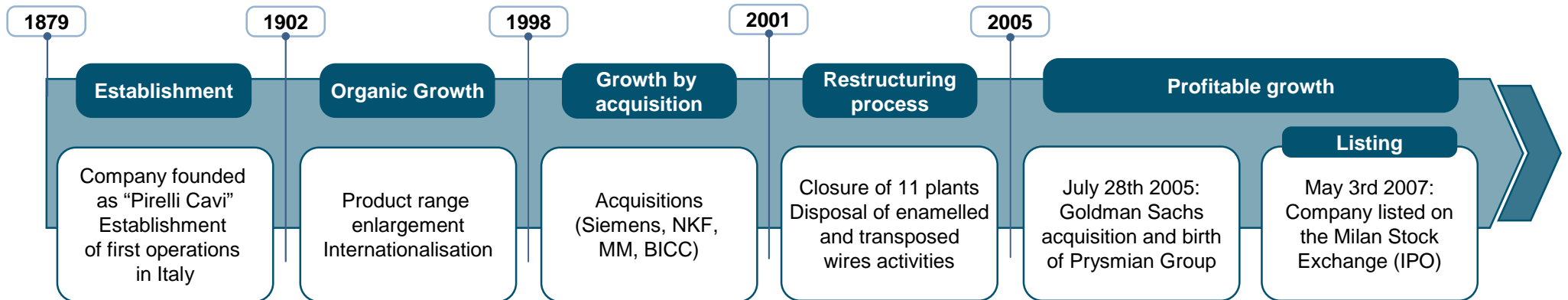
Earning Per Share

€ 1.67

Dividend Per Share (3)

€ 0.417

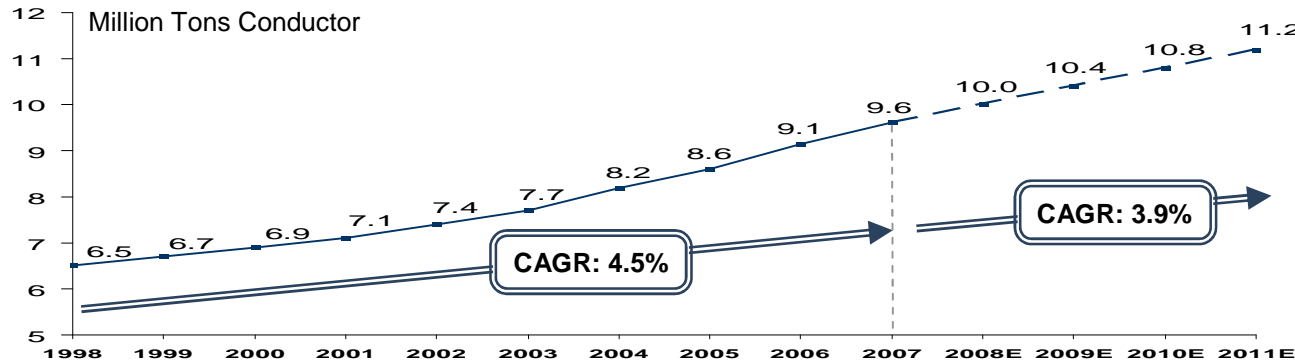
Prysmian Key Milestones



Source: 1998-2003 Pirelli Group Annual Reports, data reported under Italian GAAP; 2004-2007 Prysmian accounts, data reported under IFRS.

Expected Solid Volume Growth Across End-Markets

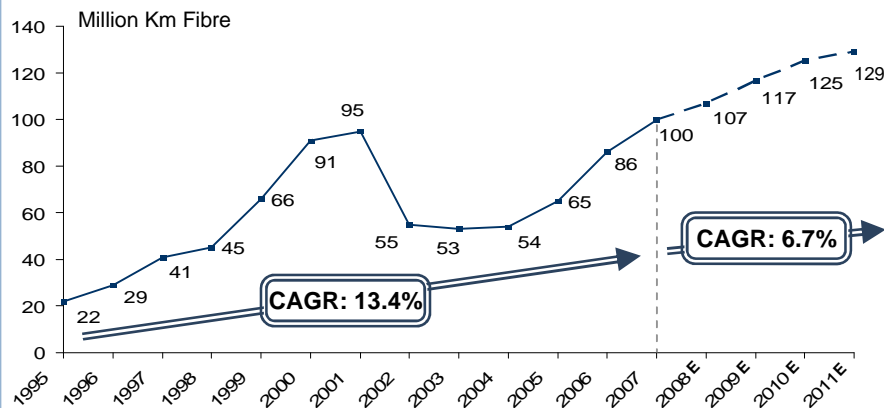
Energy Cables Reference Market (1)



- Historically low correlation with economic cycle
- Growth driven by:
 - Investments in power grid interconnections
 - Investments in power transmission and distribution
 - Infrastructure investments

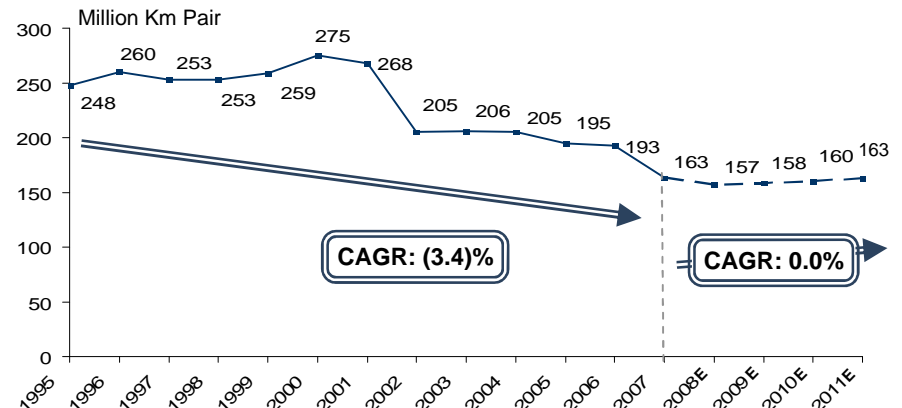
Telecom Cables Reference Market

Optical Cables (1)



- Market growth driven by increased investment in fibre access networks (FTTx)

Copper Cables (1)

