



**Press Information**

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## A Worldwide Leading Player in the Cable Industry

### Energy and Telecom Cables and Systems

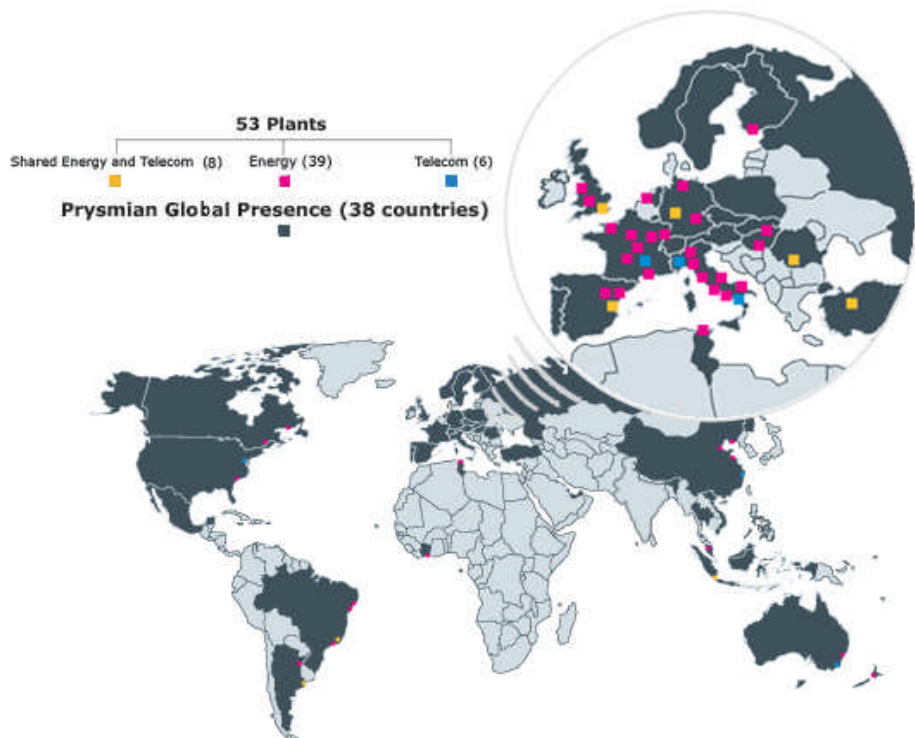
As a leading player in the high technology business of energy and telecom cables & systems, the Group has a strong position in **higher added value market segments**. It develops, designs, produces, supplies and installs a **wide range of cables** addressing the most diverse applications in both the energy and telecoms sectors.

### Competitive Strengths

Specialising in the development of products and systems designed on the basis of clients' specific requirements, Prysmian's main competitive strengths include its **focus on research and development** (over 3,000 granted and filed patents overall), **the ability to innovate its products and production processes**, and **the use of its own advanced proprietary technologies**.

### A Global Presence

With its two businesses, Energy Cables and Systems (cables and systems for underground and submarine power transmission and distribution, for industrial applications and for the distribution of electricity to residential and commercial buildings) and Telecom Cables and Systems (optical cables and fibres and copper cables for video, data and voice transmission), Prysmian boasts a global presence with subsidiaries in 38 countries, 53 plants in 21 countries, 7 Research and Development centres in Europe, USA and South America and employs more than 12,000 people worldwide. This broad and diverse geographical distribution of manufacturing facilities allows Prysmian to respond more efficiently and effectively to the needs of local markets and customers.



## Customers and Projects

Prysmian is a reference player in the industry and partner of the world's key operators in the energy and telecommunications industries – utilities, industrial groups, wholesalers and telecommunications operators – such as: **AKER, Alstom, Bharti, British Telecom, Changchung Railcars, E.On, Eletropaulo, Endesa, Enel, Foster & Wheeler, France Telecom, Hagemeyer, Iberdrola, National Grid, Petrobras, Qwest, Rexel, RTE/EDF, Siemens, Sonepar, STX Marine, Telefonica, Telstra, Terna, Valeo, Verizon, Vodafone.**

In the last few years Prysmian has completed more than 30 submarine power links worldwide, including **Basslink** in Australia, one of the longest in the world, the **interconnection between continental Italy and Sardinia**, which is currently the deepest, and **Neptune** in the US. Prysmian is currently undertaking many significant projects able to further consolidate its global footprint, such as **Transbay** in San Francisco, the record-breaking **SA.PE.I.** in Italy, **Cometa** in Spain, the **GCCIA** between Saudi Arabia and Bahrain and the **Doha Bay** submarine powerlink in Qatar. As for high and extra high voltage projects, the Group has been involved in the development of the transmission networks in cities such as Abu Dhabi, New York, London, Paris, Madrid, Singapore, Istanbul, Hong Kong, Vienna, Buenos Aires, Milan and Rome. In 2008, the Group secured some of the most important projects worldwide like the expansion of the energy transmission grid in Qatar, and the development of the high voltage power system for the 2008 Beijing Olympic Village.

In the last few years Prysmian has significantly enhanced its commitment to the development of technologically advanced integrated solutions, to be used in the renewable energy field. Prysmian has been recently awarded contracts to supply high tech power cables for the **Greater Gabbard, Gunfleet Sands** and **Thanet** offshore wind farms rising off the UK coast. These offshore wind farms fields are amongst the world's largest under construction and will play a significant part in helping meet the UK's renewable energy targets.

