Press release

PRYSMIAN S.P.A., 2009 RESULTS

PROFITABILITY TARGET ACHIEVED: ADJ EBITDA EURO 403 MILLION

SALES TREND STABILISATION IN SECOND HALF

MARGINS STABLE: ADJ EBITDA 10.8% OF SALES (10.5% IN 2008)

HIGH CASH GENERATION CONFIRMED

- **SALES: EURO 3,731 MILLION (ORGANIC CHANGE -17.4%)**
- **ADJ EBITDA[1]: EURO 403 MILLION (EURO 542 MILLION IN 2008; -25.6%)**
- **ADJ OPERATING INCOME[2]: EURO 334 MILLION (EURO 477 MILLION IN 2008; - 30.1%)**
- **NET PROFIT: EURO 252 MILLION (EURO 235 MILLION IN 2008; +7.5%)**
- **ADJ NET PROFIT[3]: EURO 206 MILLION (EURO 332 MILLION IN 2008; -37.9%)**
- **FREE CASH FLOW[4]: EURO 183 MILLION.**
- **NET FINANCIAL POSITION IMPROVED TO EURO 474 MILLION FROM EURO 577 MILLION IN 2008**

DIVIDEND CONFIRMED AT EURO 0.417 PER SHARE FOR A TOTAL PAY-OUT OF EURO 74 MILLION

Milan, 3 March 2010 - The Board of Directors of Prysmian S.p.A. has approved today the Company's consolidated financial statements and separate financial statements for 2009[5].

"During 2009 Prysmian kept a prudent management approach while continuing to develop effective growth strategies at the same time," explains CEO Valerio Battista. "We are particularly proud of having achieved the initial Group profitability target even in a still weak market environment. Furthermore, thanks to the strategy developed - continues Battista - we have been able to strengthen the Group's financial solidity, with a significant improvement in our net financial position. Looking ahead, we believe that the investments in high-tech businesses, combined with the acquisitions made in high-growth markets like India, Russia and the Middle East, will allow us to fully benefit from future market recovery."

FINANCIAL RESULTS

Sales amounted to Euro 3,731 million with a negative **organic change** of 17.4%, net of metal price and exchange rate effects and changes in the group perimeter.

Adjusted EBITDA amounted to Euro 403 million (-25.6% on 2008), achieving the target originally announced to the market, with the margin on sales rising to 10.8% from 10.5% at the end of 2008. This improvement in margin is attributable to the greater weight of high value-added businesses, which accounted for approximately 65% of adjusted EBITDA (approximately 50% in 2008), and to the reduction in fixed costs.

EBITDA[6] amounted to Euro 366 million, down 29.3% from Euro 518 million in 2008, with a margin on sales of 9.8% versus 10.1% in the previous year.

[1] Adjusted EBITDA is defined as EBITDA before non-recurring income/(expenses), as reported in the table in Annex B.
[2] Adjusted operating income is defined as operating income before non-recurring income/(expenses) and the fair value change in metal derivatives.
[3] Adjusted net profit is defined as net profit before non-recurring income/(expenses) and the fair value change in metal derivatives.
[4] Free Cash Flow is defined as net cash flow provided by operating activities inclusive of net finance costs.
[5] The audit of the consolidated financial statements and separate financial statements has not yet been completed as of today's date.
[6] EBITDA is defined as earnings/(loss) for the year before the fair value change in metal derivatives, amortisation, depreciation and impairment, finance income/costs, the share of income/(loss) from associates and dividends from other companies and taxes. For further information, please see the table in Annex B, which provides a reconciliation between Profit (Loss) for the year, EBITDA and Adj EBITDA.

Operating income[7], including the positive impact of Euro 91 million from the change in the fair value of metal derivatives compared with a negative impact of Euro 68 million in the prior year, was Euro 386 million compared with Euro 380 million in 2008 (+1.6%). **Adjusted operating income** was Euro 334 million, down 30.1% from Euro 477 million in 2008 and representing a margin on sales of 9.0%, down from 9.3%.

Net finance costs improved by Euro 45 million, going to a negative Euro 52 million from a negative Euro 97 million in 2008. The decrease in finance costs reflects lower borrowing costs, a reduction in net debt and a decline in net negative exchange differences to Euro 1 million from negative Euro 32 million in 2008.

Net profit amounted to Euro 252 million, reporting a 7.5% increase from Euro 235 million in 2008 and a 6.8% margin on sales (4.6% in 2008). **Adjusted net profit** came to Euro 206 million compared with Euro 332 million in 2008 (-37.9%), with a 5.5% margin on sales (6.5% in 2008).