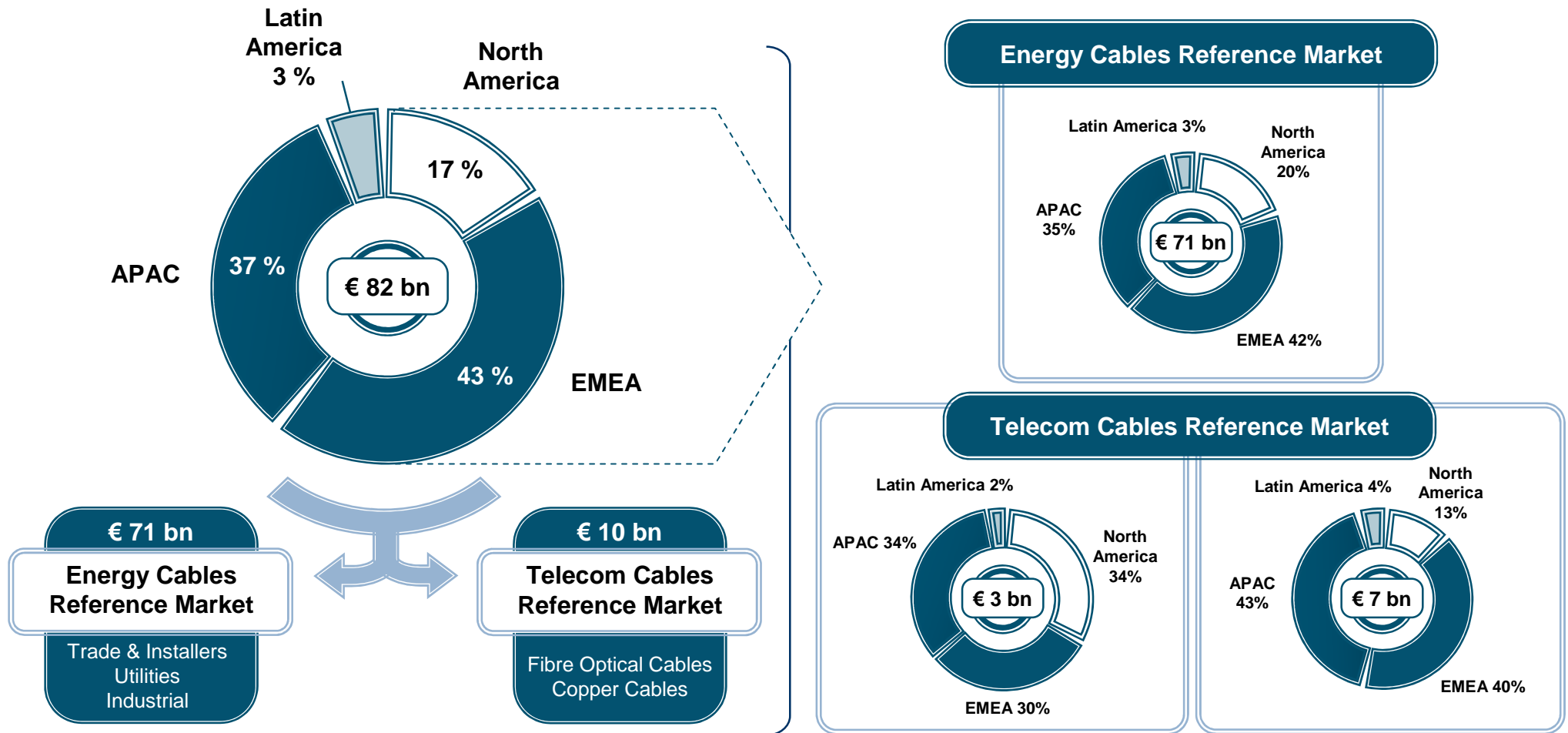


- Demand supported by investments in emerging markets

(1) Source: CRU data, Jan 2008 Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Fibre Optic. For Optical cable producers

The Global Cables Reference Market

World-Wide Cable Reference Market Size, 2006



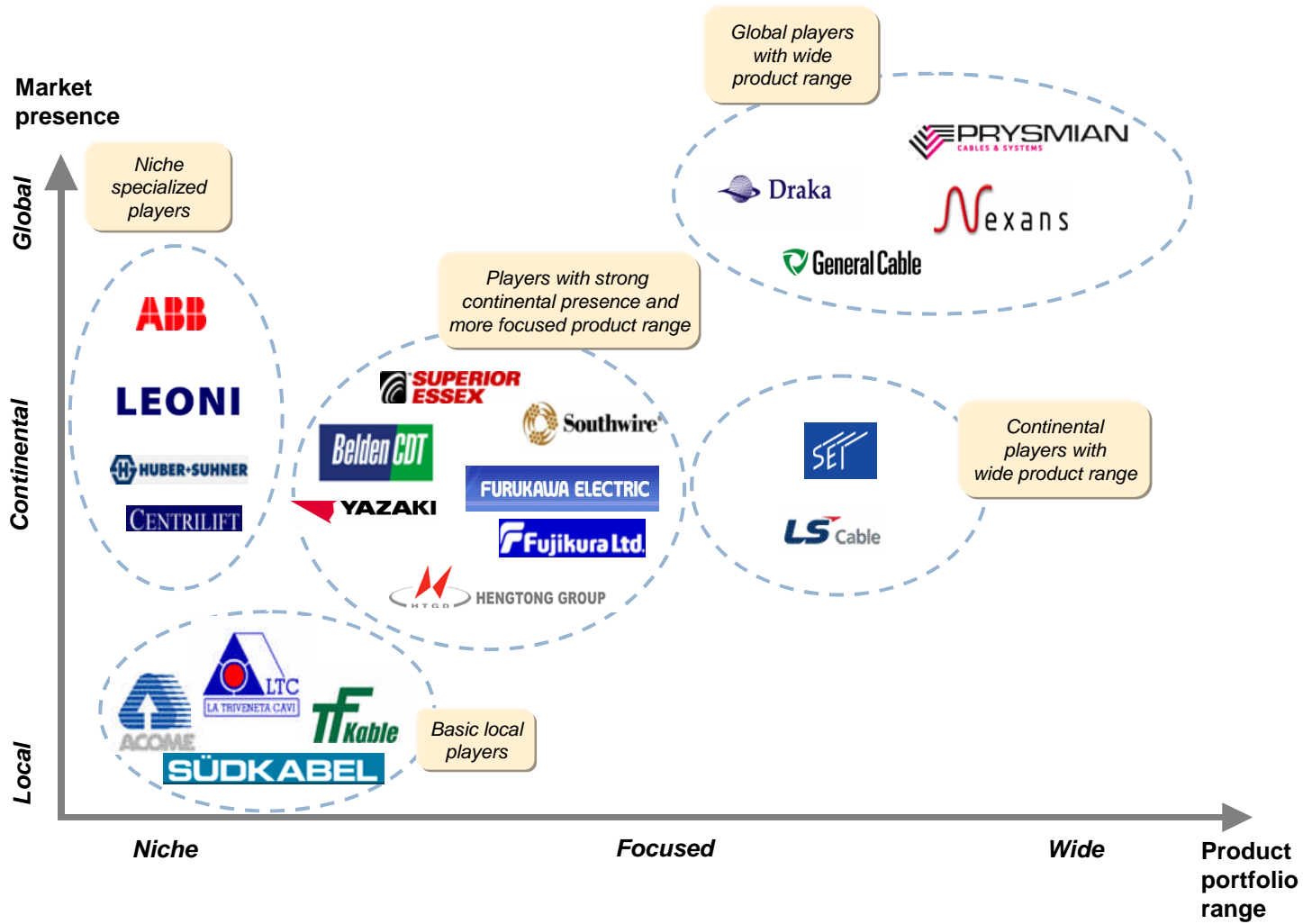
Source: CRU data, April 2007. Prysmian reference markets are obtained by excluding from the global cable market the segments where the company does not compete (winding wire for the energy sector and internal telecom data and copper LAN cables for the telecom sector). Energy = Low Voltage and Power Cable; TLC = External Copper Tlc Cable, Singlemode Fibre Optic, Multimode Fibre Optic.

