A WORLDWIDE LEADING PLAYER IN THE CABLE INDUSTRY

Third Quarter Report 2007

PRYSMIAN
CABLES & SYSTEMS

Index

DIRECTORS' REPORT

Prysmian S.p.A.

Board of Directors

Chairman	Paolo Zannoni
Managing Director	Valerio Battista
Directors	Wesley Clark*
	Giulio Del Ninno* (1)
	Pier Francesco Facchini
	Hugues Lepic (2)
	Francesco Paolo Mattioli* (1) (2)
	Michael Ogrinz
	Fabio Ignazio Romeo
	Udo Gunter Werner Stark* (1) (2)

*Independent directors
(1) Members of the Internal Audit Committee
(2) Members of the Remuneration Committee

Board of Statutory Auditors

Chairman	Marcello Garzia
Auditors	Luigi Guerra
	Paolo Francesco Lazzati
Alternate Auditors	Alessandro Ceriani
	Giovanni Rizzi

Independent Auditors

PricewaterhouseCoopers S.p.A.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

(in millions of Euro)	9M 2007	9M 2006	% Change	FY 2006
Net sales	3,877	3,725	4.1%	5,007
Adjusted EBITDA [(1)]	**405**	**320**	**26.5%**	**407**
% on net sales	10.5%	8.6%		8.1%
EBITDA [(2)]	**439**	**302**	**45.5%**	**371**
% on net sales	11.3%	8.1%		7.4%
Depreciation, amortization and write off	(49)	(74)	-34.1%	(113)
Operating income	**390**	**228**	**71.1%**	**258**
% on net sales	10.1%	6.1%		5.2%
Net financial expenses	(77)	(67)	15.5%	(112)
Share of income from investements valued at equity	1	1		2
Income before income tax expense	**314**	**162**	**94.3%**	**147**
% on net sales	8.1%	4.3%		2.9%
Income tax expense	(76)	(66)	15.4%	(56)
Net income	**238**	**96**	**148.2%**	**91**
% on net sales	6.1%	2.6%		1.8%
Attributable to:				
Equity holders of the Group	236	94		89
Minority interest	2	2		2

Adjusted operating income [(3)]	356	262	36.3%	330
% on net sales	9.2%	7.0%		6.6%
Contribution margin [(4)]	726	620	17.2%	827
% on net sales	18.7%	16.6%		16.5%

	30 September 2007	30 September 2006	Change	31 December 2006
Net invested capital	1,410	1,379	31	1,177
Net financial position	899	1,071	(172)	879
Pension funds	115	129	(14)	128
Total shareholders' equity	396	179	217	170
Shareholders' equity attributable to the Group	374	160	214	151

	9M 2007	9M 2006	% Change	FY 2006
Capital expenditure	51	43	18.6%	85
Employees (at the end of the period)	12,599	12,457	1.1%	12,143

Earnings/(loss) per share			
- basic	1.31	0.52	0.49
- diluted	1.30	0.52	0.49

[(1)] Adjusted EBITDA is EBITDA before expenses/income that are non-recurring by nature, reported in detail in the paragraph "Group performance and results."

[(2)] EBITDA is the Profit/ (Loss) for the period, including depreciation, amortization and write-off, financial income and expenses, the portion of the profit/loss attributable to associated companies, other company dividends and taxes.

[(3)] Adjusted operating income is the operating income before of expenses/income that are non-recurring by nature, reported in detail in the paragraph "Group performance and results."

[(4)] The contribution margin is defined as adjusted EBITDA less fixed costs.

SIGNIFICANT EVENTS

Sales' organic growth in the first nine months of 2007 was 8.2% compared to first 9M 2006. Such organic growth was determined net of the effect of closure of copper rod activities in the UK and excluding the metal prices' variation and foreign exchange rates impact. Organic growth by segment was as follows:

- Energy + 8.5%
- Telecom + 5.9%

In the same period of 2007, adjusted EBITDA (excluding non-recurring income of Euro 34 million) reached Euro 405 million, posting an increase of 26.5% versus the first nine months of the previous year.

During the third quarter of 2007, Prysmian secured two important contracts for the realization of new submarine connections: the first one, worth USD 125 million, will connect the cities of Pittsburgh and San Francisco, in California; the second one, worth Euro 119 million, will be executed in co-operation with Nexans and will connect the electricity grids of the Iberian Peninsula and the Balearic Islands on behalf of the Spanish operator.

On 31 July, the Board of Directors of Prysmian S.p.A. approved a Term Sheet with the Indian group Nicco for the acquisition of a majority shareholding in a Newco including all of the industrial and commercial activities relating to the energy cables and systems of Nicco Corporation.
The deal closing is subject to the consent of relevant Indian authorities and approval of Nicco's corporate debt lenders. The aim of the acquisition is to penetrate a strategic high growth rate market, particularly for cables related to industrial applications and energy distribution and transmission business.
The acquisition is expected to be finalized by the first half of 2008.

On 3 September 2007, Prysmian signed an agreement to acquire the activities of International Wire & Cable (IWC), a New Zealand cable manufacturer. The acquisition price was about Euro 4 million.

During the month of October, Prysmian S.p.A., based on the guarantees given by the Pirelli group in relation to the acquisition contract of July 2005, agreed with Pirelli & C. S.p.A. a Euro 5 million indemnity as a tax settlement. In the first quarter of the year, Prysmian also received Euro 39 million (net of ancillary charges) from the Pirelli group, as final price adjustment related to the transaction completed in 2005.

At the end of September 2007, the net financial position of the Group amounted to Euro 899 million, compared to Euro 879 million as of 31 December 2006. In the third quarter, net financial position slightly improved, despite the significant organic growth, the high seasonality of working capital and the high metal prices.

Moreover, on 3 May 2007, the Global Public Offer of Prysmian S.p.A. ordinary shares (46% of share capital) was brought to a successful close, and regular trading of the shares started on the Italian Stock Exchange in the Blue Chip segment. Within the scope of the Global Public Offer, closed on 27 April, requests were received for a total 278,756,062 shares, compared to a total offer of 72,000,000 shares.

Finally, the Group entered into a credit agreement ("New Credit Agreement") with six banks (Intesa Sanpaolo, BNP Paribas, J.P. Morgan, Citigroup, Bayerische Hypo Und Vereinsbank and Mediobanca), with the aim of refinancing the former Senior Credit Agreement. Through the New Credit Agreement the banks granted financing to Prysmian S.p.A. and some of its subsidiaries for a total amount of Euro 1,700 million.

The New Credit Agreement was assigned on 4 May 2007 and was used to repay the previous Credit Agreement; as such, the Group is currently cancelling the collateral securities related to the former credit facility. The New Credit Agreement, whose syndication was successfully closed on 29 June 2007, has a 5-year term as from the first day, and expires on 3 May 2012, providing improved economic terms for the Group and a better financial flexibility.

GROUP PERFORMANCE AND RESULTS

(in millions of Euro)	9M 2007	9M 2006	% Change	FY 2006
Net sales	3,877	3,725	4.1%	5,007
Adjusted EBITDA	**405**	**320**	**26.5%**	**407**
% on net sales	10.5%	8.6%		8.1%
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Attributable to:				
Equity holders of the Group	236	94		89
Minority interest	2	2		2

Reconciliation of adjusted operating income and adjusted EBITDA

Operating income (A)	**390**	**228**	**71.1%**	**258**
EBITDA (B)	**439**	**302**	**45.5%**	**371**
Non-recurring expenses/(income):				
Launch of the Prysmian trademark	-	4		6
IPO costs	7	-		10
Shutdown of operating facilities	3	13		18
Tax settlement with Pirelli & C. S.p.A.	(5)			
Corporate reorganisation	-	1		1
Price adjustment for the acquisition of the Energy and Telecom Cables and Systems divisions from Pirelli & C. S.p.A.	(39)	-		-
Disposal of Submarine Telecommunications Business	-	-		1
Total non-recurring expenses/(income) (C)	(34)	19		36
Amortization of the Pirelli trademark (D)	-	15		31
Goodwill write-off (E)	-	-		5
Adjusted operating income (A+C+D+E)	**356**	**262**	**36.3%**	**330**
Adjusted EBITDA (B+C)	**405**	**320**	**26.5%**	**407**

Income statement

Group sales amounted to Euro 3,877 million in the first nine months of 2007 compared to Euro 3,725 million in the same period of 2006, posting an increase of Euro 152 million (+ 4.1%).

Sales growth was the result of a combination of following factors:

- sales prices' variation due to the increase in metal prices amounting to Euro 134 million (+ 3.6%);
- closure of the Prescot facility (United Kingdom) and consequent reduction in sales of copper semi-finished goods for Euro 250 million (- 6.7%);

- negative foreign exchange rate effects of Euro 16 million (- 0.4%);
- sales organic growth driven by the positive trend in volumes, mix and price, amounting to Euro 284 million (+ 8.2%).

Adjusted EBITDA (before non-recurring expenses/income), in the first nine months of 2007, reached Euro 405 million compared to Euro 320 million in the same period of 2006, posting an increase of Euro 85 million (+ 26.5%). The growth confirms the excellent operating leverage achieved, thanks to which most of the increase in the contribution margin resulted into EBITDA growth. In 3Q 2007, adjusted EBITDA amounted to Euro 136 million and exceeded by Euro 22 million (+ 19.1%) the previous year result.

The positive commercial results trend was therefore confirmed in the third quarter of 2007, although in a context of lower seasonality, and as in the previous quarters, all Group business areas contributed to the profitability improvement:

- strong volumes growth in the Industrial business area, in particular in the segments of OGP, mining, railway and renewable energy industry, supported by the investments made in the main production plants (e.g. Brazil and China);
- product portfolio optimization in the Trade & Installers and Power Distribution business areas, and the constant focus on profitability of lower value added segments, which allowed to increase the average price level compared to the second half of the previous year;
- rising demand for products and services related to high voltage cable projects, for which, substantialinvestments to increase production capacity are in progress.

For the first nine months of 2007, Group EBITDA rose to Euro 439 million, compared to Euro 302 million in the corresponding period of 2006, posting a 45.5% increase. Ordinary operations contributed Euro 85 million, while non-recurring expenses and income generated a positive variation of Euro 52 million (from a negative Euro 18 million in 2006 to a positive Euro 34 million in 2007), mainly due to Euro 44 million received from Pirelli & C. S.p.A, and lower production facilities rationalization expenses.

For the first nine months of 2007, depreciation and amortization amounted to Euro 49 million compared to Euro 74 million at the end of September 2006, with a decrease of Euro 25 million. This change is mainly due to the following factors:

- lower amortization of the Pirelli trademark, for Euro 16 million (amortization was completed in 2006);
- lower amortization for Long Term Contracts of Euro 9 million; these intangible assets were accounted after the acquisition of the Energy and Telecom Cables and Systems segments in July 2005 and were almost fully amortized during 2006.

Thanks to the contribution of all the factors described above, Group operating income reached Euro 390 million at September 2007 compared to Euro 228 million for the same period of the last year, with an increase of Euro 162 million (+ 71.1%).

Net financial expenses amounted to Euro 77 million for the first nine months of the year, compared to Euro 67 million in the first nine months of 2006. This variation is due to the following factors:

- Euro 59 million write-off of bank fees (Euro 8 million in 2006) related to the former credit agreement replaced by the already mentioned New Credit Agreement, effective as of 4 May 2007;

- higher income related to the fair value of derivatives (Euro 40 million in 2007 in comparison with Euro 9 million in 2006);
- lower cost of funding resulting from the New Credit Agreement and sharp reduction in average financial debt;
- release to profit of an equity reserve related to the valuation of interest rate derivatives defined as "cash flow hedge"; necessary as a consequence of the old credit agreement refinancing (positive effect before taxes of Euro 4 million).

Taxes for the first nine months of 2007, which amounted to Euro 76 million, represented 24.1% of the profit before tax. This particular low rate is due to the price adjustment received from Pirelli & C. S.p.A. (Euro 39 million net of ancillary charges) which is not subject to taxation.

Net income for the first nine months of 2007 reached Euro 238 million, more than doubling the Euro 96 million posted in the first nine months of 2006.