Free cash flow (levered) came to Euro 183 million (Euro 320 million in 2008) after Euro 106 million in operating investments, confirming the Group's strong cash generation even in a difficult year like 2009.

At the end of 2009, **Net financial position** improved to Euro 474 million from Euro 577 million at the end of 2008, with a NFP/Adjusted EBITDA ratio of 1.2x.

FOCUS ON COST REDUCTION AND INDUSTRIAL/ORGANISATIONAL EFFICIENCIES

- **Reduction of Euro 39 million in fixed costs (-9% vs 2008)**
  The Prysmian Group reported Euro 388 million in fixed costs at the end of 2009, a reduction of Euro 39 million on 2008. Cost reduction was mainly achieved through improvement of plant productivity, rationalization of organisational structure and reduction of operational costs.

- **Continuous generation of industrial efficiencies**
  The Group recorded around Euro 21 million in industrial efficiencies in 2009, achieved by paying constant attention to the efficiency of materials, by optimising logistics and production costs and by developing innovative production processes. Average annual industrial efficiencies amounted to Euro 24 million in the period 2004-2008.

FOCUS ON INVESTMENTS IN STRATEGIC BUSINESSES AND M&A

- **Investments for Euro 63 million in high-tech businesses**
  The Group invested Euro 63 million (Euro 57 million in 2008) in developing its high-tech businesses. In the high voltage business, a new manufacturing facility was opened in the USA while in China the project to modernise and expand the Baojing plant was launched. Investments were also made in cables for renewable energy, particularly those used by offshore wind farms. Lastly, activities continued to build up the new flexible pipes plant in Brazil for offshore oil drilling industry.

- **Acquisitions in Russia, India and the Middle East**
  In December 2009 the Group completed the acquisition of Rybinsk Elektrokabel in Russia, while in January 2010 it completed the acquisition of a majority stake in Ravin Cables with operations in India and the Middle East. These acquisitions are in line with the Group’s strategy to expand activities in high-growth countries and lay a base to upgrade and complete the product range in these countries.

[7] Starting from the current financial statements, operating income includes the fair value change in metal derivatives previously classified in net finance income/(costs). The comparative figures for 2008 have been revised accordingly.

PRYSMIAN CABLES & SYSTEMS

PERFORMANCE AND RESULTS ENERGY CABLES AND SYSTEMS

- **SIGNIFICANT GROWTH FOR SUBMARINE CABLES; RECOVERY IN NEW HIGH VOLTAGE CABLE PROJECTS**
- **DEMAND STILL WEAK FOR POWER DISTRIBUTION AND TRADE & INSTALLERS, WITH SALES TREND STABILISATION IN SECOND-HALF**
- **SIGNS OF UPTURN IN OGP DEMAND; STEADY GROWTH IN RENEWABLES**
- **TOUGH MARKET FOR SHIPPING AND CRANE CABLES**

Sales to third parties by the Energy Cables and Systems business amounted to Euro 3,328 million, posting an organic decrease of 17.0%. Profitability improved. Adjusted EBITDA amounted to Euro 372 million (Euro 493 million in 2008), with margin on sales rising to 11.1% from 10.6% in 2008. Adjusted operating income came to Euro 309 million (Euro 435 million in 2008), with margin on sales basically stable at 9.3% from 9.4% in 2008.

Utilities

Sales to third parties by the Utilities business amounted to Euro 1,598 million, reporting an organic decrease of 13.9%. The higher value-added segment of power transmission accounted for 55% of total sales, with an order book of approximately Euro 900 million at the end of 2009 (approximately one year sales). In terms of profitability, adjusted operating margin on sales reported a significant improvement, rising to 14.7% from 12.6% in 2008, with a sharp acceleration in the fourth quarter (16.2%) thanks to strong submarine cable performance.

Prysmian confirmed its worldwide leadership in the submarine energy cables and systems segment, achieving a positive organic growth of around 10%. The Group is developing several major projects like SAPEI in Italy, GCCIA in Bahrain, Transbay in the USA, Cometa in Spain and Doha Bay in Qatar, and at the end of 2009 was awarded a new contract of Euro 300 million to develop the new Sicily-Italian mainland submarine transmission system, one of the world's biggest projects of this kind. New projects were also acquired in the fast expanding sector of renewable energy: in 2009 new contracts to supply cables to the Ormonde and Walney offshore wind farms were secured, in addition to projects currently under execution like Greater Gabbard and Thanet, among the largest in the world. At the end of 2009 the order book for submarine cables covered production capacity for the two subsequent years.