Conversion rate used: US\$/Euro = 0.803

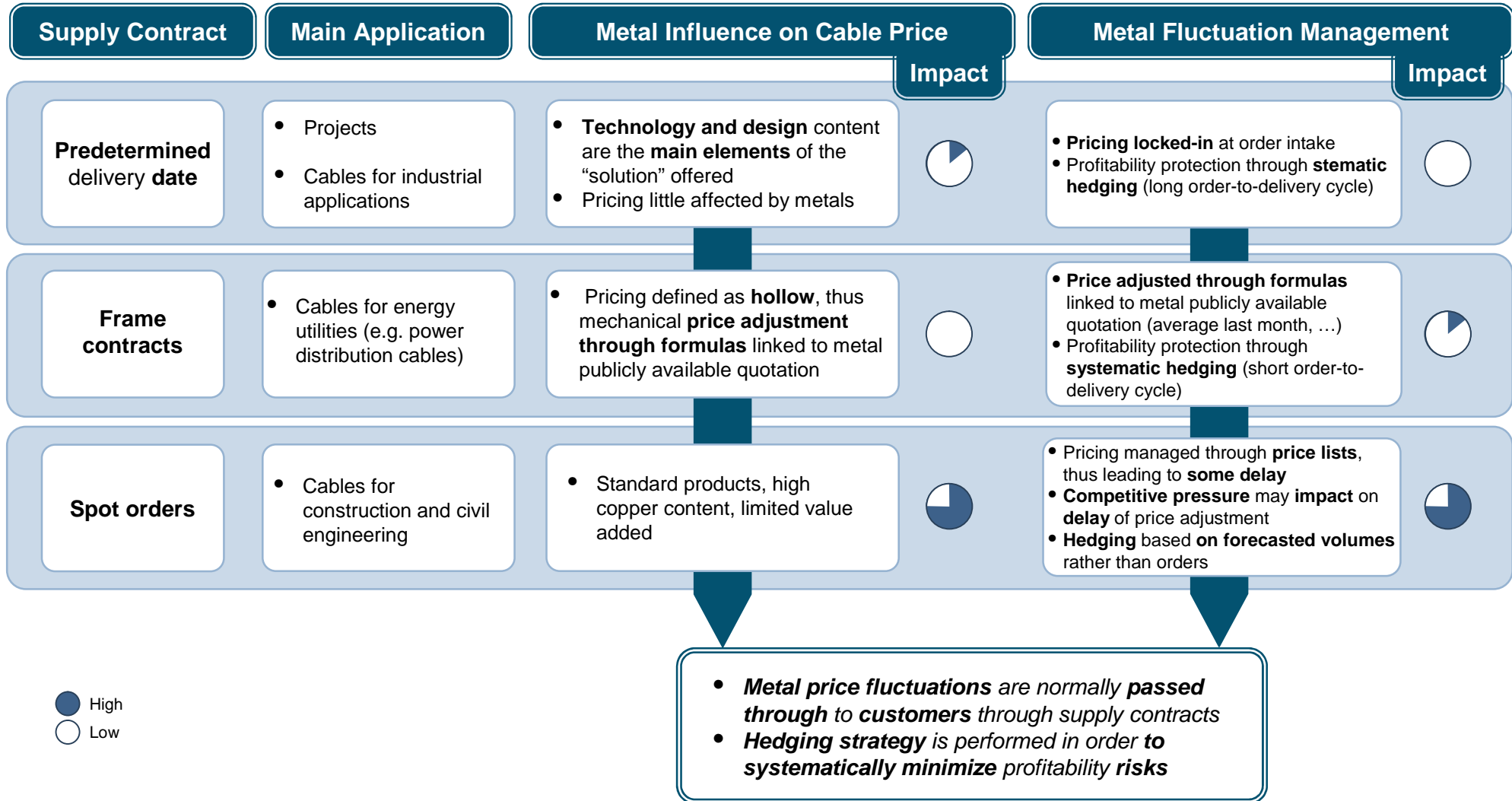
Average copper price over 2005: 2976.75 €. Over 2006: 5341.62 €

Appendix - Energy

Major Players Within the Energy Industry



Metal Price Impact on Profitability



Submarine Systems

Strategic Highlights

Key success factors

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

Action plan

Complete production capacity expansion to support business development (current capacity fully saturated for 2008 and 2009) through:

- New production line at Arco Felice plant, involving a 50% increase in the production capacity
- Debottlenecking of current production capacity

Key Projects

Customer

Period

€m
(1)

• 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		
• Qatar Gas 2	• NPCC Mepi		

¹ Prysmian portion of the project.

Power Distribution

Strategic Highlights

Market drivers

- Continuing growth in electricity consumption
- Mandated improvements in service quality
- Investment incentives to utilities
- Network expansion following new suburban areas

Key customers

Key customers are all major national distribution network operators



Key success factors

- Quality of service
- Technical support
- Pricing
- Customer relationship

Action plan

- Improve service level
- 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 Overview

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
 - Wholesales
 - Do-it-yourself/modern distribution
- Wide range of products including
 - Value added fire retardant
 - Environmental friendly
 - Specialised products
- Service KPIs
 - Product availability
 - On-time delivery
 - Customer relationship