Finally, it should also be pointed out that results for the first nine months of 2007 include two particularly important effects:

- the impact of the transaction agreed in relation to a legal dispute that involved the Turkish affiliate concerning the period before the acquisition of the Energy and Telecom Cables and Systems divisions by Goldman Sachs Capital Partners; said transaction had a negative effect of Euro 7 million on the adjusted EBITDA of the Energy business. The amount was paid in August 2007;
- the insurance settlement of Euro 10 million relating to the Basslink submarine cable project completed in 2005; in connection to this, provisions of approximately Euro 4 million were allocated to cover the risk of future damages in relation to the project, which will remain under warranty of Prysmian Cavi e Sistemi Energia until 2011. The impact on the adjusted EBITDA of the Energy division was positive for Euro 6 million. The transactions will affect cash flow in the second half of 2007.

Sales by geographic area

The following charts report the geographic breakdown of sales for the first nine months of 2007 and for 2006.

The breakdown of sales by geographic area shows higher percentage of sales generated in Europe, South America, Oceania and Asia and a decrease in North America, which last year had benefited from approximately Euro 101 million of sales in relation to the Neptune submarine cable project.
Sales in Europe, at constant metal prices, increased by 2.9% compared to the same period of last year. This growth was reduced by the decrease in sales following the closure of the Prescot plant (United Kingdom), which

manufactured copper rods. Organic growth reached 14.5% and was driven by increasing demand in all business areas.
At constant metal price and net of the Neptune project, sales in North America were basically stable. In particular the optical cables business recorded a decrease in sales compared to the previous year, due to a slowdown in investments from large customers. The organic change in sales was slightly negative (- 0.9% excluding the effect of the Neptune project).
In the Central and South America, organic sales growth reached 13.8% in the nine months, and was sharply up in the third quarter, thanks to the strong demand for OGP cables, to which Prysmian responded with the opening of the Vila Velha facility in December 2006 which became fully operative as of March 2007.

The positive trend in Asia and Oceania was due to the increase in demand for industrial and telecom cables, which more than offset the decrease in demand of the Australian utilities. The organic growth in sales reached 8.2% for the entire period, and increased in the third quarter.

TRENDS BY SEGMENT

ENERGY

(in millions of Euro)	9M 2007	9M 2006	% Change	FY 2006
Net sales	3,487	3,391	2.8%	4,570
of which net sales vs third parties	3,457	3,332	3.8%	4,501
Adjusted EBITDA	**369**	**286**	**28.9%**	**368**
% on net sales	10.6%	8.4%		8.1%
EBITDA	**366**	**269**	**36.3%**	**346**
% on net sales	10.5%	7.9%		7.6%
Depreciation, amortization and write off	(46)	(71)	-36.0%	(105)
Operating income	**320**	**198**	**62.2%**	**241**
% on net sales	9.2%	5.8%		5.3%
Adjusted operating income	323	230	40.4%	296
% on net sales	9.3%	6.8%		6.4%
Contribution margin	640	533	20.0%	717
% on net sales	18.4%	15.7%		15.7%

Reconciliation of adjusted operating income and adjusted EBITDA

Operating income (A)	**320**	**198**	**62.2%**	**241**
EBITDA (B)	**366**	**269**	**36.3%**	**346**
Non-recurring expenses:				
Shutdown of operating facilities	3	13		17
Launch of the Prysmian trademark	-	4		5
Total non-recurring expenses (revenues) (C)	3	17		22
Amortization of the Pirelli trademark (D)	-	15		31
Adjusted operating income (A+C+D)	**323**	**230**	**40.4%**	**295**
Adjusted EBITDA (B+C)	**369**	**286**	**28.9%**	**368**

In the second quarter of 2007, changes in cost allocation criteria led to Corporate overhead costs being fully allocated to the Energy and Telecom segments. Both Q1 2007 and 2006 quarters were adjusted in order to ensure full comparability.

Net sales

Net sales to third parties in the Energy Cables and Systems segment rose from Euro 3,332 million in the first nine months of 2006 to Euro 3,457 million in the first nine months of 2007, with an increase of Euro 125 million (+ 3.8%).

This growth was driven by the following main factors:

- sales prices' variation due to the increase in metal price amounting to Euro 125 million (+ 3.8%);
- closure of the Prescot facility (United Kingdom) and consequent reduction in sales of copper semi-finished goods for Euro 250 million (- 7.5%);
- negative foreign exchange rate effects of Euro 11 million (- 0.3%);
- sales organic growth driven by the positive trend in volumes, mix and price, amounting to Euro 261 million (+ 8.5%).

In particular, organic growth of the Trade & Installers business area (+ 6.4%) resulted from the improvement in sales prices and product/country/channel mix that Prysmian achieved as of the middle of 2006 and which showed its positive effects in 2007. In 2007, the Company further strengthened its focus on high value added products (e.g. LSOH/Afumex fire resistant cables) especially in Europe. This strategy delivered very good results particularly in the third quarter, thanks to the healthy demand in Europe, both on the Western markets (France, Spain and Italy) for specialized product and high value added product segments, and on the Eastern markets (Poland, Slovakia, Romania) for the building construction segment. The Group's competitive position in South America was further reinforced in 2007.

The Utilities business area confirms the positive trend in the power distribution cables, due to steady prices level since the second half of the previous year. Demand in this segment was geared toward a mix of medium voltage products in Europe, as the leading utilities had to face the growing need of energy for industrial and household use. In North America, demand weakened as volumes ordered by major utility companies fell when compared to last year, due to volatility in the construction market.
The high voltage cables segment (terrestrial and submarine) recorded strong growth, thanks to healthy demand in most of the areas of the world. Growing energy requirements, coupled with the need to make transmission networks more efficient and eco-sustainable, enabled Prysmian to increase significantly the orderbook and sales starting from the second quarter of 2007.
Organic growth in the Utilities business area reached + 4.6% compared to the same period of last year, with a significant acceleration in the third quarter (+ 8.1%) in the high voltage terrestrial and submarine cable segments.

In the Industrial business area, organic growth was 19.9%, driven by the growing demand for cables from the OGP industry (especially in Italy and Spain), and for renewable energy (Spain and China). In addition to the increase in umbilical cables sales in Brazil, we highlight the significant growth in sales of cables for the mining industry in Australia, and the rising sales in China thanks to investments made in the local production facilities. In the Automotive business segment, where general demand was basically flat or slightly declining, Prysmian benefited from increased volumes ordered by its traditional customers, which have increased their market share.

Profitability

Contribution margin increased by Euro 107 million (+ 20.0%) from Euro 533 million to Euro 640 million.
Adjusted EBITDA (before non-recurring expenses/income) amounted to Euro 369 million in the first nine months 2007, posting a Euro 83 million increase (+ 28.9%) from previous year (Euro 286 million). The increase is entirely attributable to the aforementioned commercial factors and was partially offset by the rise in fixed costs.

Adjusted EBIT (before non-recurring expenses and income) reached Euro 323 million, compared to the Euro 230 million posted in the first nine months of 2006, with an increase of Euro 93 million (+ 40.4%).
The increase in adjusted EBIT fully reflected growth in adjusted EBITDA, and was further driven by the completion of the amortization related to Long Term Contracts.

Positive growth in operating income confirmed the effectiveness of the Group strategy, focused on products and sales channels with higher added value.

The following tables report the net sales to third parties, adjusted EBITDA and adjusted EBIT of the business areas in the Energy segment, in comparison with the corresponding period of the previous year.

(in millions of Euro)	Net sales			
	9M 2007	**9M 2006**	**% Change**	**% Organic change**
Utilities	1,422	1,357		
of which vs third parties	*1,422*	*1,351*	*5.3%*	*4.6%*
Trade & Installers	1,382	1,237		
of which vs third parties	*1,381*	*1,236*	*11.7%*	*6.4%*
Industrial	588	465		
of which vs third parties	*587*	*458*	*28.1%*	*19.9%*
Others	95	332		
of which vs third parties	*67*	*288*		
Total Energy	**3,487**	**3,391**	**2.8%**	
of which vs third parties	***3,457***	***3,332***	***3.8%***	***8.5%***

(in millions of Euro)	Adjusted EBITDA		% on net sales	
	9M 2007	**9M 2006**	**9M 2007**	**9M 2006**
Utilities	183	156	12.9%	11.5%
Trade & Installers	119	82	8.6%	6.6%
Industrial	60	41	10.2%	8.7%
Others	7	8	10.4%	2.3%
Total Energy	**369**	**286**	**10.6%**	**8.4%**

(in millions of Euro)	Adjusted EBIT		% on net sales	
	9M 2007	**9M 2006**	**9M 2007**	**9M 2006**
Utilities	161	127	11.3%	9.4%
Trade & Installers	107	69	7.7%	5.5%
Industrial	50	32	8.5%	6.9%
Others	5	2	5.3%	0.7%
Total Energy	**323**	**230**	**9.3%**	**6.8%**

TELECOM

(in millions of Euro)				
	9M 2007	9M 2006	% Change	FY 2006
Net sales	431	406	5.9%	537
of which net sales vs third parties	420	393	6.9%	506
Adjusted EBITDA	**36**	**34**	**6.8%**	**39**
% on net sales	8.4%	8.4%		7.2%
EBITDA	**36**	**34**	**6.8%**	**37**
% on net sales	8.4%	8.4%		6.9%
Depreciation, amortization and write off	(3)	(3)	9.7%	(3)
Operating income	**33**	**31**	**6.5%**	**33**
% on net sales	7.8%	7.7%		6.1%
Adjusted operating income	33	32	6.5%	35
% on net sales	7.8%	7.8%		6.6%
Contribution margin	86	86		110
% on net sales	20%	21.3%		20.5%

Reconciliation of adjusted operating income and adjusted EBITDA

Operating income (A)	**33**	**31**	**6.5%**	**33**
EBITDA (B)	**36**	**34**	**6.8%**	**37**
Non-recurring expenses:				
Shutdown of operating facilities	-	-		1
Disposal of Submarine Telecommunications Business	-	-		1
Total non-recurring expenses (C)	-	-		*2*
Adjusted operating income (A+C)	**33**	**32**	**6.5%**	**35**
Adjusted EBITDA (B+C)	**36**	**34**	**6.8%**	**39**

In the second quarter of 2007, changes in cost allocation criteria led to Corporate overhead costs being fully allocated to the Energy and Telecom segments. Both Q1 2007 and 2006 quarters were adjusted in order to ensure full comparability.

In the first nine months net sales to third parties in the Telecom division amounted to Euro 420 million compared to Euro 393 million in the first nine months of 2006, posting an increase of Euro 27 million (+ 6.9%).

This growth was due to the following factors:

- variation of sales prices due to the increase in metal prices for Euro 9 million (+ 2.3%);
- negative exchange rate effects, amounted to Euro 5 million (- 1.3%);
- organic growth of Euro 23 million (+ 5.9%).

The contribution margin was unchanged with respect to the same period of 2006, amounting to Euro 86 million, while adjusted EBITDA (before non-recurring expenses and income) for the first nine months of 2007 amounted to Euro 36 million (8.4% of sales), showing an increase of Euro 2 million (+ 6.8%).

Within the segment, optical cables continued to benefit from the slight recovery of demand in Northern Europe; whilst good results were also achieved in the Asian markets (in India in particular). This enabled the Group to partially offset the negative effects of a weaker North American market.

Sales growth was confirmed in the copper cable segment; organic growth (net of the metal price effect) was basically due to the high volumes achieved in Turkey, Italy and Romania.
In South America, there was a particularly good performance in Brazil, with high volumes generated on both the domestic and export market (North and Central America).

The contribution margin, in addition to the commercial factors mentioned above, benefited from actions taken to improve industrial efficiency, also supported by increase in volumes.

THIRD QUARTER RESULTS

(in millions of Euro)	3rd Quarter 2007	3rd Quarter 2006	Change %
Net sales	1,294	1,308	-1.1%
Adjusted EBITDA	**136**	**115**	**18.4%**
% on net sales	10.6%	8.8%	
EBITDA	**140**	**108**	**30.3%**
% on net sales	10.8%	8.2%	
Depreciation, amortization and write off	(16)	(23)	-27.6%
Operating income	**124**	**85**	**45.2%**
% on net sales	9.6%	6.5%	
Net financial expenses	(10)	(48)	-77.9%
Share of income from investements valued at equity	-	1	n.a.
Income before income tax expense	**114**	**38**	**200.9%**
% on net sales	8.8%	2.9%	
Income tax expense	(26)	(18)	43.1%
Net income	**88**	**20**	**339.8%**
% on net sales	6.8%	1.5%	
Attributable to:			
Equity holders of the Group	87	19	
Minority interest	1	1	

Adjusted operating income	120	98	22.7%
% on net sales	9.3%	7.5%	
Contribution margin	244	209	17.0%
% on net sales	18.9%	16.0%	

In the third quarter of 2007, sales amounted to Euro 1,294 million compared to Euro 1,308 million in the same period of 2006, posting a decrease of Euro 14 million (- 1.1%).