Demand for high voltage underground cables showed signs of recovery in the second half of the year and the larger utilities restarted work on new projects that had been suspended during the crisis. The order book provides sales visibility for the first part of the year. The acquisitions in Russia and India will allow the Group to further consolidate its world leadership in this sector.

Volumes in the power distribution segment reported a general stabilisation in the second half of the year. Prysmian faced the persistent weakness in demand by continuing to focus on innovation, with its revolutionary, high performance P-Laser cable which reached the final stage of industrialisation and marketing: contracts were signed with major utilities and the first 1,000 km of cable were delivered.

(in millions of Euro)				
	2009	**2008**	**% Change**	**% Organic change**
Sales to third parties	1,598	2,028	-21.2%	-13.9%
			% on sales	
	2009	**2008**	**2009**	**2008**
Adjusted EBITDA	266	287	16.7%	14.2%
Adjusted operating income	237	256	14.7%	12.6%

Trade & Installers

Sales to third parties by the Trade & Installers business amounted to Euro 1,020 million, posting an organic decrease of 21.5%. Despite continued sector weakness, the second-half organic change in sales, although still negative relative to the prior year, was considerably better than in the first half of the year. Volumes also showed signs of recovery in the second half, particularly in countries like Turkey, South America and Germany, while countries like Spain and Great Britain continued to be depressed. Prysmian sought to limit the decline in sales volumes as far as possible by selectively acting on the product portfolio, particularly through increased penetration of higher value-added products: sales of LSOH/Afumex fire-resistant cables rose to around 14% of the total. Adjusted operating margin on sales went to 2.5% from 6.1% in 2008.

(in millions of Euro)				
	2009	**2008**	**% Change**	**% Organic change**
Sales to third parties	1,020	1,629	-37.4%	-21.5%
			% on sales	
	2009	**2008**	**2009**	**2008**
Adjusted EBITDA	41	113	4.0%	6.9%
Adjusted operating income	26	100	2.5%	6.1%

Industrial

Sales to third parties by the Industrial cables business amounted to Euro 628 million, reporting an organic decrease of 16.1% although with an improving trend in the fourth quarter. Orders in the Oil & Gas segment recovered in the second half after a weak first part of the year, while the renewable energy sector confirmed a steady upward trend. Small but positive signs of improvement were also seen in the second half of the year in the automotive segment. Adjusted operating margin on sales was 7.3% from 9.4% in 2008.

(in millions of Euro)				
	2009	**2008**	**% Change**	**% Organic change**
Sales to third parties	628	850	-26.2%	-16.1%
			% on sales	
	2009	**2008**	**2009**	**2008**
Adjusted EBITDA	62	93	9.8%	10.9%
Adjusted operating income	46	80	7.3%	9.4%

PERFORMANCE AND RESULTS TELECOM CABLES AND SYSTEMS

- **DEMAND RECOVERY IN SECOND-HALF FOR OPTICAL CABLES**
- **INCREASED PRESENCE WITH LARGE INCUMBENT IN CHINA AND USA**
- **GROWTH OF THE BROADBAND AND FIBRE TO THE HOME APPLICATIONS**

Sales to third parties by the Telecom Cables and Systems business amounted to Euro 403 million, reporting an organic decrease of 20.7% on 2008. The reduction was primarily attributable to the copper cables segment, while the optical cables showed signs of volumes recovery in the second-half, particularly in the growing Chinese market, where Prysmian signed important contracts with the largest local telecom operators, and in the USA, where Prysmian increased its presence with large incumbents. Adjusted operating income came to Euro 25 million compared with Euro 45 million in 2008, with the margin on sales decreasing to 6.1% from 8.4% of sales.

The FTTx segment proved fairly lively in 2009, particularly thanks to investments by alternative operators. Prysmian has entered an important agreement with Cabelte Cabos Electricos e Telefonicos S.A., a Portuguese company, to develop and sell FTTx solutions in Portugal, Angola and Mozambique.