Key customers

- Key customers include major:
 - Specialised distributors



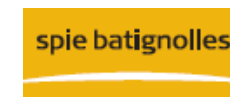
- General distributors



- Wholesalers



- Installers



Trade & Installers

Strategic Highlights

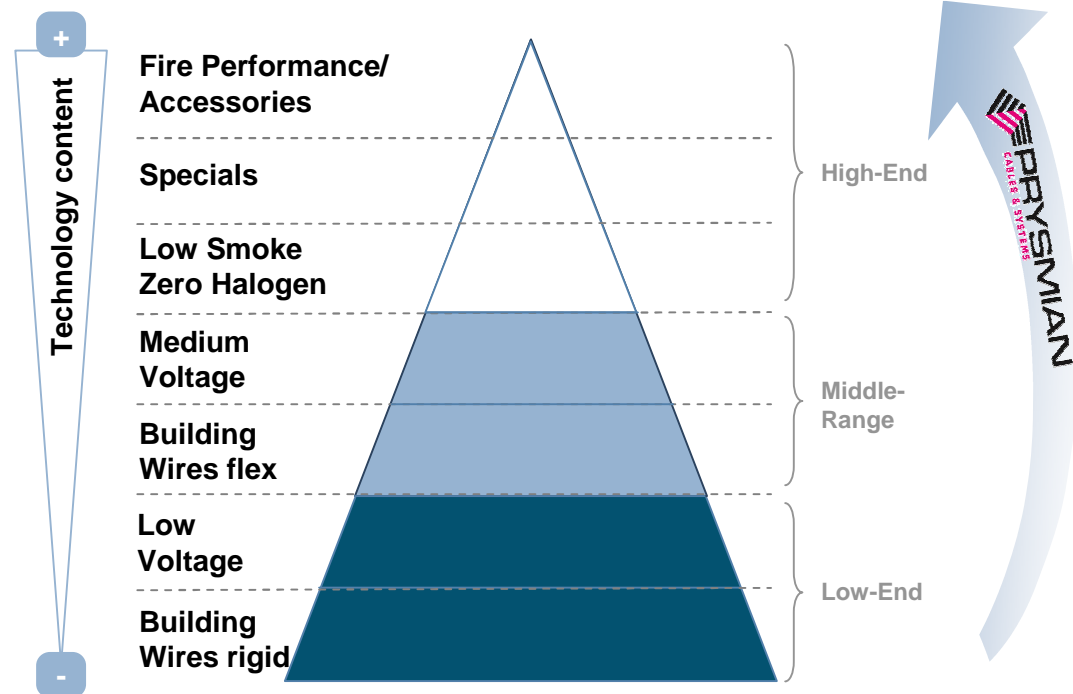
Key success factors

- Product range
- Inventory management/reliability of delivery
- Pricing
- Channel management

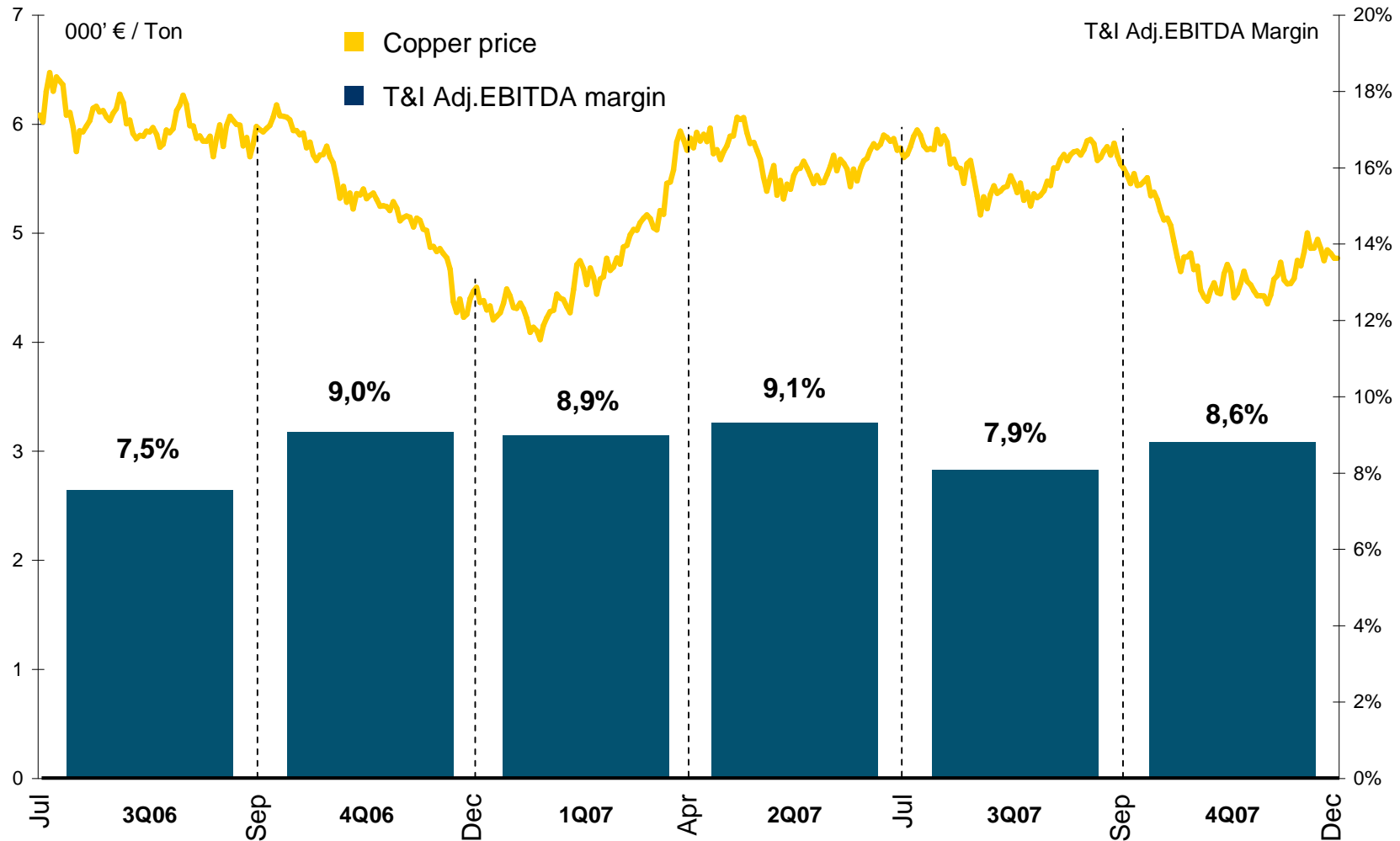
Action plan

- Continuously redefine product portfolio
 - Focus on high-end products (e.g. Fire Performance)
 - Selectively trim low-end products
- Exploit channel/market specificity
 - Focus on wholesales and installers
 - Protect positioning in high margin countries
 - Grow global accounts
- Focus on marketing policies (indirect leverages, communication, direct marketing)
- Capitalize on successful launch of new products
- Continuously improve service level
- Benefit from changes in regulatory regime

Product overview



Trade & Installers – profitability drivers



Profitability impacted by geographical and product mix development

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)
- Transportation**
Products for trains, ships, automobiles
- Infrastructure**
Products for port, railway, and airport
- Mining**
Products for harsh environment application
- Renewable Energy**
Products for wind and solar energy generation
- Other niches:**
Defence (cables for military applications), nuclear, electromedical, ...