This contraction was the result of the following factors:

- reduction in sales volumes of copper semi-finished goods as a consequence of the closure of the Prescot plant (United Kingdom) equivalent to Euro 91 million (- 7%);
- decrease in sales prices due to the prices of strategic metals (- Euro 17 million, equivalent to - 1.3%), which were slightly lower than the record levels posted in mid 2006;
- negative foreign exchange rate effects of Euro 2 million, mainly due to the depreciation of the US dollar (-0.2%);
- organic sales growth due to the increase in volumes, mix and prices, of Euro 96 million (+ 7.9 %).

Adjusted EBITDA (before non-recurring expenses and income) in the third quarter of 2007 reached Euro 136 million compared to Euro 115 million in the same period of 2006, showing an increase of Euro 21 million (+ 19.1%). This result is much more significant if compared with a particularly strong 3Q 2006, posting a further increasing with respect to the previous quarters.
More in detail:

- strong volumes growth in the Industrial business area was confirmed, as well as in the specialized segments such as products for the OGP, mining, railway and renewable energy industries. This growth was achieved both in the more consolidated markets, such as Western Europe, and in the Far East. In China, in particular, sales almost doubled during the reference period;

- price levels reached in 2007 for the products portfolio in the Trade & Installers and Power Distribution business areas were maintained, thanks to the focus on high value added segments;
- underway production capacity increase supported the significant rise in demand for products and services related to high voltage and submarine cables in all areas of the world; during the 3Q, sales in these two business areas grew by more than 20% with respect to the same period last year.

Group EBITDA reached Euro 140 million in the third quarter of 2007 compared to Euro 108 million posted in the same period of 2006, posting an increase of 30.6%. Ordinary activities generated Euro 21 million increase, while non-recurring expenses and income positively contributed for Euro 11 million, mainly attributable to the indemnity from Pirelli & C. S.p.A. related to the tax settlement (Euro 5 million), and to lower expenses incurred for production facility rationalization.

Thanks to the contribution of all the factors described above and to the lower amortization, Operating income of the Group amounted to Euro 124 million in the third quarter of 2007 compared to Euro 85 million in the same period last year, with an increase of Euro 39 million (+ 47.1%).

Net financial expenses for the period amounted to Euro 10 million in comparison to the Euro 48 million posted in 3Q 2006. This change was the result of the following factors:

- higher income due to derivatives fair value on strategic metals and interest rates', for Euro 16 million;
- lower financial expenses resulting from the New Credit Agreement and reduction of average financial debt.

Net income reached Euro 88 million in the third quarter of 2007 compared to Euro 20 million in the same period of 2006.

GROUP FINANCIAL INFORMATION

In order to provide an analysis of the equity and financial structure of the Group, reclassified accounts have been prepared on bases distinct from the IFRS adopted by the Group, upon which the Financial Statements were prepared. The reclassified accounts provide alternative performance indicators, used by management to monitor and assess the financial situation of the Group.

Net Fixed Assets are determined as the sum of the following financial statement items:
- Intangible assets
- Property, plant and equipment
- Investments in associates
- Available-for-sale Financial Assets net of Long-term Securities classified as Long-term Financial Receivables under Net Financial Position

Net Working Capital is determined as the sum of the following financial statement items:
- Inventories
- Trade receivables
- Trade payables
- Other Receivables and Other Payables – non-current component – net of long-term financial receivables classified under Net Financial Position
- Other Receivables and Other Payables – current component – net of short-term financial receivables classified under Net Financial Position
- Derivatives net of financial instruments for hedging interest rate and currency risks relating to financial transactions, classified under Net Financial Position
- Current tax payables

Provisions are given by the sum of the following financial statement items:
- Provisions for risks and charges – current component
- Provisions for risks and charges – non-current component
- Provisions for deferred tax liabilities
- Deferred tax assets

Net Invested Capital is given by the sum total of Fixed Assets, Net Working Capital and Provisions.

Employee Benefits Liability and **Total Shareholders' Equity** are given respectively by the corresponding items in the Financial Statements.

Net Financial Position is determined by the sum of the following items:
- Borrowings – non-current component
- Borrowings – current component
- Derivatives relating to financial transactions booked as Non-current Assets and classified under Long-term Financial Receivables
- Derivatives relating to financial transactions booked as Non-current Liabilities and classified under Long-term Borrowings
- Derivatives relating to financial transactions booked as Current Liabilities and classified under Short-term Borrowings
- Long-term Financial Receivables booked as Other Receivables – non-current component

- Long-term Financial Receivables booked as Other Receivables – current component
- Long-term Securities booked as Long-term Financial Receivables under Net Financial Position, and classified as Available-for-sale Financial Assets in the Financial Statements
- Financial assets held for trading
- Cash and cash equivalents

Balance sheet

The Group balance sheet at 30 September 2007 includes the activities of International Wire & Cables (IWC), the New Zealand company acquired last month.

(in millions of Euro)	30 September 2007	30 September 2006	Change	31 December 2006
Net fixed assets	872	874	(2)	875
Net working capital	676	680	(4)	442
Provisions	(138)	(175)	37	(140)
Net invested capital	**1,410**	**1,379**	**31**	**1,177**
Pension funds	115	129	(14)	128
Total shareholders' equity	396	179	217	170
of which attributable to minority interest	22	19	3	19
Net financial position	899	1,071	(172)	879
Total shareholders' equity and liabilities	**1,410**	**1,379**	**31**	**1,177**

The variation in net fixed assets over the last twelve months was influenced by the review of the useful life of the Pirelli trademark license, which resulted in the completion of its amortization during 2006, with a net decrease of Euro 16 million between 30 September 2006 and 30 September 2007. Excluding this amount and the adjustment to the goodwill value (Euro 5 million), net fixed assets recorded an increase of Euro 19 million, due to capital expenditures in excess of depreciations.

Net working capitale rose by Euro 234 million from 31 December 2006, due to the seasonality of sales during the period, as well as to the impact of receivables due to metals derivatives fair value. Net working capital was basically stable compared to 30 September 2006, despite the organic volumes growth recorded during the last twelve months.

The change in provisions, with respect to 30 September 2006, was mainly due to the changes of deferred taxes, in particular the posting of deferred tax assets in the last quarter of 2006.

Net financial position increased by Euro 20 million compared to 31 December 2006. It was affected by the following factors:

- negative impact generated by the seasonal change in working capital;
- repayment, for Euro 28 million, of the shareholders' loan (residual amount included in shareholders' equity);
- change in non-amortized bank fees for Euro 39 million.

With respect to 30 September 2006, the net financial position decreased by Euro 172 million, despite Euro 28 million that was distributed to shareholders in May 2007 (repayment of the residual amount of the shareholders' loan) and a reduction in non-amortized bank fees for Euro 51 million; the cash flow generated during the October 2006 - September 2007 period, before the effect due to repayment of the shareholders' loan, amounted to Euro 262 million.

Net working capital

The following table highlights the main items of net working capital:

(in millions of Euro)	30 September 2007	30 September 2006	Change	31 December 2006
Inventories	677	604	73	535
Trade receivables	982	1,015	(33)	848
Trade payables	(815)	(726)	(89)	(736)
Other receivables/(payables)	(168)	(213)	45	(205)
Net working capital	**676**	**680**	**(4)**	**442**

At 30 September 2007, net working capital amounted to Euro 676 million, compared to Euro 442 million at 31 December 2006 and Euro 680 million at 30 September 2006.

These results were influenced by the following events:

- the closure in December 2006 of the Prescot facility in the United Kingdom, which used to manufacture copper rods; this resulted in a decrease in working capital of approximately Euro 50 million (compared to 31 December 2006);
- the significant seasonality of sales and the increased need for working capital generated by the orderbook for high voltage and submarine projects resulted, in particular, in an increase in inventories. This negative impact, in addition to the reduction in the payment terms of copper suppliers, was offset by the efficiency enhancement measures taken by the company during the reference period. These actions led to a decrease in the days of exposure to clients, to a reduction in the value of overdue receivables, to a reduction in the inventory period and to an optimization of the payment terms of other suppliers.

Net financial position

The following table provides a detailed breakdown of the Net financial position:

(in millions of Euro)	30 September 2007	30 September 2006	Change	31 December 2006
Long-term financial payables				
Credit Agreement	986	1,238	(252)	1,045
Other financial payables	11	59	(48)	54
Total long-term financial payables	**997**	**1,297**	**(300)**	**1,099**
Short-term financial payables				
Credit Agreement	-	-	-	198
Securitization	148	-	148	-
Other financial payables	67	70	(3)	57
Total short-term financial payables	**215**	**70**	**145**	**255**
Total financial liabilities	**1,212**	**1,367**	**(155)**	**1,354**
Long-term financial receivables	32	33	(1)	38
Short-term financial receivables	22	32	(10)	20
Financial assets held for trading	30	20	10	24
Cash and cash equivalents	229	211	18	393
Total financial assets	**313**	**296**	**17**	**475**
Net financial position	**899**	**1,071**	**(172)**	**879**

Cash flow statement

(in millions of Euro)	30 September 2007	30 September 2006	Change	31 December 2006
EBITDA	439	302	137	371
Acquisition price adjustment	(39)	-	(39)	-
Variations in provisions (employee benefits liabilities included)	(1)	3	(4)	(3)
(Gains)/losses from disposal of property, plant and equip. and intagible assets	(2)	(1)	(1)	(8)
Cash flow from operating activities (before NWC changes)	**397**	**304**	**93**	**359**
Changes in net working capital	(196)	(194)	(2)	43
Income tax paid	(68)	(50)	(18)	(56)
Net cash flow from operating activities	**133**	**60**	**73**	**346**
Acquisition price adjustment	39	-	39	-
Net capital expenditure (1)	(46)	(28)	(18)	(69)
Free cash flow (unlevered)	**126**	**32**	**94**	**278**
Finance costs	(65)	(67)	2	(112)
Free cash flow (levered)	**61**	**(35)**	**96**	**166**
Reserves' distribution	-	(90)	90	(90)
Reimbursement of shareholders' loan	(28)	(51)	23	(51)
Net cash flow of the period	**33**	**(176)**	**209**	**25**
Net financial position (beginning of period)	**(879)**	**(892)**	**13**	**(892)**
Net cash flow of the period	33	(176)	209	25
Other variations	(53)	(3)	(50)	(11)
Net financial position (end of period)	**(899)**	**(1,071)**	**172**	**(879)**

(1) The item does not include the flows relating to the item Financial assets held for trading included in the Net financial position.

In the first nine months of the year, cash flow generated by operating activities (before the changes in net working capital) amounted to Euro 397 million. Part of this was absorbed by the increase in working capital described above, for an amount of Euro 196 million. Therefore, net of the Euro 68 million of income tax paid, cash flow from operating activities reached Euro 133 million. This figure represents a substantial improvement with respect to the first nine months of 2006, which posted a cash flow of Euro 60 million; this improvement was due to the sharp rise in operating profitability and to the "release" of working capital consequent to the closure of the copper rod production facility in Prescot (United Kingdom).

Net investments made in the first nine months of 2007 increased by Euro 18 million compared to same period of 2006 to Euro 46 million. The increase is fully attributable to the production capacity expansions at the plants dedicated to high voltage and submarine products (in Italy and Finland in particular), needed to satisfy the growing demand.

Net financial expenses of the period, amounting to Euro 77 million, include significant non cash items, mainly related to the write-off of unamortized bank fees at 4 May 2007 (Euro 59 million) and to the revaluation of the fair value of derivatives. Consequently, net of these effects, net cash financial expenses reflected in the cash flow statement were Euro 65 million.

Net cash flow for the period also benefited from the Euro 39 million price adjustment received from Pirelli & C. S.p.A.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No important events occurred after the closing of the period on 30 September 2007.

In a market context expected to remain positive for the full year 2007, the Group expects to confirm a solid organic growth in sales, thanks to the confirmation of the positive trend in energy transmission and in industrial cables.

For the full year 2007 the Group expects to reach a strong improvement of its profitability, with an adjusted EBITDA well in excess of Euro 500 million (in comparison with Euro 407 million of the previous year).

