Press release

PRYSMIAN S.P.A., FIRST HALF 2008 RESULTS

NET INCOME UP BY 26.5% AT EURO 190 MILLION.

SALES GROWTH ACCELERATES IN SECOND QUARTER.

STRONG INCREASE IN ORDER BOOK FOR HIGH VOLTAGE AND SUBMARINE CABLES.

ENTRY INTO THE NEW BUSINESS OF OFF-SHORE OIL DRILLING SERVICES.

- **SALES : EURO 2,659 MILLION (EURO 2,583 MILLION IN FIRST HALF 2007)**
- **ORGANIC GROWTH: +5.3%**
- **ADJUSTED EBITDA[1]: EURO 291 MILLION (EURO 269 MILLION IN FIRST HALF 2007; + 8.2%)**
- **ADJUSTED OPERATING INCOME[2]: EURO 260 MILLION (EURO 236 MILLION IN FIRST HALF 2007; +9.9%)**
- **NET INCOME: EURO 190 MILLION (EURO 150 MILLION IN FIRST HALF 2007; +26.5%)**
- **NET FINANCIAL POSITION IMPROVES TO EURO 780 MILLION FROM EURO 908 MILLION AT 30 JUNE 2007**

FULL YEAR 2008 ADJ EBITDA EXPECTED TO RISE ABOVE EURO 550 MILLION (EURO 529 MILLION IN 2007)

Milan, 27 August 2008 - The Board of Directors of Prysmian S.p.A., a worldwide leading group in the industry of cables and systems for energy and telecommunications, has approved today the results for the first half of 2008.

The strong growth in the high voltage underground and submarine cable businesses has allowed the Group to boost its **sales** to Euro 2,659 million. Net of metal price effects, currency translation effects and changes in the scope of consolidation, **organic growth** in the first half of 2008 was 5.3%. This marks a significant improvement on the first quarter of the year when organic sales growth was 3.4%. Rising performance by the utilities business accounted for a large part of this improvement, achieving an organic growth of 14.2% in the first half year and accelerating from the 11.3% organic growth recorded in the first quarter. In particular, Prysmian confirmed its leadership position in the high value added sector of underground and submarine systems for high and extra high voltage power transmission, securing new major contracts in the first half of 2008 such as the Kahramaa project in Qatar and Greater Gabbard, the world's largest off-shore wind farm being built in the UK, which join other large projects currently in progress worldwide such as SA.PE.I in Italy, Transbay in the USA, GCCIA in Bahrain and Cometa in Spain.

"The first half of 2008 has confirmed the long-term trend by utilities to invest in projects to modernise and upgrade power transmission infrastructure" – explains Valerio Battista, the Chief Executive Officer –. "Prysmian was able to meet this demand globally and can now rely on a solid order book ensuring high visibility on future sales growth: the order book for submarine cables covers production capacity until the first half of 2010, while orders for high voltage underground cables already cover more than 50% of production capacity in 2009. Recently we have also taken a strategic step forward, signing an agreement with the oil company Petrobras, allowing us to expand our scope of operations into high-tech, high-margin businesses and entering with a full range of products into the industry of services for the off-shore oil drilling industry".

Prysmian and Petrobras have signed a four-year Technical Cooperation Agreement involving the design, production and supply of flexible pipes for off-shore oil drilling with an initial value of USD 135 million. Prysmian will start up a new plant in Vila Velha (Brazil) by mid 2010 for this purpose. It will be located at the same site currently dedicated

[1] Adjusted EBITDA is defined as EBITDA before income and expenses considered by the Group's management to be non-recurring and reported in the table in Annex B.
[2] Adjusted operating income is defined as operating income before non-recurring income/expenses.

to the production of umbilical cables and will involve an overall investment of USD 110 million, most of which will be made in 2009. The new flexible pipes plant is expected to generate sales in excess of USD 600 million in the period 2010-2014. Prysmian intends to extend this business to other oil-drilling regions in the world and at the service of other customers.

In the Telecom cables business, demand for optic fibre cables and systems keeps growing in most of the regions; this led to a more than 10% increase in volumes and also to an improvement profitability despite the negative impact of the weak dollar.