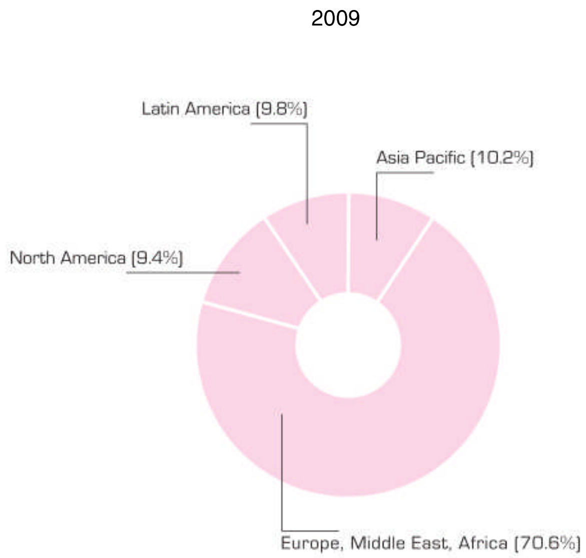
Telecom

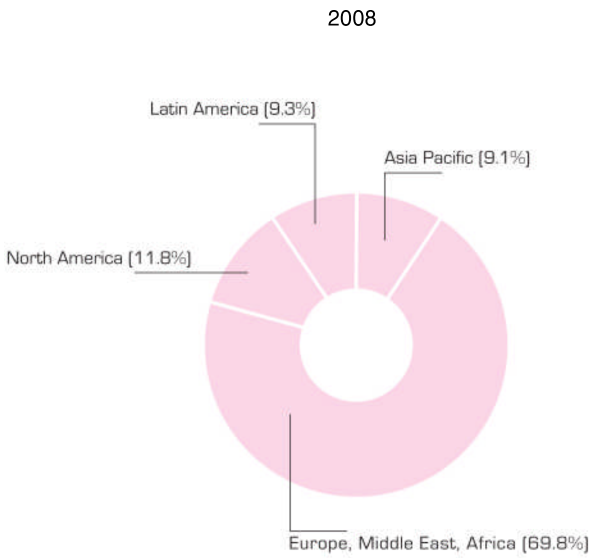
(in millions of Euro)

	2009	2008	% Change	% Organic change
Sales to third parties	403	536	-24.8%	-20.7%

			% on sales	
	2009	**2008**	**2009**	**2008**
Adjusted EBITDA	31	49	7.6%	9.0%
Adjusted operating income	25	45	6.1%	8.4%

PERFORMANCE AND RESULTS BY GEOGRAPHICAL AREA





The Group's sales in **EMEA** (Europe, Middle East and Africa) reported an organic decrease of 15.0%, mainly due to lower volumes in the Trade & Installers, Power Distribution and Telecom businesses. The downward trend in sales showed signs of stabilization in the last quarter, even if not strong enough to mark a real trend of recovery. EMEA accounted for 70.6% of total sales in the year.
Sales in **North America** posted an organic decrease of 40.3%, principally due to the drop in Power Distribution sales, and accounted for 9.4% of the Group's total sales in the year.
Latin America posted an organic decrease in sales of 13.4%, primarily attributable to the Trade & Installers segment, while sales volumes in the OGP cables segment showed signs of improvement in the second half of the year. The region accounted for 9.8% of total sales in 2009.
Asia Pacific reported an organic decrease in sales of 9.7%. This contraction mainly concerned the Power Distribution segment in the Southeast Asia markets (Malaysia and Indonesia). High voltage sales increased in China. Asia Pacific accounted for 10.2% of total sales in 2009.

BUSINESS OUTLOOK

The economic context in 2009 confirmed the weakness already experienced during the previous year and which became considerably worse from September 2008 due to the crisis affecting certain international financial institutions. Following intervention by national governments and central banks, the fall in demand and in industrial output stabilised in the second part of 2009 at record lows for recent years.
Given this economic scenario, in 2010 the Group expects demand stabilization, at the minimum levels reached in 2009, for the Trade & Installers and Power Distribution businesses and for certain products in the Industrial segment more exposed to cyclical trends, with a possible gradual recovery towards the end of the year. While orders for power transmission projects and for optical fibre cables are expected to recover during the year.
The Group also continues to rationalise and improve efficiency in its industrial footprint and to optimise its cost structure, while confirming its investment plans already started in the high value-added businesses to further strengthen its presence in the most profitable, high-growth segments.

FURTHER RESOLUTIONS BY THE BOARD OF DIRECTORS

The Board of Directors gave management the authority to be able to go ahead, depending on market conditions - with the issue in 2010 and in several individual stages if necessary - of a bond reserved for institutional investors. The bond issue has the purpose of diversifying the Company's sources of financing and lengthening the average maturity of its debt. The Board of Directors has approved the issue for up to a maximum nominal amount of Euro 400 million, and set the maximum term for individual issues at 7 years. The bonds will be quoted on the Luxembourg Stock Exchange and/or another regulated or unregulated market other than Luxembourg. The final terms and pricing of the individual issues will be set according to existing market conditions and published accordingly.

Directors independence

Based on statements made by the directors, the Board of Directors reports that it has reviewed their independence requirements, in accordance with the Self-Regulatory Code for listed companies, and confirms that the directors Wesley Clark, Fabio Labruna, Giulio Del Ninno and Udo Günter Werner Stark continue to satisfy these requirements.