In the Industrial cable sector, Prysmian has been strengthening its offering and market position in the Oil&Gas sector. In 2008 it has signed a four-year frame agreement with Brazil's Petrobras for the design and supply of flexible pipes. With regard to the strategic niche of cables for nuclear power stations, Prysmian provided two new nuclear plants in China with special cables, outcomes of an exclusive patented technology. Other interesting initiatives have been recently carried out in the transport industry: the cabling of the **Genesis Cruise Vessel**, the largest ocean liner in the world, and the cabling of the Alstom's high speed special testing train, that achieved the world's speed record in 2007.

Product quality and innovation are the hallmarks of Prysmian's approach to industries where the products are more standardized, such as low and medium voltage cables. Fire Resistant and Low Smoke Zero Halogen (LS0H) cables are Prysmian's cutting-edge products in the residential and commercial construction cables market. Significant projects in this sector

are the cabling of the **Burj Dubai tower**, the tallest manmade structure in the world, the cabling of the **Wimbledon’s Central Court stadium** and the cabling of **Singapore F1 circuit**, where the first ever F1 night race has been run.

In the Telecom business, Prysmian has recently carried out several major projects in the highly strategic **Fibre-To-The-Home** market, for example in the USA, where it has been selected as one of the main partners to develop the FTTH Infrastructure of Verizon. In the European market, a number of FTTH systems have been developed in Scandinavia and France and most recently in Germany, where Prysmian was contracted to provide a complete fibre network to Schwerte, a town of 50,000 people in the western region of the country.

**The “Giulio Verne” vessel**

To support its submarine activities Prysmian owns and operates the Giulio Verne, one of just a handful of high capacity cable laying vessels worldwide. This provides a significant competitive advantage in this highly specialized area of the cable business.

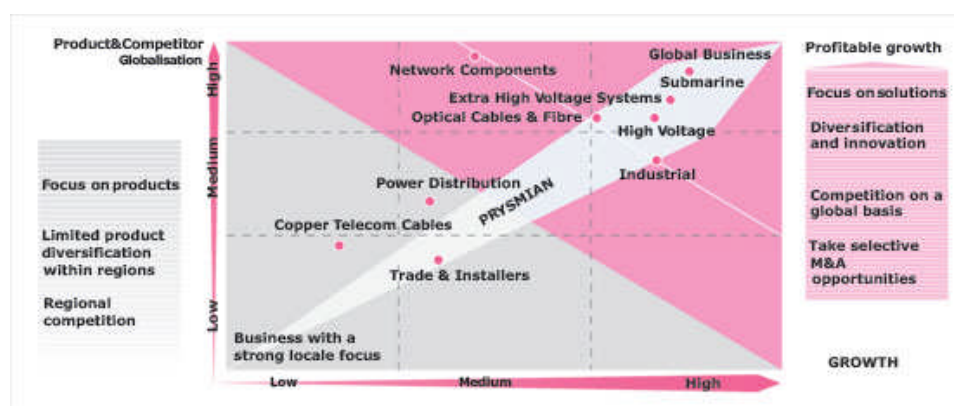


## Focus on High Value-Added Markets

Technology, innovation and customer services are key to Prysmian's growth. The Group focuses especially on high value-added markets.

### Markets with the highest levels of technology and innovation

- Underground and submarine power transmission cables and systems.
- Cables and systems for industrial applications.
- Optical cables for voice, video and data transmission.



### High value-added services offered by Prysmian

- The design of products and systems, according to customer specifications.
- The execution of turn-key projects, for which the Group offers project coordination and management services.
- Installation and preventive maintenance, mainly in the Energy Cables and Systems business.

Prysmian is constantly focussed on **innovating** its products, **improving** its customer service and **expanding** into certain rapidly growing markets. The Group is constantly engaged in the continuous improvement of customer service, providing its clients with an increasing number of logistics services and assistance, including periodic monitoring of the efficiency of the cables and systems installed, not to mention maintenance and emergency services.

## Over a Century of History

### **From 1879 to 1988: Global Expansion and Growth**

**1879:** A few years after the founding of the Pirelli Group, the activities of Pirelli Cavi e Sistemi start.

**1886:** A manufacturing facility for the production of submarine telegraph cables is opened in La Spezia. A telegraph line is installed on the floor of the Red Sea.

**1902:** The company's territorial expansion begins with the construction of its first overseas plant in Spain. This is followed by the opening of new production plants in Great Britain (1914), Argentina (1917) and Brazil (1929).

**1925:** Pirelli Cavi e Sistemi makes its first foray into America, with the laying of 5,150 km of trans-Atlantic submarine telegraph cable to connect Italy with the Americas. This is followed in the ensuing years by the installation of power cables in New York and Chicago, expansion into Brazil, the trans-oceanic link between northern Africa and Brazil and the start of cable production in Canada.

**1950:** The Italian Ministry of Postal Services commissions Pirelli Cavi e Sistemi to supply cables for the interurban telephone network and for televisual communication. The Group is also awarded the contract for the reinstatement of the submarine telephone line between Italy and Brazil.

**1982:** The Pirelli group becomes the first company in Italy to produce optical fibres for telecommunications and data transmission, setting up a joint venture with the STET group.

### **From 1988 to 2001: Growth through Mergers, Acquisitions and Take-overs**

In order to expand its commercial and industrial operations internationally, acquire specific know-how, strengthen its global presence and achieve economies of scale, the company launches a targeted "campaign of acquisitions". Pirelli Cavi e Sistemi acquires the power cable businesses of Siemens AG, BICC and Metal Manufacturers Ltd, and two NKF factories.

### **From 2001 to 2004: Restructuring**

Post burst of the "Tech Bubble", a radical restructuring process is launched, giving the company a leaner, more efficient and more flexible organisation.

### **2005: Prysmian was established**

Prysmian, indirectly controlled by The Goldman Sachs Group Inc., signed an agreement to purchase the Cables and Systems division of Pirelli & C. S.p.A. Birth of Prysmian Cables & Systems, a name that alludes to the concepts of light, analysis, brilliance and perfection associated with the geometric figure, and hence synonymous with excellence, research and reliability.

