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FIRST QUARTER REPORT 2012 PRYSMIAN GROUP

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Prysmian Group

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Draka

FIRST QUARTER REPORT 2012

PRYSMIAN GROUP

Disclaimer

This document contains forward-looking statements, specifically in the sections entitled "Subsequent events" and "Business outlook", that relate to future events and the 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.

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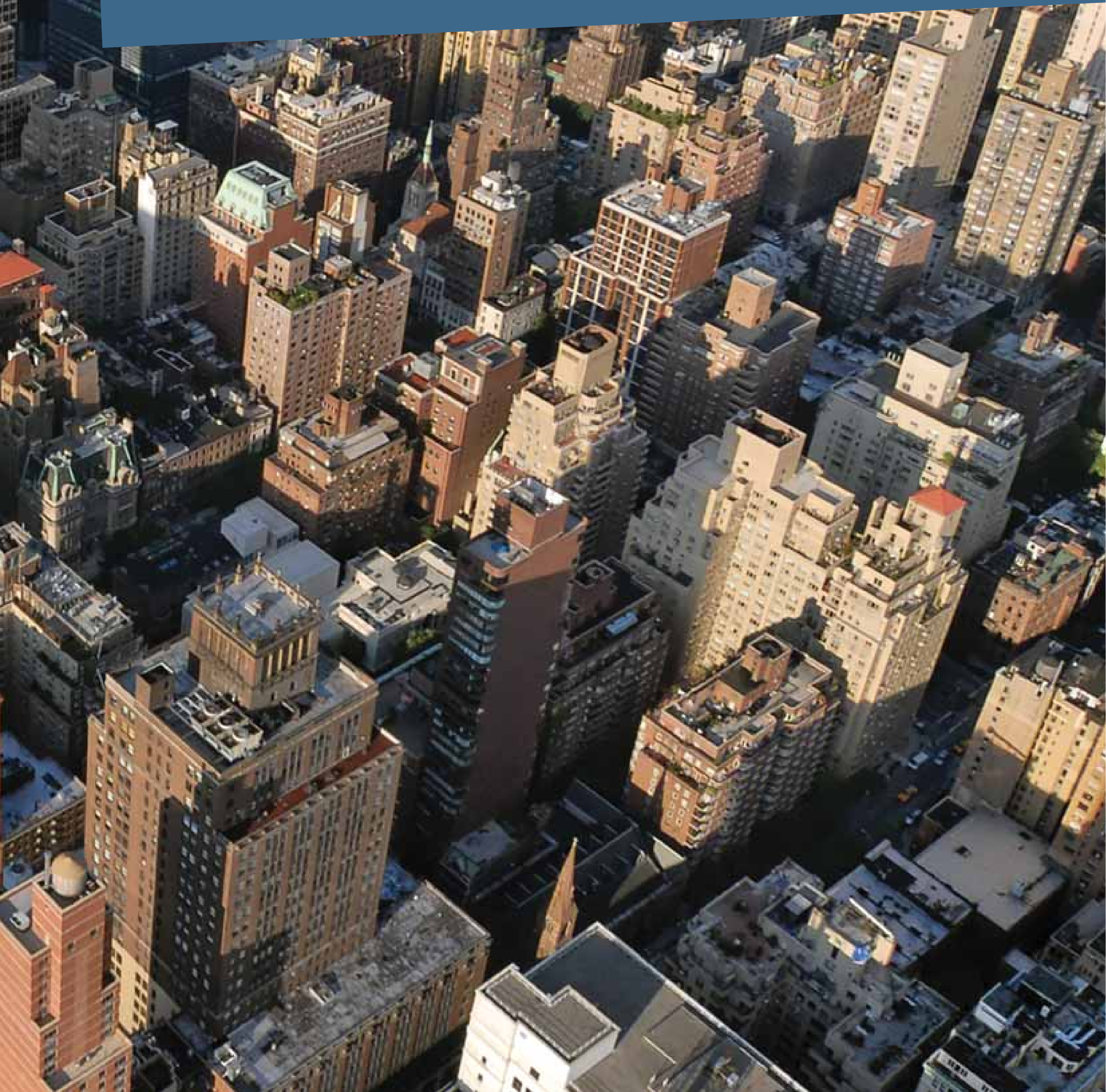
DIRECTORS' REPORT



DIRECTORS AND AUDITORS

Board of Directors	**Chairman**	Massimo Tononi (*) (2)	
	Chief Executive Officer & General Manager	Valerio Battista	
	Directors	Maria Elena Cappello (*) (**) (1)	Pier Francesco Facchini
		Cesare d'Amico (*) (**)	Fritz Fröhlich (*) (**) (1)
		Claudio De Conto (*) (**) (1) (2)	Fabio Ignazio Romeo
		Giulio Del Ninno (*) (**) (2)	Giovanni Tamburi (*) (**)
		Frank Dorjee	
Board of Statutory Auditors	**Chairman**	Marcello Garzia	
	Standing Statutory Auditors	Luigi Guerra	Paolo Burlando
	Alternate Statutory Auditors	Luciano Rai	Giovanni Rizzi
Independent Auditors	**PricewaterhouseCoopers S.p.A.**		

(*) Independent directors as per Italy's Unified Financial Act (T.U.F.)

(**) Independent directors as per Self-Regulatory Code

(1) Members of the Internal Control Committee

(2) Members of the Compensation and Nominations Committee

Foreword

This quarterly financial report at 31 March 2012 (Interim management statement pursuant to art. 154-ter of Italian Legislative Decree 58/1998) has been drawn up and prepared:

- in compliance with art. 154-ter of Italian Legislative Decree 58/1998 and subsequent amendments and with the Issuer Regulations published by Consob (Italy's securities regulator);
- in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and in accordance with *IAS 34 – Interim Financial Reporting*, applying the same accounting standards and policies adopted to prepare the consolidated financial statements at 31 December 2011, except as described in the Explanatory Notes in the paragraph "Accounting standards, amendments and interpretations applied from 1 January 2012".

The present quarterly financial report is unaudited.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION*

(in millions of Euro)

	3 months 2012	3 months 2011 (**)	% change	FY 2011
Sales	1,874	1,490	25.8%	7,583
EBITDA (1)	115	92	24.2%	269
Adjusted EBITDA (2)	130	101	27.8%	568
Operating income	89	47	87.9%	19
Adjusted operating income (3)	91	76	19.6%	426
Profit/(loss) before taxes	61	19	219.3%	(101)
Net profit/(loss) for the period	42	13	215.2%	(145)

(in millions of Euro)

	3 months 2012	3 months 2011 (***) Pro-forma				% change
		Prysmian	Draka	Adjustments	Total	
Sales	1,874	1,258	624	(1)	1,881	-0.4%
Adjusted EBITDA (2)	130	84	35	-	119	9.1%
Adjusted operating income (3)	91	65	19	-	84	8.8%

(in millions of Euro)

	31 March 2012	31 March 2011	Change	31 December 2011
Net capital employed	2,682	2,989	(307)	2,436
Employee benefit obligations	271	224	47	268
Equity	1,138	1,305	(167)	1,104
of which attributable to non-controlling	55	66	(11)	62
Net financial position	1,273	1,460	(187)	1,064

(in millions of Euro)

	3 months 2012	3 months 2011 (**)	% change	FY 2011
Investments	26	17	52.9%	159
Employees (at period end)	21,613	22,023	-1.9%	21,547
Earnings/(loss) per share				
- basic	0.20	0.07		(0.65)
- diluted	0.20	0.07		(0.65)

(1) EBITDA is defined as earnings/(loss) for the period, before the fair value change in metal derivatives and in other fair value items, amortisation, depreciation, and impairment, finance costs and income, the share of income/(loss) from associates, dividends from other companies and taxes.

(2) Adjusted EBITDA is defined as EBITDA before non-recurring income/(expenses).

(3) Adjusted operating income is defined as operating income before non-recurring income/(expenses) and the fair value change in metal derivatives and in other fair value items.

(*) All percentages contained in this report have been calculated with reference to amounts expressed in thousands of Euro.
(**) Includes the Draka Group's results for the period 1 March – 31 March 2011.
(***) Includes the Draka Group's results included for the period 1 January - 31 March 2011.

SIGNIFICANT EVENTS DURING THE PERIOD

PRINCIPAL PROJECTS ACQUIRED AND COMMERCIAL INITIATIVES IN THE PERIOD

At the start of February 2012, the Prysmian Group secured a record contract worth approximately Euro 800 million - the highest ever reported in the cable industry – for the Western HVDC Link project to develop a new submarine power line between Scotland and England. The entire turnkey project will be carried out by a consortium between Prysmian and Siemens, with the latter responsible for the converter stations. The total value of the contract awarded to the consortium by NGET/SPT Upgrades Ltd, a joint venture between National Grid Electricity Transmission, the British grid operator, and Scottish Power Transmission, the Scottish grid operator, is about Euro 1.1 billion. The project is scheduled to be completed by the second half of 2015.
The Western HVDC Link is strategic for the upgrade of the entire British transmission grid in view of the UK's drive to make growing use of energy from renewable sources. The project represents a milestone not only in value but also in technological terms. The interconnection, designed as a low loss HVDC (High Voltage Direct Current) transmission system, will operate at a record voltage of 600 kV, the highest ever reached by an insulated cable (the record to date is 500 kV) with a rating of 2200 MW, both of which levels currently unmatched by existing long-distance systems. The main purpose of the new link is to connect renewable generation sources in Scotland to consumption centres in England, while nonetheless allowing a bi-directional flow of the power transmitted. The choice of a submarine route rather than a land one will make the speed of project approval and execution faster.

Draka Elevator, a Prysmian Group brand, has been selected by two major OEM specialist elevator manufacturers to supply high-tech cables and accessories for the elevators in the new World Trade Center in New York City. Buildings 1 and 4 are currently underway.
The contracts entail supplying a wide range of standard and custom-designed cables and related accessories for installation in more than 100 elevators. One World Trade Center will reach a height of 1776 feet (over 634 metres). Draka Elevator's cables will be used to provide power for elevator buttons, communications and emergency safety devices and more. Some of the cables include fibre optic sub-units, which will be used for high-speed communications throughout the World Trade Center complex. The cables and accessories are being manufactured at Draka Elevator's Rocky Mount plant in North Carolina.

At the end of March, Prysmian announced the start of work on a contract worth more than Euro 50 million to supply 203 km of high voltage 220 kV AC cable and related network components to upgrade the electricity grids operated by GECOL (General Electric Company of Libya) in Tripoli and Benghazi. The contract, due to be carried out for PEWCO (Public Works Electric Company), also includes the supply of optical cables for grid monitoring. The cables are scheduled to be delivered between 2012 and 2013. The project in question had been cancelled during 2011 due to the war.

GROUP PERFORMANCE AND RESULTS

(in millions of Euro)

	3 months 2012	3 months 2011 (*)	% change	FY 2011
Sales	1,874	1,490	25.8%	7,583
Adjusted EBITDA	**130**	**101**	**27.8%**	**568**
% of sales	6.9%	6.8%		7.5%
EBITDA	**115**	**92**	**24.2%**	**269**
% of sales	6.1%	6.2%		3.4%
Fair value change in metal derivatives	18	(20)		(62)
Remeasurement of minority put option liability	-	-		(1)
Fair value change in stock options	(5)	-		(7)
Amortisation, depreciation and impairment	(39)	(25)	56.0%	(180)
Operating income	**89**	**47**	**87.9%**	**19**
% of sales	4.8%	3.2%		0.3%
Net finance income/(costs)	(30)	(29)		(129)
Share of income from investments in associates and dividends from other companies	2	1		9
Profit/(loss) before taxes	**61**	**19**	**219.3%**	**(101)**
% of sales	3.3%	1.3%		-1.3%
Taxes	(19)	(6)	228.8%	(44)
Net profit/(loss) for the period	**42**	**13**	**215.2%**	**(145)**
% of sales	2.3%	0.9%		-1.9%
Attributable to:				
Owners of the parent	42	14		(136)
Non-controlling interests	-	(1)		(9)

Reconciliation of Operating Income/EBITDA to Adjusted Operating Income/Adjusted EBITDA

Operating income (A)	**89**	**47**	**87.9%**	**19**
EBITDA (B)	**115**	**92**	**24.2%**	**269**
Non-recurring expenses/(income):				
Draka acquisition costs	-	5		6
Draka integration costs	1	-		12
Effects of Draka change of control	-	2		2
Company reorganisation	14	2		56
Gains on disposal of assets held for sale	-	-		(1)
Antitrust	(1)	-		205
Environmental remediation and other costs	1	-		5
Release of Draka inventory step-up	-	-		14
Total non-recurring expenses/(income) (C)	**15**	**9**		**299**
Fair value change in metal derivatives (D)	(18)	20		62
Fair value change in stock options (E)	5	-		7
Remeasurement of minority put option liability (F)	-	-		1
Impairment of assets (G)	-	-		38
Adjusted operating income (A+C+D+E+F+G)	**91**	**76**	**19.6%**	**426**
Adjusted EBITDA (B+C)	**130**	**101**	**27.8%**	**568**

(*) Includes the Draka Group's results for the period 1 March – 31 March 2011.

(in millions of Euro)

	3 months 2012	3 months 2011 (**) Pro-forma				% change
		Prysmian	Draka	Adjustments	Total	
Sales	**1,874**	**1,258**	**624**	**(1)**	**1,881**	-0.4%
Adjusted EBITDA	**130**	**84**	**35**	**-**	**119**	9.1%
	6.9%	6.7%	5.6%		6.3%	
Adjusted operating income	**91**	**65**	**19**		**84**	8.8%
	4.8%	5.2%	3.1%		4.5%	

(**) Includes the Draka Group's results for the period 1 January - 31 March 2011.

In keeping with the integration process, started last year, as from the current year, the Group's results are being analysed as a whole (without distinguishing any more between the two Prysmian and Draka groups). The figures for the first quarter of 2012 are compared with those from the consolidated financial statements, and, in the case of the key performance indicators, with those presented on a pro-forma basis in which Draka's results are reported as if they had been consolidated from 1 January 2011.

The Prysmian Group's sales in the first quarter of 2012 came to Euro 1,874 million, compared with Euro 1,490 million in the consolidated financial statements at 31 March 2011.

The change of Euro 384 million (+25.8%) is entirely attributable to the consolidation of the Draka Group's results from 1 March 2011, excluding the first two months of last year (equal to Euro 391 million).
In contrast, first-quarter sales in 2012 were in line with the 2011 pro-forma figure of Euro 1,881 million, reporting a marginal decrease of Euro 7 million (-0.4%).
Assuming a consistent comparative period and excluding changes in metal prices and exchange rates, sales reported organic growth of 2.5%, analysed by operating segment as follows:

- Energy +1.8%;
- Telecom +6.1%.

The Energy segment managed to make up for the contraction in volumes in the Trade & Installers and High Voltage business areas on European domestic markets, thanks to major international submarine projects and the recovery in demand in North and South America and in Southeast Asia.
Growth in the Telecom Segment came from the optical fibre cables business and particularly from North and South America.

Group Adjusted EBITDA (before Euro 15 million in non-recurring expenses) came to Euro 130 million, posting an increase of Euro 29 million on the corresponding figure at 31 March 2011 of Euro 101 million (+27.8%).

Group Adjusted EBITDA of Euro 130 million at the end of the first quarter of 2012 exceeded the corresponding 2011 pro-forma figure of Euro 119 million by Euro 11 million (+9.1%), thanks to organic sales growth.

INCOME STATEMENT

Group sales came to Euro 1,874 million at the end of the first quarter of 2012, compared with:

- Euro 1,490 million consolidated at 31 March 2011, posting a positive change of Euro 384 million (+25.8%);
- Euro 1,881 million representing the pro-forma figure for the period January-March 2011, posting a negative change of Euro 7 million (-0.4%).

The reduction in sales was due to the following factors:

- positive exchange rate effects of Euro 16 million (+0.9%);
- negative change of Euro 71 million (-3.8%) in sales prices due to fluctuations in metal prices (copper, aluminium and lead);
- organic sales growth of Euro 48 million (+2.5%).

The organic growth is all the more notable considering the growing uncertainties in European markets during the past quarter and has confirmed the validity of the Draka Group's acquisition and integration and of the Group's commercial and business segmentation strategies. In fact, the larger size has resulted in a better geographical distribution of sales, in favour of markets in Northern Europe, North America and Asia in general, as well as an extension of the product range offered, and has ultimately neutralised the reduction in demand in Southern Europe and in lower value-added businesses, like Trade & Installers and Power Distribution. The Group's greater ability to satisfy customer demands, combined with technological innovation, quality improvements and increased flexibility of production in its high value-added businesses (High Voltage, Submarine, Industrial Cables) have allowed it to promptly exploit market opportunities, which are often limited to certain geographical areas or characterised by extremely competitive terms of sale.

Adjusted EBITDA amounted to Euro 130 million, up 27.8% from Euro 101 million in the prior year equivalent period and up 9.1% from the pro-forma figure of Euro 119 million at 31 March 2011. The like-for-like increase is attributable to positive sales performance by the high value-added business areas of the Energy segment and by the entire Telecom segment, and to the Group's ability to keep fixed costs stable, especially thanks to the growing contribution of synergies from integrating the Draka Group.

EBITDA amounted to Euro 115 million, compared with Euro 92 million at 31 March 2011, posting an increase of 24.2%.

The increase in net non-recurring expenses included in EBITDA, compared with the figure reported at 31 March 2011, is mainly due to the following factors:

- lower costs in connection with the acquisition and integration of the Draka Group (Euro 6 million);
- additional restructuring costs associated with projects to reorganise and improve the efficiency of the new Group (Euro 12 million).

Group operating income was a positive Euro 89 million at 31 March 2012, compared with a positive Euro 47 million at 31 March 2011, posting a positive change of Euro 42 million (+87.9%).

Net finance costs, inclusive of the share of income/(loss) from associates and dividends from other companies, were Euro 28 million at 31 March 2012, unchanged from the consolidated figure at the end of the first quarter of 2011.

Taxes amounted to Euro 19 million, representing a tax rate of around 31%.

Net profit for the first quarter of 2012 came to Euro 42 million, compared with the consolidated figure of Euro 13 million at 31 March 2011.

Adjusted net profit[1] was Euro 45 million, compared with Euro 36 million in the first three months of 2011.

[1] Adjusted net profit is defined as net profit before non-recurring income and expenses, the fair value change in metal derivatives and in other fair value items, the effect of currency and interest rate derivatives, exchange rate differences and the related tax effects.

SEGMENT PERFORMANCE

ENERGY

(in millions of Euro)

	3 months 2012	3 months 2011 (*)	% change	FY 2011
Sales to third parties	1,528	1,284	19.0%	6,268
Adjusted EBITDA	**95**	**84**	**13.1%**	**447**
% of sales	6.2%	6.5%		7.1%
EBITDA	**88**	**84**	**4.8%**	**186**
% of sales	5.8%	6.5%		2.9%
Amortisation and depreciation	(27)	(20)	33.2%	(99)
Adjusted operating income	**68**	**64**	**6.8%**	**348**
% of sales	4.5%	4.9%		5.5%

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	**88**	**84**	**4.8%**	**186**
Non-recurring expenses/(income):				
Company reorganisation	7	-		42
Draka integration costs	-	-		2
Antitrust	(1)	-		205
Gains on disposal of assets held for sale	-	-		(1)
Environmental remediation and other costs	1	-		5
Release of Draka inventory step-up	-	-		8
Total non-recurring expenses/(income) (B)	**7**	**-**		**261**
Adjusted EBITDA (A+B)	**95**	**84**	**13.1%**	**447**

(*) Includes the Draka Group's results for the period 1 March – 31 March 2011.

(in millions of Euro)

	3 months 2012	3 months 2011 (**) Pro-forma				% change
		Prysmian	Draka	Adjustments	Total	
Sales to third parties	1,528	1,137	423	(1)	1,559	-2.0%
Adjusted EBITDA	**95**	**74**	**20**	**-**	**94**	**1.1%**
% of sales	6.2%	6.5%	4.8%		5.9%	
Adjusted operating income	**68**	**57**	**11**	**-**	**68**	**0.5%**
% of sales	4.5%	5.1%	2.9%		4.3%	

(**) Includes the Draka Group's results for the period 1 January - 31 March 2011.

Sales to third parties by the Energy segment amounted to Euro 1,528 million at the end of the first quarter of 2012, compared with:

- the consolidated figure at 31 March 2011 of Euro 1,284 million, posting a positive change of Euro 244 million (+19.0%);
- the pro-forma figure of Euro 1,559 million, posting a negative change of Euro 31 million (-2.0%).

This negative change can be attributed to the following principal factors:

- negative change of Euro 68 million (-4.4%) in sales prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 9 million (+0.6%);
- organic sales growth of Euro 28 million (+1.8%).

Adjusted EBITDA came to Euro 95 million at 31 March 2012, compared with Euro 84 million at 31 March 2011, reporting an increase of Euro 11 million (+13.1%).

The change in adjusted EBITDA in the first quarter of 2012 compared with the 2011 pro-forma figure of Euro 94 million was a positive Euro 1 million (+1.1%).

The following paragraphs describe market trends and financial performance in each of the Energy segment's business areas.

UTILITIES

(in millions of Euro)

	3 months 2012	**3 months 2011 (*) Pro-forma**	**% change**	**% organic sales change**	**FY 2011**
Sales to third parties	489	514	-4.8%	-3.8%	2,252
Adjusted EBITDA	**46**	**57**			**267**
% of sales	9.4%	11.1%			11.8%
Adjusted operating income	**38**	**47**			**242**
% of sales	7.7%	9.3%			10.7%

(*) Includes the Draka Group's results for the period 1 January - 31 March 2011.

The Utilities business area encompasses the Prysmian Group's Energy segment activities involving the engineering, production and installation of cables and accessories for power transmission and distribution, both at power stations and within primary and secondary distribution grids.

The following business lines can be identified within the Utilities business area:

Power transmission systems (High Voltage)

Prysmian Group engineers, produces and installs high and extra high voltage cables for power transmission both from power stations and within the transmission and primary distribution grids. This business line mainly focuses on providing turnkey solutions tailored to meet customer specifications. Products include cables insulated with oil or fluid-impregnated paper for voltages up to 1,100 kV and extruded polymer insulated cables for voltages below 500 kV. Products are highly customised and have a high technological content. This business line provides its customers with installation and post-installation services, as well as grid management and maintenance services, including grid performance monitoring, grid cable repair and maintenance, and emergency services, such as reinstatement of service following damage.

Submarine power transmission and distribution systems (Submarine)

Prysmian Group engineers, produces and installs turnkey submarine power transmission and distribution systems.