Key customers

Large and differentiated customer base generally served through direct sales

Snamprogetti



ALSTOM



AKER KVÆRNER

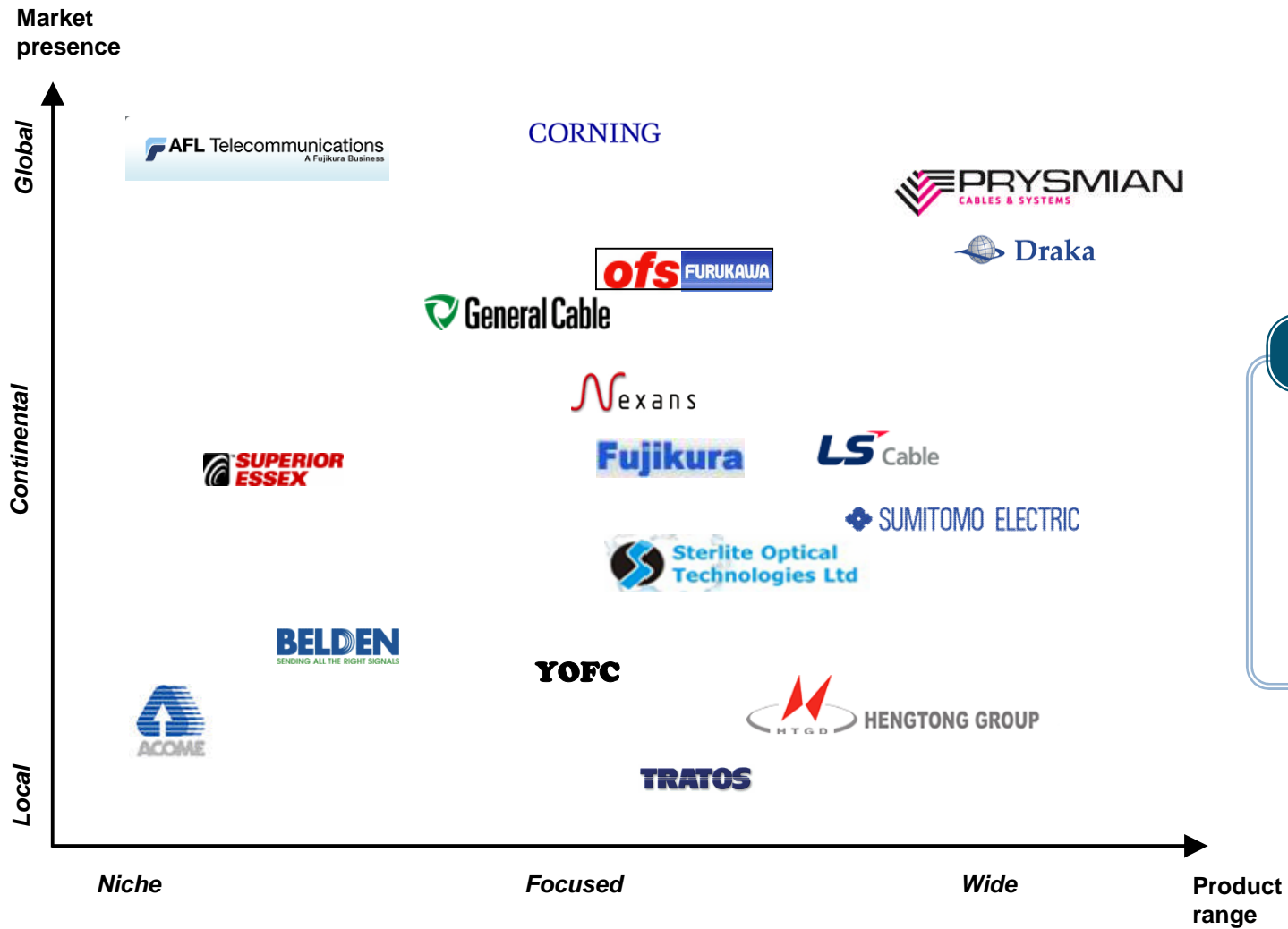


Elektroskandia
En vaken grossist



Appendix - Telecom

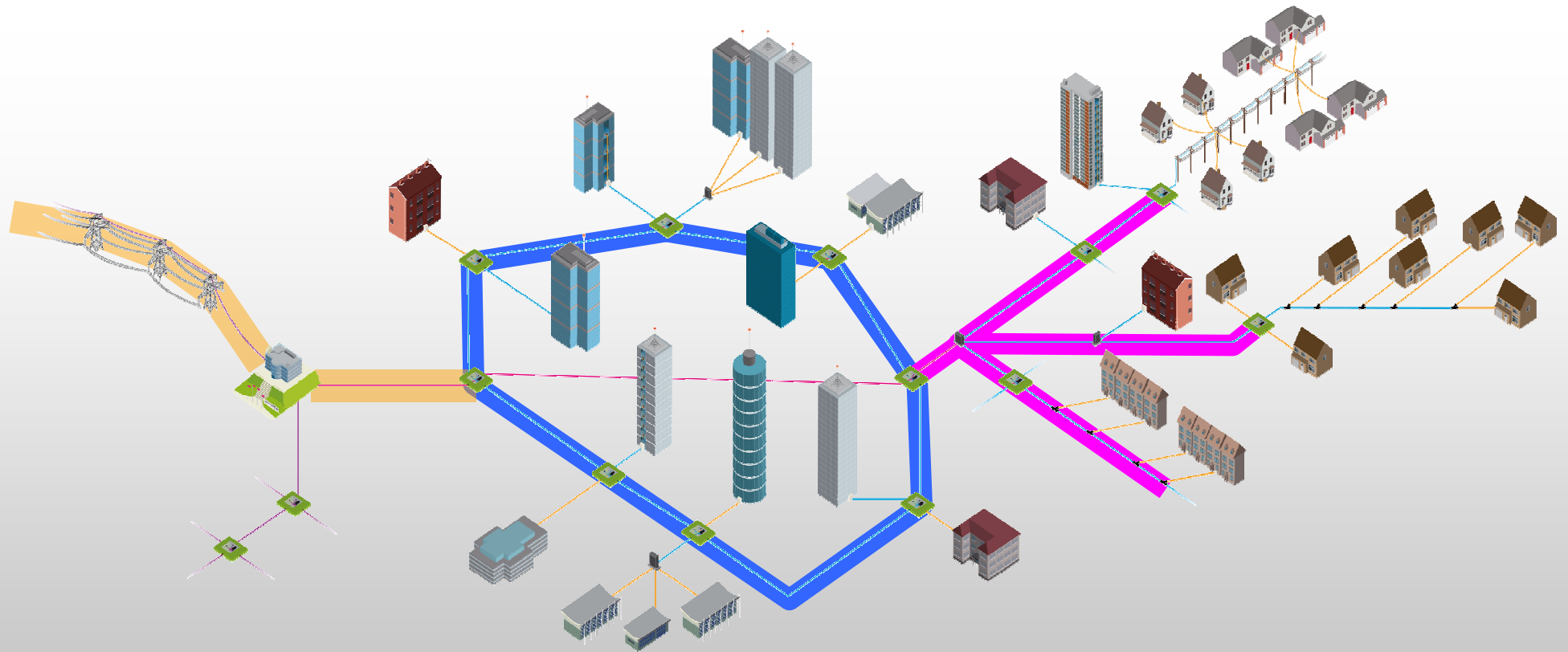
Major Players within the Telecom Industry