### **2007: the listing on the Stock Exchange**

Prysmian becomes a listed company. The negotiations began on May the 3rd on the Milan Stock Exchange, in the Blue Chip segment.

## Operating and Financial Results and Major Investments 2005-2008

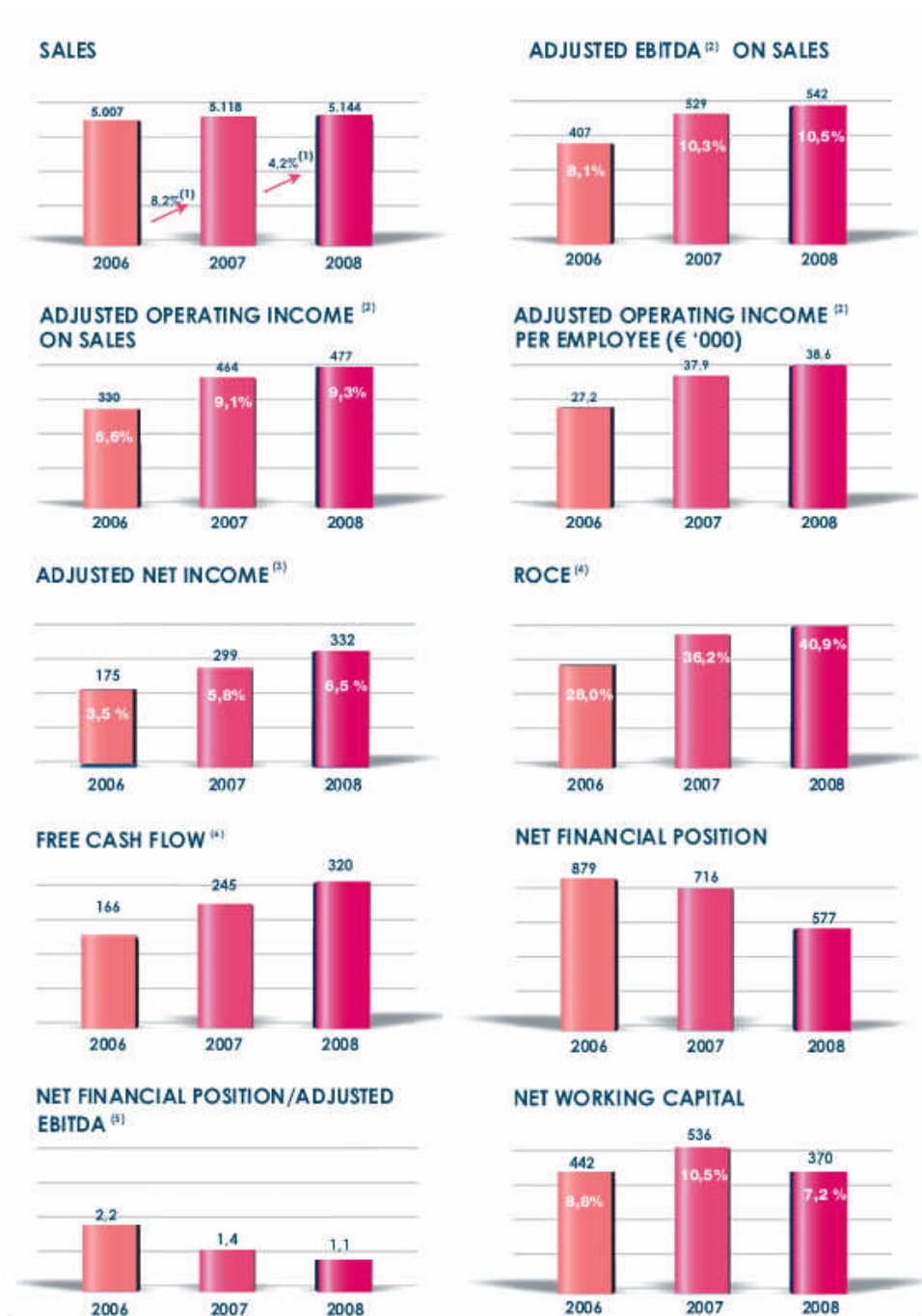
During 2008, the Group achieved:

### 2008 Figures

- **Net sales of 5,144 million Euro** (5,118 in 2007)
- **Adjusted EBITDA of 542 million Euro**, equal to 10.5% of net sales (529 million Euro in 2007, +2.5%)
- **Adjusted operating income of 477 million Euro**, equal to 9.3% of net sales (464 million Euro in 2007, equal to 9.1%)
- **Adjusted net income for the year amounting to 332 million Euro** (299 million Euro in 2007)
- **Free Cash Flow of 320 million Euro** (245 in 2007)
- **An improved net financial position of 577 million Euro** (31 December 2008) as against 716 million Euro as of 31 December 2007

The year 2008 witnessed a steady deterioration in the market, with the first part of the year generally stable, followed by evident signs of the crisis during the third and fourth quarters. In such a context, Prysmian managed to improve its results, particularly in higher technology and value-added markets. Net of metal price effects, currency translation effects and changes in the group perimeter, **overall organic growth was 4.2%**, taking the Group's sales to Euro 5,144 million. Performance was particularly positive in the Utilities business, reporting organic growth of 12.1%, driven by the high voltage underground and submarine cables segment which grew by more than 30.0%. This is a very satisfactory result, achieved in the Group's more strategic business which significantly contributes to overall profitability.