The Group has used specific submarine power transmission and distribution technology to develop cables and accessories featuring its exclusive proprietary technology for installation at depths of up to 2,000 metres. These cables offer different types of insulation: cables insulated with oil or fluid-impregnated paper for transmission of up to 500 kV in direct and alternating current; extruded polymer insulated cables for transmission of up to 400 kV in alternating current and up to 300 kV in direct current. Installation, engineering and services are of particular importance in this business and the Group is able to offer quality solutions satisfying the strictest international standards (SATS/IEEE, IEC, NEK). In particular, as far as installation is concerned, Prysmian Group can offer the services of the Giulio Verne, one of the largest and most technologically advanced cable-laying vessels in the world.

Power distribution cables and systems (Power Distribution)

In the field of power distribution cables and systems, Prysmian Group produces medium voltage cables and systems for the connection of industrial and/or residential buildings to primary distribution grids and low voltage cables and systems for power distribution and the wiring of buildings. All Prysmian Group products in this category comply with international standards regarding insulation, fire resistance, smoke emissions and halogen levels.

Network accessories and components (Network Components)

Prysmian Group also produces accessories such as joints and terminations for low, medium, high and extra high voltage cables, as well as accessories to connect cables with each other and with other network equipment, suitable for industrial, construction or infrastructure applications and for power transmission and distribution systems. Network components for high voltage applications, in particular, are designed to customer specifications.

MARKET OVERVIEW

In the quarter just ended, the markets in which the Prysmian Group's Utilities business area operates confirmed the signs of uncertainty already appearing towards the end of 2011. In fact, demand, on both the power distribution and generation markets appeared to contract in the first quarter, with differences between the various geographical areas and ever fiercer competition.

Activities in the High Voltage market - traditionally highly international both in terms of demand and supply - have been particularly affected by the global macroeconomic scenario and have slowed compared with the prior year.

Faced with a generally uncertain scenario for future energy consumption and access to funding, the industry's largest Utilities, particularly in Europe and North America, have adopted an extremely cautious approach to new investment projects and in some cases have even postponed decisions, including on initiatives already underway. Industry demand has therefore been limited to rationalisation and/or maintenance projects in Europe, and North and South America, or to the extension or completion of major initiatives in the Middle East. Utilities in growing economies, like China and India, have become more and more demanding on the price front, not only due to an increasing number of competitors but also because of the need to limit financial exposure in the face of uncertain investment returns.

As for the Submarine cables business line, the market in the past six months has confirmed a growth in investments by Utilities to build new offshore wind farms and commence major new interconnection projects.
Although this trend has been particularly evident in parts of the world, such as North Europe, the Arab Emirates and emerging countries in Southeast Asia, where demand for energy has grown over the past two years, new initiatives have also emerged in areas most affected by the financial crisis, like the Mediterranean, thanks to measures to stimulate the economy or to upgrade infrastructure.

Demand in the Power Distribution business line generally contracted during the first quarter, interrupting the upward trend in volumes starting last year.

Energy consumption in the major European countries appeared to contract in the past quarter, adversely affecting demand by the major Utilities. The latter have adopted an extremely cautious approach in view of the difficulties in making reliable forecasts. The competitive environment in terms of price and mix has remained extremely challenging almost everywhere.

In contrast, markets in North America showed signs of a recovery during the quarter, after a three-year period during which operators had reduced work on grids to the bare minimum.

The Brazilian market also showed signs of vitality in the quarter, thanks to an uptrend in domestic energy consumption.

The Network Components market can be broadly divided into products for high and extra high voltage networks and products for medium and low voltage use.
As regards the former business line, demand has been affected by the contraction in the High Voltage sector, linked to delays by the major Utilities in their investment projects. Instead, demand has seemed to be stable for submarine accessories, as a direct consequence of the current initiatives around the world.

The Utilities' growing focus on price and the competitive pressures in the high voltage cables market have partly spilled over into the Network Components market.
The market for medium and low voltage accessories has confirmed the positive trend in volumes starting last year, in apparent contrast with the decrease in demand in the Power Distribution business line. The positive trend reflects the fact that these products are normally used in ordinary maintenance of secondary distribution grids, as well as in grid rationalisation activities.

FINANCIAL PERFORMANCE

Sales to third parties by the Utilities business area amounted to Euro 489 million in the first quarter of 2012, compared with Euro 514 million pro-forma at 31 March 2011, posting a negative change of Euro 25 million (-4.8%) due to the combined effect of the following main factors:

- negative change of Euro 12 million (-2.3%) in sales prices due to fluctuations in metal prices;
- positive exchange rate effects of Euro 7 million (+1.3%);
- organic decrease in sales of Euro 20 million (-3.8%).

The organic decrease was concentrated primarily in the Power Distribution and High Voltage business lines in European and Asian Pacific markets, already displaying strong pressure on margins.
In contrast, Power Distribution sales reported a recovery in North and South America thanks to growing demand.

Sales by the High Voltage business line were affected by the contraction in demand already evident in the last quarter of 2011. The reduction in the Group's sales in this sector was concentrated in European domestic markets and was not completely neutralised by initiatives on markets with growing demand for energy infrastructure, such as China, Russia, the Middle East, Brazil and India. The value of the High Voltage order book at 31 March 2012 was therefore slightly lower than at the end of 2011, while nonetheless offering sales visibility for about a year.

The Network Components business line reported increased sales of medium and low voltage accessories on European domestic markets, thanks to demand generated by scheduled grid maintenance work and to increased production capacity at the French plants, allowing faster response to customer requests. Instead, the decline in demand in the High Voltage sector penalised sales of high voltage accessories. Sales on the Chinese market, where sales price competition remains high, were slightly higher than last year, thanks to Prysmian's greater local competitiveness.

Sales by the Submarine business line increased on the prior year, in line with forecasts for the major projects acquired. The larger projects on which work was performed during the period were Messina II (Italy), and the Borwin 1, Helwin 1 and Sylwin offshore wind farm projects in Germany.
The value of the Group's order book at the end of the quarter has further increased, providing sales visibility for a period of almost 3 years. The growth has been achieved primarily thanks to the new Western Link contract in the UK and to new contracts for offshore wind farm connections, for which investments have been made to expand production capacity at the plant in Finland, already operational at the end of 2011, and for which additional investments are planned at the Arco Felice plant in Italy.

The organic reduction in sales in the Utilities business area was reflected in its entirety in adjusted EBITDA, which went from Euro 57 million pro-forma at the end of the first quarter of 2011 to Euro 46 million at 31 March 2012. The reduction in this result has been partly accentuated by the higher proportion of sales in markets with strong competitive pressures mainly affecting lower value-added product segments.

TRADE & INSTALLERS

(in millions of Euro)

	3 months 2012	3 months 2011 (*) Pro-forma	% change	% organic sales change	FY 2011
Sales to third parties	541	567	-4.6%	2.5%	2,281
Adjusted EBITDA	**18**	**18**			**70**
% of sales	3.3%	3.1%			3.0%
Adjusted operating income	**10**	**11**			**34**
% of sales	1.9%	2.0%			1.5%

(*) Includes the Draka Group's results for the period 1 January - 31 March 2011.

The Prysmian Group produces a comprehensive range of rigid and flexible low voltage cables for distributing power to and within residential and non-residential buildings in compliance with international standards.
Product development and innovation particularly focuses on high performance cables, such as Fire-Resistant cables and Low Smoke zero Halogen (LSOH) cables, which are used in all those applications where safety must be guaranteed. In fact, in the event of fire, Fire-Resistant cables continue to operate and Low Smoke zero Halogen cables have reduced emissions of toxic gas and smoke.

During the past year the range of products and services has been further extended and specialised with the addition of cables for infrastructure such as airports, ports and railway stations.

Prysmian Group's customers for these products cover a wide spectrum, from international distributors and buying syndicates to installers and wholesalers.

MARKET OVERVIEW

The reference markets have distinct geographical characteristics (despite international product standards) both in terms of customer and supplier fragmentation and the range of items produced and sold.

Construction industry demand, already at a low level in 2011, has declined even more in Europe during the first quarter of 2012; markets have reported continued pressure on prices and terms of payment due to the squeeze on bank credit.
The fluctuating trend in metal prices, the upward trend in commodity prices and uncertainty about future scenarios for the construction market have prompted the largest industry players not only to operate with minimum stocks and buy smaller quantities, but also to negotiate contract terms more aggressively.

In Europe countries like Spain and Italy have particularly suffered because their tough restrictions on bank credit have adversely affected the property market.

In contrast, markets in North America have confirmed a rising trend in demand for products serving infrastructure projects.

Markets in South America have reported generally stable or slightly higher volumes and prices, thanks to dynamism of both the industrial and residential construction sectors.

FINANCIAL PERFORMANCE

Sales to third parties by the Trade & Installers business area amounted to Euro 541 million at the end of March 2012, compared with Euro 567 million pro-forma in the same period of 2011, posting a negative change of Euro 26 million (-4.6%) due to the combined effect of the following main factors:

- negative change of Euro 37 million (-6.4%) in sales prices due to fluctuations in metal prices;
- negative exchange rate effects of Euro 4 million (-0.7%);
- organic sales growth of Euro 15 million (+2.5%), due to the recovery in volumes in North and South America, which more than offset the general downturn in Europe's Mediterranean countries.

During the first quarter of 2012, Prysmian Group retained its market share on the major European markets not only by pursuing a strategy focused on commercial relationships with the top international wholesalers, but also by engaging in tactical actions to avoid losing sales opportunities, even with unsatisfactory margins.
The Group successfully continued to improve its product mix through increased concentration on products for "safety of people and property" (Fire resistant/LSOH), which allowed it to limit rising unit costs and to mitigate margin erosion.

In North America Prysmian Group was able to benefit from the market uptrend after completing the industrial rationalisation of its Canadian production site in Prescott.

Despite lively price competition in the industrial and commercial construction sectors, Prysmian Group's wide product range allowed it to retain its market share in South America.

Adjusted EBITDA was unchanged on the prior year equivalent period at Euro 18 million thanks to the combined factors described above and the actions to improve industrial structure.

INDUSTRIAL

(in millions of Euro)

	3 months 2012	3 months 2011 (*) Pro-forma	% change	% organic sales change	FY 2011
Sales to third parties	464	413	12.4%	15.2%	1,608
Adjusted EBITDA	**31**	**18**			**106**
% of sales	6.7%	4.2%			6.6%
Adjusted operating income	**21**	**10**			**71**
% of sales	4.6%	2.3%			4.4%

(*) Includes the Draka Group's results for the period 1 January - 31 March 2011.

The extensive product range, developed specifically for the Industrial market, stands out for the highly customised nature of the solutions offered. These products serve a broad range of industries, including Oil&Gas, Transport, Infrastructure, Mining and Renewable Energy. Prysmian Group offers integrated, high value-added cabling solutions to its customers, who include world-leading industrial groups and OEMs (Original Equipment Manufacturers), such as ABB, AKER, Alstom, SNCF, Petrobras, Peugeot-Citroen, Renault and Siemens.
The continuous specialisation of products and solutions allows them to be customised for specific fields of application, including use in the renewable energy sector, in the chemicals, transportation, aviation and aerospace industries, as well as in elevators.

Prysmian Group offers solutions to the Oil&Gas industry for both upstream and downstream activities. Its products therefore range from low and medium voltage power and instrumentation/control cables, to multipurpose umbilical cables for transporting energy, telecommunications, fluids and chemicals when connecting submarine sources and collectors to FPSO (Floating, Production, Storage and Offloading) platforms.

In the transport sector, Prysmian Group cables are used in the construction of trains, ships and motor vehicles; the principal applications for which its cables are used in the infrastructure sector are railways, docks and airports. The product range also includes cables for the mining industry and for applications in the renewable energy sector. Prysmian Group also supplies cables able to withstand high radiation environments for use in military applications and nuclear power stations.

MARKET OVERVIEW

Markets for industrial cables were generally stable or growing in the first quarter of 2012, although there were inconsistencies between the various business lines and large differences between the various geographical areas. A common trend in all sectors of this business area has been a greater fragmentation of demand, with smaller scale but technologically more complex projects than in the past, accompanied by tougher demands in terms of quality and after-sales service.

In fact, while some market sectors have reported stable or growing demand, such as Oil&Gas, port infrastructure and renewable energy, other sectors, such as automotive, have experienced a decline in volumes.

Demand in the Oil&Gas and port facilities sectors, which had already shown clear signs of recovery from the second half of last year, grew even more, especially in high-growth regions of the world, like South America and the Middle East.

In particular, the positive trend in the market for oil industry products in Brazil, already seen in the second half of last year, was confirmed in the first quarter of 2012.

Within the infrastructure and general transport sector, the major European players have adopted a cautious stance because of poor visibility as to when to resume investments and because of recent deficit-cutting policies in the eurozone's major economies, while other areas of the world have enjoyed strong demand for cables for port infrastructure projects.

The renewable energy sector has appeared stable in Europe, despite the restrictive financial policies adopted by the major governments and the associated cuts to special incentives, while it has enjoyed an upward trend in other areas of the world. This has been thanks to the extension of regulatory measures and investments aimed at generating environmentally sustainable energy in developing countries.

Restrictive financial policies have forced the ending of incentives given in the past two years in support of the automotive industry, leading to a decline in automotive volumes in nearly every European country, with the sole exception of Germany. Automotive industry demand in the rest of the world has nonetheless suffered a downturn compared with the second half of last year, mainly because of trends within the global car-making industry in the wake of rapid product segment and price repositioning.

FINANCIAL PERFORMANCE

Sales to third parties by the Industrial business area amounted to Euro 464 million at 31 March 2011, compared with Euro 413 million pro-forma in the same period of 2011. The increase of Euro 51 million (+12.4%) is due to the following factors:

- negative change of Euro 19 million (-4.5%) in sales prices due to fluctuation in metal prices;
- positive exchange rate effects of Euro 7 million (+1.7%);
- organic sales growth of Euro 63 million (+15.2%), most of which achieved thanks to growth in volumes in the Oil&Gas sector.

In Europe, Prysmian Group has focused its commercial efforts on the Oil&Gas industry with products destined for the Norwegian market and for export to the major energy-producing nations, as well as on the Renewables industry with cables for wind and solar applications. This has successfully made up for the decline in volumes in the Automotive industry, particularly evident in the French market, and in the rail and civil infrastructure sectors.

Prysmian Group has also pursued opportunities arising from infrastructure development in the Middle East, a market traditionally served by its European businesses.

The strategy of technological specialisation of the solutions offered has boosted sales on the elevator market in North America, of which the WTC project is the prime example.

Sales of flexible pipes, manufactured at the new Vila Velha plant and destined for markets in South America, exceeded Euro 10 million in the first quarter of 2012, thanks to growing demand from Petrobras.

The Asia-Pacific region has offered the most attractive growth opportunities for the Group, thanks to Prysmian Group's recovery of market share in Australia and actions to penetrate the Renewables sector in the Chinese market.

Adjusted EBITDA came to Euro 31 million at 31 March 2012, reporting an increase of Euro 13 million on the pro-forma figure in the first quarter of 2011 due to a moderate recovery in demand in various parts of the world, particularly by the Oil&Gas sector.

OTHER

(in millions of Euro)

	3 months 2012	3 months 2011 (*) Pro-forma	FY 2011
Sales to third parties	**34**	65	127
Adjusted EBITDA	**-**	**1**	**4**
Adjusted operating income	**(1)**	**-**	**1**

(*) Includes the Draka Group's results for the period 1 January - 31 March 2011.

This business area comprises the sale of semi-finished products, raw materials or other goods, forming part of the production process and occasionally produced by Prysmian Group operating units.
These sales are normally associated with local commercial decisions, do not generate high margins and can vary in amount from period to period.

TELECOM

(in millions of Euro)

	3 months 2012	3 months 2011 (*)	% change	FY 2011
Sales to third parties	346	206	68.1%	1,315
Adjusted EBITDA	**35**	**17**	**106.4%**	**121**
% of sales	10.0%	8.1%		9.1%
EBITDA	**28**	**16**	**75.6%**	**103**
% of sales	8.1%	7.8%		7.7%
Amortisation and depreciation	(12)	(5)	144.7%	(43)
Adjusted operating income	**23**	**12**	**90.5%**	**78**
% of sales	6.5%	5.7%		5.8%

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA (A)	**28**	**16**	**75.6%**	**103**
Non-recurring expenses/(income):				
Company reorganisation	7	1		12
Release of Draka inventory step-up	-	-		6
Total non-recurring expenses/(income) (B)	**7**	**1**		**18**
Adjusted EBITDA (A+B)	**35**	**17**	**106.4%**	**121**

(*) Includes the Draka Group's results for the period 1 March – 31 March 2011.

(in millions of Euro)

	3 months 2012	3 months 2011 (**) Pro-forma				% change
		Prysmian	Draka	Adjustments	Total	
Sales to third parties	346	130	192	-	322	7.5%
Adjusted EBITDA	**35**	**10**	**15**	**-**	**25**	**40.4%**
% of sales	10.0%	7.8%	8.2%		7.4%	
Adjusted operating income	**23**	**8**	**8**	**-**	**16**	**42.9%**
% of sales	6.5%	6.3%	4.8%		4.9%	

(**) Includes the Draka Group's results for the period 1 January - 31 March 2011.

As partner to the world's leading telecoms operators, Prysmian Group produces and sells a comprehensive range of optical fibre and copper cables, suitable for all types of application for voice/video/data transmission, as well as connectivity components and accessories.

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Optical fibre

Prysmian Group is a leading manufacturer of the fundamental component of all optical cables - namely optical fibre. With its experience in fibre production dating back to 1982, Prysmian Group is able to utilise all three of the major production technologies currently available: OVD (Outside Vapour Deposition), MCVD (Modified Chemical Vapour Deposition) and VAD (Vapour Axial Deposition). The Group produces a complete range of fibres including long distance, metro ring, low water peak, and reduced diameter fibre, and the latest addition to the fibre family - bend insensitive fibres. Fibres are produced to the highest standards of quality control and in strict compliance with ITU international standards. With a centre of excellence for fibre in Battipaglia, Italy, and a total of three manufacturing locations around the world, Prysmian Group is truly a global leader in this highly specialised technology.

Optical cables

Optical fibres are used in the production of a vast range of optical cables, from single fibre constructions through to cables containing 1,728 fibres. Optical cables are now used 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 electricity pylons. Cables are also installed in road and rail tunnels and within various buildings where they must satisfy specific fire-resistant requirements.
Cables can also be installed in gas and drainage networks. Prysmian Group has developed specific cable designs to satisfy all these requirements, using 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 Group produces a wide range of copper cables for underground and overhead cabling solutions and for residential and non-residential buildings. Cables are designed for high transmission, low interference and electromagnetic compatibility and in accordance with the main international standards and specifications. Prysmian Group is able to supply cables with specific performance characteristics such as zero halogen emissions, low emission of toxic fumes and gases and fire retardant. The Group's product portfolio includes a comprehensive range of copper cables with different capacities (from 2 to 2,400 pairs) including xDSL cables for broadband access.

Accessories

Prysmian Group supplies a complete range of passive connectivity products under the OAsys trademark. These products satisfy every cable management need whatever the network type, including overhead and underground installation, as well as cabling in central offices, exchanges or customer premises.

FTTH (Fibre To The Home)

Growing customer demand for higher 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 Group is extremely active in this rapidly growing sector of the market where its approach is based on combining existing technology - such as the Sirocco Blown Fibre System - with innovative new solutions such as Quickdraw pre-connectorised cable and the new Verticasa$_{TM}$ 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 Group's proprietary bend insensitive CasaLight$_{TM}$ optical fibre which has been specially developed for this application.

Multimedia and Specials
The integration of Draka's Telecom segment within the Prysmian Group allows it to offer the market a more comprehensive portfolio of solutions thanks to the more specialised nature of its products for communications, in particular coaxial data transmission cables and single mode and multimode optical fibre using proprietary technology.
In addition, it is able to offer a full range of connectivity components as well as network design, engineering and implementation services.

MARKET OVERVIEW

The market for optical fibre cables is a global one. Forecasts at the start of the year predict that the size of the global market will grow in 2012 although with large regional differences. In fact, the first quarter saw demand grow in fast-developing markets (China) and in those with high communication infrastructure needs (India, Brazil, Turkey), while markets in both North America and Europe were basically stable.

The Access/Broadband/FTTx market was stable in the first quarter 2012, with growth driven by the development of optical fibre communication infrastructure, although the low maturity of these products implies different evolution in demand by geographical area.

The copper cables market is experiencing a slowdown not only because of the economic downturn in the past two years, which has driven some major operators to revise their larger investment projects, but also because of product maturity. The downturn in demand became even steeper during the first quarter of 2012 after major operators opted to renew their networks using optical fibre, due to soaring demand for internet access, rather than performing maintenance or upgrade work on existing networks. xDSL cables have provided an opportunity for product technological diversification in a market that has not otherwise experienced significant changes in recent years.

FINANCIAL PERFORMANCE

Sales to third parties by the Telecom segment amounted to Euro 346 million at 31 March 2012, compared with:

- a consolidated figure at 31 March 2011 of Euro 206 million, posting a positive change of Euro 140 million (+68.1%)
- a pro-forma figure of Euro 322 million, posting a positive change of Euro 24 million (+7.5%).

This change is attributable to the following factors:

- negative change of Euro 3 million (-0.8%) in sales prices due to fluctuation in metal prices;
- positive exchange rate effects of Euro 7 million (+2.2%);
- organic sales growth of Euro 20 million (+6.1%), thanks to volume growth for optical fibre cables.

The organic sales growth primarily reflects an increase in optical fibre cable volumes, linked to the positive evolution in demand, driven not only by large-scale projects such as those started for B.T. (United Kingdom) and Telefonica (Brazil), but also by smaller contracts on both developed markets (North America) and emerging markets and sales channels, such as Eastern Europe, South America and India.

Adjusted EBITDA came to Euro 35 million at 31 March 2012, compared with the consolidated figure of Euro 17 million at 31 March 2011, reporting an increase of Euro 18 million (+106.4%).

The change in adjusted EBITDA in the first quarter of 2012 compared with the 2011 pro-forma figure of Euro 25 million was a positive Euro 10 million (+40.4%), all of which attributable to the positive effect of organic sales growth.

GROUP STATEMENT OF FINANCIAL POSITION

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

	31 March 2012	31 March 2011	Change	31 December 2011
Net fixed assets	2,234	2,114	120	2,255
Net working capital	814	970	(156)	552
Provisions	(366)	(95)	(271)	(371)
Net capital employed	**2,682**	**2,989**	**(307)**	**2,436**
Employee benefit obligations	271	224	47	268
Total equity	1,138	1,305	(167)	1,104
of which attributable to non-controlling interests	55	66	(11)	62
Net financial position	1,273	1,460	(187)	1,064
Total equity and sources of funds	**2,682**	**2,989**	**(307)**	**2,436**

Net fixed assets amounted to Euro 2,234 million at 31 March 2012, compared with Euro 2,255 million at 31 December 2011, having decreased by Euro 21 million mainly due to the combined effect of the following factors:

- Euro 26 million in investments in property, plant and equipment and intangible assets;
- Euro 1 million in retirements and disposals of property, plant and equipment;
- Euro 39 million in depreciation, amortisation and impairment charges for the period;
- Euro 5 million in negative exchange rate effects applied to two consolidation scenarios.