Calling of shareholders' meeting

The Board of Directors has given the Chairman and the CEO several authority to perform all the formalities required to call the Shareholders' Meeting on 13 April 2010 (first call in ordinary session and extraordinary session) or 14 April 2010 (second call in extraordinary session) or 15 April 2010 (third call in extraordinary session and second call in ordinary session).
Based on the results for 2009, the Board of Directors will recommend to the forthcoming Shareholders' Meeting that a dividend of Euro 0.417 per share be declared, with a total pay-out of Euro 74 million.
If approved, the dividend will be paid out from 22 April 2010 to those shares outstanding on the ex-div date of 19 April 2010.

Amendment of the stock option incentive plan and amendment of the by-laws

Having heard the favourable opinion of the Compensation and Nominations Committee, the Board of Directors has resolved to adopt an amendment to the incentive plan approved by the Shareholders' Meeting on 30 November 2006. This amendment - which will be submitted for the approval of the forthcoming Shareholders' Meeting in accordance with art. 114-*bis* of Legislative Decree 58/98 - will introduce new four option exercise periods, solely for beneficiaries still in the Group's employment. If approved by the shareholders, this amendment will make vested but unexercised options and options that will vest in future, exercisable until the thirtieth day after publicly announcing the approval of the Company's separate financial statements for the year ended 31 December 2012. All the other terms of the plan remain the same.
The proposed amendment of the incentive plan will be accompanied by a proposal to extend the term of the capital increase by Prysmian S.p.A. relating to this plan, involving a consequent revision of article 6 of the Company's by-laws.
The information memorandum relating to the plan and report on the amendments to the by-laws will be published within the required deadline.

Change in financial calendar for 2010

By way of partial amendment to the financial calendar published on 20 January 2010, the meeting of the Board of Directors to approve the interim management statement at 31 March 2010 has been moved from 6 May 2010 to 13 May 2010. The dates of all the other corporate events in 2010 remain the same.

The Annual Report at 31 December 2009 will be filed at the Company's registered offices in Viale Sarca 222, Milan and with Borsa Italiana S.p.A. in compliance with relevant regulations. It will also be available on the corporate website at www.prysmian.com.

This document may contain forward-looking statements relating to future events and operating, economic and financial results of the Prysmian Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Therefore, actual future results may differ materially from what is expressed in forward-looking statements as a result of a variety of factors.

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

This Press Release is not an offer for the purchase of bonds in the United States. The bonds have not, and will not, be registered as per the United States Securities Act of 1933, as modified ("Securities Act"), or in the terms of any financial regulation in any of the states of the United States, or on behalf or to the benefit of a "U.S. person", as per the definition given by Regulation S of the Securities Act, unless within the limits of applicable exceptions, i.e., an operation not subject to registration requirements under the Securities Act.

This Press Release is not a public offer of financial products in Italy, as per art. 1, para. 1, letter. t), of Legislative Decree 58 of 24 February 1998 ("TUF"). This Press Release is not an offer of sale or an invitation to invest in financial products. The documentation relating to the offer will not be subject to the approval of CONSOB.

Moreover, bonds may not be sold in any country or jurisdiction in which such an offer might be considered illegal. No action has or will be taken to permit a public offer of the bonds under any jurisdiction, including in Italy.

Save for the obligations of the Issuer pursuant to article 114 of TUF, this Press Release is exclusively aimed at subjects (i) outside the United Kingdom; (ii) with professional credentials in maters pertaining to financial investments, as per art. 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as modified ("Order") or (iii) covered by the definition of art. 49, second para. from a) to d) of the Order or (iv) those to whom this Press Release may be sent without violating the terms of article 21 of the Financial Services and Markets Act 2000 (collectively identified as "relevant persons"). This Press Release is aimed solely at such relevant persons who may not pass it on to others. All forms of investment referred to by this Press Release are exclusively reserved to relevant persons and may only be effected by relevant persons.

This Press Release (and the information contained herein) is not for publication or distribution, either directly or indirectly, in the United States.

Prysmian
A leading player in the industry of high-tech cables and systems for energy and telecommunications, the Prysmian Group is a truly global business with more than Euro 3.7 million in sales in 2009 and a strong position in higher value-added market segments. With its two businesses, Energy Cables & Systems (submarine and underground cables for power transmission and distribution, for industrial applications and for the distribution of electricity to residential and commercial buildings) and Telecom Cables & Systems (optical cables and fibres and copper cables for video, data and voice transmission), Prysmian boasts a global presence with subsidiaries in 39 countries, 56 plants in 24 countries, 7 Research & Development Centres in Europe, USA and South America, and around 12,000 employees. Specialising in the development of products and systems designed to customer specification, Prysmian's key strengths include: a focus on Research & Development, the capacity to innovate products and production processes, and the use of advanced proprietary technologies. Prysmian is listed on the Milan Stock Exchange in the Blue Chip index.