Adjusted EBITDA amounted to Euro 291 million in the first half of 2008, up 8.2% on Euro 269 million in the corresponding period of 2007, with margin on sales rising to 10.9% from 10.4% in the first half of 2007. The increase in profitability was achieved thanks to strong growth in volumes in the higher added value businesses of high voltage and submarine cables. In the Trade & Installer business efforts focused on product mix and sales channel improvement, with the aim of safeguarding profitability and limiting exposure to the weakest markets, such as residential construction, and to the products most sensitive to rising raw material prices.

EBITDA[3] reached Euro 280 million in the first half of 2008. EBITDA amounted to Euro 299 million in the corresponding period of 2007, having benefited from Euro 30 million in net non-recurring income compared with Euro 11 million in net non-recurring expenses in the first half of 2008.

Adjusted operating income climbed by 9.9% in the first half of 2008 to Euro 260 million, up from Euro 236 million in the corresponding period of 2007. The margin on sales also improved to 9.8%, up from 9.1% in the first half of 2007. **Operating income** amounted to Euro 248 million compared with Euro 266 million in the first half of 2007, which had benefited from Euro 30 million in net non-recurring income compared to Euro 12 million net non-recurring expenses in the corresponding period of 2008.

Net financial charges improved in the first half of 2008, reporting net costs of Euro 10 million compared with net costs of Euro 67 million in the corresponding period of 2007. This improvement was mainly due to the Euro 59 million bank fees write-off in the first half of 2007 and to the recognition in the income statement of positive valuation of derivatives (Euro 23 million before tax in 2008 compared with Euro 39 million in the first half of 2007).

Net income rose considerably in the first half of 2008, climbing from Euro 150 million to Euro 190 million (+26.5%). This result benefited from Euro 10 million in net positive extraordinary items, mainly attributable to the recognition in the income statement of the derivatives valuation.

The Prysmian Group kept delivering strong cash generation also in the first half of 2008, achieving a **Cash flow from operations** (before changes in net working capital) of Euro 290 million, compared with Euro 268 million in the corresponding period of 2007. Part of this positive cash flow was absorbed by the increase in net working capital due to the high seasonality of the business and to the significant growth of high voltage and submarine business, and lastly by Euro 42 million in net investments (including Euro 2 million related to the acquisition of Facab-Lynen). **Free cash flow** (before dividends) generated in the last twelve months (July 2007 – June 2008) amounted to Euro 249 million, reporting a major improvement on the corresponding amount at the end of March 2008 (Euro 194 million).

At the end of June 2008, **net financial position** amounted to Euro 780 million, improving from Euro 908 million at 30 June 2007.

[3] EBITDA is defined as earnings/(loss) for the period, before finance income/costs, tax, depreciation amortisation and impairment and the share of income/loss from associates and dividends from other companies. For further information, please see the table in Annex B, which provides a reconciliation between net income (loss) for the period, EBITDA and adjusted EBITDA.

BUSINESS PERFORMANCE AND RESULTS

Energy Cables and Systems ***(in millions of Euro)***

Energy				
	Sales to third parties			
	1st Half 2008	1st Half 2007	% Change	% Organic change
Utilities	1,010	931	8.5%	14.2%
Trade & Installers	894	911	-1.9%	-1.7%
Industrial	409	404	1.2%	-0.2%
Others	52	45		
Total	**2,365**	**2,291**	**3.2%**	**5.3%**
	Adjusted EBITDA		% on sales	
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
Utilities	141	114	14.0%	12.2%
Trade & Installers	73	82	8.1%	9.0%
Industrial	45	42	11.1%	10.4%
Others	3	3		
Total	**262**	**241**	**11.0%**	**10.4%**
	Adjusted operating income		% on sales	
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
Utilities	127	99	12.5%	10.6%
Trade & Installers	65	74	7.3%	8.1%
Industrial	38	36	9.4%	8.6%
Others	3	1		
Total	**233**	**210**	**9.8%**	**9.1%**

Sales to third parties in the Energy Cables and Systems business rose to Euro 2,365 million in the first half of 2008, reporting 5.3% organic growth, with a significant acceleration in the second quarter at 6.8%. Adjusted operating income increased by 11.0% to Euro 233 million from Euro 210 million in the first half of 2007, with margin on sales surging to 9.8% from 9.1%