This business will increase its strategic role thanks to its positive medium-term prospects even in a weaker market environment, with an orders backlog for underground cables providing strong visibility for the current year and orders for submarine cables covering all production capacity in 2009 and 2010. The stimulus packages passed by the US and Chinese governments and by the European Union include investments in excess of USD 150 billion to upgrade power generation infrastructures and power transmission and distribution networks, particularly for renewable energy. Prysmian is a world leader in this sector and also in 2008 secured new contracts such as the Doha Bay submarine connection and the KAHRAMAA Phase VIII high voltage underground link in Qatar. In the renewable energy sector, Prysmian has been awarded major projects to build up power connections for Greater Gabbard and Thanet, the world's two largest off-shore wind farms currently under construction, confirming its leadership in a rapidly developing sector which is expected to benefit of EU incentives for Euro 500 million in 2009-2010.



(1) Organic growth: growth net of changes in the group perimeter, in metal prices and exchange rates.

(2) Adjusted EBITDA and Adjusted Operating Income are defined as EBITDA and Operating Income before non-recurring income and expenses.

(3) Adjusted Net Income is defined as net income before non-recurring income and expenses, the effect of derivatives and exchange rate differences and the related tax effects.

(4) Calculated as Adjusted Operating Income/(Equity + Net Financial Position + Pension funds).

(5) Calculated as Net Financial Position with third parties/Adjusted EBITDA.

(6) Free Cash Flow is defined as net cash flow provided by operating activities including finance costs.

**Details for business area**

**Energy Cables & Systems**

Sales to third parties by the Energy Cables and Systems business rose to Euro 4,608 million in 2008, reporting 4.0% of organic growth. Adjusted operating income increased by 3.1% to Euro 435 million from Euro 420 million in 2007, with margin on sales of 9.4% up from 9.1%.

***Utilities***

Sales to third parties in the Utilities business rose to Euro 2,028 million, reporting organic growth of 12.1%. Growth is attributable to the positive performance of high voltage underground, submarine cables and accessories: high-tech, high valued-added sectors in which Prysmian has confirmed its worldwide leadership. The Group has secured contracts to build some of the most important underground and submarine connections in the world, particularly in the Middle East with the Doha Bay and KAHRAMAA VIII projects. Important business opportunities have also been seized in the renewable energy sector, with the acquisition of contracts to build power connections for the world's two largest off-shore wind farms. In view of the increasingly tough market outlook, the Group has also focused its commitment to emerging geographical areas, with interesting opportunities taken up in Russia and the Persian Gulf, and on smaller projects, particularly network repair and maintenance. The power transmission business offers attractive growth prospects in view of the economic support plans enacted by governments worldwide, involving expected investment in excess of USD 150 billion in energy infrastructure, of which a sizeable part will be devoted to transmission networks. Prysmian has moved to take up these opportunities, by increasing production capacity in the USA and China. The segment of low and medium voltage cables for power distribution experienced a slight contraction with sales performance extremely weak in North America, following the steep construction industry downturn starting back in 2007; in the last quarter of 2008, the worsening of the economic crisis produced a major contraction in volumes in Europe as well. In terms of profitability, adjusted operating income rose to Euro 256 million (12.6% of sales) compared with Euro 208 million (11.0% of sales) in the prior year.

***Trade & Installers***

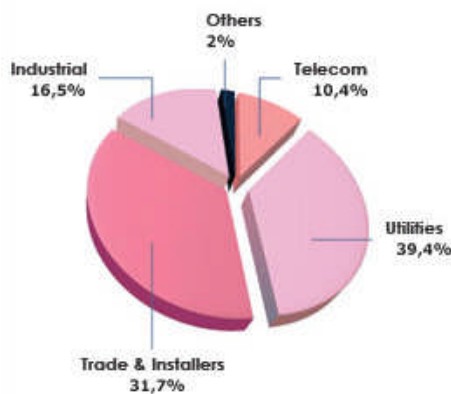
Sales to third parties in the Trade & Installers business amounted to Euro 1,629 million. Given the progressive contraction in demand, caused by the construction industry crisis, Prysmian reported a 5.0% organic decrease in sales, with attention focused on efficient management of net working capital. Market conditions got significantly worse in the fourth quarter (particularly in Europe), when Prysmian reported an organic decrease in sales of 11.7%. Prysmian has further increased its exposure to high value-added products such as LSOH/Afumex fire-resistant cables and to the demand for cables related to non-residential applications. Thanks to its products range, Prysmian has developed interesting niche markets, as the fire-resistant cables for installation in public structures where safety is crucial; by way of example, the new tennis stadium in Wimbledon and the new motor racing circuit in Singapore, site of the

first night-time F1 Gran Prix, have both been cabled by Prysmian. Adjusted operating income slipped to Euro 100 million (6.1% of sales) from Euro 137 million (7.6% of sales) in 2007.

**Industrial**

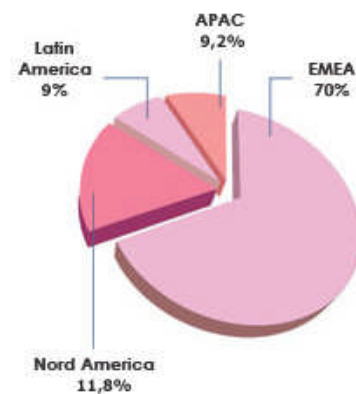
Industrial cables sales to third parties amounted to Euro 850 million in 2008, reporting organic growth of 5.0%. In an adverse trend affecting demand in the industrial reference sectors, Prysmian improved its performance thanks to the high quality of its product portfolio, particularly in the Oil&Gas and renewable energy sectors. Even in the last quarter of the year, sales confirmed a positive trend, with organic growth of 7.3%. The umbilical cables segment for the off-shore oil industry reported an increase of around 15.0% in volumes in 2008. In June 2008 Prysmian announced a technical cooperation agreement with the Brazilian oil company Petrobras, which will allow it to enter the flexible pipes high tech and high margin business. The agreement involves initial orders for USD 135 million and the start up of a new production plant in Brazil in the second half of 2010. Adjusted operating income for 2008 increased to Euro 80 million from Euro 71 million in 2007, with margin on sales rising to 9.4%, from 9.0% in the prior year.

