

**PRYSMIAN S.p.A.**

**REPORT BY THE BOARD OF STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS AT 31.12.2008 PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/98 AND ART. 2429.3 OF THE ITALIAN CIVIL CODE**

To the Shareholders of Prysmian S.p.A.

During the year ended 31 December 2008 we conducted the supervisory activities required of us by law and the Company's By-laws on the basis of:

- the requirements of the Italian Civil Code and Legislative Decree 58/98 ("T.U.F." - Testo Unico sulla Finanza or Unified Financial Act);
- the standards of conduct for the Board of Statutory Auditors recommended by the Italian Accountancy Profession;
- the guidance contained in the CONSOB communication dated 6 April 2001, concerning company supervision and the activity of the Board of Statutory Auditors, and the guidance contained in the recent joint communication dated 6 February 2009 by the Bank of Italy, CONSOB (Italy's stockmarket regulator) and ISVAP (Italy's insurance industry regulator), concerning additional information to be disclosed in financial reports.

Firstly, we confirm that:

- the independent auditors PricewaterhouseCoopers S.p.A., engaged:
  - to audit the Company's separate financial statements;
  - to audit the Group's consolidated financial statements;
  - to perform a limited review of the Company's half-year financial report;
  - to perform the controls required by art. 155.1.a) of T.U.F;

filed its reports on 20 March 2009 on the separate financial statements of Prysmian S.p.A. and on the consolidated financial statements of the Prysmian Group at 31 December 2008, neither of which contains any qualifications or other explanatory information;

- the Monitoring Board - formed under Legislative Decree 231/2001 - has sent the Board of Directors reports on its activities in the first and second half of 2008; no anomalies or reprehensible facts emerge from these reports.

In addition, we inform you that for the purposes of conducting our duties we:

- obtained the relevant information during the year, including by exchanging information with:
  - the Directors, by attending the nine meetings of the Board of Directors;
  - the Internal Control Committee, by attending its seven meetings;
  - representatives of the independent auditors in the periodic meetings required by art.150.3 of T.U.F.;
  - members of the Monitoring Board set up under Legislative Decree 231/2001;
  - company departmental managers specifically invited to our six periodic meetings;
- performed our monitoring duties with the full collaboration of the Manager responsible for preparing corporate accounting documents - appointed under art. 154-*bis* of T.U.F.-, of company boards and committees and the persons in charge of accounting, corporate affairs, internal audit and management accounts, who described their activities and provided suitable documentary support.

Within the limits of our responsibility, we therefore report as follows:

- no atypical and/or unusual transactions took place with other group companies, related parties or third parties;
- ordinary transactions with other group companies or related parties are duly described in the Directors' report and mainly relate to the remuneration of Directors and key management personnel, commercial transactions involving raw materials and finished goods and the provision of technical, administrative and financial services. The centralisation of these services is designed to save costs and ensure coordinated management; they are charged under contracts on the basis of objective, constant parameters, based on the principles of transparency and fairness and which reflect the extent to which such services are used; we report that a partial spin-off was completed during the year involving the patents portfolio owned by Prysmian Cavi e Sistemi Energia S.r.l. which was transferred to Prysmian S.p.A.;
- the Directors have provided detailed information - at least once every three months - and in their report on operations, on intercompany and related party transactions, in

compliance with the procedures for fulfilling the obligations under art. 150 of Legislative Decree 58/1998;

- on 27 August 2008 the Board of Directors approved a new version of the Organisational Model, in compliance with Legislative Decree 231/2001, which takes account of the extension of corporate administrative liability to new types of offence, and of changes in the Company's organisational structure; on 7 November 2008 the Board of Directors changed the composition of the Monitoring Board, taking account of the partial amendment in law directly relating to this Board and reflected in the new Organisational Model;
- we have not received any denunciations under art. 2408 of the Italian Civil Code and have not been informed of any complaints or reports, including by third parties, or of any significant matters by the independent auditors;
- the Company is competently administered in compliance with the law and its By-laws. The information on the Company's assets, liabilities, financial position and performance provided in the course of the year is presented reasonably, clearly and completely;
- the Directors have always acted within the powers and authority vested in them. We can provide reasonable assurance that the actions approved and executed are not manifestly imprudent, risky or in conflict of interest, nor such as to compromise the integrity of the Company's net assets;
- the Company's organisational structure, system of internal control and accounting and administrative system are appropriate for the Company's size and capable of correctly representing the results of operations on a timely, accurate basis. The accounting system is able to provide reliable information for the purposes of managing, controlling and preparing the Company's separate and consolidated annual financial statements and its interim financial reports;
- the Boards of Directors of the Company's subsidiaries contain Directors and/or managers of the parent company with executive authority who ensure coordinated management and an adequate flow of information, also supported by appropriate accounting data;
- the Company is capable of promptly and fully satisfying its public disclosure obligations under art. 114.2 of T.U.F.;

- we have not issued any opinions under art. 2389.3 of the Italian Civil Code;
- the fees earned in 2008 by the independent auditors PricewaterhouseCoopers S.p.A. amount to Euro 730 thousand, of which Euro 368 thousand for audit services, Euro 47 thousand for certification services and Euro 315 thousand for due diligence, audit support and other services.

We also report that the Company has:

- adopted the Self-regulatory Code of Borsa Italiana S.p.A., prepared by the Committee for Corporate Governance of Listed Companies; the structure of governance is described in a specific report, which contains the information required by the above Code.

The Internal Control Committee has held meetings and fulfilled the duties required by the Self-regulatory Code.

At meetings of the Board of Directors, the Chairman has ensured that the Directors and Statutory Auditors were sufficiently well informed. The Board of Directors comprises 10 Directors of whom 4 qualify as "independent". The Board of Statutory Auditors has checked that the Board of Directors has applied the proper principles and procedures when evaluating the independence of its members;

- bought back 3,028,500 ordinary shares in the year for Euro 30.2 million, under the buy-back plan authorised by the shareholders on 15 April 2008;
- disclosed in the Directors' report and in the notes to the financial statements that at the end of January 2009 the European Commission and the Antitrust Authorities of Spain, Japan and the United States started an investigation into the Prysmian Group in order to verify the existence of alleged anti-competitive agreements in the high voltage underground and submarine cables sector.

Lastly, you are reminded that Paolo Francesco Lazzati resigned as a Standing Statutory Auditor during 2008 and was replaced by the Alternate Statutory Auditor Giovanni Rizzi until the next Shareholders' Meeting; in addition, the Alternate Statutory Auditor Alessandro Ceriani resigned from office at the start of March.

Given the contents of our report and within the limits of our responsibility, we can find no reasons against approving the financial statements for the year ended 31 December 2008 and the proposal by the Board of Directors for allocating net income.

Milan, 20 March 2009

The Board of Statutory Auditors

(Marcello Garzia - Chairman)

(Luigi Guerra)

(Giovanni Rizzi)