Utilities
Sales to third parties in the Utilities business rose to Euro 1,010 million, reporting organic growth of 14.2%. This major improvement was attributable to strong growth in the higher value added segments of high voltage underground and submarine cables, with a sharp acceleration in the second quarter. Utility companies have increased investments in transmission networks, with demand increasingly focused on extra high voltage projects and on innovative sectors such as renewable power transmission networks; Prysmian has tripled the number of 400 kV high voltage projects compared with the corresponding period of 2007. Europe, the Middle East, China and Russia are the regions where demand is particularly sound. Among the contracts secured in the first half of the year it is worth mentioning the Kaharamaa project for the construction of a new high voltage link in Qatar and the Greater Gabbard project, the world's largest wind farm under development in the UK, where Prysmian will create the connections for onshore transmission of the power generated. Profitability also improved, with adjusted operating margin on sales climbing to 12.5% from 10.6% in the corresponding period of 2007.

Trade & Installers
Sales to third parties in the Trade & Installers business amounted to Euro 894 million. Despite signs of market contraction due to the construction industry crisis in North America and in certain European countries, Prysmian achieved the same volume of sales as in the prior year thanks to steady and growing demand in areas such as South America and Australia. Prysmian has reacted to the steep rise in raw material prices by enlarging its exposure to higher value added products such as LS0H/Afumex fire-resistant cables, increasingly used in prestigious structures where safety is paramount, like the new Wimbledon tennis stadium and the new F1 motor-racing circuit in Singapore, where the first night Gran Prix will be held in September, both of which cabled by Prysmian. Adjusted operating income reported a 7.3% margin on sales compared with 8.1% in the first half of 2007; the slight erosion in margins is mainly due to difficulties - in a slowing market - in transferring the entire increase in non-metal raw material costs to sale prices and to the impact of exchange rate movements.

Industrial
Industrial cables sales to third parties amounted to Euro 409 million in the first half of 2008, substantially stable compared to the previous year; the second quarter marked a significant recovery, posting an organic growth of 7.4%. In the segment of cables for the Oil & Gas industry, the second quarter reported a significant recovery in umbilical cable deliveries in Brazil, with a strong order book expected to drive further growth in the second half of 2008. Other high margin sectors such as cables for renewable power generation and cables for the mining industry also performed well. The acquisition of Facab-Lynen in Germany at the beginning of June will allow Prysmian to strengthen its presence in high margin markets like cables for the mining industry, infrastructure and renewable energy. Adjusted operating margin on sales rose to 9.4% from 8.6% in the corresponding period of 2007.

Telecom Cables and Systems

Telecom	1st Half 2008	1st Half 2007	Change %	% Organic change
Sales to third parties	294	293	0.3%	5.2%

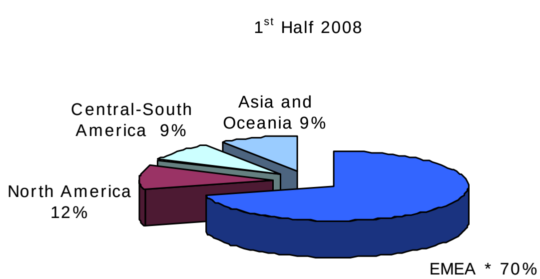
			% on sales	
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
Adjusted EBITDA	29	28	9.7%	9.3%
Adjusted operating income	27	26	9.1%	8.6%

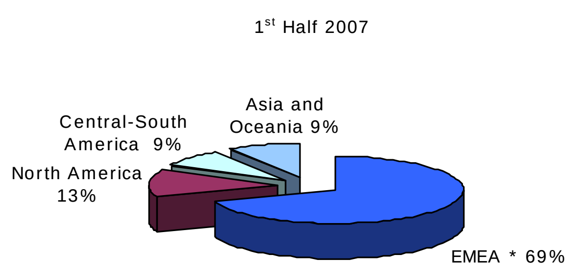
Sales to third parties in the Telecom Cables and Systems business amounted to Euro 294 million, reporting 5.2% organic growth, with a significant acceleration in the second quarter at 8.2%. Adjusted operating income rose by 5.4% on the corresponding period of 2007 to Euro 27 million. Operating margin on sales rose to 9.1% from 8.6%.

