



PRYSMIAN S.p.A.

(incorporated with limited liability in the Republic of Italy)

€400,000,000 5.25 per cent. Guaranteed Notes due 2015

Issue price: 99.674 per cent.

The €400,000,000 5.25 per cent. Guaranteed Notes due 9 April 2015 (the **Notes**) are issued by Prysmian S.p.A. (the **Issuer**) and are unconditionally and irrevocably guaranteed on a joint and several basis by Prysmian Cavi e Sistemi Energia S.r.l. (incorporated with limited liability in the Republic of Italy), Prysmian Cavi e Sistemi Italia S.r.l. (incorporated with limited liability in the Republic of Italy), Prysmian PowerLink S.r.l. (incorporated with limited liability in the Republic of Italy), Prysmian Câbles et Systèmes France S.A.S. (incorporated with limited liability in the Republic of France); Prysmian Cables & Systems Limited (incorporated with limited liability in the United Kingdom), Prysmian Kabel und Systeme GmbH (incorporated with limited liability in the Federal Republic of Germany), Prysmian Cables and Systems B.V. (incorporated with limited liability in The Netherlands), Prysmian Power Cables & Systems Australia Pty Ltd (incorporated with limited liability in the Commonwealth of Australia) (each an **Original Guarantor** and, together with any Additional Guarantors appointed pursuant to the terms and conditions of the Notes, the **Guarantors**, which term shall not include any Guarantor which ceases to guarantee the Notes pursuant to Condition 4.3). The guarantees given by the Guarantors will be subject to contractual and legal limitations (see *Risk Factors – The Guarantees may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability*).

The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at par plus accrued interest, in the event of certain tax changes as described under “*Conditions of the Notes - Redemption and Purchase*”. The Notes mature on 9 April 2015.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the **Luxembourg Act**) on prospectuses for securities to approve this document as a prospectus and to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 9 April 2010 (the **Closing Date**) with a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 19 May 2010 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances – see “*Summary of Provisions relating to the Notes while represented by the Global Notes*”.

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “Risk Factors” on page 5.

Joint Lead Managers and Bookrunners

Banca IMI Citi Crédit Agricole CIB Goldman Sachs International UniCredit Bank

The date of this Prospectus is 8 April 2010

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**) and for the purposes of the Luxembourg Act.

The Issuer accepts responsibility for the information contained in this Prospectus and each of the Original Guarantors accepts responsibility for the information relating to itself contained in this Prospectus. To the best of the knowledge of the Issuer and, in respect of the information relating to itself only, each Original Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer and, in respect of the information relating to itself only, each Original Guarantor, having made all reasonable enquiries, confirm that this Prospectus contains all information which, according to the particular nature of the Issuer, the Original Guarantors and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Original Guarantors and of the rights attaching to the Notes, that the information contained or incorporated in this Prospectus is true, accurate and not misleading in all material respects, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer and, in respect of the information relating to itself only, each Original Guarantor accept responsibility accordingly.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

Neither the Managers (as described under “*Subscription and Sale*”, below) nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or any Original Guarantor in connection with the offering of the Notes. No Manager or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or any Original Guarantor in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer, any Original Guarantor or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any Original Guarantor, any of the Managers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any Original Guarantor, any of the Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Original Guarantors. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any Original Guarantor, any of the Managers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Original Guarantors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. The Notes have not been and will not be

registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see “*Subscription and Sale*” below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Original Guarantors, the Managers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Original Guarantors, the Managers or the Trustee which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Italy, France, The Netherlands and Germany) and Australia, see “*Subscription and Sale*”.

IN CONNECTION WITH THE ISSUE OF THE NOTES, CITIGROUP GLOBAL MARKETS LIMITED AS STABILISING MANAGER (THE STABILISING MANAGER) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

All references in this document to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. References to **sterling** and **£** refer to pounds sterling and to **AS\$** and **AUD** refer to Australian dollars.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables, including percentages, may not be an arithmetic aggregation of the figures which precede them.

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RISK FACTORS

Each of the Issuer and the Original Guarantors believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and neither the Issuer nor any Original Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

Each of the Issuer and the Original Guarantors believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or any Original Guarantor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Original Guarantors based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in these risk factors.

Factors that may affect the ability of the Issuer or the Guarantors to fulfil their obligations under the Notes or the Guarantees

Market conditions directly affect demand for products

Demand in certain of the markets in which the Group operates, in particular markets in which its Trade and Installers business area operates, is subject to cyclical changes and affected by overall economic growth trends. Notwithstanding that the diversification of the markets in which the Group operates and of its products reduces its exposure to market downturns, such downturns could have a significant impact on the Group’s business and its financial condition and results of operations.

In particular, demand for products of the Energy Cables & Systems segment is influenced by projected spending by companies in the utilities market segment, by overall energy consumption and by market trends in the construction sector, while demand for products in the Group’s Telecom Cables & Systems segment is highly influenced by projected spending by telecom and other internet access operators.

The further weakening in demand in 2009 compared with 2008 has affected all business segments of the Group, with the exception of the power transmission business and certain industrial applications serving the oil and renewable energy sectors. A further significant deterioration of demand in the Trade and Installers business area, the Power Distribution business line (which business line is partially affected by market conditions in the construction sector) and the Industrial and Telecom business areas, combined with a slowing down in the order intake in the high voltage cables business, could have a material adverse effect on the financial condition and results of operations of the Group.

The Group faces competition and pricing pressures in certain of its leading businesses

Certain of the Group’s business areas and business lines, principally its Trade & Installers business area and, to a lesser extent, its Power Distribution business line, operate in markets in which intense competitive pressure, also owing to the fall in demand, may increase pressure on the pricing of its products. Most of the products sold in these business areas and business lines are based on industry standards and are essentially interchangeable with similar products made by the Group’s principal competitors. In such cases, pricing is a decisive factor in the competitiveness of products. The Group’s competitors consist of both an increasing number of large operators that compete on a global scale and smaller operators that, while not competing across all market segments in which the Group operates, may have a significant competitive presence in a specific country, geographic area or market segment. In addition, the prices of certain of the Group’s

products, in particular fibre-optic cables, have experienced downward pressure as a result of production overcapacity in the fibre-optic market segment.

The Group may not be able to reduce its costs in a manner sufficient to offset reduced demand and downward pricing pressure, which could have a material adverse effect on its results of operations and financial condition.

The Group is exposed to fluctuations in the price and supply of raw materials

The primary raw material the Group uses in the manufacture of its products is copper. The Group also uses aluminium, lead and steel as well as plastic components and resins.

Historically the Group has been able to obtain a sufficient supply of copper to meet its production requirements and the Group does not rely on any supplier in particular. Where possible, the Group diversifies the source of its supplies. The Group purchases the majority of its resins and plastic components requirements from major international suppliers pursuant to (generally) annual agreements providing for monthly supplies, with the rest of its resins and plastic components requirements self-produced at its production facilities.

Although the Group has sufficient capacity to produce all the optical fibres it needs for its activities, for commercial and strategic reasons it purchases a part of its optional fibre requirements from third party manufacturers.

All raw materials, especially oil derivatives, have experienced particularly significant price fluctuation in 2009, which is expected to continue in the future. The Group neutralises the impact of possible rises in the price of copper and other principal raw materials through automatic sale price adjustment mechanisms or through hedging activities; the exception is oil derivative products (polyethylene, plastifying PVC, rubber and other chemical products), the risk of which cannot be efficiently offset through hedging.

The hedging of certain products (mainly in the Trade & Installers business) takes place, as part of established commercial practice and/or the structural characteristics of the markets concerned, by periodically updating price lists (since it is not possible to use automatic sale price adjustment mechanisms). In this case, it is possible that, in the current market context, the Group will be unable to quickly pass on the impact of fluctuations in raw material prices to sale prices. In particular, as regards oil derivatives, by contract changes in their purchase price systematically occur with a time lag relative to changes in the oil price.

More in general, depending on the size and speed of the fluctuations in the copper price, such fluctuations may have a significant impact on customers' buying decisions, particularly in the Trade & Installers and Power Distribution businesses and certain businesses in the Industrial segment 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 (with the consequent effect of increasing or reducing the Group's net debt).

Results of operations may be affected by exchange rate fluctuations

The Group is exposed to exchange rate fluctuations in those currencies other than the euro in which it operates (primarily, the United States dollar, British pound, Brazilian Real and Australian dollar). The exchange rate risk arises to the extent that future transactions or assets and liabilities that are already recorded on the balance sheet are operated in a currency different from the reporting currency of the company that has put in place such transaction. This exchange rate risk is centrally co-ordinated and monitored by the Group's Finance Department, with Group companies entering into forward currency contracts in order to manage this risk.

The Issuer's consolidated financial statements are expressed in euro and are therefore subject to movements in exchange rates on the translation of the financial information of its subsidiaries with a different reporting currency. These fluctuations could significantly affect reported results and financial condition from year to year.

The Group faces interest rate risk in relation to its long-term indebtedness

The Issuer pays fixed and floating interest rates on the Group's long-term indebtedness.

While management believes that fixed rate loans do not present significant risks, it seeks to hedge the interest rate risk associated with floating rate borrowings through interest rate swaps (IRS). By using IRS contracts, the Group swaps with counterparties for specified periods the difference between agreed fixed rates and the variable rate calculated with reference to the notional value of the relevant indebtedness. In light of the falling interest rates in the course of 2009, the Group entered into a series of interest rate swaps which have the effect of limiting its exposure to interest rate fluctuations through to the end of 2014. The protection offered by the interest rate swaps is limited in amount and in time and, as a result, future interest rate fluctuations may have a material negative impact on the financial conditions and results of operations of the Group.

The Group is subject to changes in industry standards and the regulatory environment

As a manufacturer and distributor of cable products, the Group is subject to a number of laws, regulations and manufacturing standards at the local, national and international levels that apply to companies operating in its industry and to products manufactured and distributed by it. In particular, the Group is subject to numerous environmental laws and regulations. Notwithstanding the Group's efforts to reduce its exposure to environmental risks and stipulation of insurance policies to cover costs that result from environmental damage to third parties, there can be no assurance that all relevant environmental risks have been identified or that insurance coverage obtained is adequate.

Changes in existing laws, regulations or manufacturing standards, the introduction of new laws and regulations that apply to the businesses or the development or discovery of new facts or conditions could require the Group to incur significant costs and liabilities (whether for adapting its production facilities or the characteristics of its products or otherwise), which could have a material adverse effect on its financial condition and results of operations.

The Group may experience difficulties in executing its business strategy

The Group's ability to increase sales of goods and services and improve profitability depends on, among other things, success in executing the Group's business strategy, which includes improving its overall profitability by increasing the proportion of its total sales of goods and services from high value-added products, the development of an industrial structure in support of such strategy, continuing to improve its variable costs structure, improving its logistics and customers assistance service and a continuing focus on research and development of new products and manufacturing processes. The Group may not succeed in implementing its current business strategy in full or part, or within the envisaged times. Although the Group aims to fund the implementation of its business strategy mostly through its own cash flow without recourse to significant external financing, the execution of its business strategy may still impose significant strains on its management and operating systems.

Disruptions in markets where the Group operates will affect its business

The Group operates production facilities, runs businesses, engages in sales and marketing activities and is present through subsidiaries in Asian and central and south American countries. The Group's operations in these countries are exposed to a number of risks relating to their legal systems, judicial procedures, tariffs, duties and other trade barriers, political and economic instability and foreign currency risk.

Significant changes in the macroeconomic, political, fiscal or legislative framework of these countries could harm international operations and negatively affect the Group's financial condition and results of operations.

The Issuer faces risks associated with sources of financing

In January 2010, the Issuer and certain other Group companies entered into the Euro 1,070,000,000 Forward Start Multi-currency Term and Revolving Credit Facilities (the **FSF**) to replace the term loan and revolving credit commitments under the Euro 1,700,000,000 facility agreement entered into by the Issuer in April 2007 (the **Existing Facilities Agreement**) upon the scheduled maturity on 3 May 2012. The FSF has a maturity date of December 2014. Under the FSF, a loyalty fee is payable on the existing commitments rolled over into the FSF as well as on any additional commitments.

The Issuer believes that the Existing Facilities Agreement and the FSF should provide the Group with sufficient financing through to 2014 without the need to procure additional external indebtedness. The Issuer is however subject to two financial covenants on a consolidated level under both the Existing Facilities Agreement and the FSF that require it to maintain certain financial ratios. These two covenants limit its ability to borrow additional funds and should the Issuer breach any one of them, this would result in a default and, if such default is not cured in accordance with the terms of the Existing Facilities Agreement and the FSF, any amounts drawn down and outstanding may be accelerated and, in such case, would become due immediately. As at 31 December 2009 the ratio between consolidated adjusted EBITDA (as such term is defined in the Existing Facilities Agreement and the FSF) and consolidated net finance costs was 10.71x against a covenant of 5.00x and the ratio between net financial position and consolidated adjusted EBITDA (as such term is defined in the Existing Facilities Agreement and FSF) was 1.13x against a covenant of 2.75x. These agreements also place certain customary restrictions on the Group's ability to dispose of assets, issue guarantees in the interest of third parties, create liens, make acquisitions and distribute dividends. Although these restrictions are subject to materiality exceptions and qualifications, breach of any of the covenants could result in a default under the Existing Facilities Agreement or, as the case may be, the FSF. If the indebtedness under the Existing Facilities Agreement or, upon its drawdown, the FSF were to be accelerated, the Group can offer no assurances that its assets would be sufficient to repay that indebtedness in full.

Working capital is subject to seasonal variations

The Group's working capital needs generally increase during the first half of each year as relevant Group companies build up their product inventory in response to and in anticipation of customer orders that have historically been concentrated in the first half of each year, whereas they tend to decrease during the fourth quarter of each year. The increase in working capital needs in the first half of each year typically leads to temporary increases in its net financial position (i.e. higher indebtedness) during this period. The Group seeks to manage its working capital requirements by maintaining an adequate level of liquid assets, short term investments and committed credit lines but there can be no assurance that such measures will be sufficient.

Many of the Group's products expose it to product liability risks

Many of the Group's products expose it to product liability risks or allegations that such products could cause harm to persons and property, with potential civil and criminal liabilities to clients and third parties in the countries where the Group operates. The Group's current policy is to maintain product liability insurance at a level that it believes is consistent with current industry practice. However, there is no guarantee that current insurance coverage is sufficient to meet claims that may be filed against the Group, or that the Group will be able to obtain or maintain insurance on acceptable terms or at appropriate levels in the future. A successful product liability claim against the Issuer or a Group company could have a material adverse effect on the Group's business, financial condition and results of operations. Moreover, a judgment against a Group company in such a liability claim could result in a loss of reputation and marketability for the Group.

The Group may experience difficulties in enforcing its intellectual property rights

Although the Group holds a wide portfolio of patent families, these patents may not provide it with sufficient protection against its competitors. The Group may encounter difficulties in obtaining rights to additional intellectual property necessary to continue or expand its business as a result of third party patent rights on technologies used in its industries. As a result the Group may have to become involved in litigation or other

legal proceedings to enforce its intellectual property rights. The outcome of litigation and other legal proceedings can often be unpredictable. The Group may also become subject to claims of intellectual property infringement or misappropriation that may result in loss of revenue, require it to incur substantial costs or lead to monetary damages or injunctive relief against it, which may negatively affect its business.

In particular, the Group benefits from a licence granted by Corning Incorporated to its subsidiary Fibre Ottiche Sud S.r.l. (**FOS**) for the manufacture of optical fibre using OVD technology. This licence expires in 2010 and the parties are in the process of negotiating an extension of this licence. Should the negotiations not be concluded successfully in time, FOS will be able to continue its manufacture of optical fibre using current OVD technology if it continues to comply with the terms of the licence also after its expiry, but will not have the benefit of any subsequent OVD technology innovations. Although this is not expected to have a material adverse effect on FOS's operations in the short term, the Group's financial condition and results of operations may be adversely affected in the longer term if the licence is not renewed in time and the Group is unable to use alternative technology.

The Group is exposed to various legal proceedings

In connection with its operations, the Issuer and certain of its consolidated subsidiaries are currently involved in various legal proceedings, including civil, criminal and administrative proceedings, in respect of some of which the Issuer or, as the case may be, the relevant subsidiary, is not able to quantify the risk of damages or penalties. The reserves that the Issuer or, as the case may be, the relevant subsidiary, has allocated to cover damages and penalties in relation to certain proceedings may not be sufficient and damages or penalties may result from proceedings for which no reserves have been allocated. This could have a material adverse effect on the Group's financial condition and results of operations.

Anti-trust investigations have been recently commenced

Towards the end of January 2009, the European Commission, the US Department of Justice and the Japanese antitrust authority started an investigation against several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive agreements in the Ground and Submarine High Voltage Cable business areas. More recently the Australian Competition and Consumers Commission (**ACCC**) and the New Zealand Commerce Commission have started similar investigations.

The Japanese investigation has been closed without any charge against the Group. The other investigations are still at a preliminary stage 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 Energia S.r.l. and two other companies have violated antitrust rules in connection with an underground high voltage cable project which was awarded in 2003. However, Prysmian Cavi e Sistemi Energia S.r.l. has not yet been officially served with a claim.

In the event of a proven breach of applicable legislation, the financial penalties imposed by the competent authorities could be significant in relation to the economic and financial situation of the Group. Among other things, the sanction system under European law provides for financial penalties that could reach a maximum of 10 per cent. of the Group's turnover.

The Group may be subject to claims under certain of its contracts with customers

Some of the Group's contracts with customers for the production and/or installation of products contain penalty clauses that are triggered in the event the relevant Group company is unable to meet agreed delivery times or quality commitments. Any such penalty payments, compensation for damages and the impact that delays will have on the final delivery could adversely affect its operations and the financial condition and results of operations of the Group.

Although none of the Group companies has been forced to pay significant penalties for delays in product delivery or for not meeting quality commitments over the last three years, there is no guarantee that all Group companies will always be able to meet its time and quality commitments in the future. Any significant

penalty payments or compensation for damages could adversely affect the Group's financial condition and results of operations.

An unanticipated or prolonged interruption of operations at production facilities would have a material adverse effect on the Group's financial condition and results of operations

The Group's business is dependent on the continued and uninterrupted performance of its production facilities. However, these facilities are subject to operating risks, including equipment failures, failures to comply with applicable regulations, revocation of licences and permits, increases in transportation costs, interruption in the supply of energy and raw materials, natural disasters and acts of sabotage or terrorist attacks. Operations may also be disrupted by work force-related interruptions due to labour shortages, strikes or other labour issues.

Save for a prolonged interruption of the Canadian plant of St. Jean in 2009 due to a strike of the work force, there has been no interruptions at any of the Group's production facilities of such a nature over the last three years so as to cause a material adverse effect on its operations. However, there is no guarantee that no significant interruptions will occur in the future, or that the relevant insurance coverage (where available) would be adequate.

The Group's risk management identifies and quantifies the operating risks of all Group companies, and establishes and manages the Group's strategies for handling these risks. In particular, there is a periodic review of the risk coverage, insurance premia, loss incurred and compensation received, and a prevention plan is developed for each Group company setting forth controlling activities that need to be undertaken as a priority. A "Loss Prevention" programme has also been implemented which provides for periodical inspection of each facility to identify and prevent potential risks, attributing a risk category to each facility and effecting an estimate of the investments needed in order to reduce its risk level. As of 31 December 2009, approximately 98 per cent. of its production facilities were classified as "Excellent HPR or Highly Protected Risk" (being facilities that are deemed to have risks under control), "Good HPR" (being facilities with a low risk level) or "Good non HPR" (being facilities with a medium-low risk level); only one production facility was classified as "Fair" (being facilities with a medium risk level) and none was classified as "Poor" (or facilities with a high risk level). The programme's objective is to achieve "Excellent HPR" grade for all the production facilities of the Group.

Despite such prevention measures, the Group's production facilities may experience interruptions or delays in its production process due to the above circumstances beyond its control, which could have material adverse effects on its financial condition and results of operations.

Dependency of the Submarine Power Systems business line on specific assets

The operation of the Submarine Power Systems business line is largely dependant on the Arco Felice Plant and the cable-laying vessel Giulio Verne owned by Prysmian PowerLink S.r.l. (being an Original Guarantor). Any material unanticipated or prolonged interruption of operations of such assets would have a material adverse effect on Prysmian PowerLink S.r.l. and on the financial condition and results of operations of the Group as a whole.

The Issuer has recently renewed its information technology system

The Issuer has launched an information technology renewal programme to upgrade and substitute an important part of the Group's current information technology systems. It is expected that the new systems will become fully operative by 2013. Until such time, inaccuracies in data handling and other inconveniences may occur, which management seeks to mitigate through active testing, staff training and commercial arrangements with suppliers of substitute technologies.

Risks in relation to acquisitions

The Group has recently concluded strategic acquisitions in Russia and India. The integration of these acquisitions has involved and will involve integration challenges, particularly where management

information and accounting systems differ materially from those used elsewhere in the Group. Although management believes it has the resources needed to successfully integrate these operations, it is possible that further integration difficulties could arise or that unanticipated problems could be discovered in one or more of the acquired entities.

In addition, the Group reviews on an ongoing basis acquisition targets and may from time to time incur additional indebtedness to finance such acquisitions, which may in turn affect the ability of the Issuer or any Guarantor to fulfill its obligations in respect of the Notes. To the extent that any company of the Group concludes further significant acquisitions in the near future, the above risks regarding integration challenges would be enhanced.

Factors which are material for the purpose of assessing the market risks associated with the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such, in the circumstances described in Condition 14.3.

The conditions of the Notes do not contain limitations on the Issuer's or the Guarantors' incurrence of additional debt in the future

The conditions of the Notes do not prohibit either the Issuer or any of the Guarantors from issuing, providing guarantees or otherwise incurring further debt ranking *pari passu* with its existing obligations. If the Issuer

or any Guarantor incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding.

Additional Guarantors may be appointed and accordingly the Relevant Jurisdictions for determining entitlement to additional amounts may vary

Condition 8 provides that if a withholding or deduction is required in respect of payments under the Notes, the Issuer or relevant Guarantor must pay additional amounts to the Noteholders and Couponholders. No such additional amounts are payable in certain circumstances, including if the Note or Coupon is presented for payment in a Relevant Jurisdiction or to a holder having some connection with a Relevant Jurisdiction. The concept of Relevant Jurisdiction is determined by reference to the jurisdiction in which the Issuer or the relevant Guarantor, as the case may be, is resident for tax purposes. On 9 April 2010, the Issuer will be tax resident in Italy and the Original Guarantors will be tax resident in Italy, France, the United Kingdom, Germany, the Netherlands and Australia. However, Additional Guarantors may accede as guarantors of the Issuer's obligations under the Notes in the manner described in the Conditions. Accordingly, the Relevant Jurisdictions which are relevant for determining whether or not a Noteholder or Couponholder is entitled to receive additional amounts may vary, and so preclude the Noteholder or Couponholder claiming such additional amounts.

The claims of Noteholders are structurally subordinated with respect to entities that are not guarantors of the Notes

The operations of the Group are principally conducted through subsidiaries of the Issuer, including (but not limited to) the Original Guarantors. Noteholders will not have a claim against any subsidiaries of the Issuer that are not Guarantors. The assets of the Issuer's non-guarantor subsidiaries will be subject to prior claims by creditors of those subsidiaries, whether such creditors are secured or unsecured.

The Guarantees may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability

The Guarantees given by the Guarantors provide Noteholders with a direct claim against the relevant Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of each Guarantee would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, and capital maintenance or similar laws. They may also include regulations or defences which affect the rights of creditors generally. If a court were to find a Guarantee given by a Guarantor void or unenforceable as a result of such local laws or defences Noteholders would cease to have any claim in respect of that Guarantor and would be creditors solely of the Issuer and any remaining Guarantors.