Milan, 5 November 2007

ON BEHALF OF THE BOARD OF DIRECTORS

THE CHAIRMAN

Paolo Zannoni

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET

(in thousands of Euro)

	Note	As of 30 September 2007	of which related parties (Note 23)	As of 31 December 2006	of which related parties (Note 23)
ASSETS					
Non-current assets					
Property, plant and equipment	5	829,661		827,244	
Intangible assets	5	22,561		26,667	
Investments in associates	6	8,138		10,575	
Available-for-sale financial assets	6	11,776		10,747	
Derivatives	10	27,084	11,328	21,693	9,199
Deferred tax assets		36,514		30,949	
Other non-current receivables	7	34,300		47,798	
Total non current assets		**970,034**		**975,673**	
Current assets					
Inventories	8	677,387		535,495	
Trade receivables	7	981,976	495	847,788	
Other current receivables	7	227,668	119	159,321	26
Financial assets held for trading	9	29,911		24,376	
Derivatives	10	90,600		32,773	
Cash and cash equivalents	11	229,063		392,907	
Total current assets		**2,236,605**		**1,992,660**	
Total assets		**3,206,639**		**2,968,333**	
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity attributable to the Group		**374,097**		**151,218**	
Share capital	12	18,000		18,000	
Reserves	12	119,990		44,125	
Net income (loss) for the period		236,107		89,093	
Shareholders' equity attributable to minority interest		**22,203**		**19,155**	
Share capital and reserves	12	20,107		17,086	
Net income (loss) for the period		2,096		2,069	
Total shareholders' equity		**396,300**		**170,373**	
Non-current liabilities					
Long-term borrowings	13	994,521		1,098,992	41,819
Other non-current payables	14	36,665		38,640	
Provisions for risks and charges	15	27,019		26,033	
Derivates	10	2,824		-	
Deferred tax liabilities		65,101		65,694	
Employee benefits liability	16	115,122		127,571	
Total non current liabilities		**1,241,252**		**1,356,930**	
Current liabilities					
Short term borrowings	13	213,806		255,077	
Trade payables	14	814,825	1,152	736,158	4,067
Other current payables	14	358,277	2,876	269,337	2,982
Derivatives	10	57,978		31,895	
Provisions for risks and charges	15	82,849		79,224	
Current tax payables		41,352		69,339	
Total current liabilities		**1,569,087**		**1,441,030**	
Total liabilities		**2,810,339**		**2,797,960**	
Total shareholders' equity and liabilities		**3,206,639**		**2,968,333**	

INCOME STATEMENT

(in thousands of Euro)	Note	1/1-30/09/2007	of which related parties (Note 23)	1/1-30/09/2006	of which related parties (Note 23)
Net sales		3,877,095	2,403	3,725,014	2
Changes in inventories of work in progress, semi-finished and finished goods		76,310		106,238	
Other income		79,883	70	33,837	
of which other non-recurring income		*44,525*		-	
Raw materials and consumables used		(2,485,437)	2,672	(2,596,062)	2,466
Personnel costs		(400,092)		(410,074)	
of which non-recurring personnel costs		-		-	
Depreciation, amortization and write-off		(48,463)		(73,520)	
of which non-recurring depreciation, amortization and write-off		-		*(15,000)*	
Other expenses		(708,851)	2,326	(557,267)	77
of which other non-recurring expenses		*(10,831)*		*(18,547)*	
Operating income	17	**390,445**		**228,166**	
Finance costs	18	(185,197)	(1,452)	(143,457)	(8,590)
of which non-recurring finance costs		*(58,648)*		*(7,649)*	
Finance income	18	107,700	5,925	76,336	4,364
of which non-recurring finance income		*3,846*	*1,942*	-	
Share of income from investments in associates and dividends from other companies		995	597	539	436
Income before income tax expense		**313,943**		**161,584**	
Income tax expense	19	(75,740)		(65,621)	
Net income (loss) for the period		**238,203**		**95,963**	
Attributable to:					
Equity holders of the Group		236,107		93,851	
Minority interest		2,096		2,112	
Earnings/(loss) per share - base (in Euro)	20	**1.31**		**0.52**	
Earnings/(loss) per share - diluted (in Euro)	20	**1.30**		**0.52**	

INCOME STATEMENT – 3rd Quarter 2007

(in thousands of Euro)

	Note	3 rd Quarter 2007	of which related parties (Note 23)	3 rd Quarter 2006	of which related parties (Note 23)
Net sales		1,294,010	2,342	1,308,299	2
Changes in inventories of work in progress, semi-finished and finished goods		18,470		16,751	
Other income		13,800	70	12,632	
of which other non-recurring income		*5,210*		-	
Raw materials and consumables used		(824,211)	4,377	(908,103)	4,006
Personnel costs		(129,911)		(135,505)	
of which non-recurring personnel costs		*359*		-	
Depreciation, amortization and write-off		(15,941)		(22,012)	
of which non-recurring depreciation, amortization and write-off		-		*(5,000)*	
Other expenses		(232,004)	3,317	(186,528)	1,154
of which other non-recurring expenses		*(2,368)*		*(7,361)*	
Operating income	17	**124,213**		**85,534**	
Finance costs	18	(36,816)	(31)	(55,007)	(2,140)
of which non-recurring finance costs		*404*		*(7,649)*	
Finance income	18	26,231		7,113	(1,616)
of which non-recurring finance income		-		-	
Share of income from investments in associates and dividends from other companies		24		135	436
Income before income tax expense		**113,652**		**37,775**	
Income tax expense	19	(25,275)		(17,689)	
Net income (loss) for the period		**88,377**		**20,086**	
Attributable to:					
Equity holders of the Group		87,159		18,475	
Minority interest		1,218		1,611	

STATEMENT OF RECOGNIZED INCOME AND EXPENSES IN SHAREHOLDERS' EQUITY

(in thousands of Euro)	1/1-30/9/2007	1/1-30/9/2006
Fair value gains / (losses) of available-for-sale financial assets	1,082	73
Fair value gains / (losses) of cash flow hedges - gross of tax	(11,123)	(354)
Tax effect on fair value gains / (losses) of cash flow hedges	4,057	135
Currency translation differences	2,288	(21,458)
Actuarial gains / (losses) - net of tax	8,561	537
Net income recognised directly in equity	**4,865**	**(21,067)**
Net income / (loss) for the period	238,203	75,877
Total income / (loss) for the period	**243,068**	**54,810**
Attributable to:		
Equity holders of the Group	239,810	57,681
Minority interest	3,258	(2,871)

CASH FLOW STATEMENT

(in thousands of Euro)

		1/1-30/9/2007	of which related parties (Note 23)	1/1-30/9/2006	of which related parties (Note 23)
	Income before income tax expense	313,943		161,584	
	Depreciation expense	44,096		45,616	
	Amortization expense	4,367		27,904	
	Acquisition price adjustment of the Energy and Telecom Cables and Systems divisions from Pirelli & C. S.p.A.	(39,315)		-	
	Net gains from disposal of property, plant and equipment and intangible assets	(1,698)		(935)	
	Gains from disposal activities	-		(665)	
	Share of income from investments in associates and joint ventures	(995)	(598)	(539)	(436)
	Net finance costs	77,497		67,121	
	Decrease/(increase) in inventories	(137,102)		(145,069)	
	Decrease/(increase) in trade receivables and trade payables	(52,463)	(3,410)	(49,609)	(4,366)
	Decrease/(increase) in other assets and other liabilities	(3,126)	(199)	15,097	2
	(Increase)/decrease in derivatives	(3,381)		(14,383)	
	Income tax paid	(68,403)		(49,750)	
	Utilization of provisions (employee benefits liability included)	(44,272)		(29,248)	
	Accruals of provisions (employee benefits liability included)	43,606		33,216	
A.	**Net cash flow provided by/(used in) operating activities**	**132,754**		**60,340**	
	Acquisition price adjustment of the Energy and Telecom Cables and Systems divisions from Pirelli & C. S.p.A.	39,315		-	
	IWC acquisition	(3,623)		-	
	Investments in property, plant and equipment	(49,509)		(36,495)	
	Disposal of property, plant and equipment	4,744		13,618	
	Investments in intangible assets	(1,599)		(5,954)	
	Disposal of intangible assets	1,023		-	
	Investments in financial assets held for trading	(12,697)		-	
	Disposal in financial assets held for trading	8,269		2,601	
	Investments in associates	-		(543)	
	Dividends received from investments in associates	2,957	2,554	103	
	Effect of disposed operations	-		1,512	
B.	**Net cash flow provided by/(used in) investing activities**	**(11,120)**		**(25,158)**	
	Capital contribution and other changes in shareholders' equity	(28,262)	(28,050)	(90,000)	
	Net finance costs	(64,503)	(1,421)	(67,121)	(4,226)
	Changes in financial payables	(191,808)	(41,928)	100,247	
C.	**Net cash flow provided by/(used in) financing activities**	**(284,573)**		**(56,874)**	
D.	**Exchange gains/(losses) on cash and cash equivalents**	**(905)**		**(2,664)**	
E.	**Total cash flow provided / (used) in the period (A+B+C+D)**	**(163,844)**		**(24,356)**	
F.	**Net cash and cash equivalents at the beginning of the period**	**392,907**		**235,093**	
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**229,063**		**210,737**	

NOTES

1. General information

Prysmian S.p.A. ("the Company") is a company incorporated and domiciled in Italy and organized under the legislation of the Republic of Italy.

The Company has its registered office at Viale Sarca, 222 – Milan (Italy).

The Company and its subsidiaries (together "the Group" or "Prysmian Group") produce, distribute and sell worldwide, cables and systems for the Energy and Telecommunications sectors and the relevant accessories.

Prysmian (LUX) S.à r.l., with registered office in Luxembourg, controls the Company through its associate company Prysmian (LUX) II S.à r.l., also based in Luxembourg.

Since 3 May 2007, Prysmian S.p.A. shares have been listed on the electronic share market (MTA) – Blue Chip segment managed by Borsa Italiana S.p.A.
The Global Public Offer of 82,800,000 shares (of which 72,000,000 put up by Prysmian (LUX) II S.à. r.l and 10,800,000 from the full exercise of the "green shoe" option, representing 46% of the share capital) was made at an offering price of Euro 15, for a total capitalisation of Euro 2,700 million.

All the amounts shown in the Notes are expressed in thousands of Euro, unless otherwise indicated.

The consolidated financial statements herein were approved by the Board of Directors on 5 November 2007.

2. Forms and Contents

The Prysmian Group prepared its quarterly consolidated interim financial statements based on IAS 34 "Interim Financial Reporting", which deals with interim reporting. Within the framework of the options provided by IAS 34, the Group has chosen to present a condensed information in the quarterly consolidated interim financial statements.

2.1 THE FINANCIAL STATEMENTS AND CORPORATE REPORTING

In preparing the financial statements, the Group chose to recognise income statement items on the basis of their nature, while assets and liabilities were recognised as current or non-current in the balance sheet. The indirect method was used for the preparation of the cash flow statement. The Group also duly applied the provisions set forth in Consob Resolution No. 15519 dated 27 July 2006 regarding financial statements, and Consob Communication No. 6064293 dated 28 July 2006 regarding corporate reporting.

2.2 ACCOUNTING STANDARDS

The consolidation principles, the methods applied in the conversion of the financial statements from foreign currencies, the accounting standards as well as the accounting estimates adopted are the same as those used for the consolidated financial statements as of 31 December 2006, to which reference should be made for completeness.

Some new principles, changes and interpretations of the standards applied in the consolidated financial statements as of 31 December 2006 are mandatory for financial statements relating to accounting periods beginning on or after 1 January 2007.

The new principles, changes and interpretations of the existing standards, which are mandatory in the financial statements of accounting periods starting on or after 1 January 2007, are briefly described as follows.

In January 2006 IASB issued the accounting standard IFRS 7 - Financial Instruments: Presentation (enforceable from 1 January 2007). This standard includes the additional information contained in IAS 32 "*Financial Instruments: Disclosure and Presentation*". As the Prysmian Group decided to issue quarterly condensed financial statements (IAS 34), the impact of the application of this standard will become evident in the notes to the annual financial statements.

On 30 November 2006 IASB issued the accounting standard IFRS 8 – *Operating Segments* (effective from 1 January 2009), which replaces IAS 14 – *Segment Reporting*. The new accounting standard requires that the information provided in the segment report be explained on the basis of the criteria used by the management to make operating decisions. Therefore it requires an identification of the operating segments on the basis of internal reporting, which is regularly reviewed by the management with the aim of allocating resources to different segments as well as for performance analyses. While this quarterly financial report is being issued, the Group is assessing the impact resulting from the adoption of this standard.