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ANNEX A[8]

Consolidated Statement of Financial Position

(in millions of Euro)	31 December 2009	31 December 2008
Non-current assets		
Property, plant and equipment	872	806
Intangible assets	43	31
Investments in associates	9	9
Available-for-sale financial assets	6	10
Derivatives	9	21
Deferred tax assets	47	44
Trade receivables	-	2
Other receivables	28	26
Total non-current assets	**1,014**	**949**
Current assets		
Inventories	443	514
Trade receivables	622	732
Other receivables	359	301
Financial assets held for trading	42	38
Derivatives	44	46
Cash and cash equivalents	492	492
Total current assets	**2,002**	**2,123**
Assets held for sale	28	26
Total assets	**3,044**	**3,098**
Equity attributable to the Group:	**677**	**447**
Share capital	18	18
Reserves	411	192
Profit/(loss) for the year	248	237
Equity attributable to non-controlling interests:	**21**	**16**
Share capital and reserves	17	18
Profit/(loss) for the year	4	(2)
Total equity	**698**	**463**
Non-current liabilities		
Borrowings from banks and other lenders	884	969
Other payables	13	30
Provisions for risks and charges	41	34
Derivatives	7	33
Deferred tax liabilities	67	30
Employee benefits obligations	142	125
Total non-current liabilities	**1,154**	**1,221**
Current liabilities		
Borrowings from banks and other lenders	152	189
Trade payables	561	650
Other payables	326	346
Derivatives	46	120
Provisions for risks and charges	62	67
Current tax payables	45	42
Total current liabilities	**1,192**	**1,414**
Total liabilities	**2,346**	**2,635**
Total equity and liabilities	**3,044**	**3,098**

[8] The audit of the consolidated financial statements and separate financial statements has not yet been completed as of today's date.

Consolidated Income Statement

(in millions of Euro)	2009	2008
Sales of goods and services	3,731	5,144
Change in inventories of work in progress, semi-finished and finished goods	(50)	(51)
Other income	32	39
of which non-recurring other income	*-*	*3*
Raw materials and consumables used	(2,060)	(3,127)
Fair value change in metal derivatives	91	(68)
Personnel costs	(517)	(551)
of which non-recurring personnel costs	*(17)*	*(11)*
Amortisation, depreciation and impairment	(71)	(70)
of which non-recurring amortisation, depreciation and impairment	*(2)*	*(5)*
Other expenses	(770)	(936)
of which non-recurring other expenses	*(20)*	*(16)*
Operating income	**386**	**380**
Finance costs	(292)	(475)
of which non-recurring finance costs	*-*	*(3)*
Finance income	240	378
of which non-recurring finance income	*9*	-
Share of income from investments in associates and dividends from other companies	3	3
Profit before taxes	**337**	**286**
Taxes	(85)	(51)
Profit/(loss) for the year	**252**	**235**
Attributable to:		
Owners of the Parent	248	237
Non-controlling interests	4	(2)
Basic earnings/(loss) per share - (in Euro)	1.40	1.32
Diluted earnings/(loss) per share - (in Euro)	1.39	1.31

Consolidated Statement of comprehensive income

(in millions of Euro)	2009	2008
Profit/(Loss) for the year	**252**	**235**
Fair value gains/(losses) on available-for-sale financial assets - gross of tax	3	(1)
Tax effect of fair value gains/(losses) on available-for-sale financial assets	(1)	-
Fair value gains/(losses) on cash flow hedges – gross of tax	6	(45)
Tax effect of fair value gains/(losses) on cash flow hedges	(1)	13
Actuarial gains/(losses) on employee benefits – gross of tax	(13)	(2)
Tax effect of actuarial gains/(losses) on employee benefits	2	1
Currency translation differences	56	(89)
Total other comprehensive income/(loss) for the year	**52**	**(123)**
Total post-tax comprehensive income / (loss) for the year	**304**	**112**
Attributable to:		
Owners of the Parent	300	115
Non-controlling interests	4	(3)