Optical cable producers

- Corning
- Prysmian
- Furukawa
- Draka

Telecom Cables Main Applications



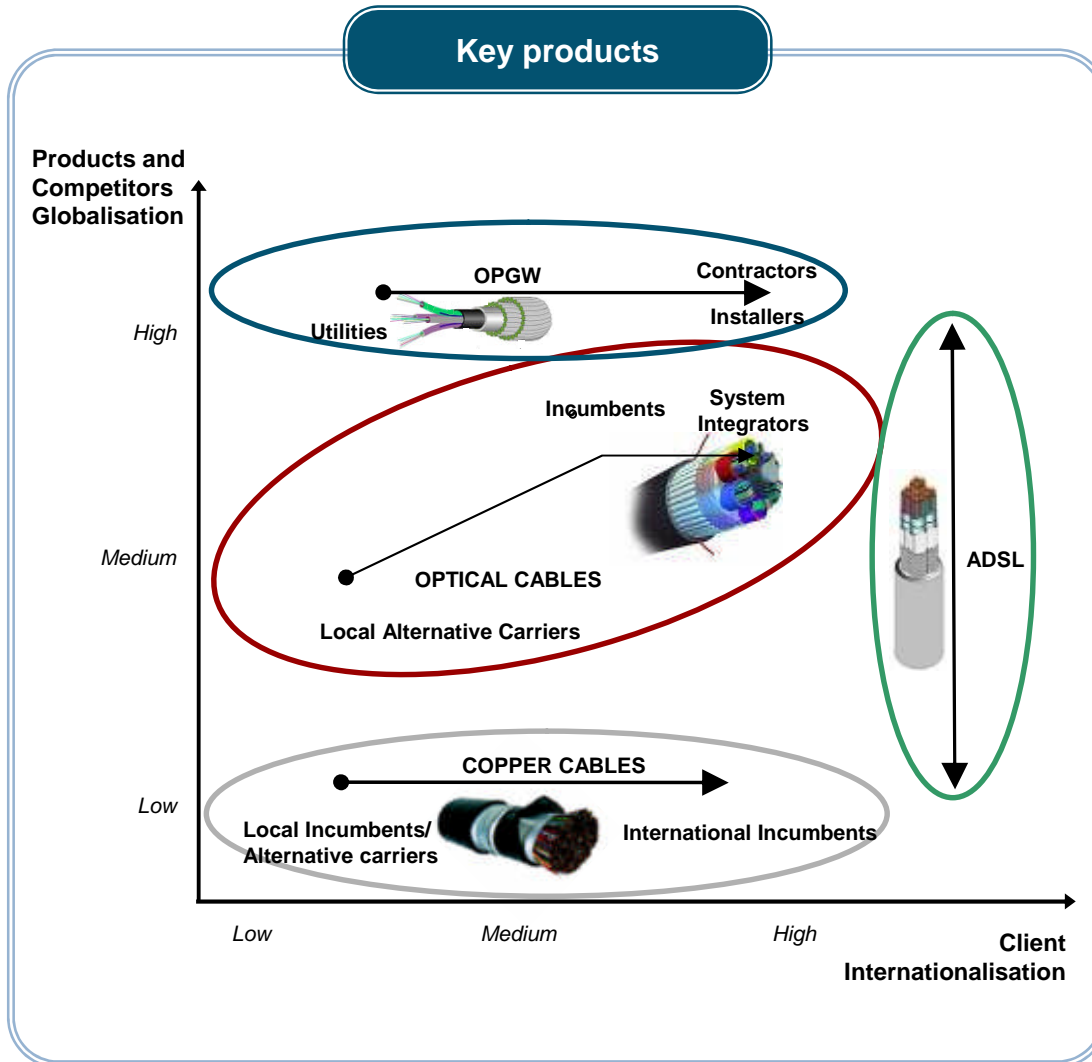
BACKBONE

METROPOLITAN RING

ACCESS NETWORK

Prysmian Current Product Portfolio and Key Customers

Key products



Key customers

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

TELCO Carriers



System Integrators

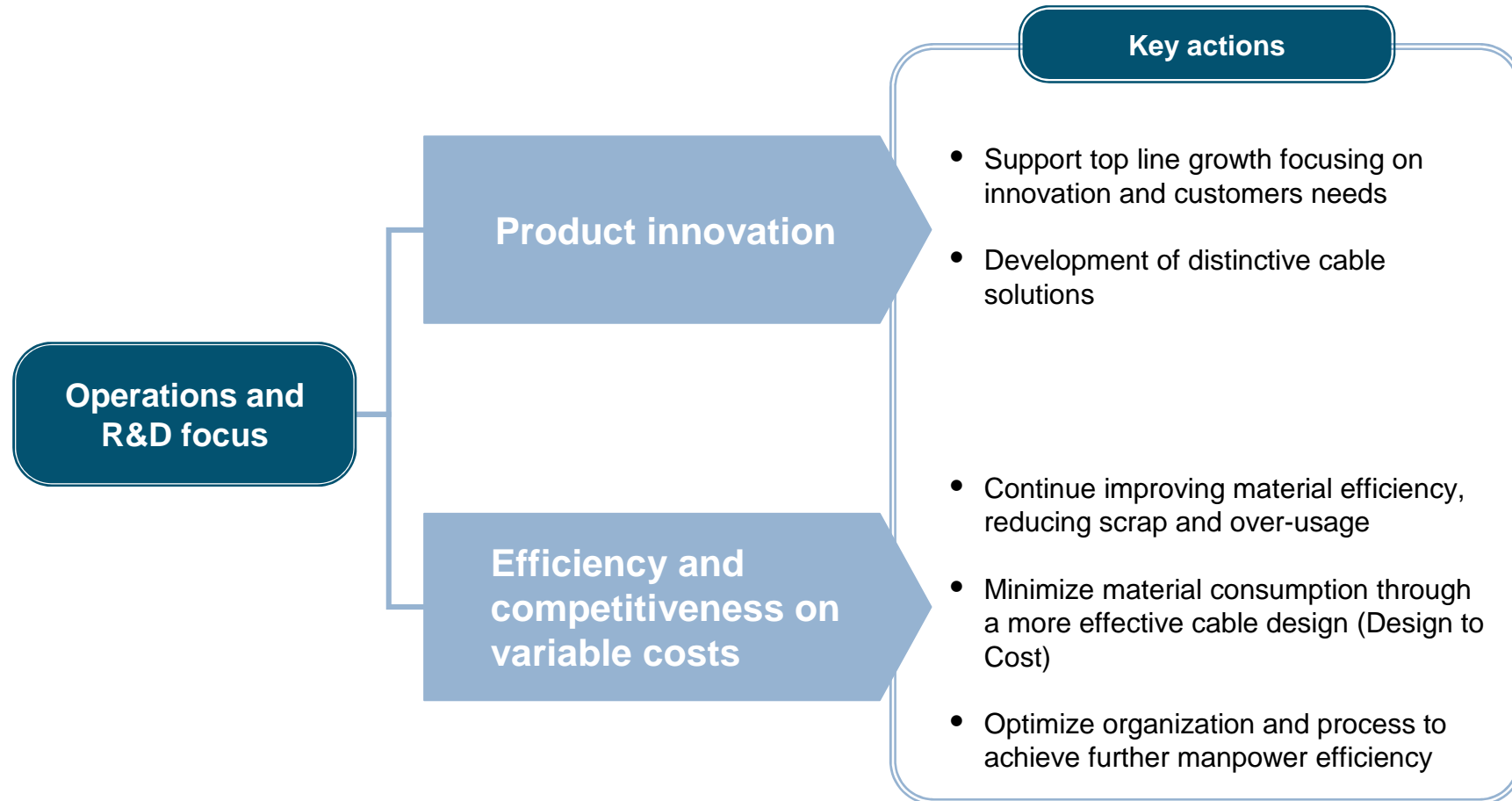


Other Operators



Appendix – Operations and R&D

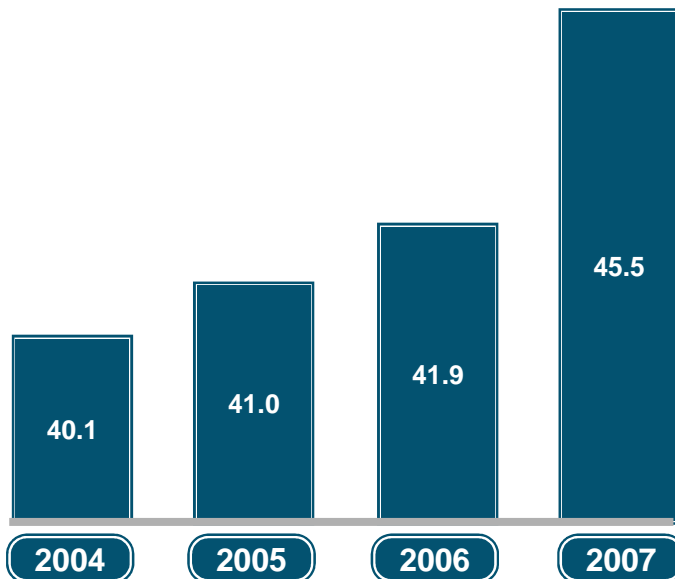
Operations and R&D Strategic Plan



Research & Development

Euro Millions

R&D Expenses



Comments

- **2 Functions** involved:
 - **Research & Innovation**
 - Concepts identification (process, materials, products, IT systems)
 - Feasibility
 - Prototype realization
 - **Product Development and Quality**
 - First industrial trial
 - Optimized industrial trial
 - Product range evolution
 - Quality (products, processes and service)
- **1 central R&D in Milan and 6 main local R&D centres** (North America, Latin America, France, UK, Germany and Spain)
- **More than 400 resources** employed (2007)
- **More than 3,000 patents** granted in 6 countries

Appendix - Financials

Energy – Sales by business

Euro Millions

	1Q 2007	1Q 2008	Total Growth	Organic Growth
Utilities	421	444		
<i>of which to third parties</i>	421	444	5.5%	11.3%
Trade & Installers	419	424		
<i>of which to third parties</i>	418	423	1.1%	0.4%
Industrial	204	186		
<i>of which to third parties</i>	203	186	(8.2%)	(7.6%)
Others	37	23		
<i>of which to third parties</i>	17	21	n.m.	n.m.
Total Energy	1,081	1,077		
<i>of which to third parties</i>	1,059	1,074	1.4%	3.6%