On 29 March 2007 IASB issued an updated version of IAS 23 – *Financial Charges* (effective from 1 January 2009). In the new version the option was removed whereby companies can directly recognize borrowing cost as an expense when they are incurred, in case of financial charges incurred for assets that normally require a certain period of time to get ready for use or sale. The standard will become enforceable prospectively with relation to capitalized assets from 1 January 2009. While this quarterly financial report is being issued, the Group is assessing the impact resulting from the adoption of this standard.

On 5 July 2007, the IASB issued IFRIC 14 on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (applicable as of 1 January 2008). The interpretation sets forth guidelines for determining the limit placed by IAS 19 on recognising assets arising from defined benefit plans, and provides an explanation of how minimum funding clauses for such plans affect accounts. At the date of publication of this report, the European Union procedure for the approval of the interpretation, necessary for its effective application, is still in progress.

On 6 September 2007, the IASB issued a revised version of IAS 1 – Presentation of Financial Statements (applicable starting 1 January 2009). The purpose of the changes made to the standard is to allow for a greater comparability and analysis of the information contained in the financial statements by its users. At the date of publication of this report, the European Union procedure for the approval of the interpretation, necessary for its effective application, is still in progress.

Recently the following standards and interpretations (enforceable from 1 January 2007) were also issued, which did not cause relevant accounting consequences: a) IFRIC 7: *Applying the restatement approach under IAS 29 "Financial Reporting in Hyperinflationary Economies";* b) IFRIC 8: *Scope of IFRS 2 "Share-based payments"*; c) IFRIC 9: *Reassessment of embedded derivatives*; d) IFRIC 10: *Interim Financial Reporting and Impairment.*

It should further be noted that IFRIC 11 “Group and Treasury Share Transactions” was published in the Official Journal of the European Communities, with first-time adoption set for 2008; as such, the interpretation is not currently applicable.

The preparation of interim financial statements implies estimates and assumptions which have an impact on the assets and liabilities values and on the disclosure related to contingent assets and liabilities as of the period end. Consequently some accounting estimates, which incur complex analysis, are carried out only at year end, except in case of impairment indicators.

During the accounting period, the Group defined and implemented a securitisation programme of trade receivables involving a number of companies in the Group. The accounting policies applied by the Group in the recognition of the impact of this programme in the consolidated financial statements as of 30 September 2007 are described below.
Securitisation implies the daily transfer of a relevant portion of the trade receivables of some operating companies of the Group that operate in France, Germany, Italy, Spain, United Kingdom and USA. The programme was begun on 30 January 2007, and will run through to 31 July 2012.
The programme structure implies both the direct or indirect transfer of the receivables to an Irish special purpose vehicle (Prysmian Financial Services Ireland Ltd).
In order to buy the receivables the special purpose vehicle uses, apart from available cash, the financing granted by the issuers of Commercial Papers, i.e. A-1/P-1 rated credit instruments guaranteed by the receivables and sponsored by those banks that organised and underwrote the transaction (the instruments are placed with institutional investors).
As an integration, subordinate credit lines have been granted by Prysmian Group treasury companies.
In accordance with the provisions of SIC 12 – Consolidation – Special Purpose Entities, the special purpose vehicle was included in the scope of consolidation of the Prysmian Group, as it was created to accomplish a narrow and well-defined objective. Until collection is effectively made, receivables transferred under the programme to the special purpose vehicle are recognised in the Group consolidated financial statements, together with relevant payables due from the special purpose vehicle to lenders.
Group companies can be seen as sponsor companies, as they retain the beneficial interest in the special purpose vehicle.

2.3 CHANGES IN THE SCOPE OF CONSOLIDATION

The scope of consolidation of the Group includes the financial statements of the Company and of the companies on which it exercises, directly or indirectly, control, starting from the date when said company was acquired and until the date when said control ends.

At 30 September 2007, the scope of consolidation included the companies Prysmian Financial Services Ireland Ltd and Prysmian Servicios De Tesoreria Espana S.l. These companies, which are not controlled by the Group, are financial vehicles that were created for the securitization program and are consolidated based on the requirements of SIC 12 – Consolidation – Special Purpose Entities.

It should be also pointed out that:
- on 30 January 2007, the merger of the two Romanian companies Prysmian Holding S.r.l. and Prysmian Cabluri si Sisteme S.A. into Prysmian Cabluri si Sisteme S.A. was completed;
- on 31 August 2007, Prysmian Telecom Cables & Systems New Zealand Ltd was merged into Prysmian Power Cables & Systems New Zealand Ltd.

Attachment A to this report provides the list of the companies that were included in the scope of consolidation on 30 September 2007.

3. Business combination

On 3 September 2007, Prysmian signed an agreement to acquire the activities of International Wire & Cable (IWC), a New Zealand cable manufacturer. The acquisition cost was Euro 3,623 thousand, amounting the agreed upon price plus the costs directly related to the acquisition.

In compliance with that provided for by IFRS 3, the acquisition cost and the fair value of the assets, liabilities and contingent liabilities were calculated on a temporary basis and could be subject to modifications within twelve months from the acquisition date.

The details of the acquisition are summarized below:

(in thousands of Euro)	
Cash paid	3,623
Direct costs relating to the acquisition	-
Total acquisition cost (A)	**3,623**
Fair value of net assets acquired (B)	(3,623)
Goodwill (A-B)	**-**
Cash paid on acquisition	3,623
Cash and cash equivalents acquired	-
Cash outflow on acquisition	**3,623**

A breakdown of the temporary fair values of the assets/liabilities acquired is as follows:

(in thousands of Euro)	
Property, plant and equipment	936
Other intangible assets	263
Inventories	2,615
Employee benefits liability	(191)
Net assets acquired	**3,623**

4. Segment information

4.1 BUSINESS SEGMENTS

The table below shows business segment information.

(in thousands of Euro)					1/1-30/9/2007
	Energy Cables and Systems	Telecom Cables and Systems	Corporate	Inter segment elimination	Group total
Net sales:					
- third parties	3,457,485	419,610	-		3,877,095
- Group companies	29,379	10,864	28,350	(68,593)	-
Total net sales	**3,486,864**	**430,474**	**28,350**	**(68,593)**	**3,877,095**
Operating income	**320,720**	**33,415**	**36,310**	**-**	**390,445**
Share of income from investments in associates and dividends from other companies	892	103	-	-	**995**
Finance income					**(185,197)**
Finance costs					**107,700**
Income tax expense					**(75,740)**
Net income / (loss) of the period					**238,203**
Attributable to:					
Equity holders of the Group					**236,107**
Minority interest					**2,096**

(in thousands of Euro)					1/1-30/9/2006
	Energy Cables and Systems	Telecom Cables and Systems	Corporate	Inter segment elimination	Group total
Net sales:					
- third parties	3,332,404	392,610	-	-	3,725,014
- Group companies	58,195	13,825	-	(72,020)	-
Total net sales	**3,390,599**	**406,435**	**-**	**(72,020)**	**3,725,014**
Operating income	**197,741**	**31,373**	**(948)**	**-**	**228,166**
Share of income from investments in associates and dividends from other companies	436	103	-	-	**539**
Finance income					**76,336**
Finance costs					**(143,457)**
Income tax expense					**(65,621)**
Net income / (loss) of the period					**95,963**
Attributable to:					
Equity holders of the Group					**93,851**
Minority interest					**2,112**

The method used to identify each component of costs and revenues attributable to each business division is based on the specification of each component of costs and revenues directly attributable and on the allocation of costs not directly attributed but related to the use of resources (personnel, space occupied, etc) of Corporate and used by each business division.

At 30 September 2007, the operating income of the Corporate was basically the consequence of non-recurring transactions, such as:

- price adjustment, of Euro 39,315 thousand net of ancillary costs, in relation to the acquisition of the Telecom and Energy Cables and Systems divisions from Pirelli & C. S.p.A. in July 2005;
- indemnity, in the amount of Euro 5,210 thousand, received from Pirelli & C. S.p.A. based on guarantees given by the Pirelli group in relation to the acquisition contract;
- costs related to the IPO projects and to IT segregation.

4.2 GEOGRAPHIC AREAS

The following table reports a breakdown by geographic area.

(in thousands of Euro)	1/1-30/9/2007	1/1-30/9/2006
Net sales:		
Europe and Africa	2,673,900	2,481,688
North America	494,334	633,471
Central-South America	345,556	299,089
Asia and Oceania	363,305	310,766
Total	**3,877,095**	**3,725,014**

5. Property, plant and equipment and intangible assets

The changes relating to these items are reported in the table below:

(in thousands of Euro)	Property, plant and equipment	Goodwill	Intangible Assets
As of 31 December 2006	**827,244**	**-**	**26,667**
Change for the period:			
- Investments	49,507	-	1,599
- Disposals	(3,046)	-	(1,023)
- Business combination	936	-	263
- Depreciation and amortization	(44,096)	-	(4,367)
- Currency translation differences and others	(884)	-	(578)
Total change	**2,417**	**-**	**(4,106)**
As of 30 September 2007	**829,661**	**-**	**22,561**
Of which:			
- Historical cost	962,438	4,801	93,028
- Accumulated depreciation, amortization and write-off	(132,777)	(4,801)	(70,467)
Net book value	**829,661**	**-**	**22,561**

6. Investments in associates and available-for-sale financial assets

(in thousands of Euro)	As of 30 September 2007	As of 31 December 2006
Rodco Ltd	2,917	2,984
Kabeltrommel Gmbh & Co.K.G.	4,085	6,432
Eksa Sp.Zo.o	1,136	1,159
Total investments in associates	**8,138**	**10,575**
Available-for-sale financial assets	**11,776**	**10,747**

At 30 September 2007, the value of the investment in the associated company Kabeltrommel Gmbh & Co.K.G. shows a reduction of Euro 2,347 thousand compared to 31 December 2006. This decrease is mainly due to the reduction of reserves recognized in the last quarter.

Available-for-sale financial assets are mainly represented by:
a) Invex S.p.A. convertible bonds (2% annual coupon and maturity date on 1 January 2010);
b) securities valued at fair value based on the relevant stock exchange price;
c) securities valued at cost as the related fair value could not be measured with certainty.

At 30 September 2007, the amount of available-for-sale financial assets is increased by Euro 1,029 thousand compared to 31 December 2006; this increase is mainly due to the fair value adjustment of the American Superconductor security.

7. Trade receivables and other receivables

(in thousands of Euro)			As of 30 September 2007
	Non-current	**Current**	**Total**
Trade receivables	-	981,976	981,976
Total trade receivables	**-**	**981,976**	**981,976**
Other current and non-current receivables			
Tax receivables	10,963	43,982	54,945
Financial receivables	11,641	20,969	32,610
Receivables from employees	2,722	3,164	5,886
Receivables from long-term contract	-	130,706	130,706
Advances and others	8,974	28,847	37,821
Total other current and non-current receivables	**34,300**	**227,668**	**261,968**
Total	**34,300**	**1,209,644**	**1,243,944**

(in thousands of Euro)			As of 31 December 2006
	Non-current	**Current**	**Total**
Trade receivables	-	847,788	847,788
Total trade receivables	**-**	**847,788**	**847,788**
Other current and non-current receivables			
Tax receivables	5,159	46,870	52,029
Financial receivables	18,399	20,028	38,427
Receivables from employees	1,809	1,299	3,108
Receivables from long-term contract	-	53,863	53,863
Advances and others	22,431	37,261	59,692
Total other current and non-current recivables	**47,798**	**159,321**	**207,119**
Total	**47,798**	**1,007,109**	**1,054,907**

Trade receivables and other receivables are reported net of the allowance for doubtful accounts, amounting to Euro 45,501 thousand and to Euro 46,078 thousand on 30 September 2007 and on 31 December 2006, respectively.
Other receivables at 30 September 2007 include receivables from Pirelli & C. S.p.A. for Euro 4,770 thousand, related to an administrative proceeding of the French antitrust authority, for which Pirelli & C. S.p.A. undertook a full indemnification regulated in the acquisition agreement of 2005.

8. Inventories

(in thousands of Euro)		
	As of 30 September 2007	**As of 31 December 2006**
Raw materials	156,495	139,438
Work in progress and semi-finished goods	212,269	141,916
Finished goods	308,623	254,141
Total	**677,387**	**535,495**

9. Financial assets held for trading

The financial assets held for trading, amounting to Euro 29,911 thousand at 30 September 2007 and to Euro 24,376 thousand at 31 December 2006, are mainly referred to negotiable securities and investment funds.