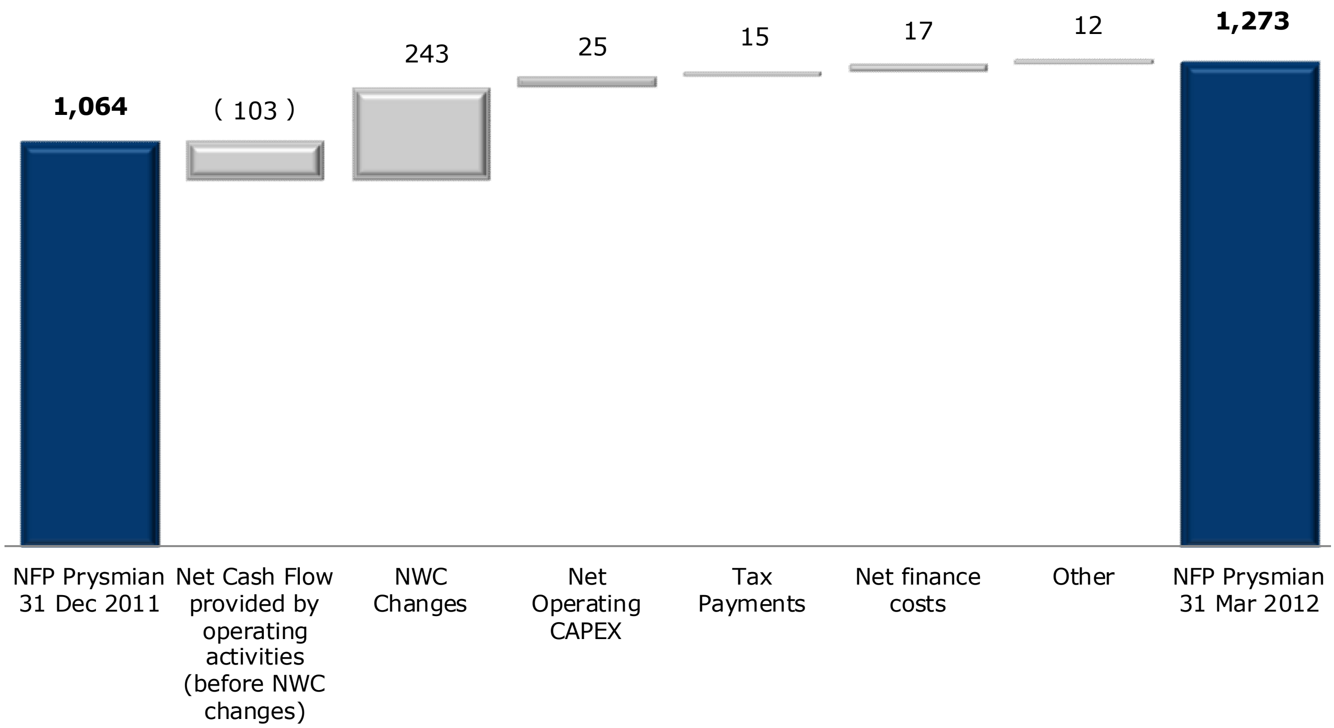
Net working capital of Euro 814 million at 31 March 2012, exceeded the corresponding figure at 31 December 2011 (Euro 552 million) by Euro 262 million (Euro 240 million excluding the fair value change in derivatives), reflecting the following main factors:

- increase linked to the greater seasonality of sales expected in the second quarter of the year, which has particularly affected stock levels at plants;
- increase linked to the upward trend in metal and other raw material prices;
- slight growth in working capital committed in long-term High Voltage and Submarine projects.

The net financial position of Euro 1,273 million at 31 March 2012 has increased by Euro 209 million since 31 December 2011 (Euro 1,064 million), mainly reflecting the following factors:

- positive cash flows from operating activities of Euro 103 million;
- negative impact of Euro 243 million due to changes in working capital linked to the seasonality of sales;
- net operating investments of Euro 25 million;
- purchase of the remaining Draka shares under the squeeze-out procedure for Euro 9 million;
- payment of Euro 17 million in net finance costs;
- payment of Euro 15 million in taxes.

The following chart summarises the principal changes in the net financial position (NFP):



NET WORKING CAPITAL

The main components of net working capital are analysed in the following table:

(in millions of Euro)

	31 March 2012	31 March 2011	Change	31 December 2011
Inventories	1,116	1,185	(69)	929
Trade receivables	1,340	1,340	-	1,197
Trade payables	(1,528)	(1,492)	(36)	(1,421)
Other receivables/(payables)	(109)	(105)	(4)	(126)
Net operating working capital	**819**	**928**	**(109)**	**579**
Derivatives	(5)	42	(47)	(27)
Net working capital	**814**	**970**	**(156)**	**552**

Net operating working capital amounted to Euro 819 million (10.9% of sales) at 31 March 2012, compared with Euro 579 million (7.3% of sales) at 31 December 2011.

This change was mainly affected by the following factors:

- increase linked to the greater seasonality of sales expected in the second quarter of the year;
- increase linked to the upward trend in metal and other raw material prices;
- slight growth in working capital committed in long-term High Voltage and Submarine projects.

NET FINANCIAL POSITION

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

(in millions of Euro)

	31 March 2012	31 March 2011	Change	31 December 2011
Long-term financial payables				
Term Loan Facility	400	1,066	(666)	400
Bank fees	(5)	(8)	3	(6)
Bond	397	396	1	397
Derivatives	33	27	6	31
Other financial payables	85	94	(9)	89
Total long-term financial payables	**910**	**1,575**	**(665)**	**911**
Short-term financial payables				
Term Loan Facility	677	105	572	676
Bond	20	20	-	15
Securitization	105	161	(56)	111
Derivatives	21	6	15	24
Other financial payables	183	145	38	180
Total short-term financial payables	**1,006**	**437**	**569**	**1,006**
Total financial liabilities	**1,916**	**2,012**	**(96)**	**1,917**
Long-term financial receivables	9	10	(1)	10
Long-term derivatives	1	1	-	1
Long-term bank fees	14	20	(6)	15
Short-term financial receivables	6	9	(3)	9
Short-term derivatives	3	2	1	4
Short-term bank fees	8	7	1	7
Financial assets held for trading	65	46	19	80
Cash and cash equivalents	537	457	80	727
Total financial assets	**643**	**552**	**91**	**853**
Net financial position	**1,273**	**1,460**	**(187)**	**1,064**

STATEMENT OF CASH FLOWS

(in millions of Euro)

	3 months 2012	3 months 2011	Change	FY 2011
EBITDA	**115**	**92**	**23**	**269**
Changes in provisions (including employee benefit obligations)	(12)	(14)	2	200
Inventory step-up	-	-	-	14
(Gains)/losses on disposal of property, plant and equipment and intangible assets	-	-	-	(2)
Net cash flow provided by operating activities (before changes in net working capital)	**103**	**78**	**25**	**481**
Changes in net working capital	(243)	(177)	(66)	183
Taxes paid	(15)	(14)	(1)	(97)
Net cash flow provided/(used) by operating activities	**(155)**	**(113)**	**(42)**	**567**
Acquisitions	(9)	(419)	410	(419)
Net cash flow used in operational investing activities	(25)	(17)	(8)	(145)
Net cash flow provided by financial investing activities (1)	2	2	-	4
Free cash flow (unlevered)	**(187)**	**(547)**	**360**	**7**
Net finance costs	(17)	(24)	7	(130)
Free cash flow (levered)	**(204)**	**(571)**	**367**	**(123)**
Increases in share capital and other changes in equity	-	1	(1)	1
Dividend distribution	-	-	-	(37)
Net cash flow provided/(used) in the period	**(204)**	**(570)**	**366**	**(159)**
Opening net financial position	**(1,064)**	**(459)**	**(605)**	**(459)**
Net cash flow provided/(used) in the period	(204)	(570)	366	(159)
Other changes	(5)	8	(13)	(7)
Business combinations	-	(439)	439	(439)
Closing net financial position	**(1,273)**	**(1,460)**	**187**	**(1,064)**

(1) This does not include cash flow relating to "Financial assets held for trading" and non-instrumental "Available-for-sale financial assets", classified in the net financial position.

Net cash flow provided by operating activities (before changes in net working capital) amounted to Euro 103 million in the first quarter of 2012.

This cash flow was eroded by the increase of Euro 243 million in net working capital described earlier. Therefore, after deducting Euro 15 million in tax payments, net cash flow from operating activities in the period was a negative Euro 155 million.

Net cash flow used for acquisitions was Euro 9 million, all of which relates to the purchase of the remaining Draka shares under the squeeze-out procedure for approximately Euro 9 million. The figure of Euro 419 million at the end of March 2011 represented the cash outlay of Euro 501 million to acquire the Draka Group minus the Draka Group's net cash and cash equivalents at the acquisition date.

Net operating investments in the first quarter of 2012 amounted to Euro 25 million and mainly refer to expansion of production capacity for high voltage cables in Russia, China and France, for submarine cables in Italy and Finland, to the investment in the Telecom segment in Australia in connection with the long-term NBN project and lastly to the increase in optical fibre production capacity in Brazil.

ALTERNATIVE PERFORMANCE INDICATORS

In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified statements and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these statements and indicators should not be treated as a substitute for the standard ones required by IFRS.
The alternative indicators used for reviewing the income statement include:

• **Adjusted net profit/(loss)**: net profit/(loss) before non-recurring income and expenses, the fair value change in metal derivatives and in other fair value items, the effect of currency and interest rate derivatives, exchange rate differences and the related tax effects;
• **Adjusted operating income**: operating income before non-recurring income and expenses and the fair value change in metal derivatives and in other fair value items, as reported in the consolidated income statement. The purpose of this indicator is to present the Group's operating profitability without the effects of events considered to be outside its recurring operations;
• **EBITDA**: operating income before the fair value change in metal price derivatives and in other fair value items and before amortisation, depreciation and impairment. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items;
• **Adjusted EBITDA**: EBITDA as defined above calculated before non-recurring income and expenses, as reported in the consolidated income statement. The purpose of this indicator is to present the Group's operating profitability before the main non-monetary items, without the effects of events considered to be outside the Group's recurring operations;
• **Organic growth**: change in sales calculated net of changes in the scope of consolidation, changes in metal prices and the effect of exchange rates;
• **ROCE:** the ratio between adjusted operating income and the sum of equity, net financial position and employee benefit obligations.
The alternative indicators used for reviewing the reclassified statement of financial position include:

• **Net fixed assets:** sum of the following items contained in the statement of financial position:
- Intangible assets
- Property, plant and equipment
- Investments in associates
- Available-for-sale financial assets, net of non-current securities classified as long-term financial receivables in the net financial position

• **Net working capital:** sum of the following items contained in the statement of financial position:
- Inventories
- Trade receivables
- Trade payables
- Other non-current receivables and payables, net of long-term financial receivables classified in the net financial position
- Other current receivables and payables, net of short-term financial receivables classified in the net financial position

- Derivatives net of financial instruments for hedging interest rate and currency risks relating to financial transactions, classified in the net financial position
- Current tax payables

• **Net operating working capital:** sum of the following items contained in the statement of financial position:
- Inventories
- Trade receivables
- Trade payables
- Other non-current receivables and payables, net of long-term financial receivables classified in the net financial position
- Other current receivables and payables, net of short-term financial receivables classified in the net financial position
- Current tax payables

• **Provisions:** sum of the following items contained in the statement of financial position:
- Provisions for risks and charges – current portion
- Provisions for risks and charges – non-current portion
- Provisions for deferred tax liabilities
- Deferred tax assets

• **Net capital employed:** sum of Fixed assets, Net working capital and Provisions.

• **Employee benefit obligations** and **Total equity:** these indicators correspond to Employee benefit obligations and Total equity reported in the statement of financial position.

• **Net financial position:** sum of the following items:
- Borrowings from banks and other lenders - non-current portion
- Borrowings from banks and other lenders - current portion
- Derivatives for financial transactions recorded as Non-current derivatives and classified under Long-term financial receivables
- Derivatives for financial transactions recorded as Current derivatives and classified under Short-term financial receivables
- Derivatives for financial transactions recorded as Non-current derivatives and classified under Long-term financial payables
- Derivatives for financial transactions recorded as Current derivatives and classified under Short-term financial payables
- Medium/long-term financial receivables recorded in Other non-current receivables
- Bank fees on loans recorded in Other non-current receivables
- Short-term financial receivables recorded in Other current receivables
- Bank fees on loans recorded in Other current receivables
- Short/long-term available-for-sale financial assets, not instrumental to the Group's activities
- Financial assets held for trading
- Cash and cash equivalents

Reconciliation between the Reclassified Statement of Financial Position presented in the Directors' Report and the Statement of Financial Position contained in the Consolidated Financial Statements and Explanatory Notes at 31 March 2012

(in millions of Euro)

		Note	31 March 2012 Partial amounts from financial statements	31 March 2012 Total amounts from financial statements	31 December 2011 Partial amounts from financial statements	31 December 2011 Total amounts from financial statements
Net fixed assets						
Property, plant and equipment				1,523		1,539
Intangible assets				615		618
Investments in associates				86		87
Available-for-sale financial assets				5		6
Assets held for sale				5		5
Total net fixed assets	**A**			**2,234**		**2,255**
Net working capital						
Inventories	**B**			**1,116**		**929**
Trade receivables	**C**			**1,340**		**1,197**
Trade payables	**D**			**(1,528)**		**(1,421)**
Other receivables/payables - net	**E**			**(109)**		**(126)**
of which:						
Other receivables - non-current		2	*29*		*27*	
Tax receivables		2	16		13	
Receivables from employees		2	1		1	
Others		2	12		13	
Other receivables - current		2	*536*		*500*	
Tax receivables		2	131		124	
Receivables from employees and pension funds		2	5		4	
Advances		2	27		14	
Others		2	142		139	
Construction contracts		2	231		219	
Other payables - non-current		10	*(34)*		*(32)*	
Tax and social security payables		10	(16)		(16)	
Accrued expenses		10	(3)		-	
Others		10	(15)		(16)	
Other payables - current		*10*	*(579)*		*(571)*	
Tax and social security payables		10	(95)		(95)	
Advances		10	(151)		(132)	
Payables to employees		10	(60)		(65)	
Accrued expenses		10	(112)		(131)	
Others		10	(161)		(148)	
Current tax payables			*(61)*		*(50)*	
Total operating working capital	**F=B+C+D+E**			**819**		**579**
Derivatives	**G**		**(5)**		**(27)**	
of which:						
Forward currency contracts on commercial transactions (cash flow hedges) - non-current		*4*	*(1)*		*(5)*	
Forward currency contracts on commercial transactions (cash flow hedges) - current		*4*	*(2)*		*(2)*	
Forward currency contracts on commercial transactions - current		*4*	*(2)*		*(2)*	
Forward currency contracts on commercial transactions - non-current		*4*	*-*		*1*	
Metal derivatives - non-current		*4*	*(2)*		*-*	
Metal derivatives - current		*4*	*2*		*(19)*	
Total net working capital	**H=F+G**			**814**		**552**

(in millions of Euro)

			31 March 2012		31 December 2011	
		Note	**Partial amounts from financial statements**	**Total amounts from financial statements**	**Partial amounts from financial statements**	**Total amounts from financial statements**
Provisions for risks and charges - non-current				(63)		(67)
Provisions for risks and charges - current				(289)		(295)
Deferred tax assets				91		97
Deferred tax liabilities				(105)		(106)
Total provisions	**I**			**(366)**		**(371)**
Net capital employed	**L=A+H+I**			**2,682**		**2,436**
Employee benefit obligations	**M**			**271**		**268**
Total equity	**N**			**1,138**		**1,104**
Equity attributable to non-controlling interests				55		62
Net financial position						
Total long-term financial payables	**O**			**910**		**911**
Term Loan Facility		9	400		400	
Bank fees		9	(5)		(6)	
Bond		9	397		397	
Derivatives			33		31	
of which:						
Forward currency contracts on financial transactions		*4*	*3*		*4*	
Interest rate swaps		*4*	*30*		*27*	
Other payables			85		89	
of which:						
Finance lease obligations		*9*	*14*		*14*	
Other financial payables		*9*	*71*		*75*	
Short-term financial payables	**P**			**1,006**		**1,006**
Term Loan Facility		9	677		676	
Bank fees		9	-		-	
Bond		9	20		15	
Securitization		9	105		111	
Derivatives			21		24	
of which:						
Interest rate swaps		*4*	*-*		*2*	
Forward currency contracts on financial transactions		*4*	*21*		*22*	
Other payables			183		180	
of which:						
Finance lease obligations		*9*	*2*		*3*	
Other financial payables		*9*	*181*		*177*	
Total financial liabilities	**Q=O+P**			**1,916**		**1,917**
Long-term financial receivables	**R**	2	(9)		(10)	
Long-term derivatives	**R**		(1)		(1)	
of which:						
Interest rate swaps (non-current)		*4*	*-*		*-*	
Forward currency contracts on financial transactions (non-current)		*4*	*(1)*		*(1)*	
Long-term bank fees	**R**	2	(14)		(15)	
Short-term financial receivables	**R**	2	(6)		(9)	
Short-term derivatives	**R**		(3)		(4)	
of which:						
Forward currency contracts on financial transactions (current)		*4*	*(3)*		*(4)*	
Short-term bank fees	**R**	9	(8)		(7)	
Available-for-sale financial assets (current)	**S**			**-**		**-**
Financial assets held for trading	**T**			**(65)**		**(80)**
Cash and cash equivalents	**U**			**(537)**		**(727)**
Total financial assets	**V=R+S+T+U**			**(643)**		**(853)**
Total net financial position	**W=Q+V**			**1,273**		**1,064**
Total equity and sources of funds	**Z=M+N+W**			**2,682**		**2,436**

Reconciliation between the principal income statement indicators and the Income Statement contained in the Consolidated Financial Statements and Explanatory Notes at 31 March 2012

(in millions of Euro)

	Note	3 months 2012 Amounts from income statement	3 months 2011 Amounts from income statement
Sales	**A**	**1,874**	**1,490**
Change in inventories of work in progress, semi-finished and finished goods		110	118
Other income		15	12
Raw materials and consumables used		(1,340)	(1,107)
Personnel costs		(258)	(170)
Other expenses		(291)	(251)
Operating costs	**B**	**(1,764)**	**(1,398)**
Remeasurement of minority put option liability	**C**	-	-
Fair value change in stock options	**C**	*5*	-
EBITDA	**D=A+B+C**	**115**	**92**
Non-recurring other income			
of which non-recurring other income	**E**	-	-
Personnel costs			
of which non-recurring personnel costs	**F**	(14)	-
Other expenses			
of which non-recurring other expenses	**G**	(1)	(9)
Change in inventories of work in progress, semi-finished and finished goods			
of which non-recurring change in inventories of work in progress, semi-finished and finished goods	**I**	-	-
Adjusted EBITDA	**H=D-E-F-G-I**	**130**	**101**

(in millions of Euro)

	Note	3 months 2012 Amounts from income statement	3 months 2011 Amounts from income statement
Operating income	**A**	**89**	**47**
Non-recurring other income		-	-
Non-recurring personnel costs		*(14)*	-
Non-recurring other expenses		*(1)*	*(9)*
Non-recurring change in inventories of work in progress, semi-finished and finished goods		-	-
Total non-recurring expenses	**B**	**(15)**	**(9)**
Remeasurement of minority put option liability		-	-
Total other non-recurring income/(expenses)	**C**	**-**	**-**
Fair value change in metal derivatives	**D**	**18**	**(20)**
Fair value change in stock options	**E**	**(5)**	**-**
Non-recurring amortisation, depreciation and impairment	**F**	**-**	**-**
Adjusted operating income	**G=A-B-C-D-E-F**	**91**	**76**

SUBSEQUENT EVENTS

On 5 April 2012, Prysmian Group finalised the acquisition of 50% of the shares in Telcon and 30% of the shares in Draktel, thereby becoming the sole shareholder of these two Brazilian telecom cables and optical fibre companies, which joined the Group following the acquisition of Draka in 2011. The value of this acquisition amounts to approximately Euro 23 million (Euro 21 million for Telcon and Euro 2 million for Draktel). The integration of the two companies into the Prysmian Group will be completed only after obtaining authorisation from the competent antitrust authorities, duly notified of the transaction in the time and manner required by law.

The shareholders' meeting of Prysmian S.p.A. held on 18 April 2012 adopted the following decisions:

• it approved the financial statements for 2011 and the distribution of a gross dividend of Euro 0.21 per share for a total of some Euro 44 million. The dividend was paid out from 26 April 2012, with the shares going ex-div on 23 April 2012, and was payable to shares outstanding on the ex-div date;

• it appointed the Board of Directors, establishing its term in office as three financial years (until the date of approving the financial statements for the year ended 31 December 2014) and its size at 11 members, as listed in the "Directors and Auditors" section of the Directors' report, and also establishing the emoluments payable to the entire Board of Directors;

• it authorised a treasury share buy-back and disposal programme. This programme provides the opportunity to purchase, on one or more occasions, a maximum number of ordinary shares whose total cannot exceed 10% of share capital, equal to 18,403,928 ordinary shares as at today's date, after deducting the treasury shares already held by the Company. Purchases may not exceed the amount of undistributed earnings and available reserves reported in the most recently approved annual financial statements. The authorisation to buy back treasury shares will last for 18 months commencing from the date of the resolution, while the authorisation to dispose of treasury shares has no time limit.
The authorisation to buy back and dispose of treasury shares was sought to give the Company authority that could be exercised:

- to provide the Company with a portfolio of treasury shares, including those already held by the Company, that can be used in any extraordinary transactions;
- in order to use the treasury shares purchased to service the exercise of rights arising from convertible debt instruments or instruments exchangeable with financial instruments issued by the Company, its subsidiaries or by third parties;
- to dispose of treasury shares to satisfy stock option plans reserved for the Group's directors and employees;
- to allow efficient management of the Company's capital, by creating an investment opportunity even for its available liquidity.

• it expressed a favourable opinion on the Group's remuneration policies.

The credit agreement signed on 18 April 2007 ("Credit Agreement"), under which Prysmian S.p.A. and some of its subsidiaries were granted an initial total of Euro 1,700 million in loans and credit facilities, was repaid on 3 May

2012. The Group repaid the outstanding amounts at the maturity date of Euro 670 million against the Term Loan and Euro 5.2 million in drawdowns against the Revolving Credit Facility for Euro 400 million. The Bonding Facility for Euro 300 million had been cancelled on 10 May 2011 in advance of its natural maturity.
This credit agreement was replaced by the Forward Start Credit Agreement, a long-term credit agreement for Euro 1,070 million (maturing on 31 December 2014), entered into on 21 January 2010 with a pool of major national and international banks and comprising a Term Loan Facility for Euro 670 million and a Revolving Credit Facility for Euro 400 million.