Enforcement of each Guarantee is subject to the detailed provisions contained in the Trust Deed (and any supplemental Trust Deed) which include certain limitations reflecting mandatory provisions of the laws of each Guarantor's jurisdiction. In particular, for the purposes of the Guarantee provided by Prysmian Câbles et Systèmes France S.A.S., such Guarantee shall not include any obligation or liability which if incurred would constitute the provision of financial assistance within the meaning of article L.225-216 of the French Commercial Code and/or would constitute a misuse of corporate assets within the meaning of article L.241-3 or L.242-6 of the French Commercial Code or any other law or regulations having the same effect, as interpreted by French courts. In addition, among other limitations, the obligations and liabilities of Prysmian Câbles et Systèmes France S.A.S. under its Guarantee shall be limited, at any time, to an amount equal to the aggregate principal amount of the Notes issued by the Issuer to the extent, however, directly or indirectly on-lent by the Issuer to Prysmian Câbles et Systèmes France S.A.S. or its subsidiaries and outstanding at the date a payment is to be made by Prysmian Câbles et Systèmes France S.A.S. under its Guarantee. Furthermore, the obligations of Prysmian Câbles et Systèmes France S.A.S. under the Guarantee shall be limited in an aggregate amount not exceeding 70 per cent. of the net asset value (*capitaux propres*) of Prysmian Câbles et Systèmes France S.A.S. as reflected in its latest approved financial statements preceding the date of payment by Prysmian Câbles et Systèmes France S.A.S. under the Guarantee.

The obligations of Prysmian Kabel und Systeme GmbH under its Guarantee will be contractually limited to the extent that the granting of the Guarantee results in a breach of capital maintenance rules under German law. Prysmian Kabel und Systeme GmbH is organised in the form of a German limited liability company (*GmbH*). The payment under the Guarantee is limited under German corporate law if and to the extent payments under the Guarantee would cause Prysmian Kabel und Systeme GmbH's net assets to fall below the amount of its registered share capital (*Stammkapital*). Accordingly, the terms of the Guarantee limit payments under the Guarantee if and to the extent payment under the Guarantee would cause its net assets to fall below its registered share capital (*Stammkapital*). To the extent that agreed limitations on the Guarantee obligation apply, the Notes would be effectively subordinated to all liabilities of Prysmian Kabel und Systeme GmbH including trade payables of Prysmian Kabel und Systeme GmbH, as a result of the structural subordination principle discussed above.

With reference to any Guarantor incorporated in Italy:

- (i) for the purpose of article 1938 of the Italian Civil Code, each such Guarantor shall be liable only up to an amount equal to the principal amount outstanding of the Notes plus accrued but unpaid interest thereon, in each case as of the date on which the Guarantor's liability under the Guarantee falls to be determined; and
- (ii) without prejudice to (i) above, the liability of any Italian Guarantor under its Guarantee shall be furthermore limited to the aggregate of the principal amount of any loan (including, without limitation, any intercompany loan), documentary credit (including, without limitation, any intercompany documentary credit) or any item constituting financial indebtedness made available from time to time by the Issuer or any other party (in the latter case by using, either directly or indirectly, the proceeds of the Notes) to that Italian Guarantor or any of its Subsidiaries, in each case regardless of any repayment or cancellation of any amounts or liability outstanding thereunder.

Enforcement of the guarantees across multiple jurisdictions may be difficult

The Issuer is incorporated under the laws of the Republic of Italy and the Guarantors are incorporated under the laws of multiple jurisdictions, being, in the case of the Original Guarantors, Italy, France, the United Kingdom, Germany, the Netherlands and Australia. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions. The rights of the holders of the Notes under the Guarantees will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of organisation of the Issuer and the Guarantors may be materially different from, or in conflict with, one another, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realise any recovery under the Notes and the Guarantees.

The Notes are not rated

Neither the Notes nor the long-term debt of the Issuer are rated. To the extent that any credit rating agencies assign credit ratings to the Notes, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a

withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes and the terms of the Guarantees are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Denominations involve integral multiples: definitive Notes

The Notes have denominations consisting of a minimum of €50,000 plus one or more higher integral multiples of €1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €50,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than €50,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €50,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €50,000 may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. As such, the Notes generally will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantees in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the

value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Issuer may redeem the Notes prior to maturity

The Terms and Conditions of the Notes provide that the Issuer may at its option redeem the Notes prior to maturity (a) for taxation reasons as described in Condition 7.2 or (b) if 90 per cent. or more in principal amount of the outstanding Notes have been redeemed following exercise of the Put Option by the Noteholders as set out in Condition 7.3(d), but in no other circumstances. Such redemption may take place at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and/or may forego a capital gain in respect of the Notes that would have otherwise arisen but for such redemption.

DOCUMENTS INCORPORATED BY REFERENCE

The information set out in the cross-reference tables below, which is contained in the following documents which have previously been published and have been filed with the CSSF, shall be incorporated in, and form part of, this Prospectus. Any information contained in the following documents, but not included in the cross-reference tables set out below, is not incorporated by reference in this Base Prospectus and should be read for information purposes only. Certain of the documents set out below are direct translations into English from the original documents. The Issuer and, where applicable, the relevant Original Guarantor have accepted responsibility for the accuracy of such translations.

- (a) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2009:

Statement of Financial Position	Page 81
Income Statement	Page 82
Statement of Comprehensive Income	Page 83
Statement of Changes in Equity	Page 84
Statement of Cash Flows	Page 85
Notes to the consolidated financial statements	Pages 86 to 172
Auditors' Report	Page 173

- (b) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2008:

Balance Sheet	Page 100
Income Statement	Page 101
Cash flow Statement	Page 103
Statement of recognised income and expenses	Page 102
Notes to the consolidated financial statements	Pages 104 to 183
Auditors' Report	Pages 186 to 187

- (c) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2007:

Balance Sheet	Page 100
Income Statement	Page 101
Cash flow Statement	Page 103
Statement of recognised income and expenses	Page 102
Notes to the consolidated financial statements	Pages 106 to 195
Auditors' Report	Page 199

- (d) the auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2006:

Balance Sheet	Page 61
Income Statement	Page 62
Cash flow Statement	Page 63
Statement of recognised income and expenses	Page 64
Notes to the consolidated financial statements	Pages 65 to 123
Auditors' Report	Page 127

- (e) the auditors' report and audited stand-alone annual financial statements of Prysmian Cavi e Sistemi Energia S.r.l. for the financial year ended 31 December 2009:

Balance Sheet	Pages 22 to 23
Income Statement	Page 24
Cash flow Statement	Page 59
Notes to the financial statements	Pages 25 to 58
Auditors' Report	Appendix

- (f) the auditors' report and audited stand-alone annual financial statements of Prysmian Cavi e Sistemi Energia S.r.l. for the financial year ended 31 December 2008:

Balance Sheet	Pages 19 to 20
Income Statement	Page 21
Cash flow Statement	Page 51
Notes to the financial statements	Pages 22 to 50
Auditors' Report	Appendix

- (g) the auditors' report and audited stand-alone annual financial statements of Prysmian Cavi e Sistemi Italia S.r.l. for the financial year ended 31 December 2009:

Balance Sheet	Pages 21 to 22
Income Statement	Page 23
Cash flow Statement	Page 61
Notes to the financial statements	Pages 24 to 60
Auditors' Report	Pages 71 to 72

- (h) the auditors' report and audited stand-alone annual financial statements of Prysmian Cavi e Sistemi Italia S.r.l. (formerly, Prysmian Cavi e Sistemi Energia Italia S.r.l.) for the financial year ended 31 December 2008:

Balance Sheet	Pages 18 to 19
Income Statement	Page 20
Cash flow Statement	Page 53
Notes to the financial statements	Pages 21 to 49
Auditors' Report	Page 57

- (i) the auditors' report and audited stand-alone annual financial statements of Prysmian PowerLink S.r.l. for the financial year ended 31 December 2009:

Balance Sheet	Pages 21 to 24
Income Statement	Pages 25 to 26
Cash flow Statement	Page 56
Notes to the financial statements	Pages 27 to 55
Auditors' Report	Pages 5 to 6 of Appendix

- (j) the auditors' report and audited stand-alone annual financial statements of Prysmian PowerLink S.r.l. for the financial year ended 31 December 2008:

Balance Sheet	Pages 20 to 21
Income Statement	Page 22
Cash flow Statement	Page 48
Notes to the financial statements	Pages 23 to 47
Auditors' Report	Appendix

- (k) the auditors' report and audited stand-alone annual financial statements of Prysmian Câbles et Systèmes France S.A.S. for the financial year ended 31 December 2009:

Balance Sheet	Pages 1 to 2
Income Statement	Pages 3 to 4
Notes to the financial statements	Pages 5 to 20
Auditors' Report	Introduction

- (l) the auditors' report and audited stand-alone annual financial statements of Prysmian Câbles et Systèmes France S.A.S. for the financial year ended 31 December 2008:

Balance Sheet	Pages 1 to 2
Income Statement	Pages 3 to 4
Notes to the financial statements	Pages 5 to 20
Auditors' Report	Introduction

- (m) the auditors' report and audited stand-alone annual financial statements of Prysmian Cables & Systems Limited for the financial year ended 31 December 2009:

Balance Sheet	Page 14
Profit and Loss Account	Page 13
Statement of total recognised gains and losses	Page 15
Notes to the financial statements	Pages 21 to 42
Auditors' Report	Pages 11 to 12

- (n) the auditors' report and audited stand-alone annual financial statements of Prysmian Cables & Systems Limited for the financial year ended 31 December 2008:

Balance Sheet	Page 12
Profit and Loss Account	Page 11
Statement of total recognised gains and losses	Page 13
Notes to the financial statements	Pages 14 to 39
Auditors' Report	Page 10

- (o) the auditors' report and audited stand-alone annual financial statements of Prysmian Kabel und Systeme GmbH for the financial year ended 31 December 2009:

Balance Sheet	Page 11
Income Statement	Page 13
Notes to the financial statements	Pages 14 to 22
Auditors' Report	Appendix

- (p) the auditors' report and audited stand-alone annual financial statements of Prysmian Kabel und Systeme GmbH for the financial year ended 31 December 2008:

Balance Sheet	Page 11
Income Statement	Page 13
Notes to the financial statements	Pages 14 to 21
Auditors' Report	Appendix

- (q) the auditors' report and audited stand-alone annual financial statements of Prysmian Cables and Systems B.V. for the financial year ended 31 December 2009:

Balance Sheet	Page 3
Profit and Loss Account	Page 4
Cash flow Statement	Page 5
Notes to the financial statements	Pages 9 to 14
Auditors' Report	Appendix

- (r) the auditors' report and audited stand-alone annual financial statements of Prysmian Cables and Systems B.V. for the financial year ended 31 December 2008:

Balance Sheet	Page 3
Profit and Loss Account	Page 4
Cash flow Statement	Page 5
Notes to the financial statements	Pages 9 to 14
Auditors' Report	Pages 16 to 17

- (s) the auditors' report and audited annual consolidated financial statements of Prysmian Power Cables & Systems Australia Pty Ltd for the financial year ended 31 December 2009:

Balance Sheet	Pages 6 to 7
Statements of Comprehensive Income	Page 5
Cash flow Statement	Page 8
Notes to the financial statements	Pages 9 to 35
Auditors' Report	Page 37 to 38

- (t) the auditors' report and audited annual consolidated financial statements of Prysmian Power Cables & Systems Australia Pty Ltd for the financial year ended 31 December 2008:

Balance Sheets	Page 6
Statements of Comprehensive Income	Page 5
Cash flow Statements	Page 8
Statement of changes in equity	Page 7
Notes to the financial statements	Pages 9 to 38
Auditors' Report	Page 40 to 41

Following the publication of this Prospectus, but prior to the date on which the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 13 of the Luxembourg Act. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer, from the specified office of the Paying Agent for the time being in Luxembourg and from the website of the Luxembourg Stock Exchange at www.bourse.lu.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The €400,000,000 5.25 per cent. Guaranteed Notes due 9 April 2015 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 and forming a single series with the Notes) of Prysmian S.p.A. (the **Issuer**) are guaranteed on a joint and several basis by each of Prysmian Cavi e Sistemi Energia S.r.l., Prysmian Cavi e Sistemi Italia S.r.l., Prysmian PowerLink S.r.l., Prysmian Câbles et Systèmes France S.A.S., Prysmian Cables & Systems Limited, Prysmian Kabel und Systeme GmbH, Prysmian Cables and Systems B.V. and Prysmian Power Cables & Systems Australia Pty Ltd (each an **Original Guarantor** and together the **Original Guarantors** and, together with any Additional Guarantors appointed pursuant to Condition 4.2 but excluding any Guarantors that are released from their obligations pursuant to Condition 4.3, the **Guarantors** and each a **Guarantor**) and are constituted by a Trust Deed dated 9 April 2010 (the **Trust Deed**) made between the Issuer, the Original Guarantors and BNY Corporate Trustee Services Limited (the **Trustee**, which expression shall include its successor(s)) as trustee for the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 9 April 2010 (the **Agency Agreement**) made between the Issuer, the Original Guarantors, Citibank, N.A., London Branch (the **Principal Paying Agent**), the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression includes and, together with any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the registered office for the time being of the Trustee, being at the date of issue of the Notes at One Canada Square, London E14 5AL and at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of €50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Notes in definitive form will be issued with a denomination above €99,000. Each Note will be issued with Coupons attached. Notes of one denomination may not be exchanged for Notes of another denomination.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer, any Guarantor, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*,

without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. GUARANTEE

3.1 Guarantee

Each Original Guarantor has unconditionally and (subject to the provisions of Condition 4.3) irrevocably guaranteed on a joint and several basis (a) the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Agency Agreement, the Notes and the Coupons and (b) the performance by the Issuer of all of its obligations under the Trust Deed, the Agency Agreement, the Notes and the Coupons. The obligations of each Original Guarantor in that respect (each a **Guarantee** and together the **Guarantees**, which expressions shall include any guarantees given by an Additional Guarantor pursuant to Condition 4.2 but exclude any guarantees given by a Guarantor which is released from its obligations pursuant to Condition 4.3) are contained (in respect of the Original Guarantors) in the Trust Deed.

3.2 Status of the Guarantees

The obligations of each Guarantor under the relevant Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4) irrevocable and unsecured obligations of such Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. COVENANTS

4.1 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), none of the Issuer or any Guarantor will, and each of the Issuer and the Guarantors shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of their present or future business, undertakings, assets or revenues (including uncalled capital) to secure, in the case of the Issuer or any Guarantor, any Indebtedness for Borrowed Money and in the case of their respective Subsidiaries, any Relevant Indebtedness only, without (a) at the same time or prior thereto securing the obligations of the Issuer under the Notes, the Coupons and the Trust Deed or, as the case may be, the obligations of the Guarantors under the Guarantees, equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security, guarantee, indemnity or other arrangement for the obligations of the Issuer under the Notes, the Coupons and the Trust Deed or, as the case may be, the obligations of the Guarantors under the Guarantees, as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

4.2 Additional Guarantors

(a) Requirement to appoint Additional Guarantors

If any Compliance Certificate supplied by the Issuer to the Trustee shows that the Threshold Test is not satisfied in respect of the relevant accounting period, the Issuer shall procure that such one or more members of the Group become additional guarantors (each an **Additional Guarantor** and together the **Additional Guarantors**) in the manner set out in Clause 4.2(b) as may be required so that the Threshold Test is then met within 30 Business Days in London and Milan of the date of the relevant Compliance Certificate.

(b) **Accession of Additional Guarantors**

If a member of the Group is required to become an Additional Guarantor pursuant to these Conditions, or if the Issuer requests that a member of the Group become an Additional Guarantor in connection with the release of a Guarantor pursuant to Condition 4.3 below, the Issuer shall procure the delivery to the Trustee and the Principal Paying Agent of each of the following documents in respect of such member of the Group (the **Proposed Additional Guarantor**):

- (i) a supplemental trust deed (the **Supplemental Trust Deed**) in a form and with substance acceptable to the Trustee, duly executed by the Proposed Additional Guarantor and pursuant to which it agrees to be bound by the provisions of the Trust Deed and gives a Guarantee;
- (ii) a supplemental agency agreement (the **Supplemental Agency Agreement**) in a form and with substance acceptable to the Trustee, duly executed by the Proposed Additional Guarantor pursuant to which it agrees to be bound by the provisions of the Agency Agreement;
- (iii) a certificate signed by a duly authorised officer of the Proposed Additional Guarantor, in a form and with substance acceptable to the Trustee, certifying (A) that the giving of the relevant Guarantee by the Proposed Additional Guarantor will not breach any restriction imposed on it under laws generally applicable to persons of the same legal form as such Proposed Additional Guarantor; and (B) the matters outlined in (iv) below;
- (iv) legal opinions of legal advisers of recognised standing in such jurisdictions as the Trustee shall require and in a form and with substance acceptable to the Trustee, to the effect that execution and delivery of the Supplemental Trust Deed and the Supplemental Agency Agreement have been validly authorised and that the obligations of the Proposed Additional Guarantor under each of the Supplemental Trust Deed and the Supplemental Agency Agreement constitute legal, valid and binding obligations and that the Guarantee given by the Proposed Additional Guarantor ranks as provided in Condition 3.2; and
- (v) a certificate, signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer), confirming, by reference to the most recently published annual or semi-annual consolidated financial statements of the Issuer (whether audited or unaudited), that the Threshold Test will be satisfied immediately after the Proposed Additional Guarantor becomes a Guarantor (provided that no certificate under this sub-paragraph (v) shall be required if the Proposed Additional Guarantor is substituting a Proposed Released Guarantor (as defined in Condition 4.3 below) and a certificate is provided to the Trustee pursuant to Condition 4.3(a)(i) below).

Upon delivery of such documents, the Proposed Additional Guarantor shall be deemed to have become a Guarantor.

- (c) Notice of any addition of a Guarantor pursuant to this Condition 4.2 will be given to the Noteholders in accordance with Condition 13.

4.3 Release of Guarantors

- (a) The Issuer may at any time by notice in writing to the Trustee signed by two directors of the Issuer request the Trustee to agree to the release of any Guarantor (the **Proposed Released Guarantor**) from its obligations under its Guarantee and the Trustee shall grant such request if it has received, in a form and with substance satisfactory to it, each of the following documents:
 - (i) a certificate, signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer), confirming, by reference to the most recently published annual or semi-annual consolidated financial statements of the Issuer (whether audited or unaudited), that the Threshold Test will continue to be satisfied immediately after the release of the Proposed Released Guarantor;

- (ii) a report of the Issuer's external auditors addressed to the Trustee or addressed to the Issuer and expressly authorised by such auditors to be released to the Trustee, stating that the numbers used in determining whether the Threshold Test has been satisfied have been properly extracted from the annual or semi-annual consolidated financial statements or financial reports, as the case may be, of the Issuer, the Proposed Released Guarantor and any Proposed Additional Guarantor, if relevant, and the calculations properly made;
- (iii) a certificate, signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer), confirming that no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing or would result from the release of the Proposed Released Guarantor; and
- (iv) a certificate signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer), and by two directors (or, if applicable, the sole director) of the Proposed Released Guarantor confirming that no amount owed by the Proposed Released Guarantor under its Guarantee is outstanding.

Upon receipt by the Trustee of such documents, in forms and with substance satisfactory to it, the Proposed Released Guarantor shall be immediately and effectively released from its obligations under its Guarantee.

- (b) Notice of any release of a Guarantor pursuant to this Condition 4.3 will be given to the Noteholders in accordance with Condition 13.

4.4 Interpretation

For the purposes of these Conditions:

- (a) **Adjusted EBITDA** means EBITDA before non-recurring income and expenses, in the case of the Issuer and the Group, as stated in the annual or, as the case may be, semi-annual consolidated financial statements of the Issuer;
- (b) **Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place;
- (c) **Compliance Certificate** means a certificate in the form set out in the Trust Deed and upon which the Trustee may rely absolutely and without further enquiry, delivered by the Issuer to the Trustee as soon as its annual and semi-annual consolidated financial statements (whether audited or unaudited) are available (and in any event within 120 calendar days or 80 calendar days, respectively, of the end of the relevant annual or semi-annual accounting period) which sets out the aggregate positive contribution of the Guarantors to the Adjusted EBITDA of the Group for the relevant accounting period and which is signed by two directors of the Issuer (one of whom must be the chief financial officer, the finance director or the chief executive officer of the Issuer);
- (d) **EBITDA** means earnings (or loss) for the relevant period before interest, tax, depreciation and amortisation, in the case of the Issuer and the Group, as stated in the annual or, as the case may be, semi-annual consolidated financial statement of the Issuer;
- (e) **Eligible Privilegio Generale** means a *Privilegio Generale* (pursuant to the relevant provisions of the Italian Civil Code) (or its equivalent in any Relevant Jurisdiction other than Italy) which secures any Subsidised Debt;
- (f) **Euro Equivalent** means, in respect of an amount expressed or denominated in any currency other than euro, the equivalent of that amount in euro determined by reference to the spot rate of exchange of a leading international bank (selected by the Issuer and approved by the Trustee)

for the purchase of the relevant currency in the London foreign exchange markets at 11am on the date of the relevant calculation;

- (g) **Group** means the Issuer and its Subsidiaries from time to time;
- (h) **Indebtedness for Borrowed Money** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) of any Person for or in respect of any borrowed money or any liability under or in respect of any amount raised by acceptance under any acceptance credit facility; or (ii) any guarantee or indemnity in respect of such indebtedness;
- (i) **Joint Venture** means any joint venture entity, partnership or similar person, the ownership of or other interest in which does not require the Issuer, any Guarantor or any of their respective Subsidiaries to consolidate the results of that person with its own as a Subsidiary;
- (j) **Non-recourse Securitisation** means any limited recourse securitisation by the Issuer, any Guarantor or any of their respective Subsidiaries of receivables arising from their trading activities involving the sale on a non-recourse basis of those receivables, directly or indirectly, to special purpose companies;
- (k) **Permitted Security Interest** means:
 - (i) any Security Interest existing at 9 April 2010, so long as such Security Interest secures only the indebtedness that it secured at that date;
 - (ii) any Security Interest on an asset acquired by the Issuer, any Guarantor or any of their respective Subsidiaries after 9 April 2010 or on an asset (as at the date of a person's acquisition by the Issuer, any Guarantor or any of their respective Subsidiaries) of that person, but only for the period of three months from the date of acquisition and to the extent that:
 - (A) that Security Interest was not created in contemplation of that acquisition; and
 - (B) the principal amount secured by that Security Interest has not been incurred or increased or its maturity date extended in contemplation of, or since, that acquisition;
 - (iii) any lien arising by operation of law or any lien or retention of title arrangement or other equivalent arrangement arising by agreement to substantially the same effect or under customary general conditions of business, in each such case in the ordinary course of trading;
 - (iv) any Security Interest over goods and documents of title to such goods arising under documentary credit transactions entered into in the ordinary course of trade and on terms customary in that trade;
 - (v) any Security Interest of the type and over the assets which are the subject of a Non-recourse Securitisation;
 - (vi) any Security Interest arising under the general business conditions of any credit institution or bank with whom the Issuer, any Guarantor or any of their respective Subsidiaries maintains a banking relationship in the ordinary course of business;
 - (vii) any Security Interest given over shares of any Joint Venture to secure indebtedness of that Joint Venture provided that recourse under such Security Interest is limited to the assets and shares of and debt lent to the relevant Joint Venture;
 - (viii) any Security Interest (including an *Eligible Privilegio Generale*) securing indebtedness the amount or Euro Equivalent of which (when aggregated with any other indebtedness which has the benefit of a Security Interest not permitted under the preceding

subparagraphs or under arrangements entered into which, but for this paragraph (k), would be a breach of Condition 4.1) does not exceed the higher of €150,000,000 and 5 per cent. of the consolidated total assets of the Group (as shown in the then most recent audited annual consolidated balance sheet of the Issuer) at any time; and

- (ix) any *Eligible Privilegio Generale*, provided that the aggregate principal amount of Subsidised Debt that may be permitted to be secured by one or more *Eligible Privilegio Generale* under this paragraph may not exceed €30,000,000 at any time;
- (l) **Person** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
- (m) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) of any Person for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which is, or is capable of being, listed, quoted or traded on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;
- (n) **Security Interest** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
- (o) **Subsidiary** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;
- (p) **Subsidised Debt** means any loan granted to the Issuer, any Guarantor or any of their respective Subsidiaries by a governmental or quasi governmental entity, either directly or through a financial intermediary, which carries an effective cost of borrowing which does not exceed the sum of EURIBOR (or equivalent) and 1.00 per cent. per annum and which supports research and development or industrial projects of the Issuer, any Guarantor or any of their respective Subsidiaries taken together; and
- (q) **Threshold Test** means that, for the relevant accounting period, the aggregate positive contribution of the Guarantors to the Adjusted EBITDA of the Group is not less than 67 (sixty-seven) per cent. of the consolidated Adjusted EBITDA of the Group, provided that, in the case of any Threshold Test carried out pursuant to Condition 4.3(a)(i), the following shall apply:
 - (i) the aggregate positive contribution of the Guarantors to the consolidated Adjusted EBITDA of the Group shall exclude the amount of Adjusted EBITDA that is attributable to the Proposed Released Guarantor but will include the amount of Adjusted EBITDA that is attributable to any Proposed Additional Guarantor (if any) which is being contemporaneously appointed in substitution of the Proposed Released Guarantor; and
 - (ii) if the Issuer or any other member of the Group has entered into a binding agreement at arm's length to sell the Proposed Released Guarantor, and such agreement is conditional only upon the release of the Proposed Released Guarantor from its Guarantee and the satisfaction of such other customary conditions precedent for transactions of this nature, the consolidated Adjusted EBITDA of the Group shall be adjusted to exclude the amount of Adjusted EBITDA that is attributable to the Proposed Released Guarantor for the relevant accounting period,

but the adjustments to the Threshold Test set out at sub-paragraphs (i) and (ii) shall not apply in respect of any Compliance Certificate delivered pursuant to Condition 4.2(a) or any certificate delivered pursuant to Condition 4.2(b)(v).