**BREAKDOWN OF SALES BY BUSINESS AREA AT 31 DECEMBER 2008 (\*)**



Total Energy: Euro 4.608 million | Total Telecom: Euro 536 million  
Total sales: Euro 5.144 million

**BREAKDOWN OF SALES BY GEOGRAPHICAL AREA AT 31 DECEMBER 2008 (\*)**



(\*) Net of intragroup eliminations

**Telecom Cables & Systems**

Sales to third parties by the Telecom Cables and Systems business amounted to Euro 536 million, remaining largely stable with respect to 2007. Excluding the effect of exchange rates and copper prices, organic growth was 5.2% due to the growth achieved in the optical cables segment with positive performance in Europe, Australia, where an important contract was signed with the operator Telstra, and above all in North America where Prysmian boasts customers like Qwest, Telus and Verizon. In the copper cables segment, Prysmian secured an important contract with the Libyan General Post and Telecommunications Company. Adjusted operating income increased by 5.7% to Euro 45 million from Euro 44 million in 2007. Adjusted operating margin on sales rose to 8.4% from 7.9%.

**Major investments  
for the period  
2005-2008**

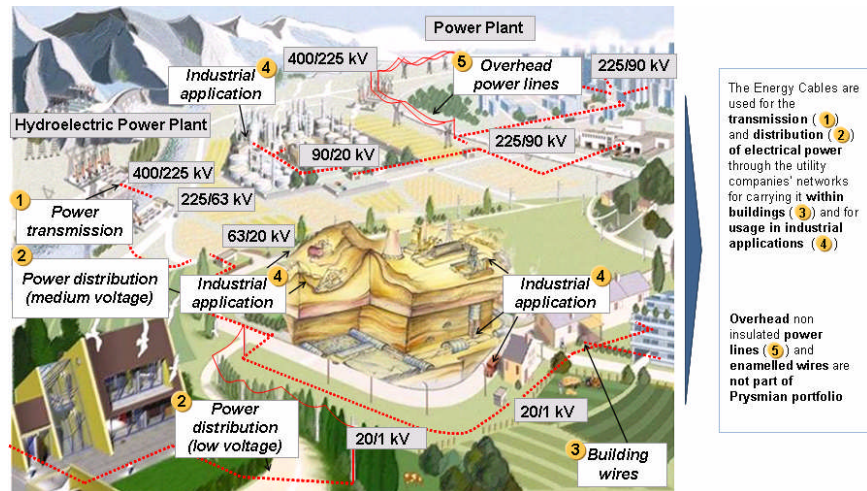
Prysmian's major investments for the period 2005-2008 were:

- The construction of a new facility for the production of Umbilicals in Brazil;
- The acquisition of two production plants in China (Tianjin Angel Group Co. Ltd);
- Reinforcement of know-how and production capacity for the High Voltage sector;
- Reinforcement of production capacity in the manufacturing unit for submarine cables;
- Acquisition of the business assets of New Zealand cable manufacturer, International Wire & Cable Company Limited (IWC);
- Completion of the investment for increased production capacity in the optical fibre facility FOS, in Italy;
- Further increase of production capacity for special cables in China, Germany and Italy;
- Investments in Brazil for a new plant dedicated to flexible pipes;
- Expansion in North America through the construction of a new HV cables production facility in Abbeville.

## The Business Units and the Offering

### Energy Cables & Systems

The Energy Cables & Systems Business Unit is Prysmian's main sector in terms of turnover. In this sector, Prysmian is one of the main operators at global level.



### Applications

Prysmian designs, manufactures, distributes and installs a wide range of cables and systems for the transmission and distribution of power at low, medium, high and extra high voltage for both land and submarine applications, together with a wide range of accessories. The three main business areas are **Utilities, Trade and Installers and Industrial**, which offer the following products and services:

#### Utilities

**Power Transmission Systems.** Prysmian designs, produces and installs high and extra-high voltage cables for power transmission both from power plant sites and in the transmission and primary distribution networks. This business area focuses mainly on turnkey solutions, customised to meet Customer needs, which are generally higher value-added products for Prysmian. Products in this business area include cables insulated with paper impregnated with oil or fluid, rated for voltages up to 1100 kV and extruded polymer insulated cables for voltages below 500 kV. Prysmian's extra-high voltage and high voltage power transmission products are highly customised and have a high technological content. This business area provides Customers with installation and post-installation services, as well as network management and maintenance services, including network performance monitoring, network cables repair and maintenance, and emergency services, such as disaster recovery.

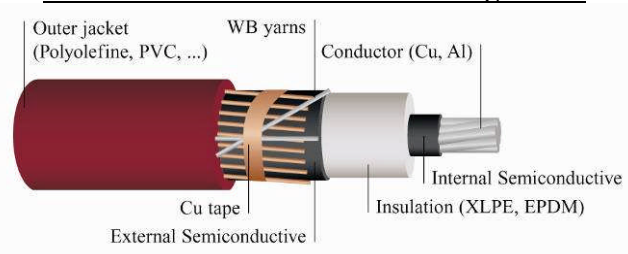
**Submarine Power Transmission and Distribution Systems.** Prysmian designs, produces and installs turnkey submarine power transmission and distribution systems worldwide. The Group develops proprietary cables and accessories utilising all types of submarine power transmission and distribution technology, which are suitable for installation at depths of up

to 2,000 meters. The product offerings of this business line include cables insulated with paper impregnated with oil or fluid for power transmission up to 500 kV in direct and alternate current and extruded polymeric insulation cables for voltages up to 400 kV in alternate current and up to 300 kV in direct current. Installation, planning and services are a particularly important aspect of this business area. In particular, for installation Prysmian can call on the Giulio Verne, one of the largest and most technologically advanced cable laying ships in the world.