BUSINESS OUTLOOK

The macroeconomic environment in the first half of 2011 had confirmed the initial signs of recovery already seen in 2010, albeit with low growth rates still at levels well below those before the 2008 financial crisis. However, the second half of 2011 and first quarter of the current year began to be affected by growing concerns about Eurozone and US debt sustainability, leading to a sharp deterioration in business confidence and a gradual slowing of industrial output and demand.
In such an economic context, the Group expects that 2012 will see generally stable demand for medium voltage cables for Utilities, for building wires and for those products in the Industrial sector most exposed to cyclical trends. Instead, positive developments in demand are confirmed for the high value-added businesses of submarine power transmission, renewable energy, offshore Oil&Gas and fibre optic cables for major telecom operators.
Despite a market with uncertain growth opportunities, based on the results achieved in the first three months, combined with the size of the current order book, adjusted EBITDA for FY 2012 is expected to improve in the range of Euro 600-650 million (FY 2011: Euro 568 million). This range is related to development of demand on the reference markets in the second half of the year and includes the consolidation of Draka for the full year (in 2011 Draka was consolidated from 1 March).
The expected increase in profitability is essentially due to higher value-added business areas as well as to cost synergies arising from the integration with Draka. In fact, during 2012 the Prysmian Group will continue to integrate the activities of Draka in order to optimise and rationalise the new Group's organisational and production structure with the goal of further strengthening its presence in all areas of business and of achieving the projected cost synergies.

FORESEEABLE RISKS IN 2012*

The Prysmian Group is exposed in the normal conduct of its business to a number of financial and non-financial risk factors which, if they should arise, could have an impact on the Group's results of operations and statement of financial position. Given the results of operations in the first three months of the year and the specific macroeconomic context, the principal risk factors currently foreseeable for the next nine months of 2012 are described below according to their nature.

Risks associated with market trends and competitive pressure

Some of the markets for the Group's products, mainly relating to the Trade & Installers business area, the Power Distribution business line and certain applications in the Industrial business area, are subject to cyclical fluctuations in demand and are influenced by overall trends in GDP growth.

Demand for products in the energy cables segment is also influenced by the spending plans of companies in the Utilities business area and by overall energy consumption, as well as in part by construction sector trends, while demand for products in the telecom cables segment is heavily influenced by the spending plans of telecom operators.

The first quarter of 2012 reported an overall marginal increase in volumes on the prior year equivalent period. Despite this upturn, the rate of plant utilisation has still not reached pre-crisis levels, with a consequent maintenance of competitive pressure on sales prices and, as a result, on margins.

The diversified nature of the Group's markets and products reduces its exposure to cyclical trends in demand on certain markets, but it cannot be excluded that demand will not contract during upcoming quarters for the above businesses, which could have a significant impact on the Group's activities, results of operations and statement of financial position. Competitive pressure due to lower demand in the Trade & Installers business area and in the Power Distribution business line, although to a lesser extent, could translate into additional price pressure because many of the products offered by the Group in these sectors are made in compliance with specific industrial standards and are largely interchangeable with those offered by its major competitors, in which case price is a key factor in customer supplier selection.

Even though the Group believes it will be able to cut costs in the face of contracting sales volumes, it may not be able to reduce them sufficiently to match the possible contraction in sales prices, with a consequently negative impact on its activities, results of operations and statement of financial position.

* The risks described in this section are those that, at the date of the present document, the Group believes, if they were to occur, could have a material adverse near-term impact on its activities, financial position, earnings and future prospects. The Group is also exposed to other risk factors that, at the date of the present document, nonetheless appear to be of limited significance.

Exchange rate risk

The Prysmian Group operates internationally and is therefore exposed to exchange rate risk in the various currencies in which it operates (principally the US dollar, British pound, Brazilian real and Australian dollar).

Exchange rate risk occurs when future transactions or assets and liabilities recognised in the statement of financial position are denominated in a currency other than the functional currency of the company which undertakes the transaction.

To manage exchange rate risk arising from future trade transactions and from the recognition of foreign currency assets and liabilities, most Group companies use forward contracts arranged by Group Treasury, which manages the various positions in each currency.

Since Prysmian prepares its consolidated financial statements in Euro, it is therefore possible that, despite centrally arranged hedges, significant fluctuations in the exchange rates used to translate the foreign currency financial statements of subsidiaries could affect the Group's results of operations and statement of financial position.

Interest rate risk

Changes in interest rates affect the market value of the Prysmian Group's financial assets and liabilities as well as its net finance costs. The interest rate risk to which the Group is exposed is mainly on long-term financial liabilities, carrying both fixed and variable rates.

Fixed rate debt exposes the Group to a fair value risk. The Group does not operate any particular hedging policies in relation to the risk arising from such contracts since it considers this risk to be immaterial.

Variable rate debt exposes the Group to a rate volatility risk (cash flow risk). The Group uses interest rate swaps (IRS) to hedge this risk, which transform variable rates into fixed ones, thus reducing the rate volatility risk. Under such IRS contracts, the Group agrees with the other parties to swap on specific dates the difference between the contracted fixed rates and the variable rate calculated on the loan's notional value. A potential rise in interest rates, from the record lows reached in recent years, is a risk factor in coming quarters; in order to limit this risk, also bearing in mind the Credit Agreement 2011 entered in March 2011 for a new long-term loan of Euro 800 million, during 2012 the Prysmian Group has taken out additional IRS contracts to mitigate the risk of a rise in interest rates until the end of 2016.

Risks associated with fluctuations in raw material prices

The principal material used for making the Prysmian Group's products is copper. The other raw materials used are aluminium, lead and steel, as well as various petroleum derivatives, such as PVC and polyethylene.

All raw materials have experienced particularly significant price fluctuations in recent years, which could continue in coming quarters. The Group neutralises the impact of possible rises in the price of copper and its other principal raw materials through automatic sales price adjustment mechanisms or through hedging activities; the exception is petroleum derivatives (polyethylene, plastifying PVC, rubber and other chemical products), where the risk cannot be offset through hedging. Established commercial practice and/or the structural characteristics of the markets concerned mean that hedging of certain products (mainly in the Trade & Installers business area) involves the periodic updating of price lists (since it is not possible to use automatic sales price adjustment mechanisms). In such cases, it is possible that, in the current market context, the Company would be unable to quickly pass on the impact of fluctuations in raw material prices to sales prices. In particular, in the case of petroleum derivatives, it is standard practice for changes in purchase price to systematically take place later than changes in the petroleum price.

More generally, depending on the size and speed of copper price fluctuations, such fluctuations may have a significant impact on customers' buying decisions particularly in the Trade & Installers business area and the Power Distribution business line and certain lines in the Industrial area more exposed to cyclical trends in demand, and on the Group's margins and working capital. In particular, (i) significant, rapid increases and decreases in the copper price may cause absolute increases and decreases respectively in the Group's profit margins due to the nature of the commercial relationships and mechanisms for determining end product prices and (ii) increases and decreases in the copper price may cause increases and decreases respectively in working capital (causing a consequent increase or decrease in the Group's net debt).

Risk hedging differs according to the type of business and supply contract, as shown in the following diagram:

Supply Contract	Main Application	Metal influence on Cable Price	Impact	Hedging of Metal Price Fluctuations	Impact
Predetermined delivery date	Projects (Power transmission) Cables for industrial applications (eg. OGP)	Technology and Design content are the main elements of the "solution" offered. Pricing little affected by metals		Pricing locked in at order intake Profitability protection through systematic hedging (long order-to-delivery cycle)	
Frame contracts	Cables for Utilities (eg. power distribution cables)	Pricing defined as hollow, thus automatic price adjustment through formulas linked to publicly available metal quotation		Price adjusted through formulas linked to publicly available metal quotation (average last month) Profitability protection through systematic hedging (short order-to-delivery cycle)	
Spot orders	Cables for construction and civil engineering	Standard products, high copper content, limited value added		Pricing managed through price lists (frequently updated) Competitive pressure may result in delayed price adjustment Hedging based on forecasted volumes rather than orders	

HIGH 

LOW 

Metal price fluctuations are normally passed through to customers under supply contracts.
Hedging is used to systematically minimise profitability risks.

Risks relating to the Draka Group's integration process

The public offer for all the shares in Draka Holding N.V. was completed on 22 February 2011 with acceptances received from more than 99% of the shares. After the integration process's initial preparatory phase, the new organisational structure was officially launched with effect from July 2011 and will guide the new Group with the goal of promoting both the Prysmian and Draka commercial brands and of realising the expected synergies.

Over the course of the integration process Prysmian expects to incur a total of some Euro 200 million in restructuring costs (net of any divestments) and to generate growing cost synergies starting from year one of the integration with the goal of achieving total annual synergies of Euro 150 million by 2015, mainly by reducing fixed costs, by optimising the industrial footprint and procurement, by making organisational savings and improving operating efficiency and optical fibre sourcing, and by exploiting complementarities in the product portfolios. However, Prysmian cannot rule out potential difficulties or delays in implementing the new organisational structure and the new operating processes, with a possible consequent adverse impact both on the timing and amount of expected synergies and restructuring costs.

Risks associated with activities in developing countries

The Prysmian Group operates and has production facilities and/or companies in Asia and Latin America. The Group's activities in these countries are exposed to different risks linked to local regulatory and legal systems, the imposition of tariffs or taxes, political and economic instability, and exchange rate risks.
Significant changes in the macroeconomic, political, tax or legislative framework of such countries could have an adverse impact on the Group's activities, results of operations and statement of financial position.

Risks associated with sources of finance

The effects of the recent major instability in the global banking system could represent a potential risk factor in terms of obtaining financial resources and the associated cost. Prysmian Group believes that it has significantly mitigated such a risk after taking advantage of favourable market conditions to enter a long-term loan agreement on 7 March 2011 for Euro 800 million (Credit Agreement 2011) with a syndicate of major banks. The banking sector's receptiveness and support have allowed the Prysmian Group to increase the original amount of credit and to secure better terms than in the previous Forward Start Credit Agreement made in January 2010. The new five-year agreement comprises a loan for Euro 400 million (Term Loan Facility 2011) and a revolving facility for Euro 400 million (Revolving Credit Facility 2011) and helps extend average debt maturity and restore the financial flexibility absorbed by the Draka acquisition.

It will be recalled that in January 2010 Prysmian entered a credit agreement for Euro 1,070 million (Forward Start Credit Agreement) of which Euro 670 million relating to a Term Loan Facility and Euro 400 million to a Revolving Credit Facility, maturing on 31 December 2014, which can be used to replace the existing Credit Agreement at its natural expiry on 3 May 2012. In addition, the placement of an unrated bond with institutional investors on the Eurobond market was completed in March 2010 for a nominal total of Euro 400 million with a 5.25% coupon and maturity in April 2015.

The annual interest rate on the cash credit facilities is equal to the sum of:

I. LIBOR or EURIBOR, depending on the currency;

II. an annual spread determined on the basis of the ratio between consolidated net financial position and consolidated EBITDA.

As at 31 March 2012, the Group had financial resources, comprising cash and cash equivalents and undrawn committed credit lines, in excess of Euro 1 billion.

A detailed analysis of "Borrowings from banks and other lenders" can be found in the Explanatory Notes to the Consolidated Financial Statements.

Risks associated with sources of finance: financial covenants

The credit agreements cited in the preceding paragraph all contain a series of financial and non-financial covenants with which the Group must comply. These covenants restrict Prysmian's ability to increase its net debt; should it fail to satisfy one of the covenants, this would lead to a default event which, unless resolved under the terms of the respective agreements, could lead to their termination and/or an early repayment of any amounts drawn down. In such an eventuality, the Group might be unable to repay the amounts demanded early, which in turn would give rise to a liquidity risk.

The financial covenants are measured at the half-year close on 30 June and at the full-year close on 31 December. All covenants, financial or otherwise, were fully observed at 31 December 2011. In particular:

(i) the ratio between EBITDA and Net finance costs, as defined in the three credit agreements, was 6.40 (against a required covenant of not less than 4.00x);

(ii) the ratio between net financial position and EBITDA, as defined in the three credit agreements, was 1.74 (against a required covenant of below 3.50x);

Furthermore, during February 2011, concurrently with the Draka acquisition, the Group had obtained from the syndicate of financing banks a significant extension to its financial covenants, as reported above, with respect to the previous ones.

As things stand and in view of the above widening of the financial covenants, Prysmian Group believes that it will not have to face this risk in the near future.

Risks relating to legal and tax proceedings

Prysmian S.p.A. and some Prysmian Group companies are currently involved in tax and legal proceedings in connection with their business, involving civil, criminal and administrative actions. In some of these cases, the company might not be able to accurately quantify the potential losses or penalties and, if the proceedings have an adverse outcome, this could have even a material impact on the Group's activities, results of operations and statement of financial position.

In particular, it is reported that towards the end of January 2009, the European Commission, the US Department of Justice and the Japanese antitrust authority started an investigation into several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive agreements in the high voltage underground and submarine cables markets. Subsequently, the Australian Competition and Consumers Commission ("ACCC") and the New Zealand Commerce Commission also started similar investigations.

During 2011, the Canadian antitrust authority also started an investigation into a high voltage submarine project dating back to 2006.

The investigations in Japan and New Zealand have ended without any sanctions for Prysmian. The other investigations are still in progress and the Group is fully collaborating with the relevant authorities.
In Australia, the ACCC has filed a case before the Federal Court arguing that Prysmian Cavi e Sistemi S.r.l. (formerly Prysmian Cavi e Sistemi Energia S.r.l.) and two other companies violated antitrust rules in connection with a high voltage underground cable project awarded in 2003. Prysmian Cavi e Sistemi S.r.l. was officially served with this claim in April 2010 and has since filed its defence.
In Brazil, the local antitrust authority has started an investigation into several cable manufacturers, including Prysmian, in the high voltage underground and submarine cables market.
At the start of July 2011, Prysmian received a statement of objection from the European Commission in relation to the investigation started in January 2009 into the high voltage underground and submarine energy cables market. This document contains the Commission's preliminary position on alleged anti-competitive practices and does not prejudge its final decision. Prysmian has therefore had access to the Commission's dossier and, while fully co-operating, has presented its defence against the related allegations.
Also considering the recent developments in the European Commission investigation, Prysmian now believes that it is able to estimate the risk relating to the antitrust investigations underway in the various jurisdictions, except for Brazil. As at 31 March 2012 the Prysmian Group has recognised around Euro 206 million in provisions for risks and charges in connection with these investigations. This amount has been determined on the basis of partly subjective considerations and solely represents an estimate since the outcome of the investigations in progress is still uncertain. It is therefore not possible to exclude that the Group could be required to meet liabilities not covered by the provisions for risks should such litigation have an adverse outcome, with a consequently adverse, even material, impact on its activities, results of operations and statement of financial position.

Risks associated with delivery dates and product quality

Some supply and/or installation contracts entered into by the Prysmian Group include penalties if the agreed delivery date or qualitative standards are not met. The application of such penalties, the obligation to compensate any damages as well as the impact of any delayed delivery on the supply chain, could adversely affect the Group's activities, results of operations and statement of financial position.

Although in recent years, Group companies have not been involved in claims for damages of this kind, it is not possible to guarantee that in the future the Group will always manage to fully and promptly meet such commitments.

STOCK OPTION PLANS

Information about the evolution of existing stock option plans can be found in Note 22 of the Explanatory Notes.

RELATED PARTY TRANSACTIONS

Related party transactions do not qualify as either atypical or unusual but fall into the normal course of business by Group companies. Such transactions take place under market terms and conditions, according to the type of goods and services provided.

Milan, 10 May 2012

ON BEHALF OF THE BOARD OF DIRECTORS

THE CHAIRMAN

Massimo Tononi

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

	Note	31 March 2012	31 December 2011
Non-current assets			
Property, plant and equipment	1	1,523	1,539
Intangible assets	1	615	618
Investments in associates		86	87
Available-for-sale financial assets		5	6
Derivatives	4	1	2
Deferred tax assets		91	97
Other receivables	2	52	52
Total non-current assets		**2,373**	**2,401**
Current assets			
Inventories	3	1,116	929
Trade receivables	2	1,340	1,197
Other receivables	2	550	516
Financial assets held for trading	5	65	80
Derivatives	4	23	28
Cash and cash equivalents	6	537	727
Total current assets		**3,631**	**3,477**
Assets held for sale	7	5	5
Total assets		**6,009**	**5,883**
Equity attributable to the Group:		**1,083**	**1,042**
Share capital	8	21	21
Reserves	8	1,020	1,157
Net profit/(loss) for the period		42	(136)
Equity attributable to non-controlling interests:		**55**	**62**
Share capital and reserves		55	71
Net profit/(loss) for the period		-	(9)
Total equity		**1,138**	**1,104**
Non-current liabilities			
Borrowings from banks and other lenders	9	877	880
Other payables	10	34	32
Provisions for risks and charges	11	63	67
Derivatives	4	36	36
Deferred tax liabilities		105	106
Employee benefit obligations	12	271	268
Total non-current liabilities		**1,386**	**1,389**
Current liabilities			
Borrowings from banks and other lenders	9	985	982
Trade payables	10	1,528	1,421
Other payables	10	579	571
Derivatives	4	43	71
Provisions for risks and charges	11	289	295
Current tax payables		61	50
Total current liabilities		**3,485**	**3,390**
Total liabilities		**4,871**	**4,779**
Total equity and liabilities		**6,009**	**5,883**

CONSOLIDATED INCOME STATEMENT

	Note	3 months 2012	3 months 2011
Sales of goods and services		1,874	1,490
Change in inventories of work in progress, semi-finished and finished goods		110	118
Other income		15	12
Raw materials and consumables used		(1,340)	(1,107)
Fair value change in metal derivatives		18	(20)
Personnel costs		(258)	(170)
of which non-recurring personnel costs		*(14)*	-
of which personnel costs for stock option fair value		*(5)*	-
Amortisation, depreciation and impairment		(39)	(25)
Other expenses		(291)	(251)
of which non-recurring other expenses		*(1)*	*(9)*
Operating income	13	**89**	**47**
Finance costs	14	(79)	(67)
Finance income	14	49	38
Share of income from investments in associates and dividends from other companies		2	1
Profit/(loss) before taxes		**61**	**19**
Taxes	15	(19)	(6)
Net profit/(loss) for the period		**42**	**13**
Attributable to:			
Owners of the parent		42	14
Non-controlling interests		-	(1)
Basic earnings/(loss) per share (in Euro)	16	**0.20**	**0.07**
Diluted earnings/(loss) per share (in Euro)	16	**0.20**	**0.07**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of Euro)

	3 months 2012	3 months 2011
Net profit/(loss) for the period	**42**	**13**
Fair value gains/(losses) on cash flow hedges - gross of tax	2	21
Fair value gains/(losses) on cash flow hedges - tax effect	(1)	(6)
Currency translation differences	(5)	(26)
Total post-tax other comprehensive income/(loss) for the period	**(4)**	**(11)**
Total comprehensive income/(loss) for the period	**38**	**2**
Attributable to:		
Owners of the parent	39	5
Non-controlling interests	(1)	(3)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Fair value gains and losses on available-for-sale financial assets	Cash flow hedges	Currency translation reserve	Other reserves	Net profit/(loss) for the period	Non-controlling interests	Total
Balance at 31 December 2010	**18**	**-**	**(13)**	**(32)**	**635**	**148**	**43**	**799**
Allocation of prior year net result	-	-	-	-	148	(148)	-	-
Capital contributions	3	-	-	-	476	-	-	479
Capital increase costs	-	-	-	-	(1)	-	-	(1)
Change in scope of consolidation	-	-	-	-	-	-	26	26
Total comprehensive income/(loss) for the period	-	-	15	(24)	-	14	(3)	2
Balance at 31 March 2011	**21**	**-**	**2**	**(56)**	**1,258**	**14**	**66**	**1,305**
Balance at 31 December 2011	**21**	**-**	**(17)**	**(36)**	**1,210**	**(136)**	**62**	**1,104**
Allocation of prior year net result	-	-	-	-	(136)	136	-	-
Share-based payments	-	-	-	-	5	-	-	5
Non-controlling interests acquired in subsidiaries (1)	-	-	-	-	(3)	-	(6)	(9)
Total comprehensive income/(loss) for the period	-	-	1	-	(4)	42	(1)	38
Balance at 31 March 2012	**21**	**-**	**(16)**	**(36)**	**1,072**	**42**	**55**	**1,138**

(1) This amount refers to the squeeze-out procedure to purchase the shares of Draka Holding NV.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of Euro)

		3 months 2012	3 months 2011
	Profit/(loss) before taxes	61	19
	Depreciation and impairment of property, plant and equipment	31	22
	Amortisation and impairment of intangible assets	8	3
	Share of income from investments in associates	(2)	(1)
	Share-based compensation	5	-
	Fair value change in metal derivatives and other fair value items	(18)	20
	Net finance costs	30	29
	Changes in inventories	(192)	(150)
	Changes in trade receivables/payables	(32)	(10)
	Changes in other receivables/ payables	(20)	(16)
	Changes in receivables/payables for derivatives	1	(1)
	Taxes paid	(15)	(14)
	Utilisation of provisions (including employee benefit obligations)	(27)	(19)
	Increases in provisions (including employee benefit obligations)	15	5
A.	**Net cash flow provided by/(used in) operating activities**	**(155)**	**(113)**
	Acquisitions (1)	(9)	(419)
	Investments in property, plant and equipment	(21)	(15)
	Disposals of property, plant and equipment	1	-
	Investments in intangible assets	(5)	(2)
	Disposals of financial assets held for trading	15	17
	Disposals of available-for-sale financial assets	-	143
	Dividends received	2	2
B.	**Net cash flow provided by/(used in) investing activities**	**(17)**	**(274)**
	Capital contributions and other changes in equity	-	1
	Finance costs paid	(66)	(59)
	Finance income received	49	35
	Changes in net financial payables	-	243
C.	**Net cash flow provided by/(used in) financing activities**	**(17)**	**220**
D.	**Currency translation gains/(losses) on cash and cash equivalents**	**(1)**	**(6)**
E.	**Total cash flow provided/(used) in the period (A+B+C+D)**	**(190)**	**(173)**
F.	**Net cash and cash equivalents at the beginning of the period**	727	630
G.	**Net cash and cash equivalents at the end of the period (E+F)**	**537**	**457**

(1) The figure of Euro 9 million in the first three months of 2012 represents the outlay under the squeeze-out procedure to purchase of shares of Draka Holding NV which has given Prysmian Group ownership of the subsidiary's entire share capital. The figure of Euro 419 million at the end of March 2011 represented the cash outlay of Euro 501 million to acquire the Draka Group minus the Draka Group's net cash and cash equivalents at the acquisition date.