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 9 April 2010 at the rate of 5.25 per cent. per annum, payable annually in arrear on 9 April (each an **Interest Payment Date**). The first payment (representing a full year's interest) shall be made on 9 April 2011.

5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

6. PAYMENTS

6.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

6.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee with a bank in a city in which banks have access to the TARGET2 system.

6.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

6.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8.

6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 9):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantors reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the Luxembourg Stock Exchange or other relevant authority or other stock exchange on which the Notes are listed or admitted to trading from time to time;
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer or any Guarantor is incorporated.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

7. REDEMPTION AND PURCHASE

7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 9 April 2015.

7.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 9 April 2010, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 or (ii) any Guarantor would

be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and

- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be required to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer or, as the case may be, the relevant Guarantor stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

7.3 Redemption at the Option of the Holders

(a) Redemption at the Option of the Holders upon a Change of Control

A **Put Event** will be deemed to occur if:

- (i) any Person or group of Persons acting in concert gains control of the Issuer (a **Change of Control**); or
- (ii) there is a sale, lease, transfer or other disposal (whether in a single transaction or a series of related transactions) (other than (x) a Permitted Disposal or (y) any sale, lease, transfer or other disposal which would result in an Event of Default pursuant to Condition 10) of any asset(s) of the Issuer or any Guarantor, which, taken together, represent 35 per cent. or more of the consolidated net assets of the Group, calculated by reference to the consolidated net assets of the Group as stated in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2009 or, if greater, the consolidated net assets of the Group as stated in the then latest annual or semi-annual consolidated financial statements (whether audited or unaudited) of the Issuer, provided that, in respect of a series of related transactions, reference shall be made to the then latest annual or semi-annual consolidated financial statements (whether audited or unaudited) of the Issuer as at the date of the first transaction in the relevant series (each such sale, lease, transfer or other disposal, a **Disposal Event**).

(b) Duties of the Trustee in connection with a Put Event

The Trustee is under no obligation to ascertain whether a Put Event or any event which could lead to the occurrence of or could constitute a Put Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or other such event has occurred.

(c) Interpretation

In this Condition 7.3:

acting in concert means acting together pursuant to an agreement or understanding (whether formal or informal);

control means owning more than 50 per cent. of the voting share capital of the Issuer or having the right to appoint by contract or otherwise a majority of the board of directors of the Issuer; and

Permitted Disposals means any sale, lease, transfer or other disposal:

- (a) made pursuant to an order for mandatory divestment of assets required by any anti-trust or regulatory authorities, provided that, in respect of any asset or assets which represent 5 per cent. or more of the consolidated net assets of the Group (as determined by reference to the latest annual or semi-annual consolidated financial statements (whether audited or unaudited) of the Issuer at the date of the relevant disposal), the proceeds (whether paid to the Issuer or the relevant Guarantor in cash or as consideration equivalent to cash) for any such disposal of an asset or assets are within 12 months of the date of receipt of such proceeds, either reinvested in the Group's business or contractually committed by the Issuer to be so reinvested within 18 months of the date of receipt of such proceeds, in each case as certified by two directors of the Issuer to the Trustee;
- (b) approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (c) between the Issuer and any Guarantor or between Guarantors.

(d) **Procedure for exercising Put Options**

If a Put Event occurs, each Noteholder shall have the option (a **Put Option**) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 7.2 above) to require the Issuer to redeem (or, at the Issuer's option, to purchase) the Notes held by it (in whole but not in part) on the date (the **Put Date**) which is seven days after the expiration of the Put Period (as defined below) at their principal amount together with interest accrued to (but excluding) the date of redemption.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming aware that a Put Event has occurred the Trustee may, and if so requested by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 13 specifying (i) that Noteholders are entitled to exercise the Put Option; (ii) all information material to Noteholders in relation to the Change of Control or Disposal Event; (iii) the procedure for exercising the Put Option; and (iv) such other information relating to the Put Option as the Trustee may require.

To exercise the Put Option, the holder of the Notes must deliver at the specified office of any Paying Agent on any Business Day at the place of such specified office falling within the period of 90 days following the date of the Put Event Notice (the **Put Period**), a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held through Euroclear Banking S.A./N.V. (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), be any form acceptable to Euroclear and Clearstream, Luxembourg delivered in a manner acceptable to Euroclear and Clearstream, Luxembourg) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by such Notes and all Coupons appertaining thereto or evidence satisfactory to the Paying Agent concerned that such Notes and all Coupons appertaining thereto will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice.

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased and cancelled pursuant to this Condition, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13, redeem or (or, at the Issuer's option, purchase), all but not some only of the remaining outstanding Notes at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

7.4 Purchases

The Issuer, any Guarantor or any Subsidiary of the Issuer may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Guarantor, as the case may be, surrendered to any Paying Agent for cancellation.

7.5 Cancellations

All Notes which are redeemed will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.4 above shall be forwarded to the Principal Paying Agent and accordingly may not be reissued or resold.

7.6 Notices Final

Upon the expiry of any notice as is referred to in paragraph 7.2 or 7.3 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph (in the case of paragraph 7.3, save as otherwise provided therein).

8. TAXATION

8.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer or any Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, any Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of the Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (c) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- (d) in all circumstances in which the procedures to obtain an exemption from *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (e) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (f) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (g) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 6).

8.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13; and
- (b) **Relevant Jurisdiction** means (in the case of payments by the Issuer or by Prysmian Cavi e Sistemi Energia S.r.l., Prysmian Cavi e Sistemi Italia S.r.l. or Prysmian PowerLink S.r.l.) Italy or (in the case of payments by Prysmian Câbles et Systèmes France S.A.S., Prysmian Cables & Systems Limited, Prysmian Kabel und Systeme GmbH, Prysmian Cables and Systems B.V. or Prysmian Power Cables & Systems Australia Pty Ltd) France, the United Kingdom, Germany, the Netherlands or Australia, respectively, or, in each case, any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or any Guarantor (including any Additional Guarantor), as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6.

10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in subparagraphs (b), (d) and (e), (f), (g), (i) and (j) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice to the Issuer and the Guarantors that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (**Events of Default**):

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or
- (b) if the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer or the relevant Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) if:
 - (i) any Indebtedness for Borrowed Money of the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described);
 - (ii) the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period;
 - (iii) any security given by the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries for any Indebtedness for Borrowed Money is enforced; or
 - (iv) default is made by the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person,

provided that:

- (x) no event described in this subparagraph (c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €30,000,000 (or its equivalent in any other currency) and
- (y) for the avoidance of doubt, references to Indebtedness for Borrowed Money in this subparagraph (c) shall not include any Non-recourse Indebtedness; or
- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries, save for the purposes of (i) a Permitted Reorganisation (as defined below) or (ii) a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (e) if the Issuer or any Guarantor ceases or announces an intention to cease to carry on the whole or a substantial part of its business (provided that, for the purposes of this sub-paragraph (e) only, "a substantial part" shall mean 35 per cent. or more of the Issuer's or, as the case may be, the relevant Guarantor's business), save for the purposes of (i) a Permitted Reorganisation; or (ii) a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, or if the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (f) if:
- (i) proceedings are initiated against the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official; or
 - (ii) an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them; or
 - (iii) an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them,
- and in any of the cases described in paragraphs (i) to (iii) above (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the relevant company, is not discharged within 21 days; or
- (g) if the Issuer, any Guarantor or any of the Issuer's other Material Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation (save for the purposes of a Permitted Reorganisation) or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
 - (h) if any Guarantee ceases to be, or is claimed by the Issuer or any Guarantor not to be, in full force and effect; or
 - (i) if any Guarantor ceases to be a subsidiary that is controlled, directly or indirectly, by the Issuer; or
 - (j) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (d) to (g) above.

10.2 Interpretation

For the purposes of this Condition:

- (a) a **Material Subsidiary** means at any time a Subsidiary of the Issuer whose Adjusted EBITDA or turnover equals or exceeds 5 per cent. of the Adjusted EBITDA or turnover of the Group, as calculated by reference to the then latest audited annual accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited annual consolidated accounts of the Group. For this purpose (and as more particularly defined in the Trust Deed):
 - (i) the Adjusted EBITDA and turnover of a Subsidiary of the Issuer will be determined from its then latest audited annual accounts (consolidated if it has Subsidiaries) upon which the then latest audited annual consolidated accounts of the Group have been based;
 - (ii) if a Subsidiary of the Issuer becomes a member of the Group after the date on which the then latest audited annual consolidated accounts of the Group have been prepared,

Adjusted EBITDA and turnover of that Subsidiary will be determined from its latest audited accounts (consolidated if it has Subsidiaries); and

- (iii) the Adjusted EBITDA and turnover of the Group will be determined from its then latest audited annual consolidated accounts adjusted (where appropriate) to reflect the Adjusted EBITDA or turnover of any company or business subsequently acquired or disposed of,

and so that any Person in respect of which any Material Subsidiary is a Subsidiary shall also be a Material Subsidiary and in any event a confirmation from the external auditors as to any of the calculations made above shall be conclusive.

Notwithstanding the above, any member of the Group to which the Issuer or a Material Subsidiary disposes of all or any substantial part of its assets will be treated as a Material Subsidiary, but only until it is demonstrated (by reference to the accounts of that Subsidiary referred to in paragraphs (i) and (ii) above and the audited consolidated accounts of the Group referred to in paragraph (iii) above for a period ended after that transfer) not to be a Material Subsidiary according to the tests set out above;

- (b) **Non-recourse Indebtedness** means any Indebtedness for Borrowed Money that is incurred in respect of a Non-recourse Securitisation; and
- (c) **Permitted Reorganisation** means:
 - (i) in respect of the Issuer or any Guarantor, any amalgamation, merger, demerger or reconstruction whilst solvent of the Issuer or such Guarantor which is part of a related sequence of events whereby, during or upon completion of the sequence, all of the assets and liabilities of the Issuer or the relevant Guarantor, as the case may be, including all its rights and obligations under or in respect of the Notes (in the case of the Issuer), the Trust Deed and (in the case of a Guarantor) the relevant Guarantee, will be assumed in accordance with applicable law by a Person which, immediately after such assumption, is a member of the group consisting of the Issuer and its consolidated Subsidiaries; or
 - (ii) in respect of any Material Subsidiary, any amalgamation, merger, demerger or reconstruction whilst solvent of the relevant Material Subsidiary under which all of its assets and liabilities are transferred, sold, contributed, assigned or otherwise vested in the Issuer or any of its other Subsidiaries in accordance with applicable law.

10.3 Reports

A report by two directors of the Issuer, whether or not addressed to the Trustee, that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary, may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest or proven error, be conclusive and binding on all parties.

11. ENFORCEMENT

11.1 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

11.2 Enforcement by the Noteholders

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. NOTICES

13.1 Notices to the Noteholders

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve and, so long as the Notes are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange and the rules of that exchange so require, a daily newspaper of general circulation in Luxembourg approved by the Trustee and/or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

13.2 Notices from the Noteholders

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. Any such meeting may be convened by the directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and shall be convened by the Issuer, subject to mandatory provisions of Italian law, at the request of the Trustee or upon a requisition in writing signed by the holders of not less than one-twentieth in aggregate principal amount of the Notes for the time being outstanding. If the Issuer defaults in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth in aggregate principal amount of the Notes outstanding, the same may be convened by decision of the President of the competent court upon request by such Noteholders. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the

Italian Civil Code, or as the Trustee may appoint or approve in writing. The quorum required at any such meeting will be (a) in the case of a first meeting, one or more persons present being or representing Noteholders and holding not less than one half of the aggregate principal amount of the outstanding Notes; (b) in the case of an adjourned meeting, one or more persons present being or representing Noteholders and holding more than one third of the aggregate principal amount of the outstanding Notes; and (c) in the case of a further adjourned meeting, one or more persons present being or representing Noteholders and holding not less than one fifth of the aggregate principal amount of the outstanding Notes. The majority required to pass a resolution at any meeting (including an adjourned meeting) convened to vote on an Extraordinary Resolution will be not less than two thirds of the aggregate principal amount of the outstanding Notes represented at the meeting; provided, however, that certain proposals, as set out in Article 2415 paragraph 1, item 2 of the Italian Civil Code (including any proposal to modify the maturity of the Notes or the dates on which interest is payable on them; to reduce or cancel the principal amount of, or interest on, the Notes; or to change the currency of payment of the Notes) (each a **Reserved Matter**), may only be sanctioned by a resolution passed at meeting (including any adjourned meeting) of Noteholders by an Extraordinary Resolution passed by a majority representing not less than one half of the principal amount of the Notes for the time being outstanding. Any resolution duly passed at any such meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

14.2 Noteholders' Representative

A representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**), subject to applicable provisions of Italian law, may be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by an Extraordinary Resolution of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

14.3 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest or proven error. A **Potential Event of Default**, as defined in the Trust Deed, means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default.

14.4 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall

not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, any Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

14.5 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

15. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER AND THE GUARANTORS

15.1 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

15.2 Trustee Contracting with the Issuer and the Guarantors

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any Guarantor and/or any of the Issuer's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any Guarantor and/or any of the Issuer's other Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing Law

The Trust Deed (including the Guarantees), the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law, provided that Condition 14 and the provisions of the Trust Deed concerning meetings of Noteholders are subject to compliance with the laws of the Republic of Italy.

17.2 Jurisdiction of English Courts

Each of the Issuer and the Guarantors has, in the Trust Deed, irrevocably agreed for the benefit of the Trustee, the Noteholders and the Couponholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons) and accordingly has submitted to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Guarantors has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders and the Couponholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed, the Notes or the Coupons respectively (together referred to as **Proceedings**) against the Issuer or any Guarantor (including any Proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons) in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

17.3 Appointment of Process Agent

Each of the Issuer and the Guarantors has, in the Trust Deed, irrevocably and unconditionally appointed Prysmian Cables & Systems Limited at the latter's registered office for the time being as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

18. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Notes which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.

1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

- (a) upon the happening of any of the events defined in the Trust Deed as “Events of Default”; or
- (b) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available.

Thereupon the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (b) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, **Exchange Date** means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after 19 May 2010, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Principal Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 13, provided that, so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu, if and to the extent that the rules of the Luxembourg Stock Exchange so require. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Principal Paying Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

4. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 10 and Condition 7.3) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. Prescription

Claims against the Issuer and any Guarantor in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

7. Put Option

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 7.3 may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream,

Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly within the time limits set forth in that Condition.

8. Euroclear and Clearstream, Luxembourg

References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer to fund the Group's general corporate purposes and/or debt refinancing.

DESCRIPTION OF THE GROUP

OVERVIEW

Management believes that the Prysmian group (the **Group** or **Prysmian**) is a leading developer, designer, manufacturer, supplier and installer of a broad array of cables for applications in the energy and telecommunications industries. In addition, Prysmian produces and supplies related network components and accessories and provides value-added services such as co-design, project management of cable systems, realisation of turnkey projects, installation services and post-installation maintenance services, principally in the energy sector.

Management believes that the Group is one of the world's largest producers of energy cables in terms of revenues, with a leading position in key high value-added segments such as the submarine, high and extra-high voltage power transmission systems for utilities, and is one of the world's largest manufacturers in the telecom cables market.

Prysmian conducts its business through two business segments, which are its reportable segments for financial reporting purposes:

- *Energy Cables & Systems*: This segment designs, develops, manufactures, distributes and installs a full range of products and related accessories for the underground and submarine transmission and distribution of energy in the form of low, medium, high and extra-high voltage electricity. The Energy Cables & Systems segment is divided into three principal business areas:
 - *Utilities*, which includes high and extra-high voltage power transmission systems, submarine power systems, low and medium power distribution cables and network components;
 - *Trade and Installers*, which includes low and medium voltage insulated cables for the distribution of electricity to residential and commercial buildings; and
 - *Industrial Applications*, which includes customised products used for various speciality applications by customers in the oil and gas, renewable energies, crane, mining, shipbuilding, railway and rolling stock, appliance, automotive, chemical, electrical equipment and infrastructure sectors, among others.

Through its Energy Cables & Systems segment, Prysmian provides power transmission systems, submarine power systems, power distribution cables and related network components to many of the largest power utilities around the world; builds wires to contractors and distributors in the trade and installers market segment; and cables for various speciality applications to a variety of customers operating in a range of industries, including companies in the OEMs (Original Equipment Manufacturers), oil, gas, petrochemicals, infrastructure, automotive, and white goods industries.

- *Telecom Cables & Systems*: This segment designs, develops, manufactures, distributes and installs fibre-optic cables for voice, data, video and control applications, as well as broadband connectivity components and accessories. This segment is vertically integrated and manufactures most of the optical fibre used in the production of its fibre-optic cables in its facilities located in Battipaglia (Italy) and Sorocaba (Brazil). Prysmian also manufactures, distributes and installs copper telecom cables.

The Group operates on an international basis in Europe (primarily in Italy, France, Spain, the United Kingdom and Germany) and Africa, North America (primarily in the United States and Canada), Central and South America (primarily in Brazil and Argentina) and Asia and Oceania (primarily in China and Australia). As of the date of this Prospectus, Prysmian operates 56 production facilities in 24 countries and employed, as of 31 December 2009, 11,704 people worldwide.

The Group's business is well diversified, in particular with regard to the type of products it offers and the end-markets and geographic markets in which it sells its products. This diversity reduces Prysmian's exposure to risks resulting from general economic conditions in individual countries and from economic developments and trends in specific market segments. In the year ended 31 December 2009, none of the

Group's customers accounted for more than 5 per cent. of its total sales of goods and services to third parties. With regard to its Utilities business area, approximately 55 per cent. of its sales of goods and services in the year ended 31 December 2009 was generated from multiple-year projects, primarily for the development of power and submarine transmission systems on the basis of long-term contracts. In the year ended 31 December 2009, France, which represented its largest single geographic market, accounted for only 10 per cent. of the Group's total sales of goods and services to third parties.

In the year ended 31 December 2009, the Group generated sales of goods and services of €3,731 million, of which €3,328 million, or 89.2 per cent., was generated by its Energy Cables & Systems segment and the remainder primarily by its Telecom Cables & Systems segment, which generated sales of goods and services of €403 million.

The following table provides a breakdown of the Group's sales of goods and services to third parties by segment and business area for the periods indicated.

	Year ended 31 December							
	2009		2008		2007		2006	
	<i>Euro in millions/as a percentage of total sales of goods and services to third parties</i>							
Energy Cables & Systems	3,328	89.2%	4,608	89.6%	4,583	89.5%	4,501	89.9%
Utilities.....	1,598	42.8%	2,028	39.4%	1,894	37.0%	—	—
Trade & Installers.....	1,020	27.3%	1,629	31.7%	1,802	35.2%	—	—
Industrial Applications	628	16.8%	850	16.5%	795	15.5%	—	—
Others	82	2.2%	101	2.0%	92	1.8%	—	—
Telecom Cables & Systems	403	10.8%	536	10.4%	535	10.5%	506	10.1%
Total	3,731	100.0%	5,144	100.0%	5,118	100.0%	5,007	100.0%

The following table provides a breakdown of the Group's total sales of goods and services by geographic region for the periods indicated.

	Year ended 31 December							
	2009		2008		2007		2006	
	<i>Euro in millions/as a percentage of total sales of goods and services</i>							
Europe, Middle East								
and Africa.....	2,636	70.6%	3,594	69.9%	3,556	69.5%	3,367	67.3%
North America	349	9.4%	605	11.8%	632	12.3%	827	16.5%
Central and South								
America	365	9.8%	478	9.3%	461	9.0%	390	7.8%
Asia and Oceania	381	10.2%	467	9.1%	469	9.2%	423	8.4%
Total	3,731	100.0%	5,144	100.0%	5,118	100.0%	5,007	100.0%

Management monitors the underlying performance of the consolidated business, the business segments and the business divisions using certain non-GAAP measures including EBITDA, Adjusted EBITDA and Adjusted Operating Income, which are not recognised as measures of financial performance or liquidity under IFRS. Investors should not place any undue reliance on these non-GAAP measures and financial indicators and should not consider these measures as an alternative to any measures of performance under generally accepted accounting principles. The following tables set forth a reconciliation of the non-GAAP measures used by management:

Reconciliation from profit/(loss) for the year to EBITDA and adjusted EBITDA:

For the year ended 31 December				
	2009	2008	2007	2006
	<i>(in millions of Euro)</i>			
Profit/(loss) for the year	252	235	302	91
Finance costs ^(a)	292	475	230	221
Finance income	(240)	(378)	(107)	(109)
Share of income from investments in associates and dividends from other companies	(3)	(3)	(2)	(2)
Taxes	85	51	85	56
Amortisation, depreciation and impairment	71	70	65	113
Fair value change in metal derivatives ^(a)	(91)	68	–	–
EBITDA	366	518	573	370
<i>Non-recurring (income)/cost</i>				
Other income	–	(3)	(60)	–
Personnel costs	17	11	4	14
Other expenses	20	16	12	22
Adjusted EBITDA	403	542	529	406

Reconciliation from operating income to adjusted operating income:

For the year ended 31 December				
	2009	2008	2007	2006
	<i>(in millions of Euro)</i>			
Operating income	386	380	508	258
<i>Non-recurring (income)/cost</i>				
Other income	–	(3)	(60)	–
Personnel costs	17	11	4	14
Amortisation, depreciation and impairment	2	5	–	36
Other expenses	20	16	12	22
Fair value change in metal derivatives ^(a)	(91)	68	–	–
Adjusted operating income	334	477	464	330

(a) For each of the years ended December 31, 2007 and 2006 the amount relating to fair value change in metal derivatives has been reported within the line item finance costs. From 2009 the amount, including the comparative for 2008, has been separately disclosed on the income statement.