Consolidated Statement of Cash Flows

(in millions of Euro)			
		2009	**2008**
	Profit before taxes	337	286
	Depreciation and impairment of property, plant and equipment	66	66
	Amortisation and impairment of intangible assets	5	4
	Badwill from acquisition of Facab Lynen Gmbh & Co. Kg.	-	(3)
	Share of income from investments in associates and joint ventures	(3)	(3)
	Share-based compensation	1	2
	Fair value change in metal derivatives	(91)	68
	Net finance costs	52	97
	Changes in inventories	88	56
	Changes in trade receivables and payables	23	17
	Changes in other receivables and payables	(90)	(5)
	Changes in derivatives	15	(2)
	Taxes paid	(62)	(83)
	Utilisation of provisions (including employee benefits obligations)	(58)	(44)
	Increases in provisions (including employee benefits obligations)	46	46
A.	**Net cash flow provided by/(used in) operating activities**	**329**	**502**
	Price adjustment and indemnification relating to the acquisition of the Energy and Telecom Cables and Systems divisions from the Pirelli & C. S.p.A.	-	16
	Facab Lynen Gmbh & Co. Kg. acquisition	-	(1)
	Rybinsk Electrocabel acquisition	(3)	-
	Investments in property, plant and equipment	(91)	(103)
	Disposals of property, plant and equipment	1	1
	Investments in intangible assets	(16)	(13)
	Investments in financial assets held for trading	-	(7)
	Disposals of financial assets held for trading	5	1
	Disposal of available-for-sale financial assets	6	3
	Dividends received	3	3
B.	**Net cash flow provided by/(used in) investing activities**	**(95)**	**(100)**
	Capital contribution and other changes in equity	5	2
	Dividends paid	(75)	(76)
	Purchase of treasury shares	-	(30)
	Finance costs paid	(277)	(461)
	Finance income received	231	373
	Changes in net financial payables	(124)	41
C.	**Net cash flow provided by/(used in) financing activities**	**(240)**	**(151)**
D.	Exchange gains/(losses) on cash and cash equivalents	6	(11)
E.	**Total cash flow provided/(used) in the year (A+B+C+D)**	**-**	**240**
F.	**Net cash and cash equivalents at the beginning of the year**	**492**	**252**
G.	**Net cash and cash equivalents at the end of the year (E+F)**	**492**	**492**

ANNEX B

Reconciliation table between net profit/(loss) for the year, Ebitda and adjusted Ebitda of the Group

(in millions of Euro)		
	2009	**2008**
Profit/(Loss) for the year	252	235
Taxes	85	51
Share of income from investments in associates and dividends from other companies	(3)	(3)
Finance income	(240)	(378)
Finance costs	292	475
Amortisation, depreciation and impairment	71	70
Fair value change in metal derivatives	(91)	68
EBITDA	**366**	**518**
Company reorganisation	13	8
Antitrust investigation legal costs	11	-
Shutdown of operating facilities	6	3
Provision for tax inspections	-	12
IT system segregation	-	1
Badwill from Facab Lynen acquisition	-	(3)
Special project costs	4	3
Environmental remediation	3	-
Adjusted EBITDA	**403**	**542**

Statement of consolidated cash flows with reference to change in net financial position

(in millions of Euro)

	2009	2008	Change
EBITDA	**366**	**518**	**(152)**
Badwill from Facab Lynen acquisition	-	(3)	3
Share-based compensation	1	2	(1)
Changes in provisions (including employee benefits obligations)	(12)	2	(14)
Net cash flow provided by operating activities (before changes in net working capital)	**355**	**519**	**(164)**
Changes in net working capital	36	66	(30)
Taxes paid	(62)	(83)	21
Net cash flow provided by/(used in) operating activities	**329**	**502**	**(173)**
Acquisition price adjustment and other settlements	-	16	(16)
Acquisitions	(3)	(1)	(2)
Net cash flow used in operational investing activities	(106)	(115)	9
Net cash flow used in financial investing activities	9	6	3
Free cash flow (unlevered)	**229**	**408**	**(179)**
Net finance costs	(46)	(88)	42
Free cash flow (levered)	**183**	**320**	**(137)**
Capital contribution and other changes in equity	5	2	3
Dividends paid	(75)	(76)	1
Purchase of treasury shares	-	(30)	30
Net cash flow provided/(used) in the year	**113**	**216**	**(103)**
Net financial position at the beginning of the year	**(577)**	**(716)**	**139**
Net cash flow provided/(used) in the year	113	216	(103)
Other changes	(10)	(77)	67
Net financial position at the end of the year	**(474)**	**(577)**	**103**