10. Derivatives

(in thousands of Euro)	**As of 30 September 2007**	
	Asset	**Liability**
Non-current		
Conversion option	22	-
Forward currency contracts on commercial transactions	5,725	-
Forward currency contracts on financial transactions	-	2,499
Interest rate swaps	21,337	325
Total non-current	**27,084**	**2,824**
Current		
Forward currency contracts on commercial transactions	66,317	55,191
Forward currency contracts on financial transactions	683	1,260
Commodity futures	23,600	1,527
Total current	**90,600**	**57,978**
Total	**117,684**	**60,802**

(in thousands of Euro)	As of 31 December 2006	
	Asset	Liability
Non-current		
Conversion option	22	-
Forward currency contracts on commercial transactions	1,635	-
Forward currency contracts on financial transactions	-	-
Interest rate swaps	20,036	-
Total non-current	**21,693**	**-**
Current		
Forward currency contracts on commercial transactions	31,645	27,287
Forward currency contracts on financial transactions	-	777
Commodity futures	1,128	3,831
Total current	**32,773**	**31,895**
Total	**54,466**	**31,895**

11. Cash and cash equivalents

(in thousands of Euro)	As of 30 September 2007	As of 31 December 2006
Cash	5,270	3,225
Bank and postal deposits	223,793	389,682
Total	**229,063**	**392,907**

Cash and cash equivalents are centrally managed by the Group treasury companies (Euro 69,994 thousand at 30 September 2007 and Euro 253,444 thousand at 31 December 2006) or by subsidiaries under the central coordination of the Finance department. Cash investments are held by leading credit institutions and are mainly represented by short-term and overnight deposits.

12. Share capital and reserves

The consolidated shareholders' equity increased by Euro 225,927 thousand compared to 31 December 2006, mainly due to the net income of the period, which amounts to Euro 238,203 thousand.

At 30 September 2007, share capital amounted to Euro 18,000 thousand, equal to 180,000,000 ordinary shares.

The following is a breakdown of the movement in share capital and reserves during the period:

(in thousands of Euro)	Capital	Fair value gains and losses for available-for-sale financial assets	Actuarial gains/(losses) - employee benefits	Cash flow hedges	Currency translation reserve	Other reserves	Net income for the period	Minority interest	Total
As of 31 December 2006	**18,000**	**362**	**3,344**	**2,479**	**(19,940)**	**57,880**	**89,093**	**19,155**	**170,373**
Allocation of net income	-	-	-	-	-	89,093	(89,093)	-	-
Dividend payment	-	-	-	-	-	-	-	(212)	(212)
Repayment of financing from shareholders	-	-	-	-	-	(19,850)	-	-	(19,850)
Share-based compensation	-	-	-	-	-	2,892	-	-	2,892
Fair value gains and losses of available-for-sale financial assets	-	1,082	-	-	-	-	-	-	1,082
Fair value gains and losses of cash flow hedges (net of taxation)	-	-	-	(7,066)	-	-	-	-	(7,066)
Currency translation differences	-	-	-	-	1,126	-	-	1,162	2,288
Actuarial gains (losses) on employee benefits	-	-	8,561	-	-	-	-	-	8,561
Other	-	-	-	-	-	27	-	2	29
Net income (loss) for the period	-	-	-	-	-	-	236,107	2,096	238,203
As of 30 September 2007	**18,000**	**1,444**	**11,905**	**(4,587)**	**(18,814)**	**130,042**	**236,107**	**22,203**	**396,300**

13. Borrowings

A detailed break down is provided below:

(in thousands of Euro)	**As of 30 September 2007**		
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	990,503	212,902	1,203,405
Finance lease obligations	4,018	904	4,922
Financing from shareholders	-	-	-
Total	**994,521**	**213,806**	**1,208,327**

(in thousands of Euro)	**As of 31 December 2006**		
	Non-current	**Current**	**Total**
Borrowings from banks and other lenders	1,052,293	254,128	1,306,421
Finance lease obligations	4,880	949	5,829
Financing from shareholders	41,819	-	41,819
Total	**1,098,992**	**255,077**	**1,354,069**

Borrowings from banks and other lenders are detailed below:

(in thousands of Euro)	**As of 30 September 2007**	**As of 31 December 2006**
Credit Agreement	986,269	1,243,121
Other borrowings	217,136	63,300
Total	**1,203,405**	**1,306,421**

With the Credit Agreement signed on 18 April 2007 ("New Credit Agreement"), the lenders granted Prysmian S.p.A. and some of its subsidiaries total financing of Euro 1,700,000 thousand, broken down as follows:

(in thousands of Euro)	
Term Loan Facility	1,000,000
Revolving Credit Facility	400,000
Bonding Facility	300,000
Total	**1,700,000**

The Bonding Facility is used to finance endorsement credits concerning bid bonds, performance bonds and warranty bonds.
The Revolving Credit Facility is used to finance the ordinary working capital requirements, as well as part of the endorsement credits concerning bonds of a different nature with respect to those covered by the Bonding Facility. At 30 September 2007, the amount granted pursuant to the Revolving Credit Facility, equivalent to Euro 45,133 thousand, is related to endorsement credits.

The following table summarizes the movement in borrowings from banks and others:

(in thousands of Euro)	Credit Agreement	Other borrowings	Total
As of 31 December 2006	**1,243,121**	**63,300**	**1,306,421**
Exchange differences	(8,554)	8,124	(430)
Drawings	990,560	200,176	1,190,736
Repayments (a)	(1,281,753)	(52,291)	(1,334,044)
Amortization of bank and financial fees and other expenses	42,895	-	42,895
Other	-	(2,173)	(2,173)
Total change	(256,852)	153,836	(103,016)
As of 30 September 2007	**986,269**	**217,136**	**1,203,405**

(a) The Credit Agreement repayments include the repayment following to Securitisation program proceeds (Euro 198,537 thousand), the repayment in March 2007 due to the fulfilment of the covenant conditions (Euro 31,887 thousand) and that one on 4 May 2007 due to total repayment of the Old Credit Agreement (Euro 1,051,329 thousand).

Net financial position

The net financial position of the Group as of 30 September 2007 is as follows:

(in thousands of Euro)

	Note	As of 30 September 2007	of which related parties (Note 23)	As of 31 December 2006	of which related parties (Note 23)
Long term financial payables					
- Old Credit Agreement		-		1,086,598	
- New Credit Agreement		994,896		-	
Credit Agreement		**994,896**		**1,086,598**	
- Bank fees		(8,627)		(41,819)	
Financing agreement	13	**986,269**		**1,044,779**	
- Financial leasing	13	4,018		4,880	
- Financing from shareholders	13	-		41,819	41,819
- Forward currency contracts	10	2,499		-	
- Interest rate swaps	10	325		-	
- Other payables	13	4,234		7,514	
Total long financial payables		**997,345**		**1,098,992**	
Short term financial payables					
- Old Credit Agreement		-		198,677	
- Bank fees		-		(335)	
- Financial leasing	13	904		949	
- Securitization	13	147,885		-	
- Forward currency contracts on financial transactions	10	1,260		777	
- Other payables	13	65,018		55,787	
Total short term financial payables		**215,067**		**255,854**	
Total financial liabilities		**1,212,412**		**1,354,846**	
Long term financial receivables	7	11,641		18,399	
Interest rate swaps	10	21,337	11,328	20,036	9,199
Short term financial receivables	7	20,969		20,028	
Forward currency contract on financial transactions	10	683		-	
Financial assets held for trading	9	29,911		24,376	
Cash and cash equivalents	11	229,063		392,907	
Net financial position		**898,808**		**879,100**	

14. Trade payables and other payables

(in thousands of Euro)		As of 30 September 2007	
	Non-current	**Current**	**Total**
Trade payables	-	814,825	814,825
Total trade payables	**-**	**814,825**	**814,825**
Other current and non-current payables			
Tax and social security payables	32,426	21,069	53,495
Advances	-	94,952	94,952
Payables to employees	-	43,482	43,482
Accrued expenses	1,818	118,834	120,652
Others	2,421	79,940	82,361
Total other current and non-current payables	**36,665**	**358,277**	**394,942**
Total	**36,665**	**1,173,102**	**1,209,767**

(in thousands of Euro)		As of 31 December 2006	
	Non-current	**Current**	**Total**
Trade payables	-	736,158	736,158
Total trade payables	**-**	**736,158**	**736,158**
Other current and non-current payables			
Tax and social security payables	31,034	22,813	53,847
Advances	1,658	27,307	28,965
Payables to employees	-	40,217	40,217
Accrued expenses	1,692	106,575	108,267
Others	4,256	72,425	76,681
Total other current and non-current payables	**38,640**	**269,337**	**307,977**
Total	**38,640**	**1,005,495**	**1,044,135**

15. Provisions for risks and charges

(in thousands of Euro)		As of 30 September 2007	
	Non-current	**Current**	**Total**
Restructuring costs	-	7,885	7,885
Contractual and legal risks	27,019	57,495	84,514
Environmental risks	-	1,850	1,850
Tax inspections	-	9,792	9,792
Other risks and charges	-	5,827	5,827
Total	**27,019**	**82,849**	**109,868**

(in thousands of Euro)			As of 31 December 2006
	Non-current	Current	Total
Restructuring costs	-	16,307	16,307
Contractual and legal risks	26,033	43,907	69,940
Environmental risks	-	1,850	1,850
Tax inspections	-	11,480	11,480
Other risks and charges	-	5,680	5,680
Total	**26,033**	**79,224**	**105,257**

The movements of the provisions are detailed below:

(in thousands of Euro)	Restructuring costs	Contractual and legal risks	Environmental risks	Tax inspections	Other risks and charges
As of 31 December 2006	**16,307**	**69,940**	**1,850**	**11,480**	**5,680**
Currency translation difference	(58)	1,395	-	240	54
Accruals	614	31,680	-	26	1,336
Utilization/Release	(8,978)	(17,566)	-	(1,918)	(2,191)
Others	-	(935)	-	(36)	948
Total movements	**(8,422)**	**14,574**	**-**	**(1,688)**	**147**
As of 30 September 2007	**7,885**	**84,514**	**1,850**	**9,792**	**5,827**

The decreases (Euro 8,978 thousand) as of 30 September 2007, for the restructuring provision, basically refer to production rationalization programmes in France and United Kingdom.

As of 30 September 2007, the increases in the Provision for legal and contractual risks mainly referred to:
- contract indemnities (Euro 20,033 thousand), in the submarine cable business and high voltage cables;
- civil proceedings (Euro 6,877 thousand) in a court case involving Turk Prysmian Kablo Ve Sistemleri A.S. and settled by the contending parties;
- administrative proceedings (Euro 4,770 thousand), in particular, proceedings launched by the French Antitrust Authority for alleged violations of anti-trust regulations. Given the indemnification undertaking of Pirelli & C. S.p.A. under the acquisition agreement, any unfavourable ruling in the proceedings will not affect the Group financially or economically. For this reason, the provision is balanced by specific receivable due from the Pirelli group, commented in the “trade receivables and other receivables” note.

At 30 September 2007, the decreases in the Provision for legal and contractual risks, amounting to Euro 17,566 thousand, mainly refer to utilization for contractual indemnities.

16. Employee benefits liability

Employee benefits liability can be detailed as follows:

(in thousands of Euro)	As of 30 September 2007	As of 31 December 2006
Pension funds	63,306	73,363
Employee indemnity liabilities (Italian TFR)	26,626	25,376
Medical assistance plans	12,944	13,136
Termination benefits and others	12,246	15,696
Total	**115,122**	**127,571**

The income statement components related to employee benefits liability are as follows:

(in thousands of Euro)	1/1-30/9/2007	1/1-30/9/2006
Pension funds	7,500	7,577
Employee indemnity liabilities (Italian TFR)	932	2,480
Medical assistance plans	1,158	1,289
Total	**9,590**	**11,346**

At 30 September 2007, the income statement components related to the employee benefits liability include a net negative effect for the curtailment of Euro 1,426 thousand.
The decrease in the pension funds posted in the first nine months of 2007 is basically due to the increase in discount rates posted in the Euro zone countries and North America.
In Italy, following reforms to regulations governing employee indemnity liability (Italian TFR) introduced by Law No. 296 dated 27 December 2006 and subsequent decrees and regulations issued during the first half of 2006, the Prysmian Group duly recalculated the liabilities matured as of 31 December 2006, and estimated, in accordance with the provisions of paragraph 109 of IAS 19, a positive curtailment of Euro 609 thousand.