EXPLANATORY NOTES

A. GENERAL INFORMATION

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

The Company has its registered office in Viale Sarca, 222 - Milan (Italy).

Prysmian S.p.A. has been listed on the Italian Stock Exchange since 3 May 2007 and has been included since September 2007 in the FTSE MIB index, comprising the top 40 Italian companies by capitalisation and stock liquidity.

The Company and its subsidiaries (together "the Group" or "Prysmian Group") produce, distribute and sell cables and systems and related accessories for the energy and telecommunications industries worldwide.

Squeeze-out procedure

On 27 February 2012, the squeeze-out, permitted under art. 2:359c of the Dutch Civil Code, was completed for the purchase of the 478,878 ordinary shares in Draka Holding N.V. that did not accept the public mixed exchange and cash offer for all the ordinary shares in Draka Holding N.V.. The successful conclusion of the squeeze-out means that Prysmian S.p.A. now holds the entire share capital of Draka Holding N.V..
The squeeze-out procedure has required Prysmian S.p.A. to place the sum of Euro 8,886,251.19, inclusive of legal interest required under Dutch law, on a deposit account held at the Dutch Ministry of Finance for the benefit of these share owners; this amount has been calculated on the basis of a value of Euro 18.53 per share, as determined by the corporate division of the Amsterdam Appeal Court.

Note: all the amounts shown in the tables in the following Notes are expressed in millions of Euro, unless otherwise stated.

B. FORM AND CONTENT

The present first-quarter report has been prepared on a going concern basis, since the directors have assessed that there are no financial, operating or other kind of indicators that might provide evidence of the Group's inability to meet its obligations in the foreseeable future and particularly in the next 12 months.
In particular, the Group's estimates and projections have taken into account the increase in net debt resulting from the Draka acquisition, possible developments in the investigations by the European Commission and other jurisdictions into alleged anti-competitive practices in the high voltage underground and submarine cables market, as well as the risk factors described in the Directors' Report, and confirm Prysmian Group's ability to operate as a going concern and to comply with its financial covenants.

The Company has prepared the present document in compliance with the International Financial Reporting Standards (IFRS) issued by the IASB and recognised by the European Union in Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002, and specifically in accordance with *IAS 34 –*

Interim Financial Reporting, and the instructions issued in implementation of art. 9 of Italian Decree 38/2005. As permitted by IAS 34, the Group has decided to publish its quarterly consolidated financial statements and explanatory notes in a condensed format.

The information contained in the first-quarter report must be read in conjunction with the annual IFRS consolidated financial statements at 31 December 2011.

B.1 FINANCIAL STATEMENTS AND DISCLOSURES

The Group has elected to present its income statement according to the nature of expenses, whereas assets and liabilities in the statement of financial position are classified as current or non-current. The statement of cash flows has been prepared using the indirect method. The Group has also applied the provisions of Consob Resolution 15519 dated 27 July 2006 concerning financial statement formats and of Consob Communication 6064293 dated 28 July 2006 regarding disclosures.

When preparing the first-quarter report, management has made judgements, estimates and assumptions that affect the value of revenues, costs, assets and liabilities and the disclosures relating to contingent assets and liabilities at the reporting date. As estimates, these may differ from the actual results obtained in the future. Some valuation processes, particularly more complex ones such as the determination of any impairment losses against the value of property, plant and equipment and intangible assets, are carried out fully only at year end, when all the necessary information is available, unless these is intervening evidence of impairment that requires the immediate recognition of a loss.

B.2 ACCOUNTING STANDARDS

Accounting standards used for preparing the first-quarter report

The consolidation principles, the methods applied for translating financial statements into the presentation currency, the accounting standards and the accounting estimates adopted are the same as those used for the consolidated financial statements at 31 December 2011, to which reference should be made for more details, except for:

1. income taxes, which have been recognised using the best estimate of the weighted average tax rate for the full year;
2. the accounting standards and amendments discussed below and obligatorily applied with effect from 1 January 2012 after receiving endorsement from the competent authorities.

Accounting standards, amendments and interpretations applied from 1 January 2012

On 7 October 2010, the IASB published a number of amendments to *IFRS 7 – Financial Instruments: Disclosures*. These amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets and the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. These amendments were published in the European Union's Official Journal on 23 November 2011 and apply to financial years beginning on or after 1 July 2011. The application of these amendments has not had any effect on the present quarterly report.

New standards, amendments and interpretations of existing standards, not yet obligatory and not adopted early by the Group

On 12 November 2009, the IASB issued the first part of a new accounting standard *IFRS 9 – Financial Instruments*, which will supersede *IAS 39 - Financial Instruments: Recognition and Measurement*. This initial document addresses the classification of financial instruments and forms part of a three-part project, whose second and third parts will address the impairment methodology for financial assets and the application of hedge accounting respectively. This new standard, whose purpose is to simplify and reduce the complexity of accounting for financial instruments, classifies financial instruments in three categories that the reporting entity defines according to its business model, and to the contractual characteristics and related cash flows of the instruments in question.
On 28 October 2010, the IASB published new requirements on accounting for financial liabilities. These requirements will be added to *IFRS 9* and complete the classification and measurement phase of the project to replace *IAS 39*.
On 16 December 2011, the IASB published *Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)*, which defers the mandatory effective date of IFRS 9 from 1 January 2013 to 1 January 2015, while nonetheless leaving the possibility of earlier application unchanged.
As at the present document date, the European Union had not yet completed the endorsement process needed for this document to apply.

On 20 December 2010, the IASB issued a document entitled *Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)*. The current version of *IAS 12* requires the recoverability of deferred tax assets to be assessed on the basis of judgements concerning their possible use or sale. The amendment provides a practical solution by introducing a presumption in relation to investment property, and to property, plant and equipment and intangible assets that are recognised or measured at fair value. This presumption assumes that a deferred tax asset will be fully recovered through sale, unless there is clear evidence that its carrying amount can be recovered through use.
As a result of the amendment of *IAS 12*, *SIC 21 - Income Taxes: Recovery of Revalued Non-Depreciable Assets* will be withdrawn. As at the present document date, the European Union had not yet completed the endorsement process needed for the application of this amendment, which is due to come into effect from 1 January 2012. Earlier application is permitted.

On 12 May 2011, the IASB issued *IFRS 10, IFRS 11* and *IFRS 12* and amendments to *IAS 27* and *IAS 28*.
These documents are due to become effective from 1 January 2013. Earlier adoption of one of these standards necessarily involves compulsory adoption of the other four. As at the present document date, the European Union had not yet completed the endorsement process.

The principal changes are as follows:

IFRS 10 - Consolidated Financial Statements

This standard supersedes *SIC 12 - Consolidation: Special Purpose Entities* and parts of *IAS 27 - Consolidated and Separate Financial Statements*. The objective of the new standard is to define the concept of control and to combine the guidance on consolidation in a single document.

The new definition of control is more detailed and complex than before, and is associated with the ongoing existence of all three of the following precise circumstances: power over the investee, exposure or rights to variable returns from involvement with the investee and ability of the investor to use its power over the investee to affect the amount of its return.

IAS 27 - Separate Financial Statements

IAS 27 - Consolidated and Separate Financial Statements has been revised following publication of *IFRS 10 - Consolidated Financial Statements*. All references to consolidation have been removed from the revised standard. Consequently, *IAS 27* addresses only separate financial statements.

IFRS 11 - Joint Arrangements

This document supersedes *IAS 31 - Interests in Joint Ventures* and *SIC 13 - Jointly Controlled Entities: Non-Monetary Contributions by Venturers* and establishes principles for identifying a joint arrangement on the basis of the rights and obligations arising from the arrangement, rather than its legal form. The accounting treatment differs according to whether the arrangement is classified as a joint operation or a joint venture. In addition, the existing policy choice of proportionate consolidation for joint ventures has been eliminated.

IFRS 12 - Disclosure of Interests in Other Entities

This document refers to the disclosures concerning interests in other entities, including subsidiaries, associates and joint ventures.

The objective is to disclose information that enables users of financial statements to evaluate the nature of risks associated with interests in strategic investments (consolidated and otherwise) intended to be held over the medium to long term.

On the same date the IASB issued *IFRS 13 - Fair Value Measurement*, which sets out in a single document the rules defining the fair value concept and its use for measurement purposes in the various circumstances permitted by IFRSs. As at the present document date, the European Union had not yet completed the endorsement process needed for the application of this standard, which is due to come into effect from 1 January 2013.

On 16 June 2011, the IASB issued an amendment to *IAS 1 - Presentation of Financial Statements.* The amendment requires entities to group together items within "Other comprehensive income" based on whether they can or cannot subsequently be reclassified to profit or loss. As at the present document date, the European Union had not yet completed the endorsement process needed for the application of this amendment, which is due to come into effect for financial years beginning on or after 1 July 2012.

On the same date, the IASB also published a revised version of *IAS 19 - Employee Benefits.* The amendments make important improvements insofar as: they eliminate the "corridor method" option to defer recognition of actuarial gains and losses, and require plan deficits or surpluses to be presented in the statement of financial position, costs relating to employee service and net interest expense to be recognised in the statement of income, and actuarial gains and losses arising from the remeasurement of plan assets and liabilities to be presented in other comprehensive income. The return on plan assets recognised in net interest expense must be calculated using the discount rate applying to plan liabilities and no longer using the expected rate of return on plan assets. The revised standard also calls for new disclosures to be provided in the notes to financial statements. The revised standard will come into effect for financial years beginning on or after 1 January 2013. Earlier application is permitted.

On 16 December 2011, the IASB published amendments to IAS 32: *Offsetting Financial Assets and Financial Liabilities* to clarify the criteria for offsetting financial instruments.
The amendments clarify that:
- the right of set-off between financial assets and liabilities must be available at the financial reporting date and not contingent on a future event,
- this right must be enforceable by all counterparties both in the normal course of business and in the event of insolvency/bankruptcy.

The amendments are effective for financial years beginning on or after 1 January 2014 and are required to be applied retrospectively.

On the same date, the IASB published amendments to IFRS 7: *Disclosures - Offsetting Financial Assets and Financial Liabilities* to introduce new disclosures that will allow users of financial statements to assess the impact on the financial statements of offsetting financial assets and liabilities. The disclosures relate to master netting arrangements and similar agreements. The amendments are effective for financial years beginning on or after 1 January 2013 and are required to be applied retrospectively.

As at the present document date, the European Union had not yet completed the endorsement process needed for the application of these amendments.

B.3 CHANGES IN THE SCOPE OF CONSOLIDATION

The Group's scope of consolidation includes the financial statements of Prysmian S.p.A. (the Parent Company) and of the companies over which it exercises direct or indirect control, which are consolidated from the date when control is obtained until the date when such control ceases.

The following changes took place during the first three months of 2012:

Acquisitions

On 5 March 2012, Prysmian Cavi e Sistemi S.r.l and Prysmian S.p.A. respectively acquired 99.99% and 0.01% of the shares in Jaguar Communication Consultancy Services Private Ltd, an Indian company formed on 31 January 2012.

New company formations

Prysmian Electronics S.r.l. was formed in Italy on 12 January 2012. It is owned by Prysmian Cavi e Sistemi S.r.l. (80%) and third parties (20%).

Liquidations

On 10 January 2012, the process of winding up Draka UK (EXDCC) Pension Plan Trust Company Ltd was completed with the company's removal from the local company registry.

On 24 January 2012, the process of winding up Prysmian Cables Ltd. and Prysmian Focom Ltd., both UK companies, was completed with their removal from the local company registry.

On 31 January 2012, the process of winding up Draka Cardinal Ltd. and RMCA Holding Ltd., both UK companies, was completed with their removal from the local company registry.

On 17 February 2012, the process of winding up NKF Americas N.V. and NKF Caribe N.V., both registered in the Dutch Antilles, was completed with their removal from the local company registry.

Appendix A provides a list of the Prysmian Group's subsidiaries, associates and significant investments at 31 March 2012.

C. SEGMENT INFORMATION

The criteria used for identifying reportable segments are consistent with the way in which management runs the Group.

In particular, the information is structured in the same way as the report periodically reviewed by the Chief Executive Officer for the purposes of managing the business. In fact, the Chief Executive Officer reviews operating performance by macro type of business (Energy and Telecom), assesses the results of operating segments primarily on the basis of Adjusted EBITDA, defined as earnings (loss) for the period before non-recurring items (eg. restructuring costs), amortisation, depreciation and impairment, finance costs and income, and taxes, and reviews the statement of financial position for the Group as a whole, and not by operating segment.

In order to provide users of the financial statements with clearer information, certain economic data is also reported for the following sales channels and business areas within the individual operating segments:

A) Energy operating segment:

1. Utilities: organised in four lines of business, comprising High Voltage, Power Distribution, Accessories and Submarine;
2. Trade & Installers: low and medium voltage cables for power distribution to and within residential and other buildings;
3. Industrial: comprises cables and accessories for special industrial applications based on specific requirements (Specialties&OEM; Oil&Gas; Automotive; Renewables; Surf; Elevator);
4. Other: occasional sales of residual products.

B) Telecom operating segment: organised in the following lines of business: Telecom Solutions (Telecom Optical and Telecom Copper); Optical Fibre; Multimedia Solutions; OPGW.

All Corporate fixed costs are allocated to the Energy and Telecom segments. Revenues and costs are allocated to each operating segment by identifying all revenues and costs directly attributable to that segment and by allocating indirect costs on the basis of Corporate resources (personnel, space used, etc.) absorbed by the operating segments.

Group operating activities are organised and managed separately based on the nature of the products and services provided: each segment offers different products and services to different markets. Sales of goods and services are analysed geographically on the basis of the location of the registered office of the company that issues the invoices, regardless of the geographic destination of the products sold. This type of reporting does not significantly differ from the breakdown of sales of goods and services by destination of the products being sold. Transfer pricing between segments is determined using the same conditions as applied between Group companies and is generally determined by applying a mark-up to production costs.

C.1 OPERATING SEGMENTS

The following tables present information by operating segment.

(in millions of Euro)

	Energy					Telecom	Corporate/ Eliminations	Group total
	Utilities	Trade & Installers	Industrial	Other	Total			3 months 2012
Sales of goods and services to third parties	489	541	464	34	1,528	346	-	1,874
Adjusted EBITDA (A)	**46**	**18**	**31**	**-**	**95**	**35**	**-**	**130**
% of sales	9.4%	3.3%	6.7%		6.2%	10.0%		6.9%
EBITDA (B)	**47**	**16**	**27**	**(2)**	**88**	**28**	**(1)**	**115**
% of sales	9.6%	2.9%	6.7%		5.8%	8.1%		6.1%
Amortisation and depreciation (C)	(8)	(8)	(10)	(1)	(27)	(12)		**(39)**
Adjusted operating income (A+C)	**38**	**10**	**21**	**(1)**	**68**	**23**		**91**
% of sales	7.7%	1.9%	4.6%		4.5%	6.5%		4.8%
Fair value change in metal derivatives (D)								**18**
Fair value change in stock options (E)								**(5)**
Impairment of assets (F)								**-**
Remeasurement of minority put option liability								**-**
Operating income (B+C+D+E+F)								**89**
% of sales								4.8%
Share of income from investments in associates and dividends from other companies								2
Finance costs								(79)
Finance income								49
Taxes								(19)
Net profit/(loss) for the period								**42**
Attributable to:								
Owners of the parent								42
Non-controlling interests								-

Reconciliation of EBITDA to Adjusted EBITDA

(in millions of Euro)

EBITDA (A)	**47**	**16**	**27**	**(2)**	**88**	**28**	**(1)**	**115**
Non-recurring expenses/(income):								
Company reorganisation	-	1	4	2	7	7	-	14
Draka acquisition costs	-		-	-	-	-	1	1
Environmental remediation and other costs	-	1	-	-	1	-	-	1
Antitrust	(1)	-	-	-	(1)	-	-	(1)
Total non-recurring expenses/(income) (B)	**(1)**	**2**	**4**	**2**	**7**	**7**	**1**	**15**
Adjusted EBITDA (A+B)	**46**	**18**	**31**	**-**	**95**	**35**	**-**	**130**

(in millions of Euro)				3 months 2011
	Energy	Telecom	Corporate/ Eliminations	Group total
Sales of goods and services to third parties	1,284	206		1,490
Adjusted EBITDA (A)	**84**	**17**	**-**	**101**
% of sales	6.5%	8.1%		6.8%
EBITDA (B)	**84**	**16**	**(8)**	**92**
% of sales	6.5%	7.8%		6.2%
Amortisation and depreciation (C)	(20)	(5)	**-**	**(25)**
Adjusted operating income (A+C)	**64**	**12**		**76**
% of sales	4.9%	5.7%		5.1%
Fair value change in metal derivatives (D)				**(20)**
Fair value change in stock options (E)				**-**
Remeasurement of minority put option liability (F)				**-**
Impairment of assets (G)				**-**
Operating income (B+C+D+E+F+G)				**47**
% of sales				3.2%
Share of income from investments in associates and dividends from other companies				1
Finance costs				(67)
Finance income				38
Taxes				(6)
Net profit/(loss) for the period				**13**
Attributable to:				
Owners of the parent				14
Non-controlling interests				(1)

Reconciliation of EBITDA to Adjusted EBITDA

(in millions of Euro)				
EBITDA (A)	**84**	**16**	**(8)**	**92**
Non-recurring expenses/(income):				
Company reorganisation	-	1	1	2
Draka acquisition costs	-	-	5	5
Effects of Draka change of control	-	-	2	2
Total non-recurring expenses/(income) (B)	**-**	**1**	**8**	**9**
Adjusted EBITDA (A+B)	**84**	**17**	**-**	**101**

The figures for the first three months of 2011 were analysed by operating segment (Energy and Telecom), without any further breakdown by business area; this was because at that date the size of the operating segments provided a uniform basis for comparing the pre-acquisition Prysmian Group and the Draka Group.

C.2 GEOGRAPHICAL AREAS

The following table presents sales of goods and services by geographical area, with reference to the invoicing country.

(in millions of Euro)

	3 months 2012	3 months 2011
Sales of goods and services	**1,874**	**1,490**
EMEA*	1,170	1,013
(of which Italy)	221	215
North America	263	142
Latin America	176	140
Asia Pacific	265	195

*EMEA = Europe, Middle East and Africa

1. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Details of these balances and related movements are as follows:

(in millions of Euro)

	Property, plant and equipment	Intangible assets
Balance at 31 December 2011	**1,539**	**618**
Movements in period:		
- Investments	21	5
- Disposals	(1)	-
- Depreciation, amortisation and impairment	(31)	(8)
- Currency translation differences	(5)	-
Total movements	**(16)**	**(3)**
Balance at 31 March 2012	**1,523**	**615**
Of which:		
- Historical cost	2,055	759
- Accumulated depreciation/amortisation and impairment	(532)	(144)
Net book value	**1,523**	**615**

(in millions of Euro)

	Property, plant and equipment	Intangible assets
Balance at 31 December 2010	**949**	**59**
Movements in period:		
- Business combinations	528	524
- Investments	15	2
- Disposals	-	-
- Depreciation, amortisation and impairment	(23)	(2)
- Currency translation differences	(22)	-
Total movements	**498**	**524**
Balance at 31 March 2011	**1,447**	**583**
Of which:		
- Historical cost	1,821	691
- Accumulated depreciation/amortisation and impairment	(374)	(108)
Net book value	**1,447**	**583**

A total of Euro 21 million in investments have been made in property, plant and equipment in the first three months of 2012.

Of these the principal investments refer to:

- 68% for projects to increase production capacity and develop new products;
- 27% for structural work primarily involving buildings or entire production lines to make them compliant with the latest regulations;
- 5% for projects to improve industrial efficiency.

Investments in intangible assets amount to Euro 5 million, most of which in connection with the Brazilian subsidiary's development of a prototype destined for flexible pipe production and with the development of the "SAP Consolidation" project, aimed at harmonising the information system across the Group.

Machinery is subject to Euro 23 million in liens in connection with long-term loans.

There has been no need to recognise any impairment losses at 31 March 2012. This does not mean that impairment losses, even significant ones, will not emerge when tests are performed in more detail for the purposes of the annual financial statements.

2. TRADE AND OTHER RECEIVABLES

These are detailed as follows:

(in millions of Euro)			31 March 2012
	Non-current	Current	Total
Trade receivables	-	1,408	1,408
Allowance for doubtful accounts	-	(68)	(68)
Total trade receivables	**-**	**1,340**	**1,340**
Other receivables:			
Tax receivables	16	131	147
Financial receivables	9	6	15
Prepaid finance costs	14	8	22
Receivables from employees	1	2	3
Pension fund receivables	-	3	3
Construction contracts	-	231	231
Advances	-	27	27
Others	12	142	154
Total other receivables	**52**	**550**	**602**
Total	**52**	**1,890**	**1,942**

(in millions of Euro)			31 December 2011
	Non-current	Current	Total
Trade receivables	-	1,264	1,264
Allowance for doubtful accounts	-	(67)	(67)
Total trade receivables	**-**	**1,197**	**1,197**
Other receivables:			
Tax receivables	13	124	137
Financial receivables	10	9	19
Prepaid finance costs	15	7	22
Receivables from employees	1	1	2
Pension fund receivables	-	3	3
Construction contracts	-	219	219
Advances	-	14	14
Others	13	139	152
Total other receivables	**52**	**516**	**568**
Total	**52**	**1,713**	**1,765**

3. INVENTORIES

These are detailed as follows:

(in millions of Euro)

	31 March 2012	31 December 2011
Raw materials	326	291
of which allowance for obsolete and slow-moving raw materials	*(28)*	*(22)*
Work in progress and semi-finished goods	287	222
of which allowance for obsolete and slow-moving work in progress and semi-finished goods	*(5)*	*(4)*
Finished goods	503	416
of which allowance for obsolete and slow-moving finished goods	*(46)*	*(44)*
Total	**1,116**	**929**

4. DERIVATIVES

These are detailed as follows:

(in millions of Euro)		**31 March 2012**
	Asset	**Liability**
Non-current		
Interest rate swaps (cash flow hedges)	-	30
Forward currency contracts on commercial transactions (cash flow hedges)	-	1
Forward currency contracts on financial transactions (cash flow hedges)	-	2
Total hedging derivatives	**-**	**33**
Forward currency contracts on financial transactions	1	1
Metal derivatives	-	2
Total other derivatives	**1**	**3**
Total non-current	**1**	**36**
Current		
Forward currency contracts on commercial transactions (cash flow hedges)	12	14
Total hedging derivatives	**12**	**14**
Forward currency contracts on commercial transactions	5	7
Forward currency contracts on financial transactions	3	21
Metal derivatives	3	1
Total other derivatives	**11**	**29**
Total current	**23**	**43**
Total	**24**	**79**

(in millions of Euro)	31 December 2011	
	Asset	Liability
Non-current		
Interest rate swaps (cash flow hedges)	-	27
Forward currency contracts on commercial transactions (cash flow hedges)	-	5
Forward currency contracts on financial transactions (cash flow hedges)	-	3
Total hedging derivatives	-	**35**
Forward currency contracts on commercial transactions	1	-
Forward currency contracts on financial transactions	1	1
Total other derivatives	**2**	**1**
Total non-current	**2**	**36**
Current		
Interest rate swaps (cash flow hedges)	-	2
Forward currency contracts on financial transactions (cash flow hedges)	-	-
Forward currency contracts on commercial transactions (cash flow hedges)	18	20
Total hedging derivatives	**18**	**22**
Forward currency contracts on commercial transactions	5	7
Forward currency contracts on financial transactions	4	22
Metal derivatives	1	20
Total other derivatives	**10**	**49**
Total current	**28**	**71**
Total	**30**	**107**

5. FINANCIAL ASSETS HELD FOR TRADING

Financial assets held for trading basically refer to units in funds that mainly invest in short and medium-term government securities. These assets are mostly held by subsidiaries in Brazil and Argentina as a result of investing temporarily available liquidity in such funds.