Prysmian continued to achieve relevant performances on the optical cables market, benefiting from growing demand in Europe and recovery in North America. Sales development was positive in Australia as well, where an important contract with the telecom operator Telstra was renewed. In terms of product innovation, the market has particularly appreciated some important technological innovations introduced by Prysmian, such as CasaLight optical fibre, specially designed for FTTH (Fibre to the Home) applications, and Verticasa, involving a new optic fibre cabling system for high-rise buildings.

In the copper cables business an important contract was signed with the Libyan General Post & Telecommunications Company to supply a wide range of telecom cables.

SALES AND RESULTS BY GEOGRAPHICAL AREA





(*) EMEA: Europe, Middle East and Africa

The Group's sales in **EMEA** (Europe, Middle East and Africa) reported 6.0% organic growth in the first half of 2008, up from 4.3% in the first quarter, particularly thanks to the development of high voltage and submarine projects. EMEA accounted for 70% of total sales.

Sales in **North America** reported a slight organic decrease (-0.4%). In terms of profitability, it is worth noting how demand shifted towards the higher margin business of high voltage cables while contracting in other areas of business such as Power Distribution. Sales in North America accounted for 12% of total sales in the first six months of 2008.

Sales in **Latin America** reported 6% organic growth thanks to good performance by industrial cables for the OGP industry and by the Trade & Installer business. The region accounted for 9% of total sales in the first six months of 2008.
The region with the highest organic growth in sales was **Asia and Oceania** (+8.9%) with a positive performance by all areas of business. Asia and Oceania accounted for 9% of total sales in the first six months of 2008.

BUSINESS OUTLOOK

In a slowing-down economic environment, which is expected to continue throughout 2008, the Prysmian Group expects to confirm its profitability drivers for the full year. In particular, the Group will continue to benefit from growing demand for high voltage cables for power transmission and cables for industrial applications such as OGP and renewable energy, as well as from a positive trend in demand for optical cables by telecom operators.
Based on the results achieved in the first-half, combined with the strong order book in the higher value added businesses, operating profitability is expected to improve in 2008, and, in particular, adjusted EBITDA is expected above Euro 550 million (Euro 529 million in 2007).

RESIGNATION OF A MEMBER OF THE BOARD OF STATUTORY AUDITORS AND REPLACEMENT BY AN ALTERNATE AUDITOR.

The Board of Directors of Prysmian S.p.A. has acknowledged the resignation of Mr. Paolo Francesco Lazzati as a statutory auditor, tendered today and with immediate effect in relation to the provisions of art. 144-terdecies of the Consob Issuer Regulations no.11971/1999. In accordance with art. 2401 of the Italian Civil Code, he is being replaced by Mr. Giovanni Rizzi, an alternate auditor elected in the Shareholders' Meeting on 28 February 2007.

Mr. Rizzi, who will remain in office until the next Shareholders' Meeting, has confirmed the contents of the legally required declarations made at the time of his appointment as an alternate auditor. His curriculum vitae can be found in the IR/Corporate Governance/Corporate Boards section of the Company's website at www.prysmian.com.

The Half-year financial report at 30 June 2008 will be filed at the Company's registered offices at Viale Sarca 222, Milan, and with Borsa Italiana S.p.A. in compliance with relevant regulations. It will also be available on the corporate website at www.prysmian.com.

Mr. Pier Francesco Facchini, manager responsible for preparing corporate accounting documents, hereby declares, pursuant to paragraph 2 of article 154-bis of Italy's Financial Markets Consolidation Act, that the accounting information contained in this press release corresponds to the underlying documents, accounting books and records.

Prysmian
A leading player in the industry of high-technology cables and systems for energy and telecommunication, the Prysmian Group is a truly global company with sales exceeding Euro 5 billion in 2007 and a strong position in higher added value market segments. With its two businesses, Energy Cables & Systems (submarine and underground cables for power transmission and distribution, for industrial applications and for the distribution of electricity to residential and commercial buildings) and Telecom Cables & Systems (optical cables and fibres and copper cables for video, data and voice transmission), Prysmian boasts a global presence with subsidiaries in 36 countries, 54 plants in 20 countries, 7 Research & Development Centres in Europe, USA and South America, and over 12,000 employees. Specialising in the development of products and systems designed to meet clients' specific requirements, Prysmian's key strengths include: a focus on Research & Development, the capacity to innovate products and production processes, and the use of advanced proprietary technologies. Prysmian is listed on the Milan Stock Exchange Blue Chip index.