HISTORY AND DEVELOPMENT

Prysmian's predecessor business was established in Italy in 1879 when Giovanni Battista Pirelli, the founder of the Pirelli Group, decided to diversify his rubber manufacturing business by establishing a factory for the production of insulated telegraph cables and of energy cables. This business, then known as "Pirelli Cavi," began producing submarine telegraph cables in 1886 with the opening of a manufacturing facility in La Spezia, Italy, and progressively extended its product portfolio and expanded its operations internationally in subsequent decades. As part of its expansion, manufacturing facilities were opened in Spain (1902), Great Britain (1914), Argentina (1917) and Brazil (1929), among other countries. In the 1930s, studies and experiments were conducted in connection with the production of telecom cable to expand the carrying capacity of individual circuits, foreshadowing the use of direct distance dialling systems. In the 1950s, the business opened a submarine cables plant near Naples, Italy, a manufacturing facility in Canada and commenced the production and commercialisation of the first energy cables used for the transmission of

voltages over 270 kV. As a result of continued research, development and planning, the first cable to transmit electricity at voltages above 400 kV was introduced in the 1960s. In 1982, the business became the first Italian producer of optical fibre when production commenced at its Battipaglia, Italy, plant. As a result of these continuous efforts to expand its commercial and industrial operations internationally, the business grew to become a truly multinational corporation and a leading worldwide player in the global cable industry.

Between 1998 and 2000, four significant acquisitions were completed with the goal of taking advantage of economies of scale, further increasing the size of product portfolio, acquiring know how in certain targeted market segments and entering new geographic markets. In particular:

- In 1998, the energy cables operations of Siemens AG were acquired, which comprised 12 manufacturing plants in Europe, Asia and Africa.
- In 1999, the MM Energy Products Division of Metal Manufacturers, Ltd. in Australia was acquired.
- In 2000, certain energy cables operations from BICC General were acquired in Italy, the United Kingdom, Zimbabwe, Mozambique, Malaysia and China.
- In 2000, two energy cables manufacturing plants were acquired in the Netherlands and Finland from Draka Holding.

In response to the sharp downturn in the energy and telecom cable markets beginning in 2001, the management team devised and executed a worldwide restructuring plan with the goal of rationalising the acquired production facilities, focusing production on higher value-added products and improving the business' ability to react quickly to changes in market conditions. The restructuring plan involved, among other things, closing eleven manufacturing plants and disposing of the enamelled and transposed wire business. As part of this restructuring programme, at the end of 2001 the Pirelli Group (of which the Group was part until July 2005) separated its business into two segments under the holding companies Pirelli Cavi e Sistemi Energia S.p.A. and Pirelli Cavi e Sistemi Telecom S.p.A.

In 2005, the Pirelli Group decided to dispose of these energy and telecom cable divisions by selling its energy and telecom cable divisions to subsidiaries of the Goldman Sachs Group for a total consideration (including transaction expenses) of approximately €1.4 billion.

In particular, Prysmian Cavi e Sistemi Energia S.r.l. (previously Pirelli Cavi e Sistemi Energia S.p.A.) and Prysmian Cavi e Sistemi Telecom S.r.l. (previously Pirelli Cavi e Sistemi Telecom S.p.A.) were acquired by Prysmian S.r.l. (formerly under the name GSCP ATHENA S.r.l.) (the **Acquisition**).

Since the Acquisition, Prysmian S.r.l.'s management has continued to implement various reorganisation and restructuring initiatives including, among other things, the re-branding of the business, a simplification of its corporate structure and the refinancing of its debt.

On 16 January 2007, Prysmian S.r.l. was transformed into a joint stock corporation called Prysmian S.p.A. In May 2007, Prysmian S.p.A. became a listed company on the Milan Stock Exchange through a global offering of its ordinary shares comprised of an institutional offering and a public offering to retail investors in Italy.

In December 2009, Prysmian acquired 100 per cent. of Rybinsk Electrocabel in Russia as first step of a broader expansion project of Prysmian in the Russian market. Rybinsk's assets represent a platform for the Group to develop further investments in Russia, with the objective of building local production capacity in high technology business areas such as high and extra-high voltage power transmission systems and industrial applications. Rybinsk reported a turnover of approximately Euro 36 million for the 2008 financial year. It has a production unit near Moscow employing as of 31 December 2009 364 employees.

RECENT DEVELOPMENTS

In January 2010, Prysmian acquired a 51 per cent. stake of Ravin Cables in order to strengthen the Group's presence in India and in the Middle East in the high-technology cables for utilities as well as industrial cables business segments. With the acquisition of Ravin Cables, Prysmian increased also its production capacity

with a new manufacturing plant in the strategic Middle East market. For the financial year ended 31 March 2009, Ravin Cables had a turnover of approximately Euro 45 million and EBITDA of approximately Euro 4.4 million. The company has a manufacturing facility near Mumbai and is also present in the Arab Emirates through a joint venture Power Plus Cable Co LLC, employing as of 28 February 2010 a total of 359 employees in these two production facilities.

On 21 January 2010, Prysmian entered into a Euro 1,070,000,000 forward-start multi-currency term and revolving credit facilities agreement (the **FSF**). The FSF has a maturity of 31 December 2014 and will be utilised to replace Prysmian's existing facilities under the Euro 1,700,000,000 credit agreement dated 18 April 2007 (as amended on June 2007, the **Existing Facilities Agreement**) upon its maturity on 3 May 2012.

On 5 March 2010, the Issuer received notice from Prysmian (Lux) II S.à r.l. that it had sold 29,432,421 ordinary shares of the Issuer (or 16.240 per cent. of the issued share capital) to selected institutional investors. Goldman Sachs International also sold 1,021,592 ordinary shares of the Issuer (or 0.564 per cent. of the issued share capital). The CEO of the Issuer has purchased, in the context of such disposals, 1,500,000 shares of the Issuer. Two of the twelve directors named in the voting list presented by Prysmian (Lux) II S.à r.l. have already submitted to the Issuer their resignation as director, while it is understood that Hughes Lepic and Paolo Zannoni shall remain in office for the time being in order to facilitate the transition of the new directors but intend to resign in the near future in co-ordination with the Issuer.

OBJECTIVES AND STRATEGY

Prysmian intends to achieve its long-term objective of consolidating its position in the worldwide cable market by, among other things, executing the following strategies:

Increase contribution of high value-added businesses. Prysmian's strategy is to continue to increase the overall profitability of its business by increasing the proportion of total sales of goods and services that is accounted for by high value-added products. To this end, Prysmian intends to continue to grow its high value-added businesses, while improving the profitability and cash flow of other businesses by providing integrated services to carefully selected customers and markets, rather than focusing solely on increasing sales revenues and volumes. In order to grow high value-added business lines, Prysmian focuses on the innovation of current products, customer service and on the expansion of certain selected geographic markets.

To help shift the product mix toward high value-added products and increase presence in markets with high growth rates, from 2003 to 2006 Prysmian disposed of enamelled wires and transposed wires business Invex SpA and Pirelli Produtos Especiais Ltda and discontinued copper rod production activities by closing a production facility in Prescott, United Kingdom. In addition, in China Prysmian acquired certain of the Angel Group's operations in connection with the production and distribution of cables for industrial applications and OEMs. In 2007 Prysmian strengthened its presence in the Asia-Pacific area by acquiring the business operations of International Wire & Cable Limited (IWC), a cable manufacturer based in New Zealand specialised in aluminium/neutral screened cables. In 2008 Prysmian acquired a German cables manufacturer, Facab Lynen GmbH & Co., a leading player in the higher value-added market of industrial cables in Germany, in particular for renewable energy, transport and mining sectors.

In businesses that are characterised by more standardised products, where the provision of services and competitive pricing are important factors, such as in the Trade and Installers business area and the power distribution cables and copper telecom cables business lines, Prysmian's strategy is to consolidate its market presence, increase its profitability and generate cash flow through the following actions:

- ***Power distribution cables.*** Prysmian plans to continue efforts to roll out new products and technologies, such as P-Laser cables, a new product that is based on a technology that is easier and much cheaper to produce while preserving full compatibility with existing network components.
- ***Trade and installers.*** Prysmian seeks to continue to benefit from recent regulatory framework changes (e.g. Europe and North America) which are expected to result in a shift in demand towards higher value-added products, including fire-resistant cables and lead-free cables and continues to restructure

the low voltage product portfolio and streamline distribution channels, favouring the ones that will increase profitability in the markets in which Prysmian operates. In terms of geographic markets, Prysmian plans to keep a diversified presence to reduce risks related to the construction market evolution in specific countries.

- *Telecom cables.* Prysmian intends to leverage on both its established and fast-growing telecom customers to increase sales of telecom cables and systems, and to optimise the use of low cost manufacturing facilities. With regard to fibre optic cables, Prysmian's strategy is to: (i) increase co-operation with telecom system integrators, (ii) increase presence in fast growing markets such as China, (iii) reorient product research and development spending toward efforts to increase the flexibility and simplify the installation of fibre-optic cables and to develop high value added products, and (iv) develop Passive Systems for the FTTX network.

Since the second half of 2008 and during the first nine months of 2009, the Group has faced a severe contraction in global demand, confirming the need to focus its strategic guidelines on high value-added segments (e.g. Utilities Transmission, Oil & Gas, Renewables and Optical cables) and to implement actions to improve manufacturing efficiency to offset price pressure due to volume declines in standard products. The Group therefore intends to concentrate maximum attention on high technology businesses less exposed to economic cyclical trends and on geographical markets with greater future potential, also through selective investments in production capacity increase (such as a new HV (high voltage) production facility in the United States of America and a flexible pipes plant in Brazil).

Develop the manufacturing structure in pursuit of strategic objectives and improve the variable cost structure. In the past years, Prysmian successfully reduced its fixed costs by implementing a restructuring programme. To achieve growth objectives and forecasted profitability, Prysmian has instituted a series of changes to its manufacturing structure in pursuit of its expansion strategy and to further reduce costs across all operations. In particular, Prysmian has made and intends to make further investments in facilities that produce high value-added products, such as underground and submarine transmission cables and systems and cables and systems for industrial applications such as the new flexible pipes plant in Brazil; in particular in regions where labour costs are lower, including Eastern Europe, China and Central and South America. In addition, Prysmian focuses on the reduction of variable costs by:

- reducing labour costs as a proportion of total operating costs through organisational improvements, such as training and the repositioning of personnel, and standardising and simplifying the production process;
- minimising waste and the amount of materials used in production by optimising production processes and monitoring equipment and by implementing standardised production procedures based on benchmarking and best practices; and
- reducing per unit raw material costs by implementing more efficient designs and by replacing more expensive raw materials with less costly alternatives to achieve "design-to-cost" objectives.

Prysmian believes it can achieve additional variable cost savings by realising economies of scale, continuing the centralised management of strategic materials, and simplifying distribution channels and marketing activities.

Increasing the provision of logistics services and assistance to customers. In recent years, Prysmian has devoted significant effort to make the Group more "customer service" oriented. Prysmian intends to make investments aimed at increasing and improving the logistics services and assistance provided to customers in each of its business areas.

Continue to focus on the research and development of new products and processes. Prysmian continues to focus on product innovation to meet the needs of customers and thereby grow the businesses in high value-added market segments and sub-segments. In particular, in the Industrial Applications business area and in the Power Transmission Systems and Submarine Power Systems business lines, research is focused on product performance and reliability, as well as compliance with stringent environmental regulations. In the telecom

cables market, the Group researches and develops innovative fibres and products, such as miniaturised OPGW, “blown” cables and xDSL related products, all of which are characterised by high performance.

Prysmian plans to devote a significant amount of research and development investments over the next few years to the pursuit of its cost reduction strategy, including research projects aimed at increasing the efficiency of use of production processes and materials. The Group has an established reputation in industry technological innovation, such as P-Laser technology, which significantly reduces the production costs of certain products through integrated production processes. In addition, Prysmian intends to actively invest in the customisation of new materials to improve the performance of products and competitiveness. To this end, Prysmian plans to continue to study, improve and produce technologically advanced fluids within the Group as part of its “design-to-cost” objectives.

PRODUCTS

Energy Cables & Systems segment

Overview

The Energy Cables & Systems segment manufactures and sells a broad range of energy cables and systems, including a wide selection of accessories, including low, medium, high and extra-high voltage power cables and systems. This segment is organised into the following three principal business areas: Utilities, Trade and Installers and Industrial Applications.

The following table shows selected financial highlights for the Energy Cables & Systems segment for the years ended 31 December 2009, 31 December 2008 and 31 December 2007, respectively.

	Year ended 31 December		
	2009	2008	2007
	<i>(Euro in millions)</i>		
UTILITIES			
Sales of goods and services	1,598	2,029	1,895
sales to third parties	1,598	2,028	1,894
Adjusted EBITDA	266	287	237
% of Sales of goods and services	16.7%	14.2%	12.5%
Adjusted operating income	237	256	208
% of Sales of goods and services	14.7%	12.6%	11.0%
TRADE & INSTALLERS			
Sales of goods and services	1,021	1,631	1,803
sales to third parties	1,020	1,629	1,802
Adjusted EBITDA	41	113	155
% of Sales of goods and services	4.0%	6.9%	8.6%
Adjusted operating income	26	100	137
% of Sales of goods and services	2.5%	6.1%	7.6%
INDUSTRIAL			
Sales of goods and services	628	851	795
sales to third parties	628	850	795
Adjusted EBITDA	62	93	84
% of Sales of goods and services	9.8%	10.9%	10.6%
Adjusted operating income	46	80	71
% of Sales of goods and services	7.3%	9.4%	9.0%

Utilities business area

The Utilities business area includes the following four business lines: Power Transmission Systems, Submarine Power Systems, Power Distribution Cables and Network Components. Each of these business lines is described in turn below.

Power Transmission Systems. The Power Transmission Systems business line designs, produces and installs high and extra-high voltage cables for electricity transmission directly from power plants sites to primary distribution networks. This business line focuses mainly on turnkey solutions, customised to meet customers' needs, which are generally higher value-added products for the Group. The complexity of the products in this business line increases as the voltage level of the product increases. Products in this business line include cables insulated with paper impregnated with oil or fluid rated for voltages up to 1,100 kV and extruded polymer insulated cables for voltages below 500 kV. The extra-high voltage and high voltage power transmission products are highly customised and have high technological content. As a result, this business line is not significantly exposed to pricing and margin pressures.

This business line provides customers with installation and post-installation services, as well as network maintenance management services, including network performance monitoring, network cables repair and maintenance, and emergency services, including disaster recovery. The primary customers of this business line are large national power transmission operators.

Submarine Power Systems. The Submarine Power Systems business line designs, produces and installs turnkey submarine power systems all around the world. Prysmian develops proprietary cables and accessories utilising all types of submarine power transmission technology, which are suitable for installation at depths of up to 2,000 metres. The product offerings of this business line include cables insulated with paper impregnated with oil or fluid for power transmissions up to 500 kV in direct and alternating currents and extruded polymeric insulation cables for power transmissions up to 400 kV in alternating voltage and up to 200 kV in direct voltage.

Installation, planning and services are a particularly important aspect of this business line. In particular, submarine cables can only be installed using a specially designed cable-laying ship, which poses a barrier to entry to those companies wishing to enter the submarine cable market sub-segment. Considering the limited availability of adequate ships for these purposes, Prysmian's dedicated cable-laying vessel, the *Giulio Verne*, provides it with an important competitive advantage. This business line includes high value-added products, and the final price of these products is not materially affected by the price of metals.

Prysmian has participated in laying some of the most important submarine energy cable links in the world, including the submarine link SA.PE.I. between Sardinia and the Italian mainland which, as of the date of this Prospectus, was the deepest submarine energy cable link ever laid, and the submarine link between the Australian states of Tasmania and Victoria, which, as of the date of this Prospectus, was the longest submarine energy cable ever laid. The primary customers of this business line are large national power transmission operators.

Power Distribution Cables and Systems. The Power Distribution Cables and Systems business line produces and installs medium voltage cables that are used to connect civil and/or industrial facilities to primary distribution networks and low voltage cables used for the distribution of electricity to consumers and building wiring. All of the products in this business line must comply with international standards relating to insulation capacity, fire resistance, smoke emissions and halogen levels. The primary customers of this business line are large national power transmission operators. Prysmian usually adopts contractual automatic price adjustments mechanisms that adjust the price of its products in this business line to reflect the fluctuation in the price of metals.

Network Components. The Network Components business line manufactures network components including joints and terminations for low, medium, high voltage and extra-high voltage cables, together with accessories for the connection of cables to other cables and to other network equipment adapted for industrial applications, buildings and infrastructures, such as those for power distribution and transmission applications.

The network components market sub-segment is highly differentiated and is characterised by technological complexity and a level of customisation that increases in line with voltage levels. In particular, network components used in high voltage applications tend to be highly customised and less vulnerable to price and margin pressures.

Trade and Installers business area

The principal product offerings targeted to the trade and installers market segment include low voltage cables and conductors with thermoplastic and elastomeric insulation for the distribution of electrical power to and within residential and commercial structures. In particular, the Trade and Installers business area produces rigid and flexible cables that have been produced and tested in accordance with local and international standards.

The products offered in this business area may be organised into three categories based on their technical features. The first category (high-end) includes high value-added products, such as fire-resistant cables, cables that, when exposed to flame, emit smoke of limited opacity, and halogen-free cables and other products with relatively high technology content. The second category (medium-range) includes medium voltage cables, flexible cables for buildings and other products of similar technological content. The third category (low-end), which is the largest by volume, comprises low voltage standardised cables, hard cables for buildings and other non-technologically advanced products

In general, residential and commercial wire products are standardised products, the demand for which is materially impacted by fluctuations in the prices of metals and for which servicing and price are important competitive success factors. However, an increasing proportion of sales to the trade and installers segment consists of niche value-added products. Primary customers in this business area are installers and distributors of electrical materials.

Industrial Applications business area

Product offerings targeted at the industrial market segment include customised products used for various speciality applications by customers in the chemical, electrical equipment, infrastructure, drilling and refining of oil and gas products, mining and the shipbuilding, railway and automotive industries. In general, Prysmian seeks to concentrate its efforts on providing integrated, value-added cabling solutions that are highly customised to the specific needs of its customers. Prysmian also adopts certain mechanisms which allow it to transfer, to the extent possible, the impact of fluctuations in the price of metals onto the final price of its finished goods in this business area.

The Group has divided the Industrial Applications business area into categories, based on the level of technology, purpose and distribution channels. At present, the main categories are: (i) Oil Gas and Petrochemical, which includes products related to the petrochemical industry for oil extraction, both on the mainland (Up-Stream, On-Shore) and on the sea (Up-Stream, Off Shore) and for oil refining (Down-Stream); (ii) Transportation, which includes products for trains, ships and automobiles; (iii) Infrastructure, comprising products for railway, harbour and airport facilities; (iv) Mining, including cables for the extractive industries; (v) Renewable Energy, including cables related to the production of wind and solar energy; (vi) Defense, including military related cables and (vii) Nuclear, which includes cables related to nuclear energy applications. Primary customers in this business area are OEMs, or machinery manufacturers.

Telecom Cables & Systems segment

The Telecom Cables & Systems segment manufactures and sells a broad range of fibre-optic and copper telecom cables suitable for all types of voice/video/data transmission and control applications as well as connectivity components and accessories.

The following table shows selected financial highlights for the Telecom Cables & Systems segment for the years ended 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006, respectively.

	Year ended 31 December			
	2009	2008	2007	2006
	<i>(Euro in millions)</i>			
Telecom				
Sales of goods and services.....	411	547	548	537
sales to third parties.....	403	536	535	506
Adjusted EBITDA	31	49	48	39
% of Sales of goods and services	7.6%	9.0%	8.6%	7.2%
EBITDA	30	49	47	37
% of Sales of goods and services	7.4%	9.0%	8.5%	6.9%
Amortisations and Depreciations	(6)	(4)	(4)	(3)
Adjusted operating income	25	45	44	35
% of Sales of goods and services	6.1%	8.4%	7.9%	6.6%

Fibre-Optic Cables business area

Prysmian produces a complete range of fibre-optic cables suitable for all types of voice/video/data transmission in a wide variety of applications including FTTX, access networks, metropolitan area networks and long-distance networks.

The fibre-optic cable portfolio features products with capacities ranging between 1 and over 1,700 fibres per cable, including small diameter cables specially engineered to maximise the use of underground pipelines and the efficiency of air-blown installation; single element cables for low fibre count applications; cables suitable for installation in waterways; pipelines, sewers and other challenging environments; Rapier™ cables, which allow a fast extraction of the fibre optics and are suitable for urban applications; impact resistant AirBag™ cables that feature an innovative shock absorbing protection system; and FusionLink™ and MassLink™ fibre ribbons in plastic tubes for rapid splicing. In addition, Prysmian produces specialty cables for specific applications, including:

- Overhead electric cables suitable for installation on power transmission pylons including overhead cable systems lashed to phase-wires or to protective cables and All-Dielectric Self-Supporting (“ADSS”), which are self-supporting cables hung directly from poles or pylons. These overhead electric cables are not affected by electromagnetic fields.
- OPGW and OPCC cables, which contain fibre-optic cables, which since they also conduct electricity, can be integrated into conventional overhead electricity transmission networks, thereby avoiding the need for costly underground installation.

Prysmian also provides fibre management and installation solutions such as its Sirocco® Blown Fiber System, which is a method of deploying fibre-optic links on demand from one point of a network to another using compressed air to blow optical fibre into pre-installed micro tubes (thereby enabling customers to manage evolving network demands without high up-front expenditure or intensive forward planning) and its Deskwave™ integrated set of components, systems, engineering and turnkey installation services that it utilises to assist its customers in transitioning from copper to fibre-optic cable infrastructure. In January 2010, Prysmian undertook the first project to install the Sirocco® Blown Fiber System in Italy, near Trieste.

The production of fibre-optic cables is significantly vertically integrated. In particular, Prysmian produces the “raw” strands of optical fibre in-house which is then used to produce fibre-optic cables. The portfolio of optical fibre products includes: Deeplight™ submarine fibre; Freelight™ fibre for long-distance high bit-rate applications; Magnilight™ high bandwidth fibre for extensive employment even on E-band (1360 nm-1460 nm); Primalight™ reduced-diameter single-mode fibre for use in very high fibre count applications; and SM light™ fibre with very high PMD performance. Prysmian believes that its flexibility, which allows

it to manufacture fibre products through the use of all three of the principal manufacturing technologies used in the optical fibre market segment, enables it to optimise its product portfolio based on specific market conditions and customer requirements. Primary customers include some of the largest telecom companies.

Copper Telecom Cables business area

The Telecom Cables & Systems segment also produces a comprehensive range of copper telecom cables suitable for underground, overhead, and commercial and residential building cabling solutions. This product portfolio features a wide range of capacity options (between 2 and 2,400 twisted pairs) designed to meet all main international specifications and includes xDSL cables for broadband access.

The copper telecom cables can be engineered for high transmission characteristics, low crosstalk and electromagnetic compatibility. Prysmian employs the same proprietary halogen-free, low smoke and gas emission and fire retardant sheathing technologies in its copper cables that it employs in its fibre-optic cables. Primary customers include some of the largest telecom companies.

Connectivity accessories

The Telecom Cables & Systems segment produces a full range of OAsys® connectivity accessories that enable customers to manage fibre effectively throughout their optical fibre networks. These products include a complete series of components for the distribution and certification of optical fibre.

New Products

The Group continues to develop new technologies and to place on the market new products from both power transmission and distribution cables and telecom cables.