6. CASH AND CASH EQUIVALENTS

These are detailed as follows:

(in millions of Euro)	31 March 2012	31 December 2011
Cash and cheques	1	10
Bank and postal deposits	536	717
Total	**537**	**727**

Cash and cash equivalents, deposited with major financial institutions, are managed centrally by Group treasury companies or by subsidiaries under the supervision of the Prysmian S.p.A. Finance Department.

Cash and cash equivalents managed by Group treasury companies amount to Euro 151 million at 31 March 2012 compared with Euro 353 million at 31 December 2011.

7. ASSETS HELD FOR SALE

These are detailed as follows:

(in millions of Euro)

	31 March 2012	31 December 2011
Land	2	2
Buildings	2	2
Plant and machinery	1	1
Total	**5**	**5**

There have been no changes since 31 December 2011.

8. SHARE CAPITAL AND RESERVES

Consolidated equity has increased by Euro 34 million since 31 December 2011, mainly reflecting the net effect of:

- the net profit for the period of Euro 42 million;
- negative currency translation differences of Euro 5 million;
- the change of Euro 5 million in the share-based compensation reserve linked to the stock option plan;
- the negative change of Euro 9 million in the scope of consolidation after completing the squeeze-out permitted under art. 2:359c of the Dutch Civil Code to purchase the 478,878 ordinary shares in Draka Holding N.V. that did not accept the public mixed exchange and cash offer for all the ordinary shares in Draka Holding N.V.;
- the positive post-tax change of Euro 1 million in the fair value of derivatives designated as cash flow hedges.

At 31 March 2012 the share capital of Prysmian S.p.A. comprises 214,430,972 shares with a total value of Euro 21,443,097.20.

Movements in the ordinary shares of Prysmian S.p.A. are as follows:

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2010	**182,029,302**	**(3,028,500)**	**179,000,802**
Capital increase [(1)]	32,364,179	-	32,364,179
Treasury shares	-	(10,669)	(10,669)
Balance at 31 December 2011	**214,393,481**	**(3,039,169)**	**211,354,312**

	Ordinary shares	Treasury shares	Total
Balance at 31 December 2011	**214,393,481**	**(3,039,169)**	**211,354,312**
Capital increase [(1)]	37,491	-	37,491
Treasury shares	-	-	-
Balance at 31 March 2012	**214,430,972**	**(3,039,169)**	**211,391,803**

[(1)] Capital increases relating to the exercise of part of the options under the Stock Option Plan 2007-2012.

Treasury shares

The treasury shares held at the beginning of 2011 were acquired under the shareholders' resolution dated 15 April 2008, which gave the Board of Directors the authority for an 18-month period to buy up to 18 million shares. This period was subsequently extended to October 2010 under a resolution adopted on 9 April 2009. In 2011 the number of treasury shares increased following the acquisition of Draka Holding N.V., which holds 10,669 Prysmian S.p.A. shares.

9. BORROWINGS FROM BANKS AND OTHER LENDERS

These are detailed as follows:

(in millions of Euro)			31 March 2012
	Non-current	**Current**	**Total**
Borrowings from banks and other financial institutions	466	963	1,429
Bond	397	20	417
Finance lease obligations	14	2	16
Total	**877**	**985**	**1,862**

(in millions of Euro)			31 December 2011
	Non-current	**Current**	**Total**
Borrowings from banks and other financial institutions	469	964	1,433
Bond	397	15	412
Finance lease obligations	14	3	17
Total	**880**	**982**	**1,862**

Borrowings from banks and other financial institutions and the bond are analysed as follows:

(in millions of Euro)		
	31 March 2012	**31 December 2011**
Credit Agreements (1)	1,072	1,070
Other borrowings	357	363
Total borrowings from banks and other financial institutions	**1,429**	**1,433**
Bond	417	412
Total	**1,846**	**1,845**

(1) These refer to the "Term Loan Facility" and the "Term Loan Facility 2011".

Credit Agreements

These refer to:

- the credit agreement signed on 18 April 2007 ("Credit Agreement"), under which Prysmian S.p.A. and some of its subsidiaries were granted an initial total of Euro 1,700 million in loans and credit facilities. The facilities carry a variable interest rate, linked to Euribor for the portion of the facilities in Euro and to Libor USD for the portion in US dollars;
- the "Credit Agreement 2011", entered by Prysmian on 7 March 2011 with a pool of major banks for Euro 800 million with a five-year maturity. This agreement comprises a loan for Euro 400 million ("Term Loan Facility 2011") and a revolving facility for Euro 400 million ("Revolving Credit Facility 2011").

The following table summarises the committed lines available to the Group at 31 March 2012 and 31 December 2011:

(in millions of Euro)			31 March 2012
	Total lines	**Used**	**Unused**
Term Loan Facility	670	(670)	-
Term Loan Facility 2011	400	(400)	-
Revolving Credit Facility	400	(5)	395
Revolving Credit Facility 2011	400	-	400
Total Credit Agreements	**1,870**	**(1,075)**	**795**
Securitization	350	(105)	245
Total	**2,220**	**(1,180)**	**1,040**

(in millions of Euro)			31 December 2011
	Total lines	**Used**	**Unused**
Term Loan Facility	670	(670)	-
Term Loan Facility 2011	400	(400)	-
Revolving Credit Facility	400	(6)	394
Revolving Credit Facility 2011	400	-	400
Total Credit Agreements	**1,870**	**(1,076)**	**794**
Securitization	350	(111)	239
Total	**2,220**	**(1,187)**	**1,033**

The facility relating to the securitization programme can be drawn down, if needed, only up to the amount of trade receivables eligible for securitization under the agreed contractual terms (approximately Euro 154 million at 31 March 2012 and approximately Euro 134 million at 31 December 2011).

The repayment schedules of the Term Loans are structured as follows:

(in thousands of Euro)	
3 May 2012 (Term Loan)	670,000
7 March 2016 (Term Loan 2011)	400,000

The Revolving Credit Facility and the Revolving Credit Facility 2011 are used to finance ordinary working capital requirements, while the Revolving Credit Facility can also be used to finance the issue of guarantees.

Forward Start Credit Agreement

On 21 January 2010, the Group entered into a long-term credit agreement for Euro 1,070 million with a pool of major national and international banks; this agreement expires on 31 December 2014 and may be used to replace the existing Credit Agreement at its natural maturity on 3 May 2012. This is a "Forward Start Credit Agreement" negotiated in advance of its period of use, under which the lenders will provide Prysmian S.p.A. and some of its subsidiaries (the same as in the existing Credit Agreement) loans and credit facilities for a total of Euro 1,070 million, split as follows:

(in thousands of Euro)	
Term Loan Facility	670,000
Revolving Credit Facility	400,000

The repayment schedule of the Term Loan is structured as follows:

31 May 2013	9.25%
30 November 2013	9.25%
31 May 2014	9.25%
31 December 2014	72.25%

Bond

Further to the resolution adopted by the Board of Directors on 3 March 2010, Prysmian S.p.A. completed the placement of an unrated bond with institutional investors on the Eurobond market on 30 March 2010 for a total nominal amount of Euro 400 million. The bond, whose issue price was Euro 99.674, has a 5-year term and pays a fixed annual coupon of 5.25%. The bond settlement date was 9 April 2010. The bond has been admitted to the Luxembourg Stock Exchange's official list and trades on the related regulated market.

Other borrowings from banks and financial institutions and Finance lease obligations

The following tables report movements in borrowings from banks and other lenders:

(in millions of Euro)

	Credit Agreements	Bond	Other borrowings/ Finance lease obligations	Total
Balance at 31 December 2011	**1,163**	**416**	**400**	**1,979**
Business combinations	-	-	-	-
Currency translation differences	(2)	-	(13)	(15)
New funds	-	-	-	-
Repayments	-	-	(6)	(6)
Amortisation of bank and financial fees and other expenses	1	-	-	1
Interest and other movements	3	5	12	20
Total movements	**2**	**5**	**(7)**	**-**
Balance at 31 March 2012	**1,165**	**421**	**393**	**1,979**

(in millions of Euro)

	Credit Agreements	Bond	Other borrowings/ Finance lease obligations	Total
Balance at 31 December 2010	**770**	411	**131**	**1,312**
Business combinations	-	-	443	443
Currency translation differences	(5)	-	(6)	(11)
New funds	394	-	171	565
Repayments	-	-	(340)	(340)
Amortisation of bank and financial fees and other expenses	-	-	-	-
Interest and other movements	4	5	1	10
Total movements	**393**	**5**	**269**	**667**
Balance at 31 March 2011	**1,163**	**416**	**400**	**1,979**

NET FINANCIAL POSITION

(in millions of Euro)

	Note	31 March 2012	31 December 2011
Long-term financial payables			
Term Loan Facility		400	400
Bank fees		(5)	(6)
Credit Agreements	9	**395**	**394**
Bond	9	397	397
Finance leases	9	14	14
Forward currency contracts on financial transactions	4	3	4
Interest rate swaps	4	30	27
Other financial payables	9	71	75
Total long-term financial payables		**910**	**911**
Short-term financial payables			
Term Loan Facility	9	677	676
Bank fees	9	-	-
Bond	9	20	15
Finance leases	9	2	3
Securitization	9	105	111
Interest rate swaps	4	-	2
Forward currency contracts on financial transactions	4	21	22
Other financial payables	9	181	177
Total short-term financial payables		**1,006**	**1,006**
Total financial liabilities		**1,916**	**1,917**
Long-term financial receivables	2	9	10
Long-term bank fees	2	14	15
Interest rate swaps	4	-	-
Forward currency contracts on financial transactions (non-current)	4	1	1
Forward currency contracts on financial transactions (current)	4	3	4
Short-term financial receivables	2	6	9
Available-for-sale financial assets (current)		-	-
Short-term bank fees	2	8	7
Financial assets held for trading	5	65	80
Cash and cash equivalents	6	537	727
Net financial position		**1,273**	**1,064**

The Group's net financial position is reconciled below to the amount that must be reported under Consob Communication DEM/6064293 issued on 28 July 2006 and under the CESR recommendation dated 10 February 2005 "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses":

(in millions of Euro)

	Note	31 March 2012	31 December 2011
Net financial position - as reported above		**1,273**	**1,064**
Long-term financial receivables	2	9	10
Long-term bank fees	2	14	15
Net forward currency contracts on commercial transactions	4	5	8
Net metal derivatives	4	-	19
Recalculated net financial position		**1,301**	**1,116**

10. TRADE AND OTHER PAYABLES

These are detailed as follows:

(in millions of Euro)			**31 March 2012**
	Non-current	**Current**	**Total**
Trade payables	-	1,528	1,528
Total trade payables	**-**	**1,528**	**1,528**
Other payables:			
Tax and social security payables	16	95	111
Advances	-	151	151
Payables to employees	-	60	60
Accrued expenses	3	112	115
Others	15	161	176
Total other payables	**34**	**579**	**613**
Total	**34**	**2,107**	**2,141**

(in millions of Euro)			**31 December 2011**
	Non-current	**Current**	**Total**
Trade payables	-	1,421	1,421
Total trade payables	**-**	**1,421**	**1,421**
Other payables:			
Tax and social security payables	16	95	111
Advances	-	132	132
Payables to employees	-	65	65
Accrued expenses	-	131	131
Others	16	148	164
Total other payables	**32**	**571**	**603**
Total	**32**	**1,992**	**2,024**

Advances include Euro 79 million due to customers for construction contracts at 31 March 2012 compared with Euro 75 million at 31 December 2011. This liability represents the amount by which work invoiced exceeds costs incurred plus accumulated profits (or losses) recognised using the percentage of completion method.
Other includes Euro 16 million for put options given to minority shareholders in companies not wholly-owned by the Group.
Trade payables include around Euro 163 million (Euro 215 million at 31 December 2011) for the supply of strategic metals (copper, aluminium and lead), whose payment terms, in some cases, are longer than normal for this type of transaction.

11. PROVISIONS FOR RISKS AND CHARGES

These are detailed as follows:

(in millions of Euro)			31 March 2012
	Non-current	**Current**	**Total**
Restructuring costs	5	23	28
Contractual and legal risks	28	242	270
Environmental risks	4	4	8
Tax inspections	6	7	13
Contingent liabilities	10	-	10
Other risks and charges	10	13	23
Total	**63**	**289**	**352**

(in millions of Euro)			31 December 2011
	Non-current	**Current**	**Total**
Restructuring costs	6	24	30
Contractual and legal risks	32	238	270
Environmental risks	4	4	8
Tax inspections	6	9	15
Contingent liabilities	10	-	10
Other risks and charges	9	20	29
Total	**67**	**295**	**362**

The following table reports the movements in these provisions during the period:

(in millions of Euro)

	Restructuring costs	Contractual and legal risks	Environmental risks	Tax inspections	Contingent liabilities	Other risks and charges	Total
Balance at 31 December 2011	**30**	**270**	**8**	**15**	**10**	**29**	**362**
Increases	8	2	-	-	-	-	10
Utilisations	(12)	(3)	-	(2)	-	-	(17)
Releases	-	(2)	-	-	-	(3)	(5)
Currency translation differences	-	(1)	-	-	-	-	(1)
Other	2	4	-	-	-	(3)	3
Total movements	**(2)**	-	-	**(2)**	-	**(6)**	**(10)**
Balance at 31 March 2012	**28**	**270**	**8**	**13**	**10**	**23**	**352**

The provision for restructuring costs reports a net decrease of Euro 2 million.
In particular, Euro 8 million has been recognised in the period for restructuring projects relating to two plants in Italy and Spain respectively; Euro 12 million of this provision has been used mostly for restructuring projects carried out in Germany, France, the Netherlands and United States.

The value of the provision for contractual and legal risks is the same at 31 March 2012 as at 31 December 2011.

At 31 March 2012 the provision for contractual and legal risks includes Euro 206 million in respect of the provision against the antitrust investigations in progress in various jurisdictions. More specifically, the European Commission, the US Department of Justice and the Japanese antitrust authority started an investigation in late January 2009 into several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive practices in the high voltage underground and submarine cables markets. Subsequently, the Australian Competition and Consumers Commission ("ACCC") and the New Zealand Commerce Commission also started similar investigations. During 2011, the Canadian antitrust authority also started an investigation into a high voltage submarine project dating back to 2006. The investigations in Japan and New Zealand ended in previous years without any sanctions for Prysmian. The other investigations are still in progress and the Group is fully collaborating with the relevant authorities.
In Australia, the ACCC has filed a case before the Federal Court arguing that Prysmian Cavi e Sistemi S.r.l. (formerly Prysmian Cavi e Sistemi Energia S.r.l.) and two other companies violated antitrust rules in connection with a high voltage underground cable project awarded in 2003. Prysmian Cavi e Sistemi S.r.l. was officially served with this claim in April 2010 and has since filed its defence.
In Brazil, the local antitrust authority has started an investigation into several cable manufacturers, including Prysmian, in the high voltage underground and submarine cables market (this is the only investigation for which the Group has been unable to estimate the size of the provision).
At the start of July 2011, Prysmian received a statement of objection from the European Commission in relation to the investigation started in January 2009 into the high voltage underground and submarine energy cables market. This document contains the Commission's preliminary position on alleged anti-competitive practices and does not prejudge its final decision. Prysmian has therefore had access to the Commission's dossier and, while fully co-operating, has presented its defence against the related allegations.

12. EMPLOYEE BENEFIT OBLIGATIONS

These are detailed as follows:

(in millions of Euro)	31 March 2012	31 December 201
Pension funds	188	188
Employee indemnity liability (Italian TFR)	22	22
Medical benefit plans	25	26
Termination and other benefits	26	26
Incentive plans	10	6
Total	**271**	**268**

Movements in pension funds have had an overall impact of Euro 5 million on the period's income statement, of which Euro 3 million classified in personnel costs and Euro 2 million in finance costs.

Please refer to Note 22 for comments about incentive plans.

The period average headcount and period-end closing headcount are shown below:

	3 months 2012	3 months 2011 (1)
Average number	21,576	15,783

	31 March 2012	31 December 2011
Closing number	21,613	21,547

(1) These figures have been calculated considering the Draka Group's consolidation from 1 March 2011.

13. OPERATING INCOME

Operating income is a profit of Euro 89 million in the first three months of 2012 (compared with a profit of Euro 47 million in the first three months of 2011) and includes the following non-recurring items:

(in millions of Euro)

	3 months 2012	3 months 2011
Draka acquisition costs	-	(5)
Effects of Draka change of control	-	(2)
Draka integration costs	(1)	-
Company reorganisation	(14)	(2)
Antitrust	1	-
Environmental remediation	(1)	-
Total non-recurring (expenses)/income	**(15)**	**(9)**

The non-recurring income of Euro 1 million relating to antitrust investigations is attributable to the positive exchange effect upon remeasurement of the provision for risks.

14. FINANCE INCOME AND COSTS

Finance costs are detailed as follows:

(in millions of Euro)

	3 months 2012	3 months 2011
Interest on syndicated loans	9	6
Interest on bond	5	5
Amortisation of bank and financial fees and other expenses	2	2
Interest costs on employee benefits	2	2
Other bank interest	9	4
Costs for undrawn credit lines	-	1
Sundry bank fees	3	2
Other	4	4
Finance costs	**34**	**26**
Net losses on forward currency contracts	1	-
Losses on derivatives	**1**	**-**
Foreign currency exchange losses	44	41
Total finance costs	**79**	**67**

Finance income is detailed as follows:

(in millions of Euro)

	3 months 2012	3 months 2011
Interest income from banks and other financial institutions	5	2
Other finance income	1	-
Finance income	**6**	**2**
Net gains on interest rate swaps	-	1
Net gains on forward currency contracts	-	3
Gains on derivatives	**-**	**4**
Foreign currency exchange gains	43	32
Total finance income	**49**	**38**

15. TAXES

The total tax charge has been estimated on the basis of the expected weighted average tax rate for the full year. The tax rate in the first three months of 2012 is 31%.

16. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share have been determined by dividing the net result for the period attributable to owners of the parent by the average number of the Company's outstanding shares. With regard to the denominator used for calculating earnings per share, the average number of outstanding shares also includes:

a. the shares issued following exercise of options under the Stock Option Plan, involving the issue of 546,227 shares in 2008, 688,812 shares in 2009, 794,263 shares in 2010 and 539,609 shares in 2011 and 37,491 in the first three months of 2012. The options are all vested but can be exercised only in two 30-day periods, running from the date of approving the half-year results for 2012 and from the date of approving the proposed annual financial statements for 2012;
b. the issue of 31,824,570 shares under the capital increase for the Draka Group acquisition.

Diluted earnings/(loss) per share have been determined by taking into account, when calculating the number of outstanding shares, the potential dilutive effect of options granted under existing Stock Option Plans.

(in millions of Euro)

	3 months 2012	3 months 2011
Net profit attributable to owners of the parent	42	14
Weighted average number of ordinary shares (thousands)	211,367	200,355
Basic earnings per share (in Euro)	**0.20**	**0.07**
Net profit attributable to owners of the parent	42	14
Weighted average number of ordinary shares (thousands)	211,367	200,355
Adjustments for:		
Dilution from incremental shares arising from exercise of stock options (thousands)	2,934	596
Weighted average number of ordinary shares to calculate diluted earnings per share (thousands)	214,301	200,951
Diluted earnings per share (in Euro)	**0.20**	**0.07**

17. CONTINGENT LIABILITIES

As a global operator, the Group is exposed to legal risks primarily, by way of example, in the areas of product liability, environmental rules and regulations, antitrust investigations and tax matters. Outlays relating to current or future proceedings cannot be predicted with certainty. It is possible that the outcomes of these proceedings may give rise to costs that are not covered or not fully covered by insurance, which would therefore have a direct effect on the Group's results.

It is also reported, with reference to the antitrust investigations in the various jurisdictions involved, that the only jurisdiction for which Prysmian Group has been unable to estimate the related risk is Brazil.

18. RECEIVABLES FACTORING

The Group has factored trade receivables without recourse. The amount of receivables factored but not yet paid by customers was Euro 152 million at 31 March 2012 (Euro 117 million at 31 March 2011 and Euro 178 million at 31 December 2011). The increase is primarily due to the first-time consolidation of the Draka Group.

19. SEASONALITY

The Group's business features a certain degree of seasonality in its revenues, which are usually higher in the second and third quarters. This is due to the fact that utilities projects in the northern hemisphere are mostly concentrated in the warmer months of the year. The Group's level of debt is generally higher in the period May-July, with funds being absorbed by higher working capital.

20. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In accordance with the disclosures required by Consob Communication DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions were carried out in the first three months of 2012.

21. COMMITMENTS

Contractual commitments to purchase property, plant and equipment, already given to third parties at 31 March 2012 and not yet reflected in the financial statements, amount to Euro 29 million.

Prysmian has recognised among its liabilities Euro 16 million in estimated costs for put options granted to minority shareholders of companies not wholly-owned by the Group.

22. STOCK OPTION PLANS

Stock option plan 2007-2012

On 30 November 2006, the Company's shareholders approved a stock option plan which was dependent on the flotation of the Company's shares on Italy's Electronic Equities Market (MTA) organised and managed by Borsa Italiana S.p.A.. The plan was reserved for employees of companies belonging to Prysmian Group.
Each option entitles the holder to subscribe to one share at a price of Euro 4.65.

The following table provides further details about the stock option plan:

(in Euro)

	31 March 2012		31 December 2011	
	Number of options	Exercise price	Number of options	Exercise price
Options at start of period	198,237	4.65	737,846	4.65
Granted	-	4.65	-	4.65
Cancelled	-	-	-	-
Exercised	(37,491)	4.65	(539,609)	4.65
Options at end of period	160,746	4.65	198,237	4.65
of which vested at end of period	160,746	4.65	198,237	4.65
of which exercisable(1)	-	-	-	-
of which not vested at end of period	-	4.65	-	4.65

(1) Options can be exercised in specified periods only.