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ANNEX A

Consolidated Balance Sheet

(in millions of Euro)	30 June 2008	31 December 2007
Non-current assets		
Property, plant and equipment	846	838
Intangible assets	25	21
Investments in associates	8	9
Available for sale financial assets	13	13
Derivatives	38	32
Deferred tax assets	33	29
Trade receivables	2	2
Other non-current receivables	32	34
Total non current assets	**997**	**978**
Current assets		
Inventories	712	582
Trade receivables	1,076	831
Other current receivables	254	276
Financial assets held for trading	42	40
Derivatives	50	25
Cash and cash equivalents	256	252
Total current assets	**2,390**	**2,006**
Total assets	**3,387**	**2,984**
Equity attributable to the Group	**545**	**433**
Share capital	18	18
Reserves	337	115
Net income/(loss) for the period	190	300
Equity attributable to minority interests	**19**	**21**
Share capital and reserves	19	19
Net income/(loss) for the period	-	2
Total Equity	**564**	**454**
Non-current liabilities		
Borrowings from banks and other lenders	984	991
Other non-current payables	39	43
Provisions for risks and charges	31	27
Derivatives	2	2
Deferred tax liabilities	60	62
Employee benefits liabilities	122	112
Total non current liabilities	**1,238**	**1,237**
Current liabilities		
Borrowings from banks and other lenders	140	61
Trade payables	906	738
Other current payables	371	356
Derivatives	27	29
Provisions for risks and charges	85	75
Current tax payables	56	34
Total current liabilities	**1,585**	**1,293**
Total liabilities	**2,823**	**2,530**
Total equity and liabilities	**3,387**	**2,984**

Consolidated Income Statement

(in milions of Euro)	1st Half 2008	1st Half 2007
Sales of goods and services	2,659	2,583
Changes in inventories of work in progress, semi-finished and finished goods	70	58
Other income	25	66
of which non-recurring other income	*2*	*39*
Raw materials and consumables used	(1,713)	(1,661)
Personnel costs	(282)	(270)
Amortization, depreciation and impairment	(32)	(33)
of which non-recurring amortization, depreciation and impairment	*(1)*	-
Other expenses	(479)	(477)
of which non-recurring other expenses	*(13)*	*(9)*
Operating income	**248**	**266**
Finance costs	(155)	(148)
of which non-recurring finance costs	-	*(59)*
Finance income	145	81
of which non-recurring finance income	-	*4*
Share of income from investments in associates and dividends from other companies	1	1
Income before taxes	**239**	**200**
Taxes	(49)	(50)
Net income/(loss) for the period	**190**	**150**
Attributable to:		
Equity holders of the parent	190	149
Minority interests	-	1
Basic earnings/(loss) per share - (in Euro)	1.05	0.83
Diluted earnings/(loss) per share - (in Euro)	1.04	0.82

Consolidated Cash Flow Statements

(in milions of Euro)