In the power transmission and distribution market sub-segments, the Group has used the following technologies and introduced the following products in recent years:

- Afumex™, flame retardant halogen free energy cables, developed with the LSOH (low smoke zero halogen) compounds technology to adapt existing LV-BW cables to the new European recommendation for products for use in the construction industry;
- lead-less cables for the Group's Industrial Applications and Utilities business areas, manufactured using Airbag™ technology, which eliminates the need for lead sheathing on cables exposed to aggressive agents (for example, in the petrochemical industry);
- as an evolution of the Airbag™ cables family, the Group has developed an enhanced product family of cables using the AIRGARD™ technology which offer additional resistance to harsh environment, avoiding the utilisation of traditional lead jackets;
- extra-flexible cables for the Group's Industrial Applications business area, in particular for port applications (the Rondoflex™ and Plano Flex Plus™);
- Protolon™ iQ cables, an enhanced product from the traditional Protolon MV family, adopting new cable technology containing sensors to continuously monitor several mechanical parameters along the cable when the cable is in service. In this manner the maintenance (residual life) of the cables is under control and becomes easier to protect equipments from electrical breakdown due to the cable malfunctioning;
- high and extra-high voltage power cables used in the Group's Utilities business area, which include optical fibre cables used to monitor different network parameters, including temperature (Optopower System); and
- innovative technology called P-Laser with a low environmental impact, which consists of an insulation system that uses thermoplastic materials that enables the Group to employ an integrated manufacturing process which will reduce its manufacturing costs and to produce medium-voltage power distribution cables more competitively. Prysmian hold patents that cover both the materials

used in this production process and the production process itself. P-Laser cables are manufactured at the Group's Pignataro Maggiore plant, which has produced the first 3000 km of cable core. The Group plans to apply its innovative P-Laser technology to the high-voltage cables family.

In the telecom cables market, the Group has developed, or continued to develop, the following technologies and products:

- new fibres to be applied into the FTTx networks (broadband networks using optical fibres) (for instance the CasaLight™ products family) enhancing the traditional ITU-T G-652 fibres and thus permitting the installation of these fibres with “bending-insensitive” performances down to 7 mm radius bends. In this manner, FTTH cables with high performance characteristics can be installed directly to the walls inside buildings, offices and homes without any cable protection, as for traditional copper cables (copper pairs, building wires, etc);
- high frequency telecom cables including ADSL ++ (20-30 MHz) and VDSL (up to 60 Mhz), to be used both in power plants and for external networks in “last mile” connections; the Group has continued to develop ADSL cables (up to 40 MHz) and VDSL cables (up to 100 MHz) to match the market requirements;
- compacted optical cables with the traditional MLT (multi loose tube) design to be able to be installed into miniducts down to 8/10 mm or 3.5/5 mm and from 12 optical-fibres up to 144 optical fibres; and
- the so called “micro-module cables” with innovative LSOH (low smoke zero halogen) compounds to facilitate peeling and access to optical fibres.

RESEARCH AND DEVELOPMENT

Prysmian's research and development activities are aimed at developing new products and improving the quality of products and production processes. Prysmian believes that its research and development activities represent a critical part of its business model. Research and development activities, which included as of 31 December 2009 a portfolio of 3,025 patents and patent applications throughout the world, focus on the continued creation of innovative products and production processes. In the year ended 31 December 2009, Prysmian incurred research and development costs for a total amount of €43 million.

Prysmian believes that it has established itself as a leading innovator in its industry. In general, research and development efforts are focussed on developing alternative products and materials, improving production processes and studying customised cabling solutions for specific customer applications in value-added market segments and sub-segments, such as high voltage, power transmission systems and submarine power systems cables, industrial applications and optical cables. Research and development activities have two primary functions:

- *Research and Innovation.* The objective of the Research & Innovation function is to pursue scientific and technological competitive advantages by continually developing innovative solutions. This research and development function, which focuses primarily on medium to long-term projects (one to four years), identifies, in collaboration with other areas of the Group, new production processes and materials and innovative products and services that can then be developed from the initial development and prototype phases to the “first industrial running” phase; and
- *Product Development and Quality.* The Product Development and Quality function has the twin objective of managing the development of innovations from the “first industrial trial” to the “optimised industrial trial” phase and managing the development of the product portfolio to match the needs of the market, focusing on industrialisation and marketing as needed. This research and development function also oversees process and planning methodologies to ensure the quality of products and production processes at low cost.

Prysmian manages its research and development activities at divisional level in order to ensure that the know-how generated by research and development is used in the widest possible number of product applications

while being ready to take advantage of any potential cross-fertilisation and economies of scale that may arise between divisions.

The Group has seven Research & Development centres (in Italy, France, UK, Germany, Spain, United States, and Brazil) with the headquarters in Milan. There are also strong cooperation relationships with major universities and research centres (including the Bruno Kessler Foundation in Trento, the “Politecnico” in Milan, Genoa University and Pavia University). In total, 470 skilled professionals participated in the Group’s research and development activities as of 31 December 2009.

MANUFACTURING FACILITIES

As of the date of this Prospectus, the Group’s manufacturing structure is organised on a decentralised basis around 56 production facilities located in 24 countries (namely, Italy, France, UK, Spain, Germany, Hungary, Ivory Coast, Finland, Holland, Romania, Russia, Tunisia, Turkey, China, Australia, Indonesia, Malaysia, New Zealand, Canada, USA, Brazil, Argentina, India and the Arab Emirates). Of these production facilities, 42 are devoted exclusively to production for the Energy Cables & Systems segment, 6 are dedicated exclusively to the Telecom Cables & Systems segment and 8 are shared between the two segments. Each facility is responsible for planning its own supply of raw materials and maintenance in accordance with local sales and operations planning, in line with the Group’s consolidated sales and operations planning. Most of the Group’s production is currently sold on a country basis and the flow of materials between different facilities is limited, save for the production of compounds which is concentrated in a limited number of plants and then distributed according to facility requirements, with the aim of maximising economies of scale. Production is coordinated on a central basis (including production volumes and capital expenditure strategies) while day-to-day operations are managed by local management.

MARKETING AND DISTRIBUTION

Marketing Activities

The Group manages its business relationships with customers in a wide variety of countries and industries through its sales and marketing activities, which are carried out at both the central and local/business group levels. These activities include scouting new opportunities related to its current power and submarine projects, managing product branding, managing Group communications and attending industry fairs, which activities are performed both by its own employees as well as through a network of third-party representatives, distributors and distributor partners across more than 30 countries.

The central marketing division in Milan sets the Group’s overall sales and marketing strategy, manages customers worldwide, manages the commercial activities and objectives of the Group’s global businesses and analyses market dynamics. Local subsidiaries, however, have decision-making and operating powers to respond to the needs of local customers and distributors, in addition to implementing the policies and strategies of the central marketing division in Milan.

The Group constantly makes efforts to improve its logistics and distribution services, since reliable and timely delivery and availability of products are increasingly becoming key competitive factors in the markets in which it operates. It continuously evaluates and measures the quality of its logistical services through integrated tools managed by central, regional, and product-based logistics teams, focusing on mid-term production allocation, planning and programming, stock management, distribution and the evaluation of service standards.

Sales Channels

Energy Cables & Systems

Utilities. Sales by the Group’s Utilities business area are carried out through a tender process that involves initial calls for tender by customers and the subsequent supply of products based on periodic orders called “call-offs”. Each call for tender is for a pre-determined quantity of one or many types of cables and specifies the supply time frame for delivery. The bids must include the product’s price, which must include metal

prices based on standard pricing conventions, and the quantity to be supplied. Once the bidding process is completed and a contract is awarded, the supply of products begins based on the call-offs, which are generally made on a monthly basis. The sales price is then regularly updated based on pre-set formulas that account for raw materials prices on the date of delivery. For turnkey projects, since the delivery date and prices of the cables and accessories that are supplied are coordinated with the installation and servicing of the project and are set even before the winning bid is named, the Group enters into hedging arrangements to cover risks related to fluctuations in the prices of the metals in its products. The primary customers of this business area are large-scale utilities that produce and distribute electricity.

Power transmission systems and submarine power systems. The tender process for turnkey projects in this business area commences with the definition of the requisite technical specifications of the project. During the second phase, the terms and conditions of the supply contract are arranged, together with the delivery specifics, prices and payment methods, guarantees and insurance coverage. After the second phase is completed, the supplier presents an offer, which is normally accompanied by the issuance of a bid bond in an amount equal to the value of the order. After the offer is received by the customer, negotiations commence to finalise the supply contract.

Trade and Installers. Sales in this business area are primarily made in three following ways:

- for medium-sized and small customers that have an established relationship with the Group or that are recognised by the Group (for example, they have a credit record based on past transactions), the customers deal directly with the back office;
- for medium-sized and small customers that do not have an established relationship with the Group, the sales force in the relevant sales territory contacts the customer, proposes the products to be supplied and negotiates the order; and
- for large international customers that have established relationships with the Group, the central sales office negotiates master agreements with yearly terms. These master agreements do not contain list prices. Instead, the local sales force negotiates the prices and other contract details with the customer's local branch office.

The primary customers in this business area are large distributors of electrical supplies that specialise in the construction industry. The sale prices are set at the moment the orders are placed according to list prices that are established based on the prices of the relevant metals at the time of the order.

Industrial Applications. Sales arrangements in this business area are negotiated directly between suppliers and customers. For ongoing supply contracts, the product price is first set on the basis of the cable's price, net of the cost of metals in the cable, and is then adjusted based on pre-set formulas that are linked to the market price of the relevant metal. For turnkey projects, a tender process is used. In such cases, since the price and delivery date are set before the project is allocated, a hedging strategy against the risk of fluctuations in the price of metals is implemented.

The primary customers of this business area are contractors specialising in the construction and installation of infrastructure and industrial equipment, including ships, trains, mining and oil extraction devices, and automobiles.

Telecom Cables & Systems

The customers of the Group's Telecom Cables & Systems segment include operators in the telecommunication sector and, in particular, customers managing integrated telecommunications networks, contractors that install telecommunication networks and infrastructure on the basis of turnkey projects and other telecom service providers (including cable television companies and railroad and highway entities). There are three primary customer categories: large scale national telecom operators; other phone operators and utilities companies; and industrial customers. Sales to large-scale national telecom and utilities companies, which, collectively, represent nearly all of the Group's sales in this segment, involve primarily direct negotiation on a supplier-customer basis and the execution of fixed-term contracts of one or several

years or orders linked to specific projects. The rest of the Group's products in this segment are marketed to large-scale telecom systems integrators and installers.

INSURANCE

The Group has purchased several insurance policies that were negotiated on a centralised basis by its risk management department, in order to reduce losses from potentially harmful events, including:

- damage to buildings, machinery or goods and losses related to business or operational interruptions caused by events such as fires, explosions, catastrophes, *force majeure* and political or social crises;
- third-party liability arising out of the Group's operations, manufactured, assembled and/or marketed goods, or environmental pollution or violations of environmental laws and regulations;
- cost of replacement of defective and/or potentially harmful products;
- costs incurred as a result of the findings of a court, government or other public authority;
- liability incurred by directors and officers; and
- business credit insurance, which covers the manufacturing costs of goods not delivered and losses due to the default or insolvency of customers.

Some of this insurance coverage is provided by a master policy agreement which, by establishing a maximum limit on coverage and certain general policy provisions, provides general insurance coverage to each of the Group's companies in addition to any local or business-specific insurance arrangements. The other policies provide basic insurance coverage in specific countries or regions in accordance with local laws. In addition, certain Group companies have negotiated and procured additional policies which supplement and/or improve upon the international insurance programmes, as necessary to comply with local requirements and needs. Insurance policies are renewed, revised and replaced as appropriate.

The Group's insurance policies contain provisions, conditions, exceptions and liability limits that are consistent with terms customarily found in its industry. The ability of the Group's insurance programme to provide adequate protection to Group companies is continually assessed by the risk management department.

SOURCES OF FUNDING

The primary source of funding of the Group is the Existing Facilities Agreement which, following its maturity in May 2012, will be replaced by the FSF, which has a maturity of 31 December 2014.

Furthermore, a credit facility related to a trade receivables securitisation programme, set up in February 2007 with a maturity of July 2012, can be utilised up to €350 million depending on the value of the underlying trade receivables.

Finally, most Group companies have in place local uncommitted credit facilities for their operating needs.

LEGAL PROCEEDINGS

The Group is involved in a certain number of claims arising from time to time in the ordinary conduct of its business, including civil, labour, antitrust, administrative, tax and criminal proceedings. To cover possible damages or penalties that may result from these proceedings, the Group has established reserves amounting to €103 million as of 31 December 2009. The outcome of litigation and other legal proceedings is inherently uncertain, and no assurance can be given that Prysmian will prevail in any or all of these proceedings or otherwise not be required to make related payments, which could be significant. However, except as indicated below under "Antitrust Matters", Prysmian does not believe, considering its reserve policy, insurance, evaluations of the likelihood of recovery and the amount of such claims, that the payments it would be likely to make in respect of its current or anticipated litigation risks would have a material adverse effect on its financial condition and results of operations.

Antitrust Matters

Towards the end of January 2009, the European Commission, the US Department of Justice and the Japanese antitrust authority started an investigation against several European and Asian electrical cable manufacturers to verify the existence of alleged anti-competitive agreements in the Ground and Submarine High Voltage Cable business areas. More recently the Australian Competition and Consumers Commission (ACCC) and the New Zealand Commerce Commission have started similar investigations.

The Japanese investigation has been closed without any charge against Prysmian. The other investigations are still at a preliminary stage 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 Energia S.r.l. and two other companies violated antitrust rules in connection with an underground high voltage cable project which was awarded in 2003. However, Prysmian Cavi e Sistemi Energia S.r.l. has not yet been officially served with a claim.

In the event of a proven breach of applicable legislation, the financial penalties imposed by the competent authorities could be significant in relation to the economic and financial situation of the Group. Among other things, the sanction system under European law provides for financial penalties that could reach a maximum of 10 per cent. of the Group's turnover.

Tax Matters

Fibre Ottiche Sud-FOS S.r.l. (**FOS**) is party to a tax proceeding in connection with certain tax deductions totalling €12 million made in the year ended 31 December 2002. As of 31 December 2009, FOS had established a €4.2 million reserve to cover any risks related to this proceeding, which FOS management believes to be adequate.

Prysmian Energia Cabos e Sistemas do Brasil S.A., one of the Group's Brazilian subsidiaries, is involved in various tax proceedings before the local tax authorities totalling approximately Brazilian real 109.2 million (approximately €43.5 million based on exchange rate as of 31 December 2009), in connection with which the Issuer has recorded in its consolidated financial statements for the year ended 31 December 2009 tax liabilities of approximately Brazilian real 29.3 million (approximately €11.7 million based on the exchange rate as of 31 December 2009) which its management believes to be adequate.

Prysmian Kabel Und Systeme GmbH (**PKS**) is currently involved in a tax assessment related to a debt push-down transaction, which may result in an estimated potential tax liability of approximately €12 million. No reserves have been set aside by PKS since its management believes the likelihood of a liability ruling to be remote.

In November 2009 Turk Prysmian Kablo Ve Sistemleri A.S received a tax investigation report for Turkish lira 28.1 million (approximately €13 million based on exchange rate as of 31 December 2009) plus interest. To cover said risk, the Issuer has set aside a reserve of €5.5 million in its 2009 consolidated financial statements, which management believes to be adequate.

Criminal Matters

In April 2006, the public prosecutor in Salerno, Italy, indicted one of FOS' managers for an alleged tax fraud asserted to have been carried out in 2002. The charge relates to certain aspects of FOS' financial statements for the year ended 31 December 2002, which are alleged to have been altered to avoid the payment of €12 million in taxes. The first court hearing of this proceeding was held on 27 March 2007, and the proceeding remains pending. In connection with this legal proceeding, Prysmian has not established reserves to cover related risks.

Environmental Matters

The Group is subject to a broad range of environmental laws and regulations in each of the jurisdictions in which it operates, particularly in Europe, the United States and Canada. These laws and regulations impose

increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental contamination and require producers to obtain a number of air, water, hazardous waste, and other operating permits. These standards expose the Group to the risk of substantial environmental compliance costs and liabilities, including liabilities associated with divested assets and past activities. The Group's U.S. operations are subject to, among other things, federal and state environmental remediation laws that can impose liability upon certain statutorily defined categories of parties for the entire costs of the clean-up of a contaminated site, without regard to fault or the lawfulness of the original activity. The Group, working primarily through its dedicated Environmental Health and Safety division in Milan, has adopted an environmental audit programme to periodically monitor and analyse, in compliance with relevant laws and regulations, various environmental parameters, including the presence of asbestos. In particular, it conducts assessments and evaluations of the Group's manufacturing facilities worldwide in line with applicable law and international standards (such as ISO 9000, ISO 14001 and OHSAS 18001) relating to environmental management systems.

Although Prysmian is subject to environmental claims that have arisen in the ordinary course of its business, none of these claims is expected to have a material adverse effect on the Group's consolidated financial position or results of operations.

RISK MANAGEMENT

The Group's risk management activities are aimed at identifying, quantifying, mitigating and preventing operating risks, as well as defining and managing the transfer and coverage of such risks. In particular, the risk management department periodically verifies the levels of risk coverage, the premiums paid, the amount of damages sustained, insurance proceeds received by the Group, and provides a risk prevention plan for each of the Group's companies that identifies the most urgent measures and investments needed to control risk.

In addition, in order to identify and analyse all possible risks, the risk management department periodically examines the Group's facilities and classifies them as: (i) plants with risk levels under control, (ii) plants with low risk levels, (iii) plants with low-average risk levels, (iv) plants with average risk levels, and (v) plants with high risk levels. In connection with this classification process, the risk management department estimates the investment required at each plant to reduce the projected risk level and help each plant be classified as having risks under control. As of 31 December 2009, almost all of the Group's facilities were classified in the categories under (i), (ii) or (iii) above, with the only exception of one plant being classified below the low-average risk level.

INTRA-GROUP TRANSACTIONS

Group companies enter into intra-Group business transactions which include the purchase and sale of raw materials, finished goods, the licensing of intellectual property rights, the supply of services, financing and the provision of loans.

Certain functions, such as risk management, are managed at the parent company level and services such as technical, organisational and general services are provided by the Company to its subsidiaries (including the Guarantors). See above “- *Risk Management*“. In addition, certain of the licences on the basis of which a Group company (including the Guarantors) carries out its activities may have been entered into between the licensor and another Group company, and the materials and technologies employed by a Group subsidiary (including the Guarantors) in its production process may be patented by another Group company.

EMPLOYEES

As of 31 December 2009, the Group had 11,704 employees, of which 9,773 worked for its Energy Cables & Systems business segment and 1,931 worked for its Telecom Cables & Systems business segment. The following table sets forth a breakdown of employees for the entire Group by geographic region as at the same date.

<u>Region</u>	<u>Employees</u>
Europe, Middle East and Africa.....	7,822
North America	543
South America	1,252
Asia and Oceania	1,645
Milan headquarters.....	442
Total	11,704

The level of membership of employees in trade unions varies from country to country, and Prysmian has entered into various collective bargaining agreements. Prysmian renews or replaces its various labour arrangements relating to continuing operations when they expire.

DESCRIPTION OF THE ISSUER

Incorporation and status

Prysmian S.p.A. (the **Issuer**) has its registered head office at Viale Sarca 222, 20126 Milan, Italy, telephone number + 39 02 6449.1. The Issuer is registered with the Register of Enterprises of Milan under number 04866320965. The Issuer was incorporated on 12 May 2005 and operates under the laws of the Republic of Italy in the form of a limited liability company. On 16 January 2007, an extraordinary shareholders' meeting approved the transformation of the Issuer into a joint stock company (società per azioni), effective as of 17 January 2007. The Issuer's corporate duration is currently scheduled to expire on 31 December 2100. See further "*Business - History and Development*" for a description as to how the Issuer acquired its current business.

The Issuer is the parent company of the Group. The Issuer holds, directly or indirectly, through other sub-holding companies, the equity interests in the companies through which the Group operates. The Issuer's results of operations mainly reflect dividends received from the subsidiary Prysmian Cavi e Sistemi Energia S.r.l., revenues for services provided to subsidiaries and royalties for the use of patents and know-how by subsidiaries and third parties. The table below sets out the Issuer's consolidated subsidiaries as at 31 December 2009.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
<i>Companies consolidated on a line-by-line basis:</i>			
Prysmian OEKW GmbH	Austria	100.00%	Prysmian Energia Holding S.r.l.
Limited Liability Company "Investitsionno - Promyshlennaya Kompaniya Rybinskelektrokabel"	Russia	99.00% 1.00%	Prysmian (Dutch) Holdings B.V. Prysmian Cavi e Sistemi Energia S.r.l.
Limited Liability Company "Rybinskelektrokabel"	Russia	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Komp Rybinskelektrokabel"
Limited Liability Company "Torgoviy Dom Rybinskelektrokabel"	Russia	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Komp Rybinskelektrokabel"
Limited Liability Company "NPP Rybinskelektrokabel"	Russia	100.00%	Limited Liability Company "Investitsionno - Promyshlennaya Komp Rybinskelektrokabel"
Prysmian Cables and Systems Oy	Finland	100.00%	Prysmian Energia Holding S.r.l.
Prysmian (French) Holdings S.A.S.	France	100.00%	Prysmian Energia Holding S.r.l.
GSCP Athena (French) Holdings II S.A.S.	France	100.00%	Prysmian (French) Holdings S.A.S.
Prysmian Cables et Systèmes France S.A.S.	France	100.00%	Prysmian (French) Holdings S.A.S.
Prysmian Kabel und Systeme GmbH	Germany	93.75% 6.25%	Prysmian Energia Holding S.r.l. Prysmian S.p.A.
Bergmann Kabel und Leitungen GmbH	Germany	100.00%	Prysmian Kabel und Systeme GmbH
Prysmian Unterstuetzungseinrichtung Lynen GmbH	Germany	100.00%	Prysmian Kabel und Systeme GmbH
Prysmian Cables & Systems Ltd	England	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Construction Company Ltd.	England	100.00%	Prysmian Cables & Systems Ltd
Prysmian Cables (2000) Ltd.	England	100.00%	Prysmian Cables & Systems Ltd
Prysmian Cables (Industrial) Ltd.	England	100.00%	Prysmian Cables & Systems Ltd