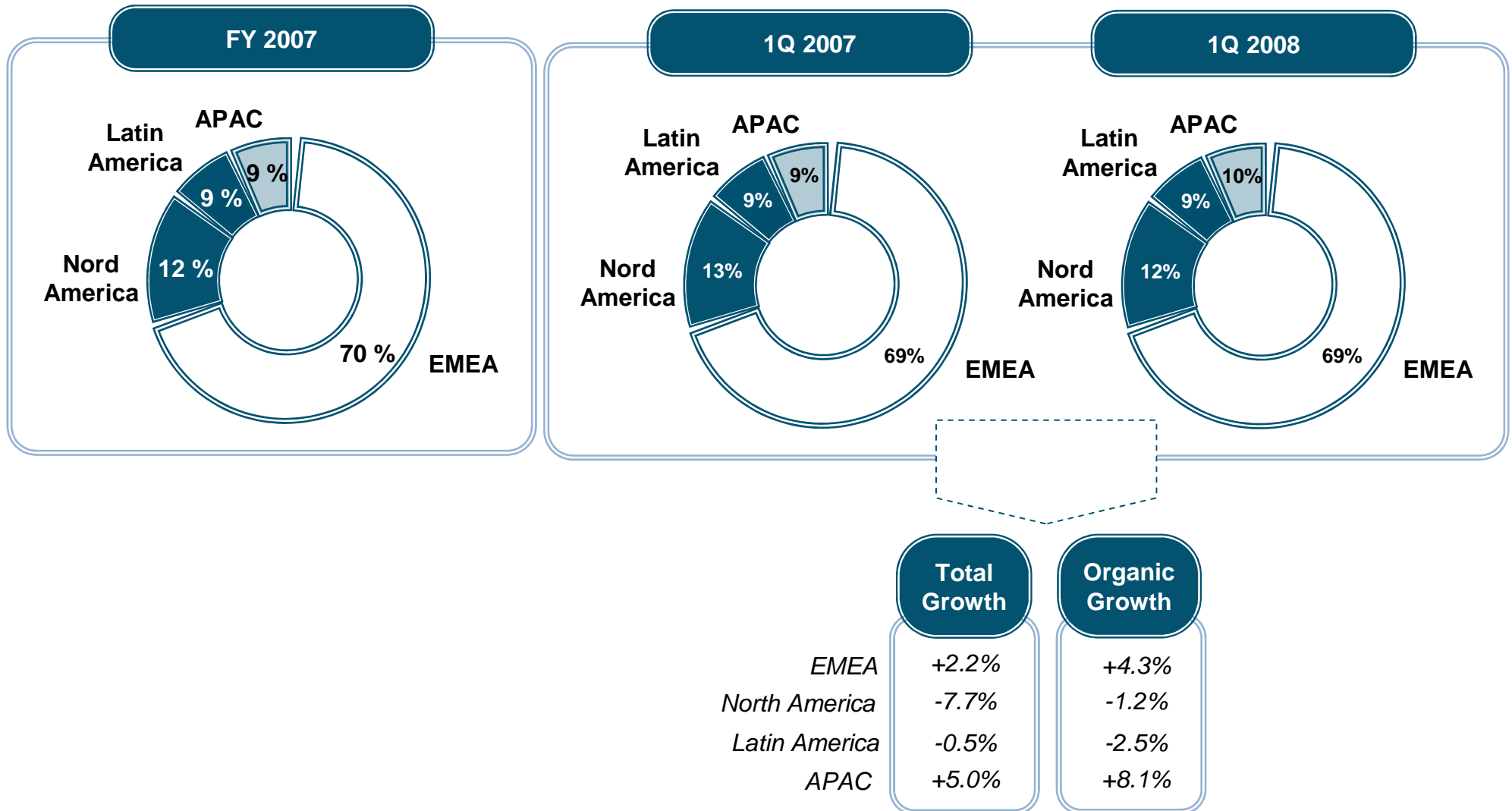
Energy – Profitability by business

Euro Millions

	1Q 2007	1Q 2008	1Q 2007 % of Sales	1Q 2008 % of Sales
Adjusted EBITDA				
Utilities	43	58	10.3%	13.1%
Trade & Installers	37	35	9.0%	8.2%
Industrial	21	21	10.3%	11.2%
Others	1	1	<i>n.m.</i>	<i>n.m.</i>
Total Energy	103	115	9.5%	10.6%
Adjusted EBIT				
Utilities	35	51	8.4%	11.6%
Trade & Installers	33	31	8.0%	7.3%
Industrial	18	18	8.8%	9.4%
Others	1	0	<i>n.m.</i>	<i>n.m.</i>
Total Energy	87	100	8.0%	9.2%

Sales Breakdown by Geographical Area

Euro Millions, % on Total Sales

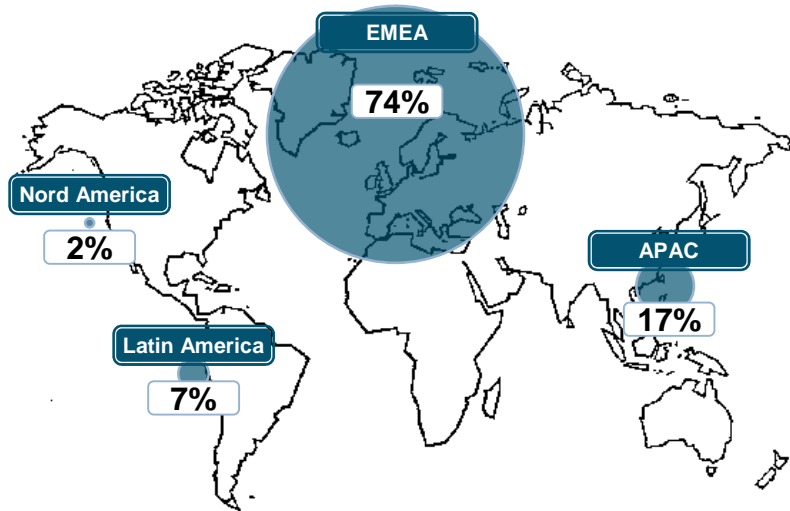


Prysmian Capex

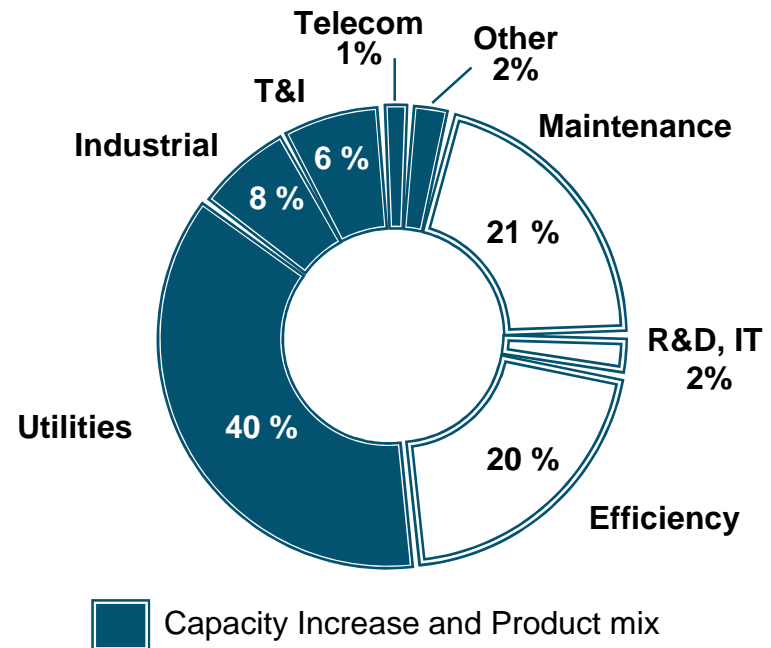
Euro Millions

€ 89 m of Capital Expenditure in 2007

Capital expenditure by Geography



Capital Expenditure by destination



Net Working Capital

Euro Millions

	Q1 2007	Q1 2008	FY 2007
Inventories	594	660	582
Trade accounts receivables	912	961	833
Trade accounts payables	(792)	(801)	(738)
Other receivables/(payables)	(201)	(155)	(141)
Net working capital	513	665	536
% on sales	10.6%	13.7%	10.5%
Annualized Sales	4,820	4,865	5,176

Financial structure

- Two long term financing contracts (ca. €700m committed facilities currently unutilized)

	Amount	Current Pricing NFP/EBITDA < 1.5x		NFP/EBITDA < 2.0x	
	€m	spread	comm.fee	spread	comm.fee
Securitization	350	0.325%	0.20%	0.375%	0.225%
Term Loan	1,000	0.40%	n/a	0.50%	n/a
Revolving Facility	400	0.40%	0.12%	0.50%	0.15%
Bonding Facility	300	0.30%	0.09%	0.40%	0.12%

	31.03.07	31.12.07	31.03.08
	€m	€m	€m
Term Loan	1,054 ⁽²⁾	995 ⁽²⁾	1,001 ⁽²⁾
Securitization	200	0	30
Other Debt	61	73	72
Total Gross Debt	1,315	1,068	1,103
Cash & Other Financial Assets	(453)	(332)	(326)
NFP Vs third parties	862	736	777
Bank Fees	(6)	(20)	(19)
SHL (Debt component) ⁽¹⁾	43	0	0
NFP	899	716	758

(1) Total shareholders loan paid back in May 2007 equal to €71m

(2) Including interest accrued: €0.2m as at 31.03.07; €4.7m as at 31.12.07; €18.2m as at 31.03.08

Disclaimer

- The manager responsible for preparing the company's financial reports, Pier Francesco Facchini, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Financial Act, that the accounting information contained in this presentation corresponds to the results documented in the books, accounting and other records of the company.
- This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.