		1st Half 2008	1st Half 2007
	Income before taxes	239	200
	Depreciation of property, plant and equipment	30	30
	Amortization of intangible assets	2	3
	Badwill from acquisition of Facab Lynen Gmbh & Co. KG	(2)	-
	Price adjustment and other indemnification relating to the acquisition of the Energy and Telecom Cables and Systems divisions from the Pirelli & C. S.p.A.	-	(39)
	Net gains from disposal of property, plant and equipment and intangible assets and other non-current assets	-	(2)
	Share of income from investments in associates and joint ventures	(1)	(1)
	Share-based compensation (1)	1	2
	Net finance costs	10	67
	Changes in inventories	(121)	(104)
	Changes in trade receivables and payables	(62)	(26)
	Changes in other receivables and payables (1)	9	(22)
	Changes in derivatives	2	(4)
	Taxes paid	(34)	(38)
	Utilization of provisions (including employee benefits obligations)	(15)	(28)
	Increases in provisions (including employee benefits obligations)	26	36
A.	**Net cash flow provided by / (used in) operating activities**	**84**	**74**
	Price adjustment and indemnification relating to the acquisition of the Energy and Telecom Cables and Systems divisions from the Pirelli & C. S.p.A.	16	39
	Acquisition of Facab Lynen Gmbh & Co. KG	(2)	-
	Investments in property, plant and equipment	(38)	(28)
	Disposal of property, plant and equipment	2	4
	Investments in intangible assets	(6)	(1)
	Investments in financial assets held for trading	(5)	(8)
	Disposal of financial assets held for trading	4	-
	Dividends received	2	2
B.	**Net cash flow provided by / (used in) investing activities**	**(27)**	**8**
	Capital contribution and other changes in equity	2	(28)
	Dividends paid	(76)	-
	Net finance costs	(26)	(63)
	Changes in financial payables	49	(148)
C.	**Net cash flow provided by / (used in) financing activities**	**(51)**	**(239)**
D.	Exchange gains/(losses) on cash and cash equivalents	(2)	2
E.	**Total cash flow provided / (used) in the period (A+B+C+D)**	**4**	**(155)**
F.	**Net cash and cash equivalents at the beginning of the period**	**252**	**393**
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**256**	**238**

(1) "Share-based compensation" was reported under "Changes in other receivables and payables" in the 2007 Half-year financial report.

ANNEX B

RECONCILIATION TABLE BETWEEN NET INCOME FOR THE PERIOD, EBITDA AND ADJUSTED EBITDA OF THE GROUP

(in milions of Euro)	1st Half 2008	1st Half 2007
Net income/(loss) for the period	190	150
Taxes	49	50
Share of income from investments in associates and dividends from other companies	(1)	(1)
Finance income	(145)	(81)
Finance costs	155	148
Depreciation, amortization and impairment	32	33
EBITDA	**280**	**299**
Shutdown of operating facilities	-	2
IPO costs	-	7
Acquisition price adjustment of the Energy and Telecom Cables & Systems divisions from Pirelli & C. S.p.A.	-	(39)
Provision for tax inspections	12	-
IT system segregation	1	-
Badwill from Facab Lynen acquisition	(2)	-
Adjusted EBITDA	**291**	**269**

CASH FLOW STATEMENT RELATED TO THE NET FINANCIAL POSITION' S CHANGE

(in millions of Euro)	1st Half 2008	1st Half 2007	Change	2007
EBITDA	**280**	**299**	**(19)**	**573**
Acquisition price adjustment and other settlements	-	(39)	39	(60)
Badwill from Facab Lynen acquisition	(2)	-	(2)	-
Share-based compensation	1	2	(1)	6
Changes in provisions (including employee benefits obligations)	11	8	3	(6)
(Gains)/losses from disposal of property, plant and equipment and intagible assets	-	(2)	2	(1)
Net cash flow provided by operating activities (before changes in net working capital)	**290**	**268**	**22**	**512**
Changes in net working capital	(172)	(155)	(17)	(60)
Taxes paid	(34)	(39)	5	(86)
Net cash flow provided by/(used in) operating activities	**84**	**74**	**10**	**366**
Acquisition price adjustment and other settlements	16	39	(23)	45
Acquisition of Facab Lynen	(2)	-	(2)	-
Net cash flow used in investing activities (1)	(40)	(22)	(18)	(83)
Free cash flow (unlevered)	**58**	**91**	**(33)**	**328**
Finance costs	(26)	(63)	37	(83)
Free cash flow (levered)	**32**	**28**	**4**	**245**
Capital contribution	2	-	2	(2)
Dividends paid	(76)	-	(76)	-
Repayment of shareholders' loan	-	(28)	28	(28)
Net cash flow provided/(used) in the period	**(42)**	**-**	**(42)**	**215**
Net financial position at the beginning of the period	**(716)**	**(879)**	**163**	**(879)**
Net cash flow provided/(used) in the period	(42)	-	(42)	215
Other changes	(22)	(29)	7	(52)
Net financial position at the end of the period	**(780)**	**(908)**	**128**	**(716)**

(1) This does not include cash flow relating to "Financial assets held for trading", classified in Net financial position.