**Power Distribution Cables and Systems.** In the field of power distribution cables and systems, Prysmian produces medium voltage cables and systems for the connection of industrial and/or residential buildings to primary distribution networks and low voltage cables and systems for power distribution and the wiring of buildings. All Prysmian products in this business area comply with international standards regarding insulation capacity, fire resistance, smoke emissions and halogen levels.

**Network Accessories and Components.** Prysmian also produces accessories such as joints and terminations for low, medium, high and extra-high voltage cables to connect cables to each other and to other network equipment, suitable for industrial, building or infrastructure applications and for power transmission and distribution applications. The components for high voltage applications, in particular, are designed to customer specifications.

#### **Macro-structure of a medium voltage cable**



#### **Trade and Installers**

Prysmian manufactures a complete range of both rigid and flexible low voltage cables to distribute power to and within residential and non-residential premises in compliance with international standards. Particular attention in terms of product development and innovation is paid to high performance cables, such as Fire Resistant cables and Low Smoke Zero Halogen cables. Both these cable families are used for all applications where safety must be guaranteed: in the case of fire, Fire-Resistant cables continue to operate and Low Smoke Zero Halogen cables have a reduced emission of toxic gas and smoke.

#### **Industrial**

Prysmian's extensive product portfolio, developed specifically for the Industrial Market sector, includes customised products for a variety of specialist applications. Prysmian cables serve a broad list of industries, including Oil&Gas, Transportation, Infrastructure, Mining and

Renewable Energy. Prysmian concentrates its efforts on providing integrated, value-added cabling solutions that are highly customised to the specific needs of customers. Its customers include industrial groups and OEMs (Original Equipment Manufacturers) which are world leaders, such as ABB, AKER, Alstom, SNCF, Petrobras, Peugeot-Citroen, Renault, Siemens and Valeo.

Prysmian's Oil&Gas business focuses on both the research and refining of hydrocarbons and exploration and production. It, therefore, provides a range of products from low and medium voltage power and instrumentation/control cables, to dynamic multipurpose umbilical cables to transport energy, telecommunications, fluids and chemical products in joining submarine sources and collectors to FPSO (Floating, Production, Storage and Offloading) platforms.

In the transport sector Prysmian cables are used for the construction of trains, ships and automobiles; infrastructure comprises products for railways, harbours, and airport facilities. The range also includes cables for the mining industry and for applications in the renewable energy sector. Prysmian is also active in cables for military applications and for nuclear power plants, which can withstand high radiation environments.

## **Telecom Cables & Systems**

### **Optical Fibres**

Prysmian is a leading manufacturer of the fundamental building block of all optical cables - namely the optical fibre. With an experience in the production of fibre going back to 1982, Prysmian is able to utilize all three of the major production technologies currently available: OVD (Outside Vapour Deposition), MCVD (Modified Chemical Vapour Deposition) and VAD (Vapour Axial Deposition). The Company produces a comprehensive range of fibre types including long distance, metro ring, low water peak, reduced diameter, and the latest addition to the fibre family - bend insensitive fibres. Fibres are produced under the highest levels of quality control and in strict compliance with ITU international standards. With a centre of excellence for fibre at Battipaglia, Italy, and a total of three manufacturing locations worldwide, Prysmian is truly a global leader in this highly specialized technology.

### **Optical Cables**

The optical fibres are used in the production of a vast range of optical cable types starting from single fibre constructions through to cables containing 1728 fibres. Optical cables are today deployed in a variety of demanding environments. They can be pulled (or blown) into ducts, buried directly underground or suspended on overhead systems such as telegraph poles or electric transmission towers. Cables are installed in road and railways tunnels and various in-building locations where they must exhibit specific fire performance characteristics, and nowadays cables are even installed in gas and sewerage pipe networks. Prysmian has cable designs specifically tailored to address all of these requirements including technologies such as Optical Ground Wire (OPGW), Rapier (easy break-out), Zephyr (mini blown cable), Airbag (dielectric direct

buried) and many more.

### **Copper Cables**

Prysmian produces a wide range of copper cables for underground and overhead cabling solutions and for residential and commercial buildings. Cables are designed for high transmission, low interference and electromagnetic compatibility and in accordance with the main international standards and specifications. Prysmian can supply cables with specific performance criteria such as zero halogen emissions, low emission of toxic fumes and gases and nonpropagation of fire. The Group's product portfolio includes a vast range of copper cables with different capacities (from 1 to 2400 pairs) including xDSL cables for broadband access.

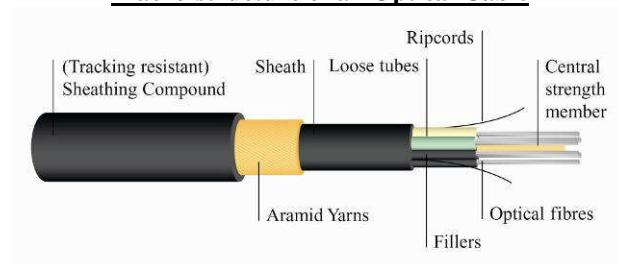
### **Accessories**

Prysmian supplies a comprehensive range of passive connectivity products under the OAsys® brand. These products cover all cable management needs whatever the network type, including aerial and underground installation as well as cabling in central offices, exchanges or customer premises.