The average headcount of the first quarter is reported below, compared to the final headcounts at the end of the periods shown:

	1/1-30/9/2007 - average	%	Final as of 30 September 2007	%
Blue collars	9,303	75%	9,406	75%
White collars	3,159	25%	3,153	25%
Total	**12,462**	**100%**	**12,559**	**100%**

	1/1-30/9/2006 - average	%	Final as of 31 December 2006	%
Blue collars	9,158	74%	8,991	74%
White collars	3,171	26%	3,152	26%
Total	**12,329**	**100%**	**12,143**	**100%**

17. Operating income

In the first nine months of 2007, operating income reaches Euro 390,445 thousand, while in the first nine months of 2006, it was Euro 228,166 thousand.
Operating income includes the following non-recurring items:

(in thousands of Euro)	1/1-30/9/2007	1/1-30/9/2006
Shutdown of operating facilities	(2,788)	(13,736)
IPO costs	(7,686)	-
Launch of the Prysmian trademark	-	(3,864)
Tax settlement	5,210	-
Acquisition price adjustment	39,315	-
Corporate reorganization	-	(874)
IT segregation	(357)	(73)
Amortization of the Pirelli trademark	-	(15,000)
Total non-recurring (expenses) / income	**33,694**	**(33,547)**

It should be pointed out that the items:
- acquisition price adjustment, amounting to Euro 39,315 thousand net of ancillary charges, relates to the acquisition of the Energy and Telecom Cables and Systems divisions from Pirelli & C. S.p.A. in July 2005;
- indemnity for guarantees on tax settlements, amounting to Euro 5,210 thousand, received from Pirelli & C. S.p.A. based on the guarantees given by the Pirelli group in relation to the acquisition contract.

18. Finance income and costs

Finance costs can be broken down as follows:

(in thousands of Euro)	1/1-30/9/2007	1/1-30/9/2006
Interest on borrowings	49,687	51,455
Amortization of bank and financial fees and other expenses	5,002	7,757
Interest costs on employee benefits	4,327	3,752
Other bank costs	14,074	8,810
Costs for unutilized credit lines	1,841	2,758
Sundry bank commissions	4,209	2,077
Other	7,336	10,042
Other non recurring finance costs:		
Amortization of bank fees	*58,648*	*7,649*
Total other non-recurring finance costs	58,648	7,649
Finance costs	**145,124**	**94,300**
Net losses on foreign exchange derivatives	-	6,863
Losses on derivatives	**-**	**6,863**
Foreign currency exchange losses	40,073	42,294
Total finance costs	**185,197**	**143,457**

Finance income can be broken down as follows:

(in thousands of Euro)	1/1-30/9/2007	1/1-30/9/2006
Interest income from banks and other lenders	20,512	11,420
Other finance income	1,774	3,107
Other non recurring finance income:		
Cash flow hedge reserve release	*3,846*	-
Total other non-recurring finance income	3,846	-
Finance income	**26,132**	**14,527**
Net gains on metal derivatives	24,753	7,828
Net gains on interest rate swaps	7,961	8,219
Net gains on foreign exchange derivatives	7,511	-
Gains on derivatives	**40,225**	**16,047**
Foreign currency exchange gains	41,343	45,762
Total finance income	**107,700**	**76,336**

Due to repayment of the Old Credit Agreement, the Group:

- adjusts the relevant financial liability, posting Euro 58,648 thousand of non-recurring write-off of bank and finance fees and other finance costs;
- releases the cash flow hedge reserve, amounting to Euro 3,846 thousand, which represents the changes in fair value of the interest rate derivative in connection with the loan indicated above.

19. Taxes

The total tax amount was estimated on the basis of the yearly weighted average expected tax rate.

Income tax expenses for the period presented is detailed as follows:

(in thousands of Euro)	1/1-30/9/2007	1/1-30/9/2006
Current income taxes	69,013	62,333
Deferred income taxes	6,727	3,288
Total	**75,740**	**65,621**

The actual tax rate in the first nine months of 2007 is 24.1%. In the same period of 2006, the rate was equal to 40.6%. The decrease is partially due to the non-recurring income, not subject to taxation, related to acquisition price adjustment (Euro 39,315 thousand). This effect was partially offset by the extraordinary amortization of bank and finance fees and other costs (Euro 58,648 thousand), which led to a reduction in the tax expense for the companies involved of approximately Euro 10,000 thousand.

20. Earnings/(loss) per share

The earnings per share were determined by comparing the net income attributable to the Group for the various periods presented to the number of shares of the Company. As regards the denominator, for the purposes of determining the earnings per share, the number of shares issued (180,000,000) when the Company was transformed on 16 January 2007 from a limited liability company to a stock company, and as already existing at the start of the reference period, was taken into account.

Diluted earnings per share are determined by taking into account, when calculating the number of outstanding shares, the potential dilutive effect deriving from the options assigned to the beneficiaries of the stock option programs.

(in thousands of Euro)		
	1/1-30/9/2007	**1/1-30/9/2006**
Net income attributable to the equity holders of the Group	236,107	93,851
Weighted average number of ordinary shares issued (thousands)	180,000	180,000
Earnings per share - basic	**1.31**	**0.52**
Net income attributable to the equity holders of the Group	236,107	
Weighted average number of ordinary shares issued (thousands)	180,000	
Adjustments for:		
Incremental shares for assumed conversion of stock options (thousands)	2,142	
Weighted average number of ordinary shares issued to calculate diluted earnings per share (thousands)	182,142	
Earnings per share - diluited	**1.30**	

21. Contingent liabilities

The ordinary course of business of the Group led to legal and fiscal proceedings of different nature. The Company's management believes that none of these proceedings can give rise to relevant contingent liabilities, for which a provision has not been made at the closing at 30 September 2007.

22. Commitments

Contractual commitments to purchase property, plant and equipment, and intangible assets, already assumed with third parties as of 30 September 2007 and not yet recognized in the accounts, amount to Euro 16,355 thousand.

23. Related party transactions

The Group is directly controlled by Prysmian (LUX) II S.à r.l. (registered in Luxembourg), which hold 54% of the shareholders' capital as of 30 June 2007; Prysmian (LUX) II S.à r.l. is, controlled by the Goldman Sachs Group Inc.

The transactions between Prysmian S.p.A. and its subsidiaries, associates and parent companies mainly refer to:

- business relations relating to intercompany purchases and sales of raw materials and finished products;

- services (technical, organizational and general) provided by the Corporate to the subsidiaries worldwide;
- financial relations maintained by the Treasury of the Group on behalf of, and with, associates.

All the above-mentioned transactions fall within the Group's ordinary course of business.

The following tables provide a summary of the related party transactions for the period closed on 30 Sepember 2007:

(in thousands of Euro)				As of 30 September 2007
	Trade receivables and other receivables	Financial receivables	Trade payables and other payables	Financial payables
Parent company	119	-	-	-
Associates	495	-	2,928	-
Other related parties:				
The Goldman Sachs Group Inc.	-	11,328	1,100	-
Total	**614**	**11,328**	**4,028**	**-**

(in thousands of Euro)				As of 31 December 2006
	Trade receivables and other receivables	Financial receivables	Trade payables and other payables	Financial payables
Parent company	26	-	-	41,819
Associates	-	-	4,194	-
Other related parties:				
The Goldman Sachs Group Inc.	-	9,199	2,855	-
Total	**26**	**9,199**	**7,049**	**41,819**

(in thousands of Euro)			1/1-30/9/2007
	Revenues from goods and services	Expenses for goods and services	Net finance income/ (charges)
Parent company	70	2	(1,430)
Associates	2,403	2,672	(22)
Other related parties:			
The Goldman Sachs Group Inc.	-	2,324	5,925
Total	**2,473**	**4,998**	**4,473**

(in thousands of Euro)			1/1-30/9/2006
	Revenues from goods and services	Expenses for goods and services	Net finance income/ (charges)
Parent company	-	-	(8,583)
Associates	2	2,466	(7)
Other related parties:			
The Goldman Sachs Group Inc.	-	77	4,364
Total	**2**	**2,543**	**(4,226)**

Transactions with parent company

On 4 May 2007 the residual amount of the financing from Shareholders was repaid, whose fair value, at the same date, was equal to the effective repayment (Euro 71,399 thousand). This amount included the accrued interests, not yet paid to shareholders until 4 May 2007 (Euro 1,421 thousand).

Transactions with associates

Trade payables and other liabilities refer to the services provided, which relate to the Group ordinary activities.

Transactions with The Goldman Sachs Group Inc.

Financial receivables include the net position towards Goldman Sachs Group Inc., with which the Group entered into an interest rate swap contract in September 2005.

Expenses for goods and services include the compensation to The Goldman Sachs Group Inc. for consulting services provided to Prysmian Group.

Key management compensation

The key management compensation during the period is detailed as follows:

(in thousands of Euro)		
	1/1-30/9/2007	**1/1-30/9/2006**
Salaries and other short-term benefits	4,697	3,675
Other benefits	612	816
Share-based payments	1,181	1,677
Total	**6,490**	**6,168**

24. Seasonality

The Group highest financial position is generally incurred in the first part of the year, as a consequence of the substantial absorption of working capital. This is due to the following main seasonality factors that have an impact on the second and third quarters of each year:

- many Group customers place orders, and therefore they preferably carry out projects during the warmer seasons, being outdoor activities;
- large public projects generate orders for the Group at the year end, after approval of the annual budgets.

25. Atypical and/or unusual transactions

In the first nine months of 2007, there were no atypical and/or unusual transactions.

26. Exchange rates

The exchange rates applied to translate the financial statements in foreign currencies into the consolidated financial statements are reported in the following table:

	As of		Average for the period	
	30 September 2007	31 December 2006	1 January 2007- 30 September 2007	1 January 2006- 30 September 2006
Europe				
British Pound	0.697	0.672	0.676	0.685
Swiss Franc	1.660	1.607	1.637	1.566
Hungarian Forint	250.690	251.770	250.867	265.561
Slovak Koruna	33.877	34.435	33.896	37.663
Norwegian Krone	7.719	8.238	8.064	7.973
Swedish Krona	9.215	9.040	9.237	9.293
Romanian New Lei	3.344	3.384	3.298	3.541
Turkish New Lira	1.717	1.860	1.808	1.783
North America				
US Dollar	1.418	1.317	1.344	1.245
Canadian Dollar	1.412	1.528	1.484	1.410
South America				
Brazilian Real	2.607	2.816	2.691	2.721
Argentine Peso	4.466	4.033	4.175	3.825
Chilean Peso	724.689	701.171	710.687	661.397
Oceania				
Australian Dollar	1.607	1.669	1.638	1.665
New Zealand Dollar	1.874	1.873	1.852	1.945
Africa				
Tunisian Dinar	1.771	1.713	1.739	1.659
Asia				
Chinese Yuan Renminbi	10.643	10.279	10.299	9.971
Singapore Dollar	2.107	2.020	2.049	1.989
Indonesian Rupiah	12,966.700	11,844.440	12,244.392	11,430.005
Malaysian Ringgit	4.832	4.649	4.656	4.582

27. Significant events after the close of the quarter

No significant events occurred after the closing of the period on 30 September 2007.

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Pursuant to paragraph 2 of article 154 bis of the Consolidated Law on Finance, the director responsible for preparing the company's accounting documents, Pier Francesco Facchini, declares that the information contained in this quarterly report is an accurate representation of the documents, accounting books and records.