As at 31 March 2012 the options are all fully vested. Following an amendment of the original plan, approved by the Shareholders' Meeting on 15 April 2010, the options can be exercised only in two 30-day periods, running from the date of approving the half-year results for 2012 and the proposed annual financial statements for 2012.

The incentive plan’s amendment has been accompanied by an extension of the term for the capital increase by Prysmian S.p.A. in relation to this plan, with a consequent revision of art. 6 of the Company's by-laws.

Long-term incentive plan 2011-2013

On 14 April 2011, the Ordinary Shareholders' Meeting of Prysmian S.p.A. approved, pursuant to art. 114-bis of Legislative Decree 58/98, a long-term incentive plan for the period 2011-2013 for employees of the Prysmian Group, including certain members of the Board of Directors of Prysmian S.p.A., and granted the Board of Directors the necessary authority to establish and execute the plan. The plan's purpose is to incentivise the process of integration following Prysmian's acquisition of the Draka Group, and is conditional upon the achievement of performance targets, as detailed in the specific information memorandum.

The plan involves the participation of 290 employees of group companies in Italy and abroad viewed as key resources, and divides them into three categories, to whom the shares will be granted in the following proportions:

- *CEO*: to whom approximately 7.70% of the rights to receive Prysmian S.p.A. shares have been allotted.
- *Senior Management*: this category has 44 participants who hold key positions within the Group (including the Directors of Prysmian S.p.A. who hold the positions of Chief Financial Officer, Energy Business Senior Vice President and Chief Strategic Officer), to whom 41.64% of the total rights to receive Prysmian shares have been allotted.
- *Executives*: this category has 245 participants who belong to the various operating units and businesses around the world, to whom 50.66% of the total rights to receive Prysmian shares have been allotted.

The plan establishes that the number of options granted will depend on the achievement of common business and financial performance objectives for all the participants.

The plan establishes that the participants' right to exercise the allotted options depends on achievement of the Target (being a minimum performance objective of at least Euro 1.75 billion in cumulative Adj. EBITDA for the Group in the period 2011-2013, assuming the same group perimeter) as well as continuation of a professional relationship with the Group up until 31 December 2013. The plan also establishes an upper limit for Adj. EBITDA as the Target plus 20% (ie. Euro 2.1 billion), assuming the same group perimeter, that will determine the exercisability of the maximum number of options granted to and exercisable by each participant.

Access to the plan has also been made conditional upon each participant's acceptance that part of their annual bonus will be co-invested, if achieved and payable in relation to financial years 2011 and 2012.

The allotted options carry the right to receive or subscribe to ordinary shares in Prysmian S.p.A., the Parent Company. These shares may partly comprise treasury shares and partly new issue shares, obtained through a capital increase that excludes pre-emptive rights under art. 2441, par. 8 of the Italian Civil Code. Such a capital increase, involving the issue of up to 2,131,500 new ordinary shares of nominal value Euro 0.10 each, for a maximum amount of Euro 213,150, was approved by the shareholders in the extraordinary session of their meeting on 14 April 2011. The shares obtained from the Company's holding of treasury shares will be allotted for zero consideration, while the shares obtained from the above capital increase will be allotted to participants upon payment of an exercise price corresponding to the nominal value of the Company's shares.

In accordance with IFRS 2, for both new issue and treasury shares, the options granted have been measured at fair value on their grant date.

At 31 March 2012, the overall cost recognised in the income statement under "Personnel costs" in relation to the fair value of the options granted is Euro 5 million.

The following table provides more details about the long-term incentive plan described above:

(in Euro)

	For consideration		For no consideration	
	Number of options (*)	Exercise price	Number of options (*)	Exercise price
Options at start of period	2,131,500	0.10	2,017,223	-
Granted	-	0.10	5,773	-
Cancelled	-	-	(11,102)	-
Exercised	-	0.10	-	-
Options at end of period	2,131,500	0.10	2,011,894	-
of which vested at end of period	-	0.10	-	-
of which exercisable	-	-	-	-
of which not vested at end of period	2,131,500	0.10	2,011,894	-

(*) The number of options shown has been determined under the assumption that the objective achieved is a mean between the Target and the Adj. EBITDA upper limit.

The information memorandum, prepared under art. 114-bis of Legislative Decree 58/98 and describing the characteristics of the above incentive plan, is publicly available on the Company's website at http://www.prysmiangroup.com/, from its registered offices and from Borsa Italiana S.p.A..

23. EXCHANGE RATES

The main exchange rates used to translate financial statements in foreign currencies for consolidation purposes are reported below:

	Closing rates at		Average rates	
	31 March 2012	**31 December 2011**	**3 months 2012**	**3 months 2011**
Europe				
British Pound	0.834	0.835	0.834	0.854
Swiss Franc	1.205	1.216	1.208	1.287
Hungarian Forint	294.920	314.580	296.847	272.428
Norwegian Krone	7.604	7.754	7.587	7.824
Swedish Krona	8.846	8.912	8.853	8.864
Czech Koruna	24.730	25.787	25.084	24.375
Danish Krone	7.440	7.434	7.435	7.456
Romanian Leu	4.382	4.323	4.353	4.221
Turkish Lira	2.378	2.456	2.357	2.157
Polish Zloty	4.152	4.458	4.233	3.946
Russian Rouble	39.295	41.765	39.550	39.998
North America				
US Dollar	1.336	1.294	1.311	1.368
Canadian Dollar	1.331	1.322	1.313	1.348
South America				
Brazilian Real	2.434	2.427	2.320	2.281
Argentine Peso	5.849	5.569	5.691	5.490
Chilean Peso	649.235	670.887	640.672	658.821
Mexican Peso	17.055	18.062	17.017	16.604
Oceania				
Australian Dollar	1.284	1.272	1.242	1.361
New Zealand Dollar	1.625	1.674	1.603	1.811
Africa				
CFA Franc	655.957	655.957	655.957	655.957
Tunisian Dinar	2.007	1.939	1.974	1.933
Asia				
Chinese Renminbi (Yuan)	8.409	8.159	8.269	9.003
United Arab Emirates Dirham	4.906	4.752	4.814	5.024
Hong Kong Dollar	10.371	10.051	10.173	10.654
Singapore Dollar	1.678	1.682	1.657	1.747
Indian Rupee	68.022	68.590	65.858	61.861
Indonesian Rupiah	12,245.240	11,731.470	11,901.672	12,171.851
Japanese Yen	109.560	100.200	103.993	114.345
Thai Baht	41.177	40.991	40.630	42.385
Philippine Peso	57.281	56.754	56.417	60.691
Omani Rial	0.514	0.498	0.505	0.538
Malaysian Ringgit	4.092	4.106	4.012	4.167
Saudi Riyal	5.009	4.852	4.916	5.130

24. SUBSEQUENT EVENTS

On 5 April 2012, Prysmian Group finalised the acquisition of 50% of the shares in Telcon and 30% of the shares in Draktel, thereby becoming the sole shareholder of these two Brazilian telecom cables and optical fibre companies, which joined the Group following the acquisition of Draka in 2011. The value of this acquisition amounts to approximately Euro 23 million (Euro 21 million for Telcon and Euro 2 million for Draktel). The integration of the two companies into the Prysmian Group will be completed only after obtaining authorisation from the competent antitrust authorities, duly notified of the transaction in the time and manner required by law.

The shareholders' meeting of Prysmian S.p.A. held on 18 April 2012 adopted the following decisions:

• it approved the financial statements for 2011 and the distribution of a gross dividend of Euro 0.21 per share for a total of some Euro 44 million. The dividend was paid out from 26 April 2012, with the shares going ex-div on 23 April 2012, and was payable to shares outstanding on the ex-div date;

• it appointed the Board of Directors, establishing its term in office as three financial years (until the date of approving the financial statements for the year ended 31 December 2014) and its size at 11 members, as listed in the "Directors and Auditors" section of the Directors' report; it also established the emoluments payable to the entire Board of Directors;

• it authorised a treasury share buy-back and disposal programme. This programme provides the opportunity to purchase, on one or more occasions, a maximum number of ordinary shares whose total cannot exceed 10% of share capital, equal to 18,403,928 ordinary shares as at today's date, after deducting the treasury shares already held by the Company. Purchases may not exceed the amount of undistributed earnings and available reserves reported in the most recently approved annual financial statements. The authorisation to buy back treasury shares will last for 18 months commencing from the date of the resolution, while the authorisation to dispose of treasury shares has no time limit.
The authorisation to buy back and dispose of treasury shares was sought to give the Company authority that could be exercised:

- to provide the Company with a portfolio of treasury shares, including those already held by the Company, that can be used in any extraordinary transactions;
- in order to use the treasury shares purchased to service the exercise of rights arising from convertible debt instruments or instruments exchangeable with financial instruments issued by the Company, its subsidiaries or by third parties;
- to dispose of treasury shares to satisfy stock option plans reserved for the Group's directors and employees;
- to allow efficient management of the Company's capital, by creating an investment opportunity even for its available liquidity.

• it expressed a favourable opinion on the Group's remuneration policies.

The credit agreement signed on 18 April 2007 ("Credit Agreement"), under which Prysmian S.p.A. and some of its subsidiaries were granted an initial total of Euro 1,700 million in loans and credit facilities, was repaid on 3 May 2012. The Group repaid the outstanding amounts at the maturity date of Euro 670 million against the Term Loan and Euro 5.2 million in drawdowns against the Revolving Credit Facility for Euro 400 million.

The Bonding Facility for Euro 300 million had been cancelled on 10 May 2011 in advance of its natural maturity.
This credit agreement was replaced by the Forward Start Credit Agreement, a long-term credit agreement for Euro 1,070 million (maturing on 31 December 2014), entered into on 21 January 2010 with a pool of major national and international banks and comprising a Term Loan Facility for Euro 670 million and a Revolving Credit Facility for Euro 400 million.

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Pursuant to art. 154-bis par. 2 of Italy's Unified Financial Act (TUF), Carlo Soprano and Jordi Calvo, as managers responsible for preparing corporate accounting documents, declare that the information contained in this quarterly report corresponds to the underlying documents, accounting books and records.

Milan, 10 May 2012

ON BEHALF OF THE BOARD OF DIRECTORS
THE CHAIRMAN

Massimo Tononi

SCOPE OF CONSOLIDATION – APPENDIX A

The following companies have been consolidated line-by-line:

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Europe					
Austria					
Prysmian OEKW GmbH	Vienna	Euro	2,053,008	100.00%	Prysmian Cavi e Sistemi S.r.l.
Draka Comteq Austria GmbH	Vienna	Euro	54,505	100.00%	Draka Comteq Germany GmbH & Co. KG
Belgium					
Draka Belgium N.V.	Leuven	Euro	61,973	98.52%	Draka Holding N.V.
				1.48%	Draka Kabel B.V.
Denmark					
Draka Denmark Copper Cable A/S	Brøndby	Danish Krone	5,000,000	100.00%	Draka Denmark Holding A/S
Draka Comteq Denmark A/S	Brøndby	Danish Krone	40,000,000	100.00%	Draka Denmark Holding A/S
Draka Denmark Holding A/S	Brøndby	Danish Krone	88,734,000	100.00%	Draka Holding N.V.
Estonia					
AS Draka Keila Cables	Keila	Euro	1,661,703	66.00%	Draka NK Cables OY
				34.00%	Third parties
Finland					
Prysmian Cables and Systems OY	Kirkkonummi	Euro	2,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Draka NK Cables OY	Helsinki	Euro	16,008,000	100.00%	Draka Holding N.V.
Epictetus OY	Helsinki	Euro	2,523	100.00%	Draka NK Cables OY
Draka Comteq Finland OY	Helsinki	Euro	100,000	100.00%	Draka Comteq B.V.
France					
Prysmian (French) Holdings S.A.S.	Paron de Sens	Euro	173,487,250	100.00%	Prysmian Cavi e Sistemi S.r.l.
GSCP Athena (French) Holdings II S.A.S.	Paron de Sens	Euro	37,000	100.00%	Prysmian (French) Holdings S.A.S.
Prysmian Cables et Systèmes France S.A.S.	Paron de Sens	Euro	136,800,000	100.00%	Prysmian (French) Holdings S.A.S.
Draka Comteq France	Argenteuil	Euro	246,554,316	100.00%	Draka France S.A.S.
Draka Fileca S.A.S.	Sainte Geneviève	Euro	5,439,700	100.00%	Draka France S.A.S.
Draka Paricable S.A.S.	Sainte Geneviève	Euro	5,177,985	100.00%	Draka France S.A.S.
Draka France S.A.S.	Marne La Vallée	Euro	120,041,700	100.00%	Draka Holding N.V.
Germany					
Prysmian Kabel und Systeme GmbH	Berlin	Euro	15,000,000	93.75%	Prysmian Cavi e Sistemi S.r.l.
				6.25%	Prysmian S.p.A.
Bergmann Kabel und Leitungen GmbH	Schwerin	Euro	1,022,600	100.00%	Prysmian Kabel und Systeme GmbH
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Eschweiler	Deutsche Mark	50,000	100.00%	Prysmian Kabel und Systeme GmbH
Draka Cable Wuppertal GmbH	Wuppertal	Euro	25,000	100.00%	Draka Deutschland GmbH
Draka Comteq Berlin GmbH & Co.KG	Berlin	Deutsche Mark	46,000,000	50.10%	NKF Participatie B.V.
				49.90%	Draka Deutschland Vierte Beteiligungs- GmbH
Draka Comteq Germany Verwaltungs GmbH	Koln	Euro	25,000	100.00%	Draka Comteq BV
Draka Comteq Germany GmbH & Co.KG	Koln	Euro	26,000	100.00%	Draka Comteq B.V.
Draka Comteq Germany Holding GmbH	Koln	Euro	25,000	100.00%	Draka Comteq BV
Draka Deutschland Erste Beteiligungs- GmbH	Wuppertal	Euro	25,000	100.00%	Beheer- en Beleggingsmaatschappij De Vaartweg B.V.
Draka Deutschland GmbH	Wuppertal	Euro	25,000	90.00%	Draka Deutschland Erste Beteiligungs- GmbH
				10.00%	Draka Deutschland Zweite Beteiligungs- GmbH

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Draka Deutschland Verwaltungs- GmbH	Wuppertal	Deutsche Mark	50,000	100.00%	Draka Cable Wuppertal GmbH
Draka Deutschland Vierte Beteiligungs- GmbH	Wuppertal	Euro	25,000	100.00%	Draka Deutschland GmbH
Draka Deutschland Zweite Beteiligungs- GmbH	Wuppertal	Euro	25,000	100.00%	Kabelbedrijven Draka Nederland B.V.
Draka Kabeltechnik GmbH	Wuppertal	Euro	25,000	100.00%	Draka Cable Wuppertal GmbH
Draka Service GmbH	Nurnmberg	Euro	25,000	100.00%	Draka Cable Wuppertal GmbH
Höhn GmbH	Wuppertal	Deutsche Mark	1,000,000	100.00%	Draka Deutschland GmbH
Kaiser Kabel GmbH	Wuppertal	Deutsche Mark	9,000,000	100.00%	Draka Deutschland GmbH
Kaiser Kabel Vertriebs GmbH	Wuppertal	Euro	25,100	100.00%	Kaiser Kabel GmbH
NKF Holding (Deutschland) GmbH	Wuppertal	Euro	25,000	100.00%	Draka Communications B.V.
Usb -elektro Kabelkonfektions - GmbH	Bendorf	Deutsche Mark	2,750,000	100.00%	White Holding B.V.
Wagner Management- und Projektgesellschaft mit beschränkter Haftung	Berlin	Deutsche Mark	50,000	60.00%	Draka Cable Wuppertal GmbH
				40.00%	Third parties
U.K.					
Prysmian Cables & Systems Ltd.	Eastleigh	British Pound	45,292,120	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Construction Company Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (2000) Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Industrial) Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables (Supertension) Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Cables and Systems International Ltd.	Eastleigh	Euro	100,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Cable Makers Properties & Services Limited	Kingston upon Thames	British Pound	33	63.53%	Prysmian Cables & Systems Ltd.
				12.52%	Draka UK Limited
				23.95%	Third parties
Prysmian Telecom Cables and Systems Uk Ltd.	Eastleigh	British Pound	1	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Metals Limited	Eastleigh	British Pound	15,000,000	100.00%	Prysmian Cables & Systems Ltd.
Comergy Ltd.	Eastleigh	British Pound	1,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Pension Scheme Trustee Limited	Eastleigh	British Pound	1	100.00%	Prysmian S.p.A.
Draka Distribution Aberdeen Limited	Eastleigh	British Pound	1	100.00%	Draka UK Group Limited
Draka Comteq UK Limited	Eastleigh	British Pound	2	100.00%	Draka Comteq B.V.
Draka UK Limited	Eastleigh	British Pound	202,000	100.00%	Draka UK Group Limited
Draka UK Group Limited	Eastleigh	British Pound	10,000,103	99.99999%	Draka Holding N.V.
				0.00001%	Third parties
Draka UK Pension Plan Trust Company Ltd.	Derby	British Pound	1	100.00%	Draka UK Limited
Ireland					
Prysmian Financial Services Ireland Limited	Dublin	Euro	1,000	100.00%	Third parties
Prysmian Re Company Limited	Dublin	Euro	3,000,000	100.00%	Prysmian (Dutch) Holding B.V.
Italy					
Prysmian Cavi e Sistemi S.r.l.	Milan	Euro	100,000,000	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Italia S.r.l.	Milan	Euro	77,143,249	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Treasury S.r.l.	Milan	Euro	4,242,476	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian PowerLink S.r.l.	Milan	Euro	50,000,000	84.80%	Prysmian Cavi e Sistemi S.r.l.
				15.20%	Prysmian Cavi e Sistemi Italia S.r.l.
Fibre Ottiche Sud - F.O.S. S.r.l.	Battipaglia	Euro	47,700,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
DB Lift Draka Elevator Product S.r.l	Milan	Euro	250,000	100.00%	Prysmian Cavi e Sistemi Italia S.r.l.
Prysmian Electronics S.r.l..	Milan	Euro	10,000	80.00%	Prysmian Cavi e Sistemi S.r.l.
				20.00%	Third parties
Luxembourg					
Prysmian Treasury (Lux) S.à r.l.	Luxembourg	Euro	3,050,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Balin S.A.	Luxembourg	Euro	30,987	100.00%	Third parties
Norway					
Prysmian Kabler og Systemer A.S.	Ski	Norwegian Krone	100,000	100.00%	Prysmian Cables and Systems OY
Draka Comteq Norway A.S.	Drammen	Norwegian Krone	100,300	100.00%	Draka Comteq B.V.
Draka Norsk Kabel A.S.	Drammen	Norwegian Krone	22,500,000	100.00%	Draka Norway A.S.
Draka Norway A.S.	Drammen	Norwegian Krone	112,000	100.00%	Draka Holding N.V.

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
The Netherlands					
Prysmian Cable Holding B.V.	Delft	Euro	54,503,013	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Cables and Systems B.V.	Delft	Euro	5,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian (Dutch) Holdings B.V.	Delft	Euro	18,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Beheer- en Beleggingsmaatschappij De Vaartweg B.V.	Amsterdam	Euro	16,563	100.00%	Draka Holding N.V.
Cableries Holding B.V.	Oudenbosch	Euro	453,780	100.00%	White Holding B.V.
Draka Beheer B.V.	Amsterdam	Euro	18,004	100.00%	Draka Holding N.V.
Draka Beheer IV B.V.	Amsterdam	Euro	18,000	100.00%	Draka Holding N.V.
Draka Communications B.V.	Amsterdam	Euro	2,053,355	100.00%	Kabelbedrijven Draka Nederland B.V.
Draka Comteq B.V.	Amsterdam	Euro	1,000,000	100.00%	Draka Beheer B.V.
Draka Comteq Cable Solutions B.V.	Gouda	Euro	18,000	100.00%	Draka Beheer B.V.
Draka Comteq Data B.V.	Amsterdam	Euro	18,200	100.00%	Draka Beheer B.V.
Draka Comteq Fibre B.V.	Eindhoven	Euro	18,000	100.00%	Draka Beheer B.V.
Draka Comteq Telecom B.V.	Gouda	Euro	18,002	100.00%	Draka Beheer B.V.
Draka Elevator Products B.V.	Oudenbosch	Euro	18,000	100.00%	Draka Nederland B.V.
Draka Holding N.V.	Amsterdam	Euro	27,245,627	100.00%	Prysmian S.p.A.
Draka Kabel B.V.	Amsterdam	Euro	2,277,977	100.00%	Kabelbedrijven Draka Nederland B.V.
Draka Nederland B.V.	Amsterdam	Euro	18,605	100.00%	Draka Holding N.V.
Draka Treasury B.V.	Amsterdam	Euro	2,268,901	100.00%	Draka Holding N.V.
Fabriek voor Auto-en Electrotechnische Produkten "White Products" B.V.	Oudenbosch	Euro	6,806,703	100.00%	White Holding B.V.
I.C. Kabel B.V.	Roosendaal	Euro	1,150,333	100.00%	Balin S.A.
Kabelbedrijven Draka Nederland B.V.	Amsterdam	Euro	18,151	100.00%	Draka Nederland B.V.
NKF Participatie B.V.	Delft	Euro	18,151	100.00%	Draka Communications B.V.
NK China Investments B.V.	Delft	Euro	19,000	100.00%	Draka Communications B.V.
NKF Vastgoed B.V.	Delft	Euro	13,613,406	100.00%	Draka Communications B.V.
NKF Vastgoed Holding B.V.	Den Haag	Euro	18,151	100.00%	Draka Communications B.V.
NKF Vastgoed I B.V.	Delft	Euro	18,151	99.00%	Draka Holding N.V.
				1.00%	Draka Communications B.V.
NKF Vastgoed II B.V.	Delft	Euro	18,151	100.00%	Draka Communications B.V.
NKF Vastgoed III B.V.	Amsterdam	Euro	18,151	99.00%	Draka Deutschland GmbH
				1.00%	Draka Communications B.V.
NKF Vastgoed IV B.V.	's-Gravenhage	Euro	18,151	100.00%	NKF Vastgoed Holding B.V.
Plasma Optical Fibre B.V.	Eindhoven	Euro	90,756	100.00%	Draka Comteq Fibre B.V.
White Holding B.V.	Oudenbosch	Euro	4,605,869	100.00%	Draka Nederland B.V.
Draka Sarphati B.V.	Amsterdam	Euro	18,151	100.00%	Draka Holding N.V.
Czech Republic					
Draka Kabely, s.r.o.	Velke Mezirici	Czech Koruna	255,000,000	100.00%	Draka Holding N.V.
Romania					
Prysmian Cabluri Si Sisteme S.A.	Slatina	Romanian Leu	103,850,920	99.9995%	Prysmian (Dutch) Holdings B.V.
				0.0005%	Prysmian Cavi e Sistemi S.r.l.
Russia					
Limited Liability Company "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel"	Rybinsk city	Russian Rouble	230,000,000	99.00%	Prysmian (Dutch) Holdings B.V.
				1.00%	Prysmian Cavi e Sistemi S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Rybinsk city	Russian Rouble	31,800,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel"
Limited Liability Company "Torgoviy Dom Rybinskelektrokabel"	Rybinsk city	Russian Rouble	8,512,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel"
Limited Liability Company "NPP Rybinskelektrokabel"	Rybinsk city	Russian Rouble	50,000,000	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel"
Draka Industrial Cable Russia LLC	St. Petersburg	Russian Rouble	100,000	100.00%	Draka Holding N.V.
Neva Cables Ltd	St. Petersburg	Russian Rouble	194,000	75.00%	Draka Comteq Finland OY
				25.00%	Terzi