### **FTTH (Fibre To The Home)**

Increased customer demand for higher levels of bandwidth has seen the deployment of optical fibre moving closer to the end user with the ultimate goal being Fibre To The Home - FTTH. Prysmian is extremely active in this rapidly growing sector of the market with a system approach based upon a combination of existing technologies - such as the Sirocco Blown Fibre System - and new innovative solutions such as Quickdraw pre-connectorised cable and the new Verticasa™ system which provides an efficient way of deploying fibres in high rise buildings and multi dwelling units. Many of the cables used in FTTH systems feature Prysmian's proprietary bend insensitive Casalight™ optical fibre which was specially developed for this application.

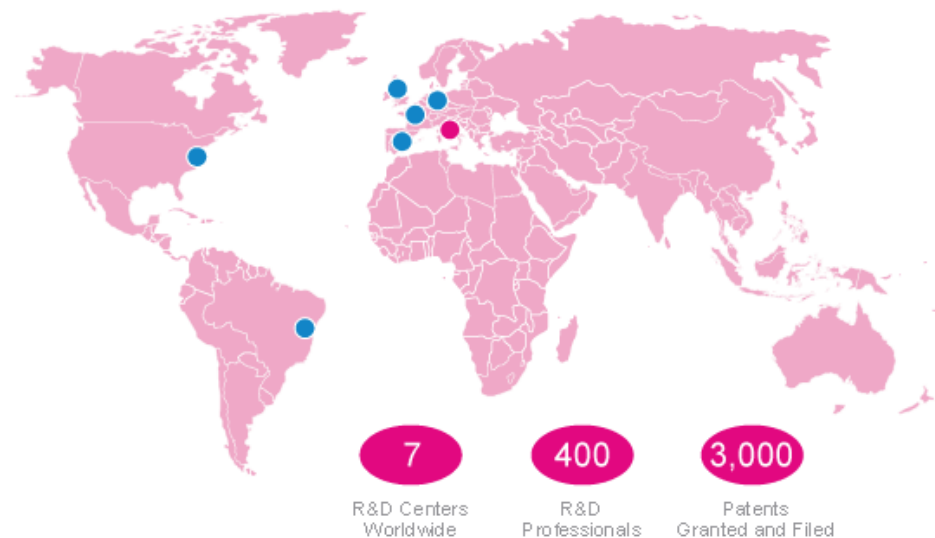
#### **Macro-structure of an Optical Cable**



## Research & Development

### Research & Development Centres

Prysmian has always placed great strategic importance on Research & Development, with a view to providing its customers with innovative solutions at competitive costs. The Group has: 7 Research & Development centres (Italy, France, UK, Germany, Spain, United States, and Brazil) with headquarters in Milan; strong cooperation relationships with major university and research centres (including the "Politecnico di Milano" and the National Research Council of Italy - CNR); more than 400 skilled professionals, and more than 3,000 patents granted or filed. Research & Development spending in 2008 amounted to approximately Euro 45.3 million, staying in line with the year before (Euro 45.5 million in 2007).



### Quality

The objectives of Prysmian's Research & Development function are **identifying innovative products and technologies, introducing onto the market new products** and services designed to expand the range on offer, and **cutting production costs**.

The quality of Prysmian products is assured by means of strict monitoring of all phases of the production process, from raw material procurement to the delivered product, through a highly-developed control system for each specific phase of the cycle.

The controls during the raw material procurement stage concern **supplier selection and quality check of the individual supplies**, which have to be accompanied by special certificates proving that they conform to the standards specified during the contractual phase.

### High Standards of Customer Service

In order to ensure an ever-higher standard of customer service, **since 2003 Prysmian has relied on the services of third parties to carry out customer satisfaction polls and it performs monthly surveys relating to the service indicator**. The introduction of these control systems has improved service levels significantly, for example in the Trade and

Installers sector, where **the reliability of delivery times is a critical factor for success.**

**Main achievements  
in 2008**

- The world's first extruded submarine cable for 200 kV in direct current was developed for the Transbay project (to build a submarine HVDC interconnector between the cities of Pittsburgh and San Francisco in California); manufacture of this cable has started at the plant in Arco Felice.
- Development of flexible cables, for loading and unloading containers by port-side cranes, with optical fibre sensors allowing measurement of cable wear and tear and thus the performance of preventive maintenance, therefore significantly limiting the risks of cable damage and work stoppage.
- New technology for manufacturing hybrid umbilical cables, which unlike traditional cables use steel pipes rather than plastic ones, improving their reliability and performance, even at depths of over 2,000 metres. The Group's centre of excellence for manufacturing umbilical cables is in Vila Velha, Brazil.
- The new medium voltage P-Laser cables, developed at the Italian plant of Pignataro, with new technology involving less energy consumption and less environmental pollution. In fact, the different mix of materials and faster processes mean that the new technology is more industrially efficient and cable quality better, thereby ensuring a more efficient, competitive service for customers thanks to shorter production and installation times.
- In the area of optical cables, a new range of products was developed using micro-module technology, containing up to 288 fibres for indoor applications and up to 144 fibres for outdoor applications.

### Energy Cables

In recent years, Prysmian has used a number of **new technologies** and marketed several **new products and processes**, all of which represent a benchmark in both the energy cable and the telecom cable sectors.

In particular, as far as the power transmission and distribution cable sector is concerned, Prysmian has used the following technologies and offered the following products:

- Insulation and sheathing **LSOH compounds** (Afumex™);
- **Lead-free cables** for the Industrial area adopting the innovative airbag technology which, in conjunction with aluminium laminate tapes, replace the traditional lead sheath to provide superior protection against mechanical shock and harsh environments;
- **Extra flexible cables** for special applications in the Industrial area, including mobile equipment;
- **Optopower System Technology**: high and extra high voltage underground cables used in the Utilities area incorporating optical fibre cables to monitor various network parameters (e.g. temperature).