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Prysmian Cables (Supertension) Ltd.	England	100.00%	Prysmian Cables & Systems Ltd
Prysmian Cables and Systems International Ltd.	England	100.00%	Prysmian Energia Holding S.r.l.
Cable Makers Properties & Services Limited	England	63.53%	Prysmian Cables & Systems Ltd.
Prysmian Cables Limited	England	100.00%	Prysmian Cables & Systems Ltd
Prysmian Telecom Cables and Systems Uk Ltd.	England	100.00%	Prysmian Cables & Systems Ltd
Prysmian Metals Limited	England	100.00%	Prysmian Cables & Systems Ltd
Prysmian Focom Limited	England	100.00%	Prysmian Cables & Systems Ltd
Comergy Ltd.	England	100.00%	Prysmian Energia Holding S.r.l.
Prysmian Pension Scheme Trustee Limited	England	100.00%	Prysmian S.p.A.
Aberdare Cables	England	100.00%	Prysmian Cables & Systems Ltd.
Prysmian Financial Services Ireland Limited	Ireland	100.00%	Third party
Prysmian Re Company Limited	Ireland	100.00%	Prysmian (Dutch) Holdings B.V.
Prysmian Cavi e Sistemi Energia S.r.l.	Italy	100.00%	Prysmian S.p.A.
Prysmian Energia Holding S.r.l.		99.99% 0.01%	Prysmian Cavi e Sistemi Energia S.r.l. Prysmian Cavi e Sistemi Italia S.r.l.
Prysmian Cavi e Sistemi Italia S.r.l.	Italy	77.45% 22.55%	Prysmian Cavi e Sistemi Energia S.r.l. Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Telecom S.r.l.	Italy	100.00%	Prysmian S.p.A.
Prysmian Cavi e Sistemi Telecom S.r.l.	Italy	100.00%	Prysmian Telecom S.r.l.
Prysmian Treasury S.r.l.	Italy	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian PowerLink S.r.l.	Italy	84.80% 15.20%	Prysmian Cavi e Sistemi Energia S.r.l. Prysmian Cavi e Sistemi Italia S.r.l.
Fibre Ottiche Sud - F.O.S. S.r.l.	Italy	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Treasury (Lux) S.à r.l.	Luxembourg	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Kabler og Systemer A.S.	Norway	100.00%	Prysmian Cables and Systems Oy
Prysmian Cable Holding B.V.	The Netherlands	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Cables and Systems B.V.	The Netherlands	100.00%	Prysmian Energia Holding S.r.l.
Prysmian (Dutch) Holdings B.V.	The Netherlands	100.00%	Prysmian Energia Holding S.r.l.
Prysmian Cabluri Si Sisteme S.A.	Romania	99.9995% 0.0005%	Prysmian (Dutch) Holdings B.V. Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Kablo s.r.o.	Slovacchia	99.995% 0.005%	Prysmian Energia Holding S.r.l. Prysmian S.p.A.
Prysmian Cables y Sistemas S.L.	Spain	85.71% 14.29%	Prysmian Energia Holding S.r.l. Prysmian Cavi e Sistemi Telecom S.r.l.
Fercable S.L.	Spain	100.00%	Prysmian Cables y Sistemas S.L.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Prysmian Servicios de Tesoreria Espana S.L.	Spain	100.00%	Prysmian Financial Services Ireland Limited
Prysmian Kablar och System AB	Sweden	100.00%	Prysmian Cables and Systems Oy
Prysmian Cables and Systems SA	Switzerland	100.00%	Prysmian (Dutch) Holdings B.V.
Turk Prysmian Kablo Ve Sistemleri A.S.	Turkey	83.746%	Prysmian (Dutch) Holdings B.V.
Prysmian MKM Magyar Kabel Muvek KFT	Hungary	100.00%	Prysmian Energia Holding S.r.l.
Kabel Keszletertekesito BT	Hungary	99.999%	Prysmian MKM Magyar Kabel Muvek KFT
Prysmian Power Cables and Systems Canada Ltd.	Canada	100.00%	Prysmian (Dutch) Holdings B.V.
Prysmian Cables and Systems (US) Inc.	USA	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Power Cables and Systems USA LLC	USA	100.00%	Prysmian Cables and Systems (US) INC.
Prysmian Construction Services Inc	USA	100.00%	Prysmian Power Cables and Systems USA LLC
Prysmian Communications Cables and Systems USA LLC	USA	100.00%	Prysmian Cables and Systems (US) Inc.
Prysmian Communications Cables Corporation	USA	100.00%	Prysmian Communications Cables and Systems USA LLC
Prysmian Power Financial Services US LLC	USA	100.00%	Prysmian Power Cables and Systems USA LLC
Prysmian Communications Financial Services US LLC	USA	100.00%	Prysmian Communications Cables and Systems USA LLC
Prysmian Energia Cables y Sistemas de Argentina S.A.	Argentina	94.68%	Prysmian Consultora Conductores e Instalaciones SAIC
		5.00%	Prysmian (Dutch) Holdings B.V
Prysmian Telecomunicaciones Cables y Sistemas de Argentina S.A	Argentina	95.00%	Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.
		5.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Consultora Conductores e Instalaciones SAIC	Argentina	95.00%	Prysmian (Dutch) Holdings B.V.
		5.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian (Brazil) Holdings Limitada	Brazil	99.98%	Prysmian Energia Cabos e Sistemas do Brasil S.A.
		0.02%	Prysmian S.p.A.
Prysmian Energia Cabos e Sistemas do Brasil S.A.	Brazil	99.83%	Prysmian Cavi e Sistemi Energia S.r.l.
		0.17%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.	Brazil	99.87%	Prysmian Energia Cabos e Sistemas do Brasil S.A.
		0.13%	Prysmian Cavi e Sistemi Telecom S.r.l.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
Sociedade Produtora de Fibras Opticas S.A.	Brazil	51.00%	Prysmian Telecomunicacoes Cabos e Sistemas do Brasil S.A.
Prysmian Instalaciones Chile S.A.	Chile	99.8%	Prysmian Consultora Conductores e Instalaciones SAIC
SICABLE - Soci�te Ivorienne de Cables S.A.	Ivory Coast	51.00%	Prysmian Cables et Syst�mes France S.A.S.
Auto Cables Tunisie S.A.	Tunisia	51.00%	Prysmian Cables et Syst�mes France S.A.S.
Prysmian Power Cables & Systems Australia Pty Ltd.	Australia	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Telecom Cables & Systems Australia Pty Ltd.	Australia	100.00%	Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian Power Cables & Systems New Zealand Ltd.	New Zealand	100.00%	Prysmian Power Cables & Systems Australia Pty Ltd.
Prysmian Powerlink Saudi LLC	Arab Emirates	95.00%	Prysmian Powerlink S.r.l.
Prysmian Tianjin Cables Co. Ltd.	China	67.00%	Prysmian (China) Investment Company Ltd.
Prysmian Cable (Shanghai) Co.Ltd.	China	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Baosheng Cable Co.Ltd.	China	67.00%	Prysmian (China) Investment Company Ltd.
Prysmian Wuxi Cable Co. Ltd.	China	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Angel Tianjin Cable Co. Ltd.	China	100.00%	Prysmian (China) Investment Company Ltd.
Prysmian Hong Kong Holding Ltd.	China	83.00% 17.00%	Prysmian Energia Holding S.r.l. Prysmian Cavi e Sistemi Telecom S.r.l.
Prysmian (China) Investment Company Ltd.	China	100.00%	Prysmian Hong Kong Holding Ltd.
Pirelli Cables (India) Private Limited	India	99.998% 0.002%	Prysmian Cable Holding B.V. Prysmian Cavi e Sistemi Energia S.r.l.
P.T.Prysmian Cables Indonesia	Indonesia	99.48% 0.52%	Prysmian (Dutch) Holdings B.V. Prysmian Cavi e Sistemi Energia S.r.l.
Bicc (Malaysia) Sdn Bhd	Malaysia	100.00%	Prysmian Cables Asia-Pacific Pte Ltd.
Submarine Cable Installation Sdn Bhd	Malaysia	100.00%	Prysmian Cavi e Sistemi Energia S.r.l.
Prysmian Cables Asia-Pacific Pte Ltd.	Singapore	100.00%	Prysmian (Dutch) Holdings B.V.
Prysmian Cable Systems Pte Ltd.	Singapore	50.00% 50.00%	Prysmian (Dutch) Holdings B.V. Prysmian Cables & Systems Ltd.

Company	Country of Incorporation	% of share capital held by the Group	Group shareholder
<i>Companies consolidated on a proportionate basis:</i>			
Power Cables Malaysia Sdn Bhd	Malaysia	40.00%	Prysmian (Dutch) Holdings B.V.
Power Cable Engineering Services (M) Sdn Bhd	Malaysia	100.00%	Power Cables Malaysia Sdn Bhd
<i>Companies consolidated using the equity method:</i>			
Kabeltrommel Gesellschaft mbH & CO.KG	Germany	1.00%	Bergmann Kabel und Leitungen GmbH
		28.68%	Prysmian Kabel und Systeme GmbH
Sykonec GmbH	Germany	50.00%	Bergmann Kabel und Leitungen GmbH
Rodco Ltd.	UK	40.00%	Prysmian Cables & Systems Ltd.
Eksa Sp.Zo.o	Poland	20.05%	Prysmian Energia Holding S.r.l.

Share capital

As at 31 December 2009, the authorised share capital of the Issuer was equal to Euro 18,310,000, and its issued share capital was equal to Euro 18,123,503.90. The Issuer's fully paid and subscribed share capital was equal to Euro 18,123,503.90, divided into 181,235,039 ordinary shares outstanding, with nominal value of Euro 0.10 each. The authorised share capital is inclusive of a capital increase of Euro 310,000 that was approved at a shareholders' meeting held on 30 November 2006 to serve a stock option plan in favour of the Issuer's employees. The issued and outstanding share capital of the Issuer may therefore be increased from time to time as additional shares are issued pursuant to the stock option plan.

Prysmian has been listed on the Italian Stock Exchange since May 2007 and its shares are traded on the MTA, the regulated market of the Italian Stock Exchange.

Shareholders

As at 30 March 2010, based on the information made public by CONSOB, shareholders owning (directly and indirectly) more than 2 per cent. of the share capital of the Issuer are as follows:

Lazard Asset Management LLC	2.078%
FIL Limited	3.323%
Blackrock Investment Management (UK) Limited	5.725%
Schroder Investment Management Ltd	2.027%
Standard Life Investments Ltd.....	2.157%
JP Morgan Chase & Co. Corporation	2.170%
UBS A.G.	2.467%
Jabre Capital Partners S.A.	2.097%

To the best of the knowledge of the Issuer, no other shareholder owns more than 2 per cent. of its ordinary shares. To the best of the knowledge of the Issuer, there are no arrangements in place the operation of which may at a subsequent date result in a change in control of the Issuer.

Board of Directors

General

Pursuant to Prysmian's by-laws, the board of directors may be composed of not less than 7 and not more than 13 members. As of the date of this Prospectus, Prysmian's board of directors is composed of 9 members, all of whom were appointed at the shareholders' meeting held on 9 April 2009 and will remain in office until the date of the shareholders' meeting that will be called to approve the Issuer's 2011 stand-alone financial statements.

Pursuant to the Issuer's by-laws, the board of directors is ultimately responsible for the general policies and management of the Issuer. The board of directors establishes the strategic, accounting, organisational and financing policies and appoints, recalls and supervises the members of the management. Moreover, the board of directors is responsible for the preparation of annual reports, organising and preparing shareholders' meetings and the implementation of shareholders' resolutions.

Members of the Board of Directors

The following table sets forth the current members of Prysmian's board of directors, their years of birth and the position they hold within the Issuer:

Name	Year of Birth	Position with Prysmian
Paolo Zannoni	1948	Chairman
Valerio Battista	1957	Chief Executive Officer
Hughes Lepic	1965	Director
Fabio Romeo.....	1955	Director
Pier Francesco Facchini	1967	Chief Financial Officer
Wesley Clark*	1944	Director
Giulio Del Ninno*	1940	Director
Udo Günter Werner Stark*	1947	Director
Fabio Labruna*	1968	Director

* Independent directors under Italian law.

The business address of the members of the Issuer's board of directors, for the purpose of their office, is Viale Sarca 222, 20126 Milan, Italy.

The following table sets forth the current positions held by the members of the board of directors with other companies which are significant with respect to the Issuer.

Member	Company	Position held
Paolo Zannoni	Sintonia S.A.	Director
	Dolce & Gabbana Holding S.r.l.	Chairman of the board of directors
	Gado S.r.l.	Director
	Goldman Sachs Group Inc.	Partner
Valerio Battista	Prysmian Cavi e Sistemi Energia S.r.l. (**)	Chairman
	Prysmian Cavi e Sistemi Telecom S.r.l. (**)	Chairman of board of Directors
	Turk Prysmian Kablo ve Sistemleri A.S. (**)	Vice-chairman of board of directors
	Prysmian Power Financial Services US, LLC (**)	Director
Pier Francesco Facchini	P.T. Prysmian Cables Indonesia (**)	Chairman of board of commissioners
	Prysmian (Dutch) Holdings B.V. (**)	Member of Management Board
	Prysmian Cable Holding B.V. (**)	Member of board of management

Member	Company	Position held
Pier Francesco Facchini (continued)	Prysmian Cables et Systemes France S.A.S (**)	Chairman of Comite de Controle
	Prysmian (China) Investment Company Ltd (**)	Member of board of directors
	Prysmian Cables and Systems B.V. (**)	Member of board of management
	Prysmian Cables and Systems Oy (**)	Member of board of directors
	Prysmian Cables y Sistemas S.L. (**)	Member of board of directors
	Prysmian Cavi e Sistemi Energia S.r.l. (**)	Member of board of directors
	Prysmian Cavi e Sistemi Italia S.r.l. (**)	Chairman of board of directors
	Prysmian Cavi e Sistemi Telecom S.r.l. (**)	Member of board of directors
	Prysmian Energia Holding Srl (**)	Chairman of board of directors
	Prysmian Kablar och System AB (**)	Member of board of directors
	Prysmian Kabler og Systemer AS (**)	Member of board of directors
	Prysmian Mkm Magyar Kabel Muvek Kft (**)	Member of supervisory board
	Prysmian Telecom Srl (**)	Chairman
	Prysmian Treasury (Lux) S.a.r.l. (**)	Chairman of board of managers
	Prysmian Treasury S.r.l. (**)	Chairman of board of directors
	Turk Prysmian Kablo ve Sistemleri A.S. (**)	Member of board of directors
		Member of Audit Committee
Hughes Lepic	Goldman Sachs Principal Investment Area	Managing Director
	Goldman Sachs International	Co-Head
	Goldman Sachs Group Inc.	Partner
	Pages Jaunes Groupe SA	Director
Fabio Romeo	Prysmian Cavi e Sistemi Energia S.r.l. (**)	Managing Director
	Prysmian Powerlink S.r.l. (**)	Chairman of board of directors
	Turk Prysmian Kablo ve Sistemleri A.S. (**)	Member of board of directors
	Centro Elettrotecnico Sperimentale Italiano Giacinto Motta - Societa' per Azioni	Member of board of directors
	P.T. Prysmian Cables Indonesia (**)	Member of board of commissioners
	Pirelli Cables (India) Private Limited (**)	Member of board of directors
	Prysmian Cables et Systemes France S.A.S (**)	Member of <i>comite de controle</i>
	Prysmian (China) Investment Company Ltd (**)	Member of board of directors
	Prysmian Angel Tianjin Cable Co., Ltd (**)	Member of board of directors
	Prysmian Cables and Systems B.V. (**)	Member board of management
	Prysmian Cables and Systems Oy (**)	Member of board of directors
	Prysmian Cabluri si Sisteme S.A. (**)	Member of board of directors
	Prysmian Kablar och System AB (**)	Member of board of directors
	Prysmian Kabler Og Systemer AS (**)	Member of board of directors
	Prysmian Mkm Magyar Kabel Muvek Kft (**)	Chairman of supervisory board
	Prysmian Power Cables & Systems Australia Pty Limited (**)	Member of board of directors
	Prysmian Power Cables & Systems New Zealand Limited (**)	Member of board of directors
	Prysmian Power Cables and Systems Canada Ltd (**)	Member of board of directors

Member	Company	Position held
Fabio Romeo (<i>continued</i>)	Prysmian Tianjin Cables Co. Ltd (**) Prysmian Power Cables and Systems USA LLC (**)	Member of board of directors Member of board of directors
Wesley Clark*	Rodman & Renshaw AMG Advanced Metallurgic Group N.V. Bankers Petroleum Juhl Wind BNK	Chairman Chairman Director Director Director
Giulio Del Ninno*	Fondazione Edison ICQ Holding S.p.A. SIAP – Sviluppo Italia Aree Produttive Italgas S.p.A.	Vice-chairman Chairman Chairman Vice-chairman
Udo Günter Werner Stark*	MTU Aero Engines Holding AG Bilfinger & Berger AG Cognis GmbH	Director Director Director
Fabio Labruna*	N/A	N/A

(*) Independent directors under Italian law.

(**) Prysmian Group company.

Election of Board of Directors

The members of the Issuer's board of directors are appointed or removed by shareholder resolutions. In the event a member resigns, the board of directors may appoint a temporary director to serve until a new director can be elected by a shareholders' meeting.

The by-laws establish a cumulative voting system for the election of the members of the board of directors whereby any shareholder or a group of shareholders acting together that holds 2 per cent. or more (or such lower percentage as required under applicable law or regulations from time to time) of ordinary shares of Prysmian carrying the right to vote in the ordinary shareholders' meeting is entitled to present a list of potential directors. This cumulative voting system ensures that at least one of the members of the Issuer's board of directors will be appointed by minority shareholders as required by Legislative Decree no. 58 of 24 February 1998 (the **Unified Financial Act**).

The CEO, Mr. Valerio Battista, is in charge of the Group's ordinary business.

Committees

In compliance with the relevant requirements of the Italian self-governance code for listed companies issued by Borsa Italiana S.p.A (the **Corporate Governance Code**) and the provisions contained in the rules applicable to the MTA market, the Issuer's board of directors has appointed the following committees:

- an internal control committee; and
- a compensation and nomination committee.

The board of directors has also resolved:

- to comply with the Corporate Governance Code; and
- to approve specific rules concerning the functioning of the above committees.

The Corporate Governance Code requires that the majority of the members serving on the internal control committee and the compensation and nomination committee be independent directors. The board of directors has appointed Udo Günter Werner Stark, Wesley Clark, and Giulio Del Ninno, each an independent director,

to serve on the internal control committee; and Hughes Lepic, Udo Günter Werner Stark and Giulio Del Ninno, the last two being independent directors, to serve on the compensation and nomination committee.

In addition, with a resolution of 9 April 2009, the board of directors appointed the members of a strategy committee, the main duties of which are negotiating, developing and evaluating the strategic, industrial and financial plans of the Group. Such plans have to be promptly submitted to the board of directors for judgment and approval. The current members of the strategy committee are Valerio Battista and Hughes Lepic.

Furthermore, with a resolution of 4 March 2009, the board of directors set up the Antitrust Committee, with the function of providing the Issuer's management with support and updating the board of directors with developments in the events involving allegations against certain Prysmian Group companies of anti-competitive agreements or practices in the high voltage submarine and underground electrical cables market. The current members of the Antitrust Committee are Fabio Labruna, Hughes Lepic and Udo Günter Werner Stark.

Senior Management

The table below sets forth the names, years of birth and position of the senior management team of the Issuer.

Member	Year of Birth	Position with Prysmian
Valerio Battista	1957	Chief Executive Officer
Pier Francesco Facchini	1967	Chief Financial Officer
Fabio Romeo	1955	Head of Energy Cables Division
Hakan Özmen	1970	Head of Telecommunications Division

Valerio Battista, Pier Francesco Facchini and Fabio Romeo are also members of the board. See above “ - *Board of Directors*”.

Board of Statutory Auditors

General

Pursuant to the Issuer's by-laws, the board of statutory auditors was appointed by a resolution of the shareholders' meeting on 28 February 2007 and subsequently integrated by a further resolution of the shareholders' meeting on 9 April 2009. It will remain in office until the date of the shareholders' meeting that will be called to approve the Issuer's 2009 stand-alone financial statements, which shareholders' meeting shall appoint the new board of statutory auditors. The board of statutory auditors is composed of three standing auditors and two alternate auditors who are independent experts in accounting matters. The board of statutory auditors is required to meet at least once every 90 days, must promptly report any irregularities to CONSOB and is also obliged to report specified matters to the shareholders and the courts. Any members of the board of statutory auditors may request information directly from the Issuer. The board of statutory auditors or any two of its standing members may call meetings of the shareholders and each standing member of the board of statutory auditors may call meetings of the board of directors and of the executive committee (if any), in each case, subject to prior notification to the chairman of the board of directors. The board of statutory auditors may also request information from the directors regarding the Issuer's management, carry out inspections at the Issuer and exchange information with the Issuer's independent accountants.

Members of the Board of the Statutory Auditors

The following table sets forth the current members of the Issuer's board of statutory auditors, their years of birth and position they hold within the board of statutory auditors:

Name	Year of Birth	Position with Prysmian
Marcello Garzia	1946	Chairman of the Board of Statutory Auditors
Luigi Guerra	1962	Standing Auditor
Paolo Burlando	1962	Standing Auditor
Giovanni Rizzi	1969	Alternate Auditor
Luciano Rai	1954	Alternate Auditor

The following table sets forth the current positions held by the standing auditors with other companies.

Member	Company	Position held
Marcello Garzia	Fibre Ottiche Sud – F.O.S. S.r.l. (*)	Standing Auditor
	Prysmian Cavi e Sistemi Energia S.r.l. (*)	Standing Auditor
	Prysmian Cavi e Sistemi Telecom S.r.l. (*)	Standing Auditor
	Prysmian Energia Holding S.r.l. (*)	Chairman of Statutory Auditors
	Prysmian Treasury S.r.l. (*)	Chairman of Statutory Auditors
	Maristel S.p.A.	Standing Auditor
	Pirelli Broadband Solutions S.p.A.	Standing Auditor
	Pirelli Cultura S.p.A.	Chairman of Statutory Auditors
	Pirelli Servizi Finanziari S.p.A.	Standing Auditor
	Pirelli Servizi Informativi S.r.l.	Standing Auditor
	Lambda S.r.l.	Standing Auditor
	SSC S.r.l.	Standing Auditor
	GPT Trading S.r.l.	Standing Auditor
	GPT Photonics S.p.A.	Standing Auditor
	CFM – Società Cooperativa Facchini Milano	Standing Auditor
Paolo Burlando	Authix Technologies S.r.l.	Chairman of Statutory Auditors
	BeeTv Enterprises S.r.l.	Chairman of Statutory Auditors
	Buzzi Unicem S.p.A.	Director
	Cava degli Olmi S.r.l.	Chairman of Statutory Auditors
	Cavit S.r.l.	Standing Auditor
	Cementi Moccia S.p.A.	Standing Auditor
	Centro finanziamenti S.p.A.	Standing Auditor
	Centro Istruttorie S.p.A.	Standing Auditor
	Credit on Line S.p.A.	Standing Auditor
	Fratelli Buzzi S.p.A.	Standing Auditor
	Giuso Guido S.p.A.	Standing Auditor
	Graphvine S.r.l.	Chairman of Statutory Auditors
	Gruppi Mutui On Line S.p.A.	Standing Auditor
	Intelligence Focus S.r.l.	Chairman of Statutory Auditors
	Laterlite S.p.A.	Standing Auditor
	Leca sistemi S.p.A.	Standing Auditor
	Manifattura 2001 S.r.l.	Standing Auditor
	Marina Porto Antico S.p.A.	Director
	Mutui On Line S.p.A.	Standing Auditor
	SAFI S.r.l.	Chairman of Statutory Auditors
	Segheria Valle Sacra S.r.l.	Standing Auditor
	Selestia Ingegneria S.p.A.	Standing Auditor
	Stefanina Group S.p.A.	Standing Auditor
	The Blog Tv S.r.l.	Standing Auditor
	Thorcem S.r.l.	Director
	Yarpa Investimenti SGR S.p.A.	Standing Auditor

Member	Company	Position held
Luigi Guerra	Fibre Ottiche Sud - F.O.S. S.r.l. (*)	Standing Auditor
	Prysmian Energia Holding S.r.l. (*)	Standing Auditor
	Prysmian Telecom S.r.l. (*)	Standing Auditor
	Prysmian Treasury S.r.l. (*)	Standing Auditor
	Pirelli Tyre S.p.A.	Standing Auditor
	Eurofly S.p.A.	Chairman of Statutory Auditors
	Pirelli Broadbands Solutions S.p.A.	Chairman of Statutory Auditors
	Pirelli Labs S.p.A.	Standing Auditor
	Pirelli Industrie Pneumatici S.r.l.	Standing Auditor
	PGT Photonics S.P.A. in liquidazione	Chairman of Statutory Auditors
	Koinos S.c.a r.l.	Chairman of Statutory Auditors
	NET S.r.l.	Standing Auditor
	Tecnocosmesi S.p.A.	Standing Auditor
	Eurofrigo Vernate S.r.l.	Standing Auditor
	Shine Sim S.p.A.	Standing Auditor
	Sinerga S.r.l.	Standing Auditor
	Sinerga Group S.r.l.	Standing Auditor
	Techmed S.p.A.	Standing Auditor
	Ordine degli Architetti P.P.C. di Milano	Auditor
	R.B.G. S.r.l.	Director

(*) Prysmian Group company.

The business address of the members of the Issuer's board of statutory auditors, for the purpose of their office, is Viale Sarca 222, 20126 Milan, Italy.

Appointment and Removal

The members of the board of statutory auditors are elected by the shareholders, and may be removed only for cause and with the approval of an Italian court.