Prysmian S.p.A. Statement of Financial Position

(in Euro)	31 December 2009	31 December 2008
Non-current assets		
Property, plant and equipment	3,398,638	2,996,711
Intangible assets	31,369,081	22,268,655
Investments in subsidiaries	264,105,234	262,360,920
Deferred tax assets	1,679,359	-
Other non-current receivables	1,974,075	3,424,811
Total non-current assets	**302,526,387**	**291,051,097**
Current assets		
Trade receivables	34,429,476	53,977,058
Other current receivables	37,398,120	45,623,564
Cash and cash equivalents	4,925,085	2,886,879
Total current assets	**76,752,681**	**102,487,501**
Total assets	**379,279,068**	**393,538,598**
Share capital and reserves:		
Share capital	18,123,504	18,054,623
Reserves	159,890,497	101,173,397
Net income/(loss) of the year	49,166,002	129,963,770
Total Equity	**227,180,003**	**249,191,790**
Non-current liabilities		
Borrowings from banks and other lenders	86,573,539	96,371,509
Employee benefits obligations	4,843,713	4,026,611
Total non current liabilities	**91,417,252**	**100,398,120**
Current liabilities		
Borrowings from banks and other lenders	28,898,790	9,698,720
Trade payables	15,649,567	20,392,696
Other current payables	10,866,159	13,206,089
Provisions for risks and charges	2,043,377	515,820
Current tax payables	3,223,920	135,363
Total current liabilities	**60,681,813**	**43,948,688**
Total liabilities	**152,099,065**	**144,346,808**
Total equity and liabilities	**379,279,068**	**393,538,598**

Prysmian S.p.A. Income Statement

(in Euro)	2009	2008
Sales of goods and services	37,694,603	32,839,956
Other income	35,419,667	42,775,154
Raw materials and consumables used	(919,277)	(868,903)
Personnel costs	(29,528,250)	(32,010,572)
of which non-recurring personnel costs	*(127,377)*	-
Amortisation, depreciation and impairment	(4,197,232)	(5,768,772)
of which non-recurring amortisation, depreciation and impairment	-	*(3,352,705)*
Other expenses	(57,982,072)	(58,234,576)
of which non-recurring other expenses	*(6,417,171)*	*(828,529)*
Operating income	**(19,512,561)**	**(21,267,713)**
Finance costs	(6,234,630)	(8,563,270)
Finance income	2,125,678	3,917,294
Dividends from subsidiaries	42,746,205	118,173,494
Income before taxes	**19,124,692**	**92,259,805**
Taxes	30,041,310	37,703,965
Net income/(loss) of the year	**49,166,002**	**129,963,770**

Prysmian S.p.A. Statement of Cash Flows

(in thousands of Euro)

		2009	2008
	Income before taxes	19,125	92,260
	Depreciation and impairment of property, plant and equipment	735	4,035
	Amortisation and impairment of intangible assets	3,462	1,733
	Share-based compensation	358	636
	Dividends	(42,746)	(118,173)
	Net finance costs (income)	4,109	4,646
	Changes in trade receivables and payables	14,804	(25,981)
	Changes in other receivables and payables	1,023	2,919
	Taxes cashed/(paid)	36,205	4,379
	Utilization of provisions (including employee benefits obligations)	(1,053)	(802)
	Increases in provisions (including employee benefits obligations)	2,749	770
	Employee benefits provisions transfer from sub-holdings	(106)	32
A.	**Net cash flow provided by/(used in) operating activities**	**38,665**	**(33,546)**
	Investments in property, plant and equipment	(1,410)	(5,930)
	Disposals of property, plant and equipment	273	264
	Investments in intangible assets	(12,572)	(12,459)
	Disposals of intangible assets	10	527
	Investiments in subsidiaries	(1,600)	(21,000)
	Dividends received	42,746	118,173
B.	**Net cash flow provided by/(used in) investing activities**	**27,447**	**79,575**
	Finance costs paid	(5,799)	(6,336)
	Finance incomes cashed in	1,285	1,095
	Net changes in short and long term borrowings	11,365	64,571
	Capital increase	3,203	2,540
	Purchase of treasury shares	-	(30,179)
	Dividends paid	(74,128)	(75,253)
C.	**Net cash flow provided by/(used in) financing activities**	**(64,074)**	**(43,562)**
D.	**Total cash flow provided/(used) in the year(A+B+C)**	**2,038**	**2,467**
E.	**Net cash and cash equivalents at the beginning of the year**	**2,887**	**420**
F.	**Net cash and cash equivalents at the end of the year (D+E)**	**4,925**	**2,887**

Prysmian S.p.A. Statement of comprehensive income

(in thousands of Euro)		
	2009	**2008**
Profit/(Loss) for the year	**49,166**	**129,964**
Actuarial gains/(losses) on employee benefits - gross of tax	(755)	96
Tax effect of actuarial gains/(losses) on employee benefits	-	-
Total other comprehensive Incomes/(Losses) for the year	**(755)**	**96**
Total post-tax other comprehensive Income/(Loss) for the year	**48,411**	**130,060**