### Telecom Cables

In the telecom cable sector, Prysmian has recently completed the development of the following technologies and products:

- **CasaLight™**: a fibre with enhanced performance under severe bending conditions designed specifically for FTTH applications;
- **Verticasa™**: a system which provides an efficient way of deploying fibres in buildings and multi dwelling units;
- **ADSL++ (20-30 MHz) and VDSL (up to 60 MHz) high-frequency telecom cables** for use within Central Exchanges and for the outdoor network (last mile);
- **Dry technology**: optical cables in which the gelatinous lubricants normally used to protect the fibres from moisture are eliminated reducing installation time;
- **Optical Ground Wire cables (OPGW) for overhead lines based on FiAlt technology** (Fibre into Aluminium Tube), which allow a cable size and weight reduction.

### P-Laser

In 2008 Prysmian made significant progress in developing its P-Laser technology: an innovation of major importance for utilities as regards power distribution. From a technical perspective, P-Laser consists of an insulating system based on thermoplastic materials. This allows a more competitive production process since it can be manufactured on a single, uninterrupted production line, thereby significantly reducing the factory lead time. Prysmian's P-Laser cable uses a High Performance Thermoplastic Elastomer Compound (HPTE) developed in Prysmian's R&D laboratories and patent protected. It can also be produced according to different metallic screen protections and outer sheath configuration requirements. P-Laser not only offers a more compact architecture and compatibility with conventional cables and accessories but also the

fundamentally important benefit of being completely recyclable: the offer of P-Laser cables therefore represents an opportunity for utilities, who are increasingly focusing on the eco-sustainability of their growth strategies. Manufacturing started in 2008 at the Pignataro Maggiore plant, which produced more than 500 km of unipolar 185 mm<sup>2</sup> - 12/20 kV cable. Prysmian has also obtained the cable qualification by the Italian IMQ certification body and the approval of ENEL, Italy's principal Utility, with whom an experimental phase has been successfully completed. Prysmian is therefore ready to offer this new product innovation in place of the traditional medium voltage cable.



### **Valerio Battista - CEO**

Prior to becoming CEO of Prysmian Cables and Systems in 2005, **Valerio Battista** had over 17 years' experience with the Pirelli Group. A graduate in Mechanical Engineering from Florence University, he first joined UnoAErre before developing his career within Pirelli: firstly in the Steel Cord structure (Pirelli Pneumatici), subsequently managing this division. He then held the position of Purchasing Director for the Tyre Division. In 2002, Valerio Battista became the Managing Director of the Energy Cables Division within Pirelli Cables and Systems and two years later also took responsibility for the Telecommunications Cable Division before the transition from Pirelli to Prysmian.



### **Fabio Romeo - Director of Energy Cables Division**

**Fabio Romeo** is the Head of our Energy Cables & Systems division. He obtained a degree in Electronic Engineering from the Polytechnic University of Milan in 1979, an M.S. and a Ph.D. in Electrical Engineering and Computer Sciences from the University of California at Berkeley, in 1986 and 1989, respectively. His first work experience was in 1981 with Tema (ENI Group) as Project Manager for Chemical Plants. In 1982, he moved to Honeywell as Technical Advisor to the Honeywell's CEO. In 1989 he joined the Electronics division of Magneti Marelli as Innovation Manager. In 1998 he was appointed Managing Director of the Electronics Systems division of Magneti Marelli. He joined the Pirelli Group in 2001 as Director of the Truck business unit for Pirelli Tyre division and, one year later, became the Utilities Director of the Cable division of the Pirelli Group. He has been the Head of our Energy Cables & Systems division since 2004.



### **Hakan Özmen - Director of Telecommunications Cables Division**

**Hakan Özmen** was appointed Director of Telecom Business of Prysmian Cables and Systems on July 1st, 2009. He joined Siemens/Pirelli (now Prysmian) Turkey in 1993 within the Internal Audit function. Then moved in 1999 for the Internal Audit function to Milan for Pirelli Tyres/Cables and Real Estate for EMEA until 2001, when he was appointed CFO of the Turkish affiliate and COO of the same affiliate respectively. In September 2005 he was appointed CEO of the Turkish Prysmian Affiliate and covered this position until the end of June 2009. Mr Özmen was born in Germany in 1970 and he graduated in Industrial Engineering at the Middle East Technical University in 1993. He gained an MBA at Yeditepe University in 1999.



***Pier Francesco Facchini - Chief Financial Officer***

**Pier Francesco Facchini** became CFO of our Group in January 2007. He obtained a degree in Business Economics from Bocconi University (Milan) in 1991. His first work experience was with Nestlé Italia where, from 1991 up to 1995, he held different positions in the Management and Finance departments. From 1995 up to 2001, he worked with the Panalpina Group where he held the position of Regional Financial Controller for the Asia-Pacific region. During his career at the Panalpina Group he was also appointed CFO of Panalpina Korea and Panalpina Italia Trasporti Internazionali S.p.A. In April 2001, Mr. Facchini was appointed CFO of the Consumer Services Business Unit of Fiat Auto and from 2003 until November 2006 he held the position of CFO of the Benetton Group.

**The Board of  
Directors**

Paolo Zannoni, Valerio Battista, Pier Francesco Facchini, Fabio Ignazio Romeo, Hugues Lopic, Michael Ogrinz, Wesley Clark, Giulio Del Ninno, Francesco Paolo Mattioli, Fabio Labruna, Udo Gunter Werner Stark and Michele Titi-Cappelli.