The bylaws establish a cumulative voting system for the election of the members of the board of statutory auditors whereby any shareholder or a group of shareholders acting together that holds 2 per cent. or more (or such lower percentage as required under applicable law or regulations from time to time) of ordinary shares of Prysmian with right to vote in the ordinary shareholders' meeting is entitled to present a list of potential auditors. In accordance with Article 148 of the Unified Financial Act, this voting system ensures that at least one standing auditor and one alternate auditor is chosen by the minority shareholders.

Additional information on directors, statutory auditors and senior managers of the Group

Stock Option Incentive Plan

In November 2006, the Issuer's shareholders approved a stock option incentive plan pursuant to which 2,963,250 options were granted to 99 employees of the Group, including the CFO, Mr. Facchini. At the same time the Issuer's shareholders approved a capital increase up to Euro 310,000 (representing a maximum of 3,100,000 ordinary share of the Issuer), dedicated to such stock option incentive plan. As of 19 March 2010, 167,775 options have expired (and thus no longer exercisable) and 1,823,266 options have been exercised, including by Mr. Facchini who exercised options to purchase 294,152 shares of the Issuer that were subsequently sold by Mr. Facchini.

Conflicts of interest

To the best of the Issuer's knowledge as of the date of this Prospectus, there are no potential conflicts of interests between any duties of the Issuer's members of the board of directors and board of statutory auditors to the Issuer on the one hand, and their private interests or other duties on the other hand.

DESCRIPTION OF THE ORIGINAL GUARANTORS

This section sets forth details on each of Prysmian Cavi e Sistemi Energia S.r.l. (Italy), Prysmian Cavi e Sistemi Italia S.r.l. (Italy), Prysmian PowerLink S.r.l. (Italy), Prysmian Câbles et Systèmes France S.A.S. (France), Prysmian Cables & Systems Limited (UK), Prysmian Kabel und Systeme GmbH (Germany), Prysmian Cables and Systems B.V. (Holland) and Prysmian Power Cables & Systems Australia Pty Ltd (Australia) (each, an **Original Guarantor** and together, the **Original Guarantors**) as of the date of this Prospectus.

Prysmian Cavi e Sistemi Energia S.r.l. (Prysmian Cavi e Sistemi Energia)

General

Prysmian Cavi e Sistemi Energia is a limited liability company incorporated under the laws of Italy with registered office at Viale Sarca 222, 20126 Milan, Italy. It is registered with the Register of Enterprises of Milan under registration number and fiscal code 03337040962. Incorporated on 27 November 2001, it has a corporate duration through to 31 December 2100. Its telephone number is +39 02 64491.

At 31 December 2009, Prysmian Cavi e Sistemi Energia had an authorised capital (*quote*) of Euro 100,000,000 and an issued capital (*quote*) of Euro 100,000,000. Its issued capital is fully held by the Issuer.

The accounting reference date of Prysmian Cavi e Sistemi Energia is 31 December.

Principal activities

Prysmian Cavi e Sistemi Energia is a sub-holding company that holds the participations in most of the Group companies operating within the Energy Cables & Systems business segment. For a further description of the activities of this business segment, see “*Business*”.

Administrative, management and supervisory bodies

Members of the Board of Directors

The current board of directors is comprised of six members and will remain in office until the date of the shareholders’ meeting that will be called to approve its 2012 stand-alone financial statements. Its members are Valerio Battista (chairman), Pier Francesco Facchini, Fabio Romeo (managing director), Valls Prats Agusti, Stefano Bulletti and Massimo Branda.

Board of Statutory Auditors

The board of statutory auditors will remain in office until the date of the shareholders’ meeting that will be called to approve its 2012 stand-alone financial statements. Its members are Paolo Francesco Lazzati (chairman), Marcello Garzia (standing member), Gianfranco Bologna (standing member), Luigi Guerra (alternate member) and Giovanni Rizzi (alternate member).

Each of the members of the board of directors and board of statutory auditors is domiciled for business purposes at the registered office address of Prysmian Cavi e Sistemi Energia.

Mr. Battista, Mr. Facchini and Mr. Romeo are also members of the board of directors of the Issuer. Mr. Garzia, Mr. Guerra and Mr. Rizzi are also members of the board of statutory auditors of the Issuer. For a discussion of the current significant positions held by each of them with other companies, see “*Description of the Issuer*”. The following table sets forth the current significant positions held by the remaining members of the board of directors of Prysmian Cavi e Sistemi Energia.

Member	Company	Position held
Valls Prats Augusti	Prysmian Cavi e Sistemi Telecom S.r.l. (*)	Director
Stefano Bulletti	Prysmian Cavi e Sistemi Telecom S.r.l. (*)	Director
Massimo Branda	Prysmian Cable Holding BV (*)	Member of Board of Management
	Prysmian Cavi e Sistemi Telecom S.r.l. (*)	Director
	Prysmian Energia Holding S.r.l. (*)	Director
	Prysmian MKM Magyar Kabel Muvek KFT (*)	Director
	Prysmian Telecom S.r.l. (*)	Director
	Prysmian Treasury S.r.l. (*)	Director

(*) Prysmian Group company

The following table sets forth the current positions held by the remaining members of the board of statutory auditors of Prysmian Cavi e Sistemi Energia with other companies.

Member	Company	Position
Paolo Francesco Lazzati	A.F.I. S.p.A.	Chairman of Statutory Auditors
	A.P.I.C.E. S.p.A.	Statutory Auditor
	Alfa S.r.l.	Statutory Auditor
	Amiata Energia S.p.A.	Chairman of Statutory Auditors
	Antonio Cerruti & C. SAPA	Statutory Auditor
	Apogeo S.r.l.	Chairman of Statutory Auditors
	Aree Urbane S.r.l.	Chairman of Statutory Auditors
	Baleri Italia S.p.A.	Chairman of Statutory Auditors
	CAM Partecipazioni S.r.l.	Statutory Auditor
	Capitolotre S.p.A.	Chairman of Statutory Auditors
	Castello S.r.l. in Liquidazione	Statutory Auditor
	Cerruti Tessile S.p.A.	Statutory Auditor
	CIFA Worldwide S.p.A.	Statutory Auditor
	CIFA S.p.A.	Statutory Auditor
	CO.RE.COM.	Statutory Auditor
	Credito Artigiano	Director
	Dear S.p.A.	Statutory Auditor
	DIXIA S.r.l.	Statutory Auditor
	ECLA Rete S.r.l.	Chairman of Statutory Auditors
	ECLA S.p.A.	Chairman of Statutory Auditors
	Edizioni Gribaudo S.r.l.	Chairman of Statutory Auditors
	EFFE 2005 Finanziaria Feltrinelli S.p.A.	Statutory Auditor
	EFFE COM S.r.l. Iniziative Commerciali	Statutory Auditor
	Elesa S.p.A.	Statutory Auditor
	Elle Servizi S.r.l.	Director
	Equens Italia S.p.A.	Chairman of Statutory Auditors
	Erogasmet Holding S.p.A.	Statutory Auditor
	Finaval S.p.A.	Statutory Auditor
	Finlibri S.r.l.	Statutory Auditor
	Finpol S.p.A.	Chairman of Statutory Auditors
	Fondazione GianGiacomo Feltrinelli	Director
	Fondazione Parma Capitale Della Musica	Liquidator
	Free SIM S.p.A.	Chairman of Statutory Auditors
	GianGiacomo Feltrinelli Editore S.r.l.	Chairman of Statutory Auditors
	Giemme Immobiliare S.r.l.	Sole Director
	Giglio Real Estate S.p.A.	Statutory Auditor
	Grafica Sipiel S.r.l.	Statutory Auditor
	ICBPI S.p.A.	Statutory Auditor

Member	Company	Position
Paolo Francesco Lazzati (continued)	Icierre S.r.l.	Statutory Auditor
	ILMA Plastica S.p.A.	Statutory Auditor
	Imation S.p.A.	Statutory Auditor
	Iniziative Immobiliari 3 S.r.l.	Statutory Auditor
	Ital China Leather S.p.A. in Liquidazione	Statutory Auditor
	IVRI S.p.A. - Bari	Statutory Auditor
	IVRI S.p.A. - Firenze	Chairman of Statutory Auditors
	IVRI S.p.A. - Milano	Chairman of Statutory Auditors
	IVRI S.r.l. - Parma	Statutory Auditor
	IVRI S.r.l. - Piacenza	Statutory Auditor
	IVRI Direzione S.p.A. - Milano	Chairman of Statutory Auditors
	IVRI Servizi Integrati S.p.A. (formerly PROSEGUR Servizi Integrati S.p.A.)	Statutory Auditor
	IVRI S.p.A. - Teramo	Chairman of Statutory Auditors
	Ivrinetwork S.p.A. (formerly Securnetwork S.p.A.)	Statutory Auditor
	Kedrios S.p.A.	Statutory Auditor
	Lanificio F.lli Cerruti S.p.A.	Statutory Auditor
	Librerie Delle Stazioni S S.r.l.	Chairman of Statutory Auditors
	Librerie Feltrinelli S.r.l.	Statutory Auditor
	MCS & Partners S.r.l.	Chairman of Statutory Auditors
	MFO Multi Family Office S.p.A.	Statutory Auditor
	Molteni S.p.A.	Chairman of Statutory Auditors
	Monit S.p.A.	Chairman of Statutory Auditors
	Oasi S.p.A.	Chairman of Statutory Auditors
	Orione Immobiliare Prima S.p.A.	Statutory Auditor
	P.G.C. S.r.l.	Chairman of Statutory Auditors
	PA SGR S.p.A.	Chairman of Statutory Auditors
	Parcheggi Bicocca S.r.l.	Chairman of Statutory Auditors
	PDE S.p.A.	Chairman of Statutory Auditors
	Pirelli Industrie Pneumatici S.r.l.	Chairman of Statutory Auditors
	Pirelli RE Valuations & e Services S.p.A. (formerly Casaclick S.r.l.)	Chairman of Statutory Auditors
	Pirelli Tyre S.p.A.	Chairman of Statutory Auditors
	Porro & C. S.p.A.	Director
	PRE Agency S.p.A.	Chairman of Statutory Auditors
	PRE Finance S.p.A. (formerly PRE Franchising Servizi Finanziari S.r.l.)	Chairman of Statutory Auditors
	PRE SGR S.p.A.	Chairman of Statutory Auditors
	Pro Juvara S.r.l.	Director
	Profida S.r.l.	Director
	Progetto Corsico S.r.l.	Statutory Auditor
	Progetto Fontana S.r.l. in Liquidazione	Chairman of Statutory Auditors
	Progetto Nuovo Sant'Aanna S.r.l.	Chairman of Statutory Auditors
	Prysmian Powerlink S.r.l.(*)	Chairman of Statutory Auditors
	Prysmian Cavi e Sistemi Telecom S.r.l.(*)	Chairman of Statutory Auditors
	S.AN.CO S.c.a r.l.	Chairman of Statutory Auditors
	Sange S.c.a r.l.	Chairman of Statutory Auditors
	Sasid S.p.A.	Statutory Auditor
	SO.GE.ST. 2 S.r.l.	Sole Director
	Società degli Avi S.p.A.	Chairman of Statutory Auditors
	Sofid S.p.A.	Statutory Auditor
	Solar Prometheus S.r.l.	Chairman of Statutory Auditors

Member	Company	Position
Paolo Francesco Lazzati (continued)	Solar Utility S.p.A.	Chairman of Statutory Auditors
	Stone S.p.A.	Director
	TAU S.r.l. in Liquidazione	Statutory Auditor
	TML S.r.l.	Director
	USO S.r.l.	Chairman of Statutory Auditors
	Veneta Gas S.p.A.	Chairman of Statutory Auditors
	Vivigas S.p.A.	Statutory Auditor
	Zopa Italia S.p.A.	Chairman of Statutory Auditors
Gianfranco Bologna	Driver Italia S.p.A.	Statutory Auditor
	Pirelli Nastri Tecnici S.p.A. - In Liquidazione	Statutory Auditor
	Pirelli Servizi Finanziari S.p.A.	Statutory Auditor
	Servizi Aziendali Pirelli - S.C.P.A.	Statutory Auditor
	Prysmian Cavi e Sistemi Telecom S.r.l.(*)	Statutory Auditor
	Prysmian Telecom S.r.l.(*)	Statutory Auditor
	Prysmian Power Link S.r.l.(*)	Statutory Auditor
	Agrimense S.r.l.	Statutory Auditor

(*) Prysmian Group company

To the best of the Issuer's knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the members of the board of directors and the board of statutory auditors to the company and their private interests or other duties.

Prysmian Cavi e Sistemi Italia S.r.l. (Prysmian Cavi e Sistemi Italia)

General

Prysmian Cavi e Sistemi Italia (formerly, Prysmian Cavi e Sistemi Energia Italia S.r.l.) is a limited liability company incorporated under the laws of Italy with registered office at Viale Sarca 222, 20126 Milan, Italy. It is registered with the Register of Enterprises of Milan under registration number and fiscal code 04963770013. Incorporated on 25 November 1985, it has a corporate duration through to 31 December 2100. Its telephone number is +39 02 64491.

At 31 December 2009, Prysmian Cavi e Sistem Italia had an authorised capital (*quote*) of Euro 77,143,249 and an issued capital (*quote*) of Euro 77,143,249. Its issued capital is fully held by the Issuer indirectly through Prysmian Cavi e Sistemi Energia and Prysmian Cavi e Sistemi Telecom S.r.l. (which hold 77.45 per cent. and 22.55 per cent. of the total issued share capital of the company, respectively).

The accounting reference date of Prysmian Cavi e Sistemi Italia is 31 December.

Principal activities

Prysmian Cavi e Sistemi Italia is a company operating primarily in the Energy Cables & Systems business segment of the Group and owns the Group's Ascoli Piceno, Giovinazzo, Livorno, Livorno Ferraris, Merlino, Pignataro Maggiore and Quattordio production plants. For a further description of the activities of this business segment, see "*Business*".

Administrative, management and supervisory bodies

Members of the Board of Directors

The current board of directors is comprised of 5 members and will remain in office until the date of the shareholders' meeting that will be called to approve its 2011 stand-alone financial statements. Its members are Pier Francesco Facchini (chairman), Franco Carini (Managing Director), Luca De Rai (Managing Director Network Components), Giovanni Zancan and Fulvia Borghi.

Board of Statutory Auditors

The current board of statutory auditors will remain in office until the date of the shareholders' meeting that will be called to approve its 2011 stand-alone financial statements. Its members are Giuseppe Pier Parravidini (chairman), Guido Brazzoduro (standing auditor), Giovanni Rizzi (standing auditor), Marcello Garzia (alternate auditor) and Gianfranco Bologna (alternate auditor).

Each of the members of the board of directors and board of statutory auditors is domiciled for business purposes at the registered office address of Prysmian Cavi e Sistemi Italia.

Mr. Facchini is also a member of the board of directors of the Issuer. Mr. Garzia and Mr. Rizzi are also members of the board of statutory auditors of the Issuer. For a discussion of the current significant positions held by each of them with other companies, see "*Description of the Issuer*". Mr. Bologna is also member of the statutory board of directors of Prysmian Cavi e Sistemi Energia (see above for description of his other significant positions). The following table sets forth the current significant positions held by the remaining members of the board of directors and board of statutory auditors of Prysmian Cavi e Sistemi Italia.

Member	Company	Position
Franco Carini	Prysmian Cables and Systems S.A. (*) Associazione Italiana Industrie Cavi e Conduttori Elettrici	Chairman and Managing Director Chairman
Giovanni Zancan	Prysmian (Dutch) Holdings B.V. (*) Prysmian Cable Holding B.V. (*) Prysmian Cables Y Sistemas S.L. (*) Prysmian Energia Holding S.r.l. (*) Prysmian Hong Kong Holding Limited (*) Prysmian PowerLink S.r.l. (*) Prysmian Re Company Limited (*) Prysmian Treasury (Lux) S.A.R.L. (*) Prysmian Treasury S.r.l. (*)	Member of Board of Management Member of Board of Management Member of Board of Directors Member of Board of Directors Member of Board of Directors Member of Board of Directors Chairman of the Board of Directors Vice-Chairman of the Board of Managers Member of Board of Directors
Giuseppe Pier Parravidini	Agrimense S.R.L. Cenro Servizi Amministrativi Pirelli S.r.l. Iniziative Immobiliari 3 S.r.l. Pirelli Nastri Tecnici S.p.A. In Liquidazione Servizi Aziendale Pirelli S.C.P.A. Fibre Ottiche Sud – F.O.S. S.r.l. (*) Prysmian Treasury S.r.l. (*)	Chairman of Statutory Auditors Statutory Auditor Statutory Auditor Statutory Auditor Chairman of Statutory Auditors Chairman of Statutory Auditors Statutory Auditor
Guido Brazzoduro	Prysmian Telecom S.r.l. (*) Cenro Servizi Amministrativi Pirelli S.r.l. Agrimense S.r.l. Arum S.r.l. Lambda S.r.l. Driver Italia S.p.A. Maristel S.p.A. Universita' Di Trieste	Chairman of Statutory Auditor Chairman of Statutory Auditor Statutory Auditor Statutory Auditor Statutory Auditor Statutory Auditor Statutory Auditor Statutory Auditor

(*) Prysmian Group company

To the best of the Issuer's knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the members of the board of directors and the board of statutory auditors to the company and their private interests or other duties.

Prysmian PowerLink S.r.l. (Prysmian PowerLink)

General

Prysmian PowerLink is a limited liability company incorporated under the laws of Italy with registered office at Viale Sarca 222, 20126 Milan, Italy. It is registered with the Register of Enterprises of Milan under registration number and fiscal code 05931070964. Incorporated on 14 November 2007, it has a corporate duration through to 31 December 2100. Its telephone number is +39 02 64491.

At 31 December 2009, Prysmian PowerLink had an authorised capital of Euro 50,000,000 and an issued capital of Euro 50,000,000. Its issued capital is fully held by the Issuer indirectly through Prysmian Cavi e Sistemi Energia and Prysmian Cavi e Sistemi Italia (which hold 84.8 per cent. and 15.2 per cent. of the total issued share capital of the company, respectively).

The accounting reference date of Prysmian PowerLink is 31 December.

Principal activities

Prysmian PowerLink is a company operating primarily in the Energy Cables & Systems business segment of the Group and owns the Arco Felice production plant as well as the cable-laying vessel Giulio Verne. For a further description of the activities of this business segment, see “*Business*”.

Administrative, management and supervisory bodies

Members of the Board of Directors

The current board of directors is comprised of 4 members and will remain in office until the date of the shareholders’ meeting that will be called to approve its 2012 stand-alone financial statements. Its members are Fabio Romeo (chairman), Marcello del Brenna (Managing Director), Paolo Alberto Frascadore and Giovanni Zancan.

Board of Statutory Auditors

The current board of statutory auditors will remain in office until the date of the shareholders’ meeting that will be called to approve its 2012 stand-alone financial statements. Its members are Paolo Francesco Lazzati (chairman), Giovanni Rizzi (standing member), Gianfranco Bologna (standing member), Luigi Guerra (alternate member) and Marcello Garzia (alternate member).

Each of the members of the board of directors and board of statutory auditors is domiciled for business purposes at the registered office address of Prysmian PowerLink.

Mr. Romeo is also a member of the board of directors of the Issuer. Mr. Garzia, Mr. Guerra and Mr. Rizzi are also members of the board of statutory auditors of the Issuer. For a discussion of the current significant positions held by each of them with other companies, see “*Description of the Issuer*”. Mr. Zancan is also member of the board of directors of Prysmian Cavi e Sistemi Italia (see above for description of his other significant positions). Mr. Lazzati and Mr. Bologna are also members of the statutory board of directors of Prysmian Cavi e Sistemi Energia (see above for description of their other significant positions). The following table sets forth the current significant positions held by the remaining members of the board of directors and board of statutory auditors of Prysmian PowerLink.

Member	Company	Position
Marcello del Brenna	Prysmian Powerlink Saudi Llc (*) Llc “Investitsionno-Promyshlennaya Kompaniya Rybinslektrokabel” (*) Power Cables Malaysia Sdn Bhd (*) Prysmian Baosheng Cable Co. Ltd (*)	Member of Board of Directors Chairman of the Board of Directors Member of Board of Directors Member of Board of Directors
Paolo Alberto Frascadore	Prysmian Powerlink Saudi Llc (*)	Member of Board of Directors
(*) Prysmian Group company		

To the best of the Issuer’s knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the members of the board of directors and the board of statutory auditors to the company and their private interests or other duties.

Prysmian Câbles et Systèmes France S.A.S. (Prysmian Câbles France)

General

Prysmian Câbles France is a limited company (*société par actions simplifiée*) incorporated under the laws of France with registered office at 23 avenue Aristide Briand, Paron de Sens 89108, Sens, France. It is registered with the *Registre du Commerce et des Sociétés* under registration number 095750311. Incorporated on 1 September 1946, it has a corporate duration through to 1 September 2045. Its telephone number is +33 1 696 77200.

At 31 December 2009, Prysmian Câbles France had an authorised capital of Euro 136,800,000 and an issued capital of Euro 136,800,000. Its issued capital is fully held by the Issuer indirectly through Prysmian (French) Holdings S.A.S.

The accounting reference date of Prysmian Câbles France is 31 December.

Principal activities

Prysmian Câbles France is a company operating primarily in the Energy Cables & Systems business segment of the Group and owns the Group’s production plants located in Amfreville, Angy, Charvieu, Chavanoz, Gron, Neuf Pre, Paron and Xoulces. For a further description of the activities of this business segment, see “*Business*”.

Administrative, management and supervisory bodies

Members of the Directoire

The current *Directoire* is comprised of Laurent Tardif (chairman), Roberto Cardi and Pierre Perrin, each of whom is domiciled for business purposes at the registered office address of Prysmian Câbles France.

Supervisory committee (Comité de Contrôle)

The current supervisory committee is comprised of Pier Francesco Facchini, Rovira Calvo Jordi and Fabio Romeo, all of whom are domiciled for business purposes at the registered office address of the Issuer.

Mr. Facchini and Mr. Romeo are also members of the board of directors of the Issuer. For a discussion of the current significant positions held by each of them with other companies, see “*Description of the Issuer*”. The following table sets forth the current positions held by the member of the *Directoire* and by the remaining members of the supervisory committee of Prysmian Câbles France, Rovira Calvo Jordi.

Member	Company	Position
Laurent Tardif	Auto Cables Tunisie S.A. (*)	Chairman of the Board of Directors
	GSCP Athena (French) Holdings II S.a.S. (*)	Chairman of the <i>Directoire</i>
	Prysmian (French) Holdings S.A.S. (*)	Chairman of the <i>Directoire</i>
	Sicable - Societe Ivoirienne De Cables S.A. (*)	Chairman of the Board of Directors and General Manager
	Klaus Faber Ag	Member of the Supervisory Board
	Sycabel (Manufacturers of cables and electrical accessories organisation)	Chairman
	FIEEC (Federation of electronic electric industries and communication)	Treasurer
Roberto Cardi	GSCP Athena (French) Holdings II S.a.S. (*)	General Manager
	Prysmian (French) Holdings S.A.S. (*)	General Manager
	Sicable - Societe Ivoirienne De Cables S.A. (*)	Member of the Board of Directors
Pierre Perrin	Uimm Yonne (Union of the metallurgical industries and trade)	Member of the Board of Directors
	Santé Au Travail Nord De L'yonne (Association of workers' medicine of Sens and Yonne)	Member of the Board of Directors
	AFPI (Association of training connected to the UIMM Yonne)	Treasurer
Rovira Calvo Jordi	Llc "Investitsionno-Promyshlennaya Kompaniya Rybinslelektrokabel" (*)	Member of the Board of Directors
	Prysmian Cables Y Systemas S.L. (*)	Member of the Board of Directors
	Prysmian Energia Holding S.r.l. (*)	Member of the Board of Directors
	Prysmian Hong Kong Holding Limited (*)	Member of the Board of Directors

(*) Prysmian Group company

To the best of the Issuer's knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the members of the board of directors and the supervisory committee to the company and their private interests or other duties.