Milan, 5 November 2007

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN
Paolo Zannoni

ATTACHMENT A

The companies listed below were included in the scope of consolidation at 30 September 2007:

Legal name	Office	Share capital		% ownership	Direct parent company
Europe					
Austria					
Prysmian OEKW GmbH	Vienna	Euro	2,071,176 [*1]	100.00%	Prysmian Energia Holding S.r.l.
Finland					
Prysmian Cables and Systems OY	Kirkkonummi	Euro	1,500,400	100.00%	Prysmian Energia Holding S.r.l.
France					
Prysmian (French) Holdings SAS	Paris	Euro	23,487,250	100.00%	Prysmian Energia Holding S.r.l.
GSCP Athena (French) Holdings II SAS	Paris	Euro	37,000 [*1]	100.00%	Prysmian (French) Holdings SAS
Prysmian Energie Cables et Systèmes France S.A.S.	Paron de Sens	Euro	136,800,000	100.00%	Prysmian (French) Holdings SAS
Eureletric S.A.	La Bresse	Euro	4,036,500 [*1]	100.00%	Prysmian Ener. C. et Systèmes France S.A.S.
Prysmian Telecom Cables et Systèmes France S.A.	Chavanox P-Decheruy	Euro	7,455,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Germany					
Prysmian Kabel und Systeme GmbH	Berlin	Euro	15,000,000	93.75%	Prysmian Energia Holding S.r.l.
				6.25%	Prysmian S.p.a.
Bergmann Kabel und Leitungen GmbH	Schwerin	Euro	1,022,600 [*1]	100.00%	Prysmian Kabel und Systeme GmbH
Prysmian Telekom Kabel und Systeme Deutschland GmbH	Berlin	Euro	25,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
UK					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	145,329,120	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Construction Company Ltd	Eastleigh	British Pound	8,000,000	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd	Eastleigh	British Pound	118,653,473 [*1]	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Industrial) Ltd	Eastleigh	British Pound	9,010,935	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Supertension) Ltd	Eastleigh	British Pound	5,000,000	100.00%	Prysmian Cables & Systems Ltd.
Cable Makers Properties & Services Limited	Hampton Wick, Kingston upon Thames	British Pound	33	63.53%	Prysmian Cables & Systems Ltd.
				36.47%	Third parties
Prysmian Cables Limited	Eastleigh	British Pound	100,000	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Telecom Cables and Systems Uk Ltd	Eastleigh	British Pound	100,000	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Metals Limited	Eastleigh	British Pound	100,000	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Focom Limited	Eastleigh	British Pound	6,447,000 [*1]	100.00%	Prysmian Cables & Systems Ltd.
Comergy Ltd.	Eastleigh	British Pound	1,000,000 [*1]	100.00%	Prysmian Energia Holding S.r.l.
Prysmian Pension Scheme Trustee Limited	London	British Pound	1	100.00%	Prysmian S.p.a.
GSCP Athena UK Holdings Limited	Eastleigh	British Pound	1	100.00%	Prysmian S.p.a.
Ireland					
Prysmian Financial Services Ireland Limited	Dublin	Euro	1,000	100.00%	Third parties
Italy					
Prysmian Cavi e Sistemi Energia S.r.l.	Milan	Euro	100,000,000	100.00%	Prysmian S.p.a.
Prysmian Energia Holding S.r.l.	Milan	Euro	10,000	99.99%	Prysmian Cavi e Sistemi Energia S.r.l.
				0.01%	Prysmian Cavi e Sistemi Energia Italia S.r.l.
Prysmian Cavi e Sistemi Energia Italia S.r.l.	Milan	Euro	59,749,502	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Telecom S.r.l.	Milan	Euro	10,000	100.00%	Prysmian S.p.a.
Prysmian Cavi e Sistemi Telecom S.r.l.	Milan	Euro	31,930,000	100.00%	Prysmian Telecom S.r.l.
Prysmian Treasury S.r.l.	Milan	Euro	4,242,476	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian (US) Energia Italia S.r.l.	Milan	Euro	10,000	100.00%	Prysmian Energia Holding S.r.l.
Prysmian (US)Telecom Italia S.r.l.	Milan	Euro	10,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Cavi e Sistemi Telecom Italia S.r.l.	Milan	Euro	20,000,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia	Euro	47,700,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Luxembourg					
Prysmian Treasury (Lux) S.a.r.l.	Luxembourg	Euro	50,000	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Norway					
Prysmian Kabler og Systemer A.S.	Ski	Norwgian Krone	100,000	100.00%	Prysmian Cables and Systems OY
Netherland					
Prysmian Cable Holding B.V.	An Delft	Euro	54,503,013	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Cables and Systems B.V.	An Delft	Euro	5,000,000	100.00%	Prysmian Energia Holding S.r.l.
Prysmian (Dutch) Holdings B.V.	An Delft	Euro	18,000	100.00%	Prysmian Energia Holding S.r.l.
Prysmian Cable Overseas B.V.	An Delft	Euro	10,000,000 [*1]	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Special Cable B.V.	An Delft	Euro	12,000,000 [*1]	100.00%	Prysmian (Dutch) Holdings B.V:
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Ron	21,367,920	2.22%	Prysmian (Dutch) Holdings B.V:
				97.78%	Prysmian Cabluri Si Sisteme S.A.
Slovakia					
Prysmian Kablo s.r.o.	Bratislava	Slovak Koruna	640,057,000	99.995%	Prysmian Energia Holding S.r.l.
				0.005%	Prysmian S.p.a.

Legal name	Office	Share capital		% ownership	Direct parent company
Spain					
Prysmian Cables y Sistemas S.L.	Barcellona	Euro	12,000,000	100.00%	Prysmian Energia Holding S.r.l.
Fercable S.L.	Barcellona	Euro	3,606,073	100.00%	Prysmian Cables y Sistemas S.L.
Prysmian Telecom Cables y Sistemas Espana S.L.	Barcellona	Euro	12,000,000	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Servicios de Tesoreria Espana S.L.	Madrid	Euro	3,100	100.00%	Prysmian Financial Services Ireland Limited
Sweden					
Prysmian Kablar och System AB	Hoganas	Swedish Krona	100,000	100.00%	Prysmian Cables and Systems OY
Switzerland					
Prysmian Cables and Systems SA	Manno	Swiss Franc	500,000 *1	100.00%	Prysmian (Dutch) Holdings B.V:
Turkey					
Turk Prysmian Kablo Ve Sistemleri A.S.	Mudanya Bursa	Lira	39,312,000,000	83.75%	Prysmian (Dutch) Holdings B.V.
				16.25%	Third parties
Hungary					
Prysmian MKM Magyar Kabel Muvek KFT	Budapest	Hungarian Forint	6,981,070,000	100.00%	Prysmian Energia Holding S.r.l.
Kabel Keszletertekesito BT	Budapest	Hungarian Forint	1,239,841,361 *1	100.00%	Prysmian MKM Magyar Kabel Muvek KFT
Noth America					
Canada					
Prysmian Power Cables and Systems Canada Ltd	New Brunswick	Canadian Dollar	1,000,000 *1	100.00%	Prysmian (Dutch) Holdings B.V:
U.S.A.					
Prysmian Power Cables and Systems Usa LLC	Lexington	US$	10 *1	100.00%	Prysmian (US) Energia Italia S.r.l.
Prysmian Construction Services Inc	Dover	US$	1,000 *1	100.00%	Prysmian Power Cables and Systems Usa LLC
Prysmian Communications Cables and Systems USA LLC	Lexington	US$	10 *1	100.00%	Prysmian (US) Telecom Italia S.r.l.
Prysmian Communications Cables Corporation	Wilmington	US$	1 *1	100.00%	Prysmian Communication Cables and Systems USA LLC
Prysmian Power Financial Services USA LLC	Wilmington	US$	-	100.00%	Prysmian Power Cables and Systems Usa LLC
Prysmian Communications Financial Services USA LLC	Wilmington	US$	-	100.00%	Prysmian Communication Cables and Systems USA LLC
Centre/South America					
Argentina					
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	44,509,458	24.69%	Prysmian (Dutch) Holdings B.V
				74.92%	Pirelli Consultora Conductores e Instalaciones SAIC
				0.39%	Third parties
Pirelli Telecomunicaciones Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	12,000	99.99%	Prysmian Telecom. Cabos e Systemas do Brasil S.A.
				0.01%	Third parties
Prysmian Consultora Conductores Instalaciones SAIC	Buenos Aires	Argentine Peso	2,228	95.00%	Prysmian (Dutch) Holdings B.V:
				5.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Brasil					
Prysmian (Brazil) Holdings Limitada	San Paolo	Brazilian Real	4,700	99.98%	Prysmian Cavi e Sistemi Energia S.r.l.
				0.02%	Prysmian S.p.a.
Prysmian Energia Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	106,824,993	99.44%	Prysmian Cavi e Sistemi Energia S.r.l.
				0.56%	Third parties
Prysmian Telecomunicacoes Cabos e Systemas do Brasil S.A.	Sorocaba	Brazilian Real	58,309,129	99.57%	Prysmian Cavi e Sistemi Telecom S.r.l.
				0.43%	Third parties
Sociedade Produtoria de Fibras Opticas SA	Sorocaba	Brazilian Real	100	51.00%	Prysmian Telecom. Cabos e Systemas do Brasil S.A.
				49.00%	Third parties
Chile					
Prysmian Instalaciones Chile S.A.	Santiago	Chilean Peso	918,707,000	100.00%	Prysmian Consultora Conductores e Instalaciones SAIC
Africa					
Ivory Cost					
SICABLE - Sociète Ivorienne de Cables S.A.	Abidijan	Cfa Franc.	740,000,000	51.00%	Prysmian Energie Cables et Systèmes France S.A.S.
				49.00%	Third parties
Tunisia					
Auto Cables Tunisie	Grombalia	Tunisian Dinar	3,024,700	51.00%	Prysmian Energie et Systèmes France S.A.S.

Legal name	Office	Share capital		% ownership	Direct parent company
Oceania					
Australia					
Prysmian Power Cables & Systems Australia Pty Ltd	Liverpool	$ Austr.	15,000,000 *1	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Telecom Cables & Systems Australia Pty Ltd	Liverpool	$ Austr.	38,500,000 *1	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
New Zealand					
Prysmian Power Cables & Systems New Zealand Ltd	Auckland	$Nz	10,000 *1	100.00%	Prysmian Power Cables & Systems Australia Pty Ltd
Asia					
China					
Prysmian Tianjin Cables Co. Ltd	Tianjin	$US	13,100,000 *1	67.00%	Prysmain Cable Holding B.V.
				33.00%	Third parties
Prysmian Cables (Shanghai) Co.Ltd	Shanghai	$US	500,000 *1	100.00%	Prysmian Cables Asia-Pacific Pte Ltd
Prysmian Baosheng Cable Co.Ltd	Jiangsu	$US	19,500,000 *1	67.00%	Prysmian Cables Asia-Pacific Pte Ltd
				33.00%	Third parties
Prysmian Wuxi Cables Co. Ltd	Wuxi	$US	29,941,250 *1	86.71%	Pirelli Cable Overseas B.V.
				13.29%	Third parties
Prysmian Angel Tianjin Cable Co. Ltd	Tianjin	$US	14,000,000	100.00%	Prysmian Special Cable B.V.
India					
Pirelli Cables (India) Private Limited	New Dehli	Indonesian Rupiah	10,000,000 *1	99.998%	Prysmian Cable Holding B.V.
				0.002%	Prysmian Cavi e Sistemi Energia S.r.l.
Indonesia					
P.T.Prysmian Cables Indonesia	Jakarta	$US	67,300,000 *1	99.48%	Prysmian (Dutch) Holdings B.V:
				0.52%	Prysmian Cavi e Sistemi Energia S.r.l.
Malaysia					
Power Cables Malaysia Sdn Bhd	Selangor Darul Eshan	Malaysian Ringitt	8,000,000 *1	40.00%	Prysmian Cables Asia-Pacific Pte Ltd
				60.00%	Third parties
Bicc (Malaysia) Sdn Bhd	Kuala Lumpur	Malaysian Ringitt	100,000 *1	100.00%	Prysmian Cables Asia-Pacific Pte Ltd
Power Cable Engineering Services Sdn Bhd	Selangor Darul Eshan	Malaysian Ringitt	100,000	100.00%	Power Cables Malaysia Sdn Bhd
Submarine Cable Installation Sdn Bhd	Kuala Lumpur	Malaysian Ringitt	10,000 *1	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Singapore					
Prysmian Cables Asia-Pacific Pte Ltd	Singapore	$Sing.	213,324,000 *1	100.00%	Prysmian (Dutch) Holdings B.V.
Trans-Power Cables Pte Ltd (in liquidation)	Singapore	$Sing.	1,500,000 *1	100.00%	Prysmian (Dutch) Holdings B.V.
Prysmian Cables Systems Pte Ltd	Singapore	$Sing.	25,000 *1	50.00%	Prysmian (Dutch) Holdings B.V.
				50.00%	Prysmian Cables & Systems Ltd

*1 Subscribed but not fully pain-in

The companies listed below were valued based on the equity method:

Legal name	Office	Share capital		% ownership	Direct parent company
Germany					
Kabeltrommel Gesellschaft Gmbh & CO.KG	Colonia	Euro	10,225,838	1.00%	Bergmann Kabel und Leitungen GmbH
				27.48%	Prysmian Kabel und Systeme GmbH
				71.52%	Third parties
UK					
Rodco ltd	Kent	British pound	5,000,000	40.00%	Prysmian Cables & Systems Limited
				60.00%	Third parties
Poland					
Eksa Sp.Zo.o	Warsaw	Zloty	394,000	20.05%	Prysmian Energia Holding S.r.l.
				79.95%	Third parties

dega design group

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PRYSMIAN
CABLES & SYSTEMS