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Slovakia					
Prysmian Kablo s.r.o.	Bratislava	Euro	21,246,001	99.995%	Prysmian Cavi e Sistemi S.r.l.
				0.005%	Prysmian S.p.A.
Draka Comteq Slovakia s.r.o.	Presov	Euro	1,506,639	100.00%	Draka Comteq B.V.
Spain					
Prysmian Cables y Sistemas S.A.	Vilanova I la Geltrù	Euro	15,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Fercable S.L.	Sant Vicenç dels Horts	Euro	3,606,073	100.00%	Prysmian Cables y Sistemas S.A.
Prysmian Servicios de Tesoreria Espana S.L.	Madrid	Euro	3,100	100.00%	Prysmian Financial Services Ireland Limited
Draka Industry & Specialty S.L.U.	Noain	Euro	3,201	100.00%	Draka Holding NV Y CIA Soc. Col.
Marmavil.S.L.U.	Santa Perpetua de Mogoda	Euro	3,006	100.00%	Draka Nederland B.V.
Draka Holding NV Y CIA Soc. Col.	Santa Perpetua de Mogoda	Euro	17,011,685	99.9999%	Draka Holding N.V.
				0.0001%	Marmavil.S.L.U.
Draka Cables Industrial S.L.U.	Santa Perpetua de Mogoda	Euro	58,178,234	100.00%	Draka Holding NV Y CIA Soc. Col.
Draka Comteq Iberica S.L.U.	Maliaño	Euro	4,000,030	100.00%	Draka Holding NV Y CIA Soc. Col.
Draka Elevator Products Spain S.L.U.	Fuente el Saz del Jarama	Euro	3,007	100.00%	Draka Holding NV Y CIA Soc. Col.
Sweden					
Prysmian Kablar och System AB	Hoganas	Swedish Krona	100,000	100.00%	Prysmian Cables and Systems OY
Draka Comteq Sweden AB	Nässjö	Swedish Krona	100,000	100.00%	Draka Comteq B.V.
NK Cables Sverige AB	Orebro	Swedish Krona	100,000	100.00%	Draka NK Cables OY
Draka Sweden AB	Nässjö	Swedish Krona	100,100	100.00%	Draka Holding N.V.
Draka Kabel Sverige AB	Nässjö	Swedish Krona	100,000	100.00%	Draka Sweden AB
Fastighets Spännbucklan AB	Nässjö	Swedish Krona	25,000,000	100.00%	Draka Sweden AB
Fastighets Hygget AB	Nässjö	Swedish Krona	100,000	100.00%	Draka Sweden AB
Switzerland					
Prysmian Cables and Systems SA	Manno	Swiss Franc	500,000	100.00%	Prysmian (Dutch) Holdings B.V.
Turkey					
Turk Prysmian Kablo Ve Sistemleri A.S.	Mudanya	Turkish new Lira	112,233,652	83.746%	Prysmian (Dutch) Holdings B.V.
				16.254%	Third parties
Draka Istanbul Asansor Ihracaat Ithalat Üretim Ltd Sti.	Istanbul	Turkish new Lira	180,000	99.972%	Draka Elevator Products B.V.
				0.028%	Draka Holding N.V.
Draka Comteq Kablo Limited Sirketi	Istanbul	Turkish new Lira	45,818,775	99.50%	Draka Comteq B.V.
				0.50%	Draka Comteq Telecom B.V.
Hungary					
Prysmian MKM Magyar Kabel Muvek KFT	Budapest	Hungarian Forint	5,000,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Kabel Keszletertekesito BT	Budapest	Hungarian Forint	1,239,841,361	99.999%	Prysmian MKM Magyar Kabel Muvek KFT
				0.001%	Third parties
North America					
Canada					
Prysmian Power Cables and Systems Canada Ltd.	Saint John	Canadian Dollar	1,000,000	100.00%	Prysmian (Dutch) Holdings B.V.
Draka Elevator Products, Inc.	Brantford	Canadian Dollar	n/a	100.00%	Draka Cableteq USA, Inc.
U.S.A.					
Prysmian Cables and Systems (US) INC.	Carson City	US Dollar	71,000,001	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Power Cables and Systems USA LLC	Wilmington	US Dollar	10	100.00%	Prysmian Cables and Systems (US) INC.
Prysmian Construction Services Inc	Wilmington	US Dollar	1,000	100.00%	Prysmian Power Cables and Systems USA LLC
Prysmian Communications Cables and Systems USA LLC	Wilmington	US Dollar	10	100.00%	Prysmian Cables and Systems (US) INC.
Prysmian Communications Cables Corporation	Wilmington	US Dollar	1	100.00%	Prysmian Communications Cables and Systems USA LLC
Prysmian Power Financial Services US LLC	Wilmington	US Dollar	100	100.00%	Prysmian Power Cables and Systems USA LLC
Prysmian Communications Financial Services US LLC	Wilmington	US Dollar	100	100.00%	Prysmian Communications Cables and Systems USA LLC
Draka USA, Inc.	Boston	US Dollar	10	100.00%	Draka Holding N.V.
Draka Holdings USA, Inc.	Boston	US Dollar	10	100.00%	Draka USA, Inc.
Draka Cableteq USA, Inc.	Boston	US Dollar	0	100.00%	Draka Holdings USA, Inc.
Draka Elevator Products, Inc.	Boston	US Dollar	1	100.00%	Draka Holdings USA, Inc.
Draka Communications Americas, Inc.	Boston	US Dollar	0	100.00%	Draka Holdings USA, Inc.
Draka Marine Oil & Gas International LLC	Boston	US Dollar	0	100.00%	Draka Cableteq USA, Inc.
Draka Transport USA LLC	Boston	US Dollar	0	100.00%	Draka Cableteq USA, Inc.

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Central/South America					
Argentina					
Prysmian Energia Cables y Sistemas de Argentina S.A.	Buenos Aires	Argentine Peso	66,966,667	94.68%	Prysmian Consultora Conductores e Instalaciones SAIC
				5.00%	Prysmian (Dutch) Holdings B.V
				0.32%	Third parties
Prysmian Consultora Conductores e Instalaciones SAIC	Buenos Aires	Argentine Peso	48,571,242	95.00%	Prysmian (Dutch) Holdings B.V.
				5.00%	Prysmian Cavi e Sistemi S.r.l.
Brazil					
Prysmian Energia Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	108,869,887	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.	Sorocaba	Brazilian Real	58,309,129	99.87%	Prysmian Energia Cabos e Sistemas do Brasil S.A.
				0.13%	Prysmian Cavi e Sistemi S.r.l.
Sociedade Produtora de Fibras Opticas S.A.	Sorocaba	Brazilian Real	1,500,100	51.00%	Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.
				49.00%	Third parties
Prysmian Surflex Umbilicais e Tubos Flexìveis do Brasil LTDA	Vila Velha	Brazilian Real	118,290,457	100.00%	Prysmian Cavi e Sistemi S.r.l.
Draka Comteq Brasil Holding Ltda	Sorocaba	Brazilian Real	34,005,410	99.99%	Draka Comteq B.V.
				0.01%	NKF Vastgoed B.V.
Draka Cableteq Brasil S.A	Sorocaba	Brazilian Real	19,286,097	99.19%	Draka Holding N.V.
				0.81%	Third parties
Doiter Industria e Comercio Ltda	Espirito Santo, Vitoria	Brazilian Real	118,000	99.9992%	Draka Comteq Cabos Brasil S.A
				0.0008%	Third parties
Draktel Optical Fibre S.A	Sorocaba	Brazilian Real	42,628,104	70.00%	Draka Comteq Brasil Holding Ltda
				30.00%	Third parties
Draka Comteq Cabos Brasil S.A	Sao Paulo	Brazilian Real	43,928,631	99.999998%	Draka Comteq B.V.
				0.000002%	Third parties
Chile					
Prysmian Instalaciones Chile S.A.	Santiago	Chilean Peso	1,147,127,679	99.80%	Prysmian Consultora Conductores e Instalaciones SAIC
				0.20%	Third parties
Mexico					
Draka Durango S. de R.L. de C.V.	Durango	Mexican Peso	163,471,787	99.996%	Draka Mexico Holdings S.A. de C.V.
				0.004%	Draka Holding N.V.
Draka Mexico Holdings S.A. de C.V.	Durango	Mexican Peso	57,036,500	99.998%	Draka Holding N.V.
				0.002%	Draka Nederland B.V.
NK Mexico Holdings S.A. de C.V.	Mexico City	Mexican Peso	n/a	100.00%	Draka NK Cables OY
Africa					
Ivory Coast					
SICABLE - Sociète Ivorienne de Cables S.A.	Abidjan	CFA Franc	740,000,000	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Third parties
Tunisia					
Auto Cables Tunisie S.A.	Grombalia	Tunisian Dinar	4,050,000	51.00%	Prysmian Cables et Systèmes France S.A.S.
				49.00%	Third parties
Eurelectric Tunisie S.A.	Soliman	Tunisian Dinar	210,000	99.71%	Prysmian Cables et Systemes France S.A.S.
				0.05%	Prysmian (French) Holdings S.A.S.
				0.05%	Prysmian Cavi e Sistemi S.r.l.
				0.19%	Third parties
Oceania					
Australia					
Prysmian Power Cables & Systems Australia Pty Ltd.	Liverpool	Australian Dollar	15,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian Telecom Cables & Systems Australia Pty Ltd.	Liverpool	Australian Dollar	38,500,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Draka Cableteq Australia Pty Ltd	Liverpool	Australian Dollar	1,700,001	100.00%	Singapore Cables Manufacturers Pte Ltd
New Zealand					
Prysmian Power Cables & Systems New Zealand Ltd.	Auckland	New Zealand Dollar	10,000	100.00%	Prysmian Power Cables & Systems Australia Pty Ltd.

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Asia					
Saudi Arabia					
Prysmian Powerlink Saudi LLC	Al Khoabar	Saudi Arabian Riyal	500,000	95.00%	Prysmian PowerLink S.r.l.
				5.00%	Third parties
China					
Prysmian Tianjin Cables Co. Ltd.	Tianjin	US Dollar	20,400,000	67.00%	Prysmian (China) Investment Company Ltd.
				33.00%	Third parties
Prysmian Cable (Shanghai) Co.Ltd.	Shanghai	US Dollar	5,000,000	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Baosheng Cable Co.Ltd.	Jiangsu	US Dollar	35,000,000	67.00%	Prysmian (China) Investment Company Ltd.
				33.00%	Third parties
Prysmian Wuxi Cable Co. Ltd .	Wuxi	US Dollar	29,941,250	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Angel Tianjin Cable Co. Ltd.	Tianjin	US Dollar	14,000,000	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	Hong Kong	Euro	55,000,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Prysmian (China) Investment Company Ltd.	Pechino	Euro	55,000,000	100.00%	Prysmian Hong Kong Holding Ltd.
Nantong Haixun Draka Elevator Products Co. LTD	Nantong	US Dollar	2,400,000	75.00%	Draka Elevator Product INC.
				25.00%	Third parties
Nantong Zhongyao Draka Elevator Products Co. LTD	Nantong	US Dollar	2,000,000	75.00%	Draka Elevator Product INC.
				25.00%	Third parties
Draka Cables (Hong Kong) Limited	Hong Kong	Hong Kong Dollar	6,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Shanghai Optical Fibre Cable Co Ltd.	Shanghai	US Dollar	15,580,000	55.00%	Draka Comteq Germany GmbH & Co.KG
				45.00%	Third parties
Suzhou Draka Cable Co. Ltd	Suzhou	Chinese Renminbi (Yuan)	134,500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Yangtze Optical Fibre & Cable (Shanghai) Co. Ltd.	Shanghai	US Dollar	12,000,000	28.125%	Yangtze Optical Fibre and Cable Company Ltd.
				25.00%	Draka Comteq B.V.
				46.875%	Terzi
NK Wuhan Cable Co. Ltd.	Wuhan	US Dollar	12,000,000	7.50%	Yangtze Optical Fibre and Cable Company Ltd.
				60.00%	NK China Investments B.V.
				32.50%	Terzi
Philippines					
Draka Philippines Inc.	Cebu	Philippine Peso	253,652,000	99.9999975%	Draka Holding N.V.
				0.0000025%	Terzi
India					
Ravin Cables Limited	Mumbai	Indian Rupee	209,230,110	51.00%	Prysmian Cavi e Sistemi S.r.l.
				49.00%	Third parties
Pirelli Cables (India) Private Limited	New Delhi	Indian Rupee	10,000,000	99.998%	Prysmian Cable Holding B.V.
				0.002%	Prysmian Cavi e Sistemi S.r.l.
Associated Cables Pvt. Ltd.	Mumbai	Indian Rupee	61,261,900	32.00%	Draka UK Group Limited
				28.00%	Draka Treasury B.V.
				40.00%	Oman Cables Industry SAOG
Jaguar Communication Consultancy Services Private Ltd.	Mumbai	Indian Rupee	100,000	99.99%	Prysmian Cavi e Sistemi S.r.l.
				0.01%	Prysmian S.p.A.
Indonesia					
P.T.Prysmian Cables Indonesia	Cikampek	US Dollar	67,300,000	99.48%	Prysmian (Dutch) Holdings B.V.
				0.52%	Prysmian Cavi e Sistemi S.r.l.
Malaysia					
Submarine Cable Installation Sdn Bhd	Kuala Lumpur	Malaysian Ringgit	10,000	100.00%	Prysmian Cavi e Sistemi S.r.l.
Sindutch Cable Manufacturer Sdn Bhd	Malacca	Malaysian Ringgit	500,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Marketing and Services Sdn Bhd	Malacca	Malaysian Ringgit	500,000	100.00%	Cable Supply and Consulting Company Pte Ltd
Draka (Malaysia) Sdn Bhd	Malacca	Malaysian Ringgit	8,000,002	100.00%	Cable Supply and Consulting Company Pte Ltd
Singapore					
Prysmian Cables Asia-Pacific Pte Ltd.	Singapore	Singapore Dollar	213,324,290	100.00%	Prysmian (Dutch) Holdings B.V.
Prysmian Cable Systems Pte Ltd.	Singapore	Singapore Dollar	25,000	50.00%	Prysmian (Dutch) Holdings B.V.
				50.00%	Prysmian Cables & Systems Ltd.
Draka Offshore Asia Pacific Pte Ltd	Singapore	Singapore Dollar	51,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Cableteq Asia Pacific Holding Pte Ltd	Singapore	Singapore Dollar	28,630,542	100.00%	Draka Holding N.V.
Singapore Cables Manufacturers Pte Ltd	Singapore	Singapore Dollar	990,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Cable Supply and Consulting Company Pte Ltd	Singapore	Singapore Dollar	50,000	100.00%	Draka Cableteq Asia Pacific Holding Pte Ltd
Draka Comteq Singapore Pte Ltd	Singapore	Singapore Dollar	500,000	100.00%	Draka Comteq B.V.
Draka NK Cables (Asia) pte ltd	Singapore	Singapore Dollar	200,000	100.00%	Draka NK Cables OY
Thailand					
MCI-Draka Cable Co. Ltd	Bangkok	Thai Baht	435,900,000	70.250172%	Draka Cableteq Asia Pacific Holding Pte Ltd
				0.000023%	Draka (Malaysia) Sdn Bhd
				0.000023%	Sindutch Cable Manufacturer Sdn Bhd
				0.000023%	Singapore Cables Manufacturers Pte Ltd
				29.749759%	Third parties

The following companies have been consolidated on a proportionate basis:

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Central/South America					
Brazil					
Telcon Fios e Cabos para Telecomunicações S.A	Sorocaba	Brazilian Real	25,804,568	50.00%	Draka Comteq Brasil Holding Ltda
				50.00%	Third parties
Asia					
China					
Yangtze Optical Fibre and Cable Company Ltd.	Wuhan	Euro	63,328,220	37.50%	Draka Comteq B.V.
				62.50%	Third parties
United Arab Emirates					
Power Plus Cable CO. LLC	Fujairah	United Arab Emirates Dirha	51,000,000	49.00%	Ravin Cables Limited
				51.00%	Third parties
Japan					
Precision Fiber Optics Ltd.	Chiba	Japanese Yen	360,000,000	50.00%	Plasma Optical Fibre B.V.
				50.00%	Third parties
Malaysia					
Power Cables Malaysia Sdn Bhd	Selangor Darul Eshan	Malaysian Ringgit	8,000,000	40.00%	Prysmian (Dutch) Holdings B.V.
				60.00%	Third parties

The following companies have been accounted for using the equity method:

Legal name	Office	Currency	Share capital	% ownership	Direct parent company
Europe					
Germany					
Kabeltrommel GmbH & CO.KG	Troisdorf	Euro	10,225,838	1.00%	Bergmann Kabel und Leitungen GmbH
				28.68%	Prysmian Kabel und Systeme GmbH
				13.50%	Draka Cable Wuppertal GmbH
				56.82%	Third parties
Kabeltrommel GmbH	Troisdorf	Deutsche Mark	51,000	11.77%	Prysmian Kabel und Systeme GmbH
				5.88%	Bergmann Kabel und Leitungen GmbH
				23.53%	Draka Cable Wuppertal GmbH
				58.82%	Third parties
Sykonec GMBH	Neustadt bei Coburg	Euro	300,000	50.00%	Bergmann Kabel und Leitungen GmbH
				50.00%	Third parties
KTG Europe GmbH	Troisdorf	Euro	100,000	100.00%	Kabeltrommel GmbH & CO.KG
U.K.					
Rodco Ltd.	Weybridge	British Pound	5,000,000	40.00%	Prysmian Cables & Systems Ltd.
				60.00%	Third parties
Poland					
Eksa Sp.Zo.o	Sokolów	Polish Zloty	394,000	20.05%	Prysmian Cavi e Sistemi S.r.l.
				79.95%	Third parties
Russia					
Elkat Ltd.	Moscow	Russian Rouble	10,000	40.00%	Draka NK Cables OY
				60.00%	Third parties
Central/South America					
Argentina					
Cables Ópticos y Metálicos para Telecomunicaciones Telcon S.R.L.	Buenos Aires	Argentine Peso	500,000	98.00%	Telcon Fios e Cabos para Telecomunicações S.A
				2.00%	Third parties
Asia					
China					
Jiangsu Yangtze Zhongli Optical Fibre & Cable Co., Ltd.	Changshu	Chinese Renminbi (Yuan)	92,880,000	51.00%	Yangtze Optical Fibre and Cable Company Ltd.
				49.00%	Third parties
Yangtze Optical Fibre & Cable (Sichuan) Co., Ltd.	Emeishan City	Chinese Renminbi (Yuan)	33,200,000	51.00%	Yangtze Optical Fibre and Cable Company Ltd.
				49.00%	Third parties
Tianjin YOFC XMKJ Optical Communications Co.,Ltd.	Tianjin	Chinese Renminbi (Yuan)	220,000,000	49.00%	Yangtze Optical Fibre and Cable Company Ltd.
				51.00%	Third parties
Shenzhen SDGI Optical Fibre Co., Ltd.	Shenzhen	Chinese Renminbi (Yuan)	149,014,800	49.00%	Yangtze Optical Fibre and Cable Company Ltd.
				51.00%	Third parties
Shantou Hi-Tech Zone Aoxing Optical Communication EquipmentsCo.,Lt	Shantou	Chinese Renminbi (Yuan)	170,558,817	42.42%	Yangtze Optical Fibre and Cable Company Ltd.
				57.58%	Third parties
Yangtze Wuhan Optical System Co.,Ltd.	Wuhan	Chinese Renminbi (Yuan)	50,000,000	44.00%	Yangtze Optical Fibre and Cable Company Ltd.
				56.00%	Third parties
Tianjin YOFC XMKJ Optical Cable Co., Ltd.	Tianjin	Chinese Renminbi (Yuan)	100,000,000	20.00%	Yangtze Optical Fibre and Cable Company Ltd.
				80.00%	Third parties
WuhanGuanyuan Electronic Technology Co. Ltd.	Wuhan	Chinese Renminbi (Yuan)	5,000,000	20.00%	Yangtze Optical Fibre and Cable Company Ltd.
				80.00%	Third parties
Tianmen Xinrun Timber Produce Co., Ltd.	Tianmen	Chinese Renminbi (Yuan)	5,000,000	20.00%	Yangtze Optical Fibre and Cable Company Ltd.
				80.00%	Third parties
Oman					
Oman Cables Industry SAOG	Al Rusayl Industrial Zone	Omani Rial	8,970,000	34.78%	Draka Holding N.V.
				65.22%	Third parties

The following investments in other companies have been classified as available-for-sale financial assets:

Legal name	% ownership	Direct parent company
Europe		
Finland		
Conex Cables OY	50.00%	Draka NK Cables OY
	50.00%	Terzi
The Netherlands		
Donne Draad B.V.	100.00%	Kabelbedrijven Draka Nederland B.V.
Switzerland		
Voltimum S.A.	13.71%	Prysmian Cavi e Sistemi S.r.l.
	86.29%	Third parties
Asia		
Saudi Arabia		
Sicew-Saudi Italian Company for Electrical Works Ltd.	34.00%	Prysmain Cable Holding B.V.
	66.00%	Third parties
China		
Hangzhou Futong Optical Fiber Technology Co., Ltd.	10.38%	Yangtze Optical Fibre & Cable (Sichuan) Co. Ltd.
	89.62%	Third parties
Wuhan Yunjingfei Optical Fiber Material Co., Ltd.	20.00%	Yangtze Optical Fibre and Cable Company Ltd.
	80.00%	Third parties
Africa		
South Africa		
Pirelli Cables & Systems (Proprietary) Ltd.	100.00%	Prysmian Cavi e Sistemi S.r.l.

PRYSMIAN S.P.A.

Viale Sarca 222
20126 Milan
Italy
ph. +39 02 64491
www.prysmiangroup.com

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