Prysmian Cables & Systems Limited (Prysmian Cables UK)

Prysmian Cables UK is a private limited company incorporated under the laws of England with registered office at Chickenhall Lane, Eastleigh, Hampshire SO50 6YU, England. It is registered with the Companies Registry under registration number 00958507. Incorporated on 18 July 1969, it has an indefinite corporate duration. Its telephone number is + 44 870 5133143.

At 31 December 2009, Prysmian Cables UK had an authorised capital of £149,963,000 and an issued and paid up capital of £45,292,120. Its issued capital is fully held by the Issuer indirectly through Prysmian Cavi e Sistemi Energia.

The accounting reference date of Prysmian Cables UK is 31 December.

Principal activities

Prysmian Cables UK is a company operating primarily in the Energy Cables & Systems business segment of the Group and owns the Aberdare, Bishopstoke and Wrexham production plants. For a further description of the activities of this business segment, see "*Business*".

Board of Directors

The current board of directors is comprised of Massimo Battaini (General Manager), Philip Brown and Alberto Maffioli, all of whom are domiciled for business purposes at the registered office address of Prysmian Cables UK.

The following table sets forth the current positions held by the members of the board of directors of Prysmian Cables UK.

Member	Company	Position
Massimo Battaini	Aberdare Cables (*)	Member of the Board of Directors
	Cable Makers Properties and Services Ltd (*)	Member of the Board of Directors
	Comergy Ltd (*)	Member of the Board of Directors
	Prysmian Telecom Cables and Systems UK Limited (*)	Member of the Board of Directors
	Prysmian Cables and Systems International Limited (*)	Member of the Board of Directors
	Prysmian Metals Limited (*)	Member of the Board of Directors
	Prysmian Cables (2000) Limited (*)	Member of the Board of Directors
	Prysmian Cables (Industrial) Limited (*)	Member of the Board of Directors
	Prysmian Cables (Supertension) Limited(*)	Member of the Board of Directors
	Prysmian Cables Ltd (*)	Member of the Board of Directors
	Prysmian Focom Limited (*)	Member of the Board of Directors
	Prysmian Construction Company Limited (*)	Member of the Board of Directors
	Rodco Ltd (*)	Member of the Board of Directors
Philip Brown	Aberdare Cables (*)	Member of the Board of Directors
	Comergy Ltd (*)	Member of the Board of Directors
	Prysmian Pension Scheme Trustee Limited (*)	Member of the Board of Directors
	Prysmian Telecom Cables and Systems UK Limited (*)	Member of the Board of Directors
	Prysmian Metals Limited (*)	Member of the Board of Directors
	Prysmian Cables (2000) Limited (*)	Member of the Board of Directors
	Prysmian Cables (Industrial) Limited (*)	Member of the Board of Directors
	Prysmian Cables (Supertension) Limited (*)	Member of the Board of Directors
	Prysmian Cables Ltd (*)	Member of the Board of Directors
	Prysmian Focom Limited (*)	Member of the Board of Directors
Alberto Maffioli	Aberdare Cables (*)	Member of the Board of Directors
	Comergy Ltd (*)	Member of the Board of Directors
	Prysmian Telecom Cables and Systems UK Limited (*)	Member of the Board of Directors
	Prysmian Cables and Systems International Limited (*)	Member of the Board of Directors
	Prysmian Metals Limited (*)	Member of the Board of Directors
	Prysmian Cables (2000) Limited (*)	Member of the Board of Directors
	Prysmian Cables (Industrial) Limited (*)	Member of the Board of Directors
	Prysmian Cables (Supertension) Limited (*)	Member of the Board of Directors
	Prysmian Cables Ltd (*)	Member of the Board of Directors
	Prysmian Focom Limited (*)	Member of the Board of Directors
	Prysmian Construction Company Limited (*)	Member of the Board of Directors
	Rodco Ltd (*)	Member of the Board of Directors

(*) Prysmian Group company

To the best of the Issuer's knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the members of the board of directors to the company and their private interests or other duties.

Prysmian Kabel und Systeme GmbH (Prysmian Kabel Germany)

Prysmian Kabel Germany is a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany with registered office at Alt-Moabit 91D, 10559 Berlin, Germany. It is registered with the Trade Register of Charlottenburg under registration number HRB 69779 B. Incorporated on 15 April 1998, it has an indefinite corporate duration. Its telephone number is + 49 303 67540.

At 31 December 2009, Prysmian Kabel Germany had an authorised capital of Euro 15,000,000 and an issued capital of Euro 15,000,000. Its issued capital is held by the Issuer and Prysmian Energia Holding S.r.l. (which hold 6.25 per cent. and 93.75 per cent. of the total issued share capital of the company, respectively).

The accounting reference date of Prysmian Kabel Germany is 31 December.

Principal activities

Prysmian Kabel Germany is a company operating primarily in the Energy Cables & Systems business segment of the Group and owns the Eschweiler, Neustadt and Schwerin production plants. For a further description of the activities of this business segment, see "*Business*".

Sole director

The sole director of Prysmian Kabel Germany is Hendricus Chirstiaan Nieman, and is domiciled for business purposes at the registered office address of Prysmian Kabel Germany. In addition to his position with Prysmian Kabel Germany, Mr. Nieman holds the current significant positions as set forth in the following table:

Member	Company	Position
Hendricus Chirstiaan Nieman	Bergmann Kabel Und Leitungen GmbH (*)	Sole Director
	Kabeltrommel Gesellschaft MbH & Co. Kg (*)	Chairman of the Beirat
	Prysmian (Dutch) Holdings B.V. (*)	Member of the Board of Management
	Prysmian Unterstuetzungseinrichtung Lynen GmbH (*)	Sole Director
	Prysmian Cables and Systems B.V. (*)	Member of the Board of Management
	Submarine Cable Installation Sdn Bhd (*)	Director

To the best of the Issuer's knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the sole director to the company and his private interests or other duties.

Prysmian Cables and Systems B.V., The Netherlands (Prysmian Cables Holland)

Prysmian Cables Holland is a private limited liability company (*Besloten Vennootschap*) incorporated under the laws of the Netherlands with registered office at Schieweg 9, 2627 AN Delft, The Netherlands. It is registered with the Companies Registry of Den Haag under registration number 27183808. Incorporated on 27 October 1999, it has an indefinite corporate duration. Its telephone number is + 31 1526 05260.

At 31 December 2009, Prysmian Cables Holland had an authorised capital of Euro 25,000,000 and an issued and paid up capital of Euro 5,000,000. Its issued capital is fully held by the Issuer indirectly through Prysmian Energia Holding Sr.l.

The accounting reference date of Prysmian Cables Holland is 31 December.

Principal activities

Prysmian Cables Holland is a company operating primarily in the Energy Cables & Systems business segment of the Group. For a further description of the activities of this business segment, see “*Business*”.

Board of Directors

The current board of directors is comprised of Gerrit Hendrik Hoefman (CEO), Pier Francesco Facchini, Fabio Romeo and Hendricus Christiaan Nieman. Mr. Hoefman and Mr. Nieman are domiciled for business purposes at the registered office address of Prysmian Cables Holland, while Mr. Facchini and Mr. Romeo are domiciled for business purposes at the registered office address of the Issuer.

Mr. Facchini and Mr. Romeo are also members of the board of directors of the Issuer. For a discussion of the current significant positions held by each of them with other companies, see “*Description of the Issuer*”. Mr. Nieman is also the sole director of Prysmian Kabel Germany: for a discussion of the current significant positions held by Mr. Nieman, see above.

To the best of the Issuer’s knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the members of the board of directors to the company and their private interests or other duties.

Prysmian Power Cables & Systems Australia Pty Ltd (Prysmian Cables Australia)

Prysmian Cables Australia is an proprietary company limited by shares incorporated under the laws of the Australia with registered office at 1 Heathcote Road, Liverpool, New South Wales 2170, Australia. It is registered with the Australian Securities & Investments Commission under Australian Company no. 096 594 080. Incorporated on 24 April 2001, it has an unlimited corporate duration. Its telephone number is + 61 2960 00244.

At 31 December 2009, Prysmian Cables Australia had an authorised capital of AS\$15,000,000 and an issued capital of AS\$15,000,000. Its issued capital is fully held by the Issuer indirectly through Prysmian Cavi e Sistemi Energia.

The accounting reference date of Prysmian Cables Australia is 31 December.

Principal activities

Prysmian Cables Australia is a company operating primarily in the Energy Cables & Systems business segment and owns the Liverpool production facility. For a further description of the activities of this business segment, see “*Business*”.

Board of Directors

The current board of directors is comprised of Paul Raymond Atkinson, Pier Francesco Tota and Fabio Romeo. Mr. Atkinson and Mr. Tota are domiciled for business purposes at the registered office address of Prysmian Cables Australia, while Mr. Romeo is domiciled for business purposes at the registered office address of the Issuer.

Mr. Romeo is also a member of the board of directors of the Issuer. For a discussion of the current significant positions held by him with other companies, see “*Description of the Issuer*”. In addition to their respective position with Prysmian Cables Australia, Mr. Atkinson and Mr. Tota hold other significant positions as set out in the table below.

Member	Company	Position
Paul Raymond Atkinson	Prysmian Power Cables & Systems New Zealand Limited (*)	Member of the Board of Directors
	Prysmian Telecom Cables & Systems Australia Pty Limited (*)	Member of the Board of Directors
Pier Francesco Tota	Prysmian Power Cables & Systems New Zealand Limited (*)	Member of the Board of Directors
	Prysmian Telecom Cables & Systems Australia Pty Limited (*)	Member of the Board of Directors

(*) Prysmian Group company

To the best of the Issuer's knowledge at the date of this Prospectus, there are no conflicts of interest between the duties of the members of the board of directors to the company and their private interests or other duties.

Additional information on the Guarantors

The Original Guarantors have appointed PricewaterhouseCoopers entities to audit their annual financial statements. Each of the Guarantors is fully consolidated in the annual consolidated financial statements of the Issuer. The annual consolidated financial statements of the Issuer have been audited by PricewaterhouseCoopers S.p.A. The financial statements and related audit opinion (which if not originally in English, have been translated into English) for the years ended 31 December 2009 and 2008 for each Original Guarantor are incorporated by reference into this Prospectus. For further information, see the section "*Documents Incorporated by Reference*".

For a discussion of certain relationships between each Guarantor and other companies of the Group, see the section headed "Business - Intra-group transactions".

For a discussion of governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantors are aware) to which the Group (including certain of the Guarantors) are currently, or have in the previous 12 months been, involved and which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the Group, see "Business - Legal Proceedings" and "Business - Antitrust proceedings".

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

ITALY

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by companies listed on an Italian regulated market, provided that the notes are issued for an original maturity of not less than 18 months.

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under “*Capital gains tax*” below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 12.5 per cent. In the event that the Noteholders

described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP, the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund (the **Real Estate Fund**). However, Law Decree No. 112 of 25 June 2008, converted with amendments into Law No. 133 of 6 August 2008, has introduced a 1 per cent. property tax applying on real estate investment funds' net value, where (i) their unites are not expected to be listed on regulated markets and (ii) their equity is less than €400,000,000, if: (a) there are less than 10 unitholders, or (b) funds are reserved to institutional investors or are speculative funds and their unites are held, for more than 2/3, by individuals, trusts, or other companies referable to individuals.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the **Fund**) or a SICAV, and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period, subject to a substitute tax applicable at a 12.5 per cent.

Where an Italian resident Noteholder is a pension fund subject to the regime provided for by article 17 of Legislative Decree No. 252 of 5 December 2005 (the **Pension Fund**) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident with no permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Notes with (a) a resident bank or SIM; or a permanent establishment in Italy of a non-Italian resident bank or SIM; (b) a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economics and Finance; (c) a non-resident entity or company which has an account with a centralised clearance and settlement system (such as Euroclear or Clearstream, Luxembourg) which has a direct relationship with the Italian Ministry of Economy and Finance; or (d) a centralised managing company of financial instruments, authorised in accordance with Article 80 of legislative Decree No. 58 of 24 February 1998; (ii) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001; and (iii) the banks or brokers mentioned above receive all necessary information to identify the non resident beneficial owner of the deposited debt securities, and all necessary information in order to determine the amount of interest that such beneficial owner is entitled to receive.

The *imposta sostitutiva* will be applicable at the rate of 12.5 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) in the case that interest, premium and other income are paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy, or if any of the above conditions under (i), (ii) and (iii) is not satisfied.

Early Redemption

Without prejudice to the above provisions, in the event that Notes are redeemed, in full or in part, prior to 18 months from the Issue Date, the Issuer will be required to pay a tax equal to 20 per cent. in respect of the interest and other amounts accrued up to the time of the early redemption. Such payment will be made by the relevant Issuer and will not affect the amounts to be received by the Noteholder by way of interest or other amounts, if any, under the Notes.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 12.5 per cent. Noteholders may set off losses with gains subject to certain conditions.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for

such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year-end, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is a Real Estate Fund are subject neither to substitute tax nor to any other income tax. However, Law Decree No. 112 of 25 June 2008, converted with amendments into Law No. 133 of 6 August 2008, has introduced a 1 per cent. property tax applying on real estate investment funds' net value, where (i) their units are not expected to be listed on regulated markets and (ii) their equity is less than €400,000,000, if: (a) there are less than 10 unitholders, or (b) funds are reserved to institutional investors or are speculative funds and their units are held, for more than 2/3, by individuals, trusts, or other companies referable to individuals.

Any capital gains realised by a Noteholder who is a Fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.5 per cent. substitute tax.

Any capital gains realised by a Noteholder who is a Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer and traded on regulated markets are not subject to the *imposta sostitutiva*.

Capital gains realised by non-Italian resident Noteholders (with no permanent establishment in Italy to which the Notes are connected) from the sale or redemption of Notes issued by an Italian resident issuer not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the non-Italian resident beneficial owner: (i) is resident in a country which (a) allows for a satisfactory exchange of information with Italy; or (ii) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

If any of the conditions above is not met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 12.5 per cent.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006 (**Decree 262**), converted into law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000;
- (b) transfers in favour of relatives of the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Transfer tax

Article 37 of Law Decree No. 248 of 31 December 2007, converted into law No. 31 of 28 February 2008, published in the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax provided for by the Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Payments made by an Italian resident Guarantor

With respect to payments on the Notes made to Italian resident Noteholders by an Italian-resident Guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the Notes may be subject to a provisional withholding tax at a rate of 12.5 per cent. pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. In the case of payments to non-Italian resident Noteholders, the withholding tax may be applied at (a) 12.5 per cent. if the payment is made to non-Italian resident Noteholders, other than those mentioned under (b); or (b) 27 per cent. if payments are made to non-Italian resident Noteholders who are resident in tax haven countries (as defined and listed in Ministerial Decree 23 January 2002, as amended from time to time). Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax. In accordance with another interpretation any such payment made by the Italian-resident Guarantor will be treated in certain circumstances, as a payment by the relevant issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive (as defined below) through Legislative Decree No. 84 of 18 April 2005 (**Decree No. 84**). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by

the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

LUXEMBOURG

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax

Non-resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories, will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 20 per cent. for the three-year period starting 1 July 2008 and at a rate of 35 per cent. thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (as amended) (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

AUSTRALIA

The following is a summary of the Australian taxation treatment under the Income Tax Assessment Act of 1936 of Australia (the Tax Act) and the Income Tax Assessment Act of 1997 of Australia (the 1997 Tax Act) as at the date of this Prospectus of payments of interest (as defined in the Tax Act) on the Notes to be issued by the Issuer and certain other matters. It is not exhaustive, and in particular, does not deal with the position

of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons).

Prospective Noteholders should be aware that particular terms of issue of any series of Notes may affect the tax treatment of that and other series of Notes.

The following is a general guide and should be treated with appropriate caution. Information regarding taxes in respect of Notes may also be set out in the relevant final terms.

Prospective Noteholders are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling Notes and should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Noteholders that are not residents of Australia

For Noteholders that are not residents of Australia for income tax purposes, there should be no Australian taxation implications associated with respect to payments on the Notes by an Australian resident Guarantor. In particular, the better view is that such payments do not constitute a payment of interest by the Australian resident guarantor and, therefore, should not be subject to Australian interest withholding tax or to the provisions concerned with withholding from interest in respect of certain bearer debt securities.

Australian resident Noteholders

For Noteholders that are residents of Australia for tax purposes:

- (a) They will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Notes and will ordinarily obtain a tax offset (which is in the nature of a credit against Australian tax payable) in respect of foreign taxes paid in relation to the income. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Noteholder and the terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located.
- (b) Australian Noteholders will be required to include any gain or loss on disposal or redemption of the Notes in their taxable income. These gains or losses may be of a capital or income nature depending upon the particular circumstances of the Noteholder and this may impact the amount of Australian tax payable. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia, which vary depending on the country in which that permanent establishment is located.
- (c) Australia does not impose death, estate or succession duties and, therefore, no such duties will be imposed in Australia in respect of the Notes.
- (d) No *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue of any Notes or the transfer of any Notes.
- (e) Neither the receipt nor disposal of the Notes will give rise to a liability for goods and services tax (**GST**) in Australia.
- (f) As the Notes are being acquired in a foreign currency, Noteholders may have foreign exchange gains or losses for Australian tax purposes of a capital or revenue nature depending upon the particular circumstances of the Noteholders. The nature of the gain or loss may impact the level of Australian tax payable. Any such Noteholders should consult their professional advisors for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of those Notes.
- (g) The Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 (**TOFA Act**) contains a comprehensive set of principles and rules for the taxation of financial arrangements (**TOFA regime**). The Notes will be within the definition of financial arrangement.

The TOFA regime applies to financial arrangements a taxpayer first starts to hold in an income year commencing on or after 1 July 2010, except that:

- a taxpayer can choose to apply the TOFA regime to financial arrangements first held in income years commencing on or after 1 July 2009; and
- a taxpayer can choose to apply the TOFA regime to all financial arrangements in existence at the time the TOFA regime commences to apply to it.

Certain taxpayers are (except where significant deferral of tax is involved) excluded from the TOFA regime, unless they elect otherwise. The excluded taxpayers include individuals and entities whose annual turnover and/or value of assets is below certain monetary thresholds.

Broadly, the TOFA Act:

- sets out the methods under which gains and losses from financial arrangements will be brought to account for tax purposes;
- establishes criteria that determine how different financial arrangements are characterised, and treated under, the different methods; and
- treats gains and losses on revenue account, except where specific rules apply.

Australian resident Noteholders should take their own advice on the potential application of the TOFA regime to their circumstances, including any advantages or disadvantages of opting into the TOFA regime.

FRANCE

Payments made by Prysmian Câbles et Systèmes France S.A.S. as Original Guarantor under the Guarantee

There is no direct authority under French law on the withholding tax status of payments by Prysmian Câbles et Systèmes France S.A.S. as Original Guarantor under the Guarantee. Hence, the statements below are based on the interpretation of general French tax principles and any future legislative, judicial or administrative development may affect, potentially with retroactive effect, such statements.

In accordance with one interpretation of French tax law, payments made by Prysmian Câbles et Systèmes France S.A.S. as Original Guarantor to the Noteholders in relation to the payment obligations of the Issuer under the Notes (the **Guarantee Payments**) may be treated as a payment in lieu of payments to be made by the Issuer with respect to the Notes. Accordingly, under this interpretation, such payments should, whilst not free from doubt, be exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts* provided that interest payments made or deemed made by the Issuer would be exempt from such withholding tax in France by reason of the Issuer not being a resident of France and not being established in France.

In accordance with another interpretation, any such Guarantee Payments may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes. In the absence of any specific provision in article 125 A III of the French *Code général des impôts*, such payments should, whilst not free from doubt, be exempt from the withholding tax set out under article 125 A III of the French *Code général des impôts*.

Implementation of the EU Savings Directive

The EC Council Directive 2003/48/EC on the taxation of savings income was implemented into French law under Article 242 *ter* of the French *Code Général des Impôts*.

FEDERAL REPUBLIC OF GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the tax laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

As each series may be subject to a different tax treatment due to the specific terms of such series as set out in the respective Terms and Conditions of the Notes, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.

Tax Residents

The section “Tax Residents” refers to persons who are tax residents of Germany (*i.e.* persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

Withholding tax on ongoing payments and capital gains

Ongoing payments received by an individual Noteholder will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). If the individual Noteholder is subject to church tax, upon application a church tax surcharge will also be withheld.

The same treatment applies to capital gains (*i.e.* the difference between the proceeds from the disposal after deduction of expenses directly related to the disposal and the cost of acquisition) derived by an individual Noteholder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. If interest coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition or if the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the EU Savings Directive (*e.g.* Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual Noteholder of the Notes via the Disbursing Agent (*e.g.* losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual Noteholder in the custodial account with the Disbursing Agent.

In addition, an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples filing jointly) applies in respect of Noteholders to all investment income received in a given year. Upon the individual Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal of Notes held by a corporation as Noteholder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and losses incurred). The same may apply where the Notes form part of a trade or business subject to further requirements being met.

Taxation of current income and capital gains

The personal income tax liability of an individual Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the individual Noteholder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). Further, an individual Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted. Losses incurred with respect to the Notes can only be off-set with investment income of the individual Noteholder realised in the same or following assessment periods.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. The respective Noteholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax.

Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder or (ii) the income otherwise constitutes German-source income (such as income from the letting and leasing of certain German-*situs* property or income from certain capital investments directly or indirectly secured by German-*situs* real estate). In cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a

permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

Payments made by a Guarantor

While case law and administrative guidance on the tax treatment of payments on the Notes made by a Guarantor are missing, it is likely that a tax regime similar to that explained above will apply to these payments.

Implementation in Germany of the EU Savings Directive

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the EU Savings Tax Directive into German law. These provisions apply from 1 July 2005. For further information on the EU Savings Directive please refer to page 84 above.

THE NETHERLANDS

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) investment institutions (*fiscale beleggingsinstellingen*); and
- (iii) pension funds, exempt investment institution (*vrijgestelde fiscale beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Netherlands Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25.5%).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments will be taxed at a rate of 30%.

Netherlands Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

Netherlands Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Netherlands Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payment of interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax where the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the **Act**). The Luxembourg Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

United Kingdom Corporation Tax Payers

In general, Noteholders which are within the charge to United Kingdom corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (including fluctuations attributable to exchange rates) broadly in accordance with their statutory accounting treatment.

Other United Kingdom Tax Payers

Taxation of Chargeable Gains

A disposal of Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom, or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a chargeable gain or an allowable loss for the purposes of the taxation of capital gains.

Accrued Income Scheme

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Income Tax Act 2007, if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No United Kingdom stamp duty or SDRT is payable on the issue of the Notes or on a transfer by delivery of the Notes.

SUBSCRIPTION AND SALE

Banca IMI S.p.A., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International and UniCredit Bank AG (the **Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 8 April 2010, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 99.674 per cent. of the principal amount of Notes, less the total commissions referred to in the Subscription Agreement. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) (**Regulation No. 11971**); or

- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may require information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

France

Each of the Joint Lead Managers, the Issuer and Guarantors has represented and agreed that: it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes, and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 to D. 411-3 of the French *Code monétaire et financier*.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to any debt instruments has been or will be lodged with the Australian Securities and Investments Commission (**ASIC**). Each Manager has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the debt instruments in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement or other offering material relating to the debt instruments in Australia,

unless (1) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, (2) such action complies with all applicable laws, regulations and directives, and (3) such action does not require any document to be lodged with ASIC.

Germany

The Notes will not be offered or sold in Germany, other than in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws and regulations applicable in the Federal Republic of Germany governing the issue, the offering and the sale of securities.

General

No action has been taken by the Issuer, any Guarantor or any of the Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 3 March 2010. The giving of the Guarantees was duly authorised by a resolution of the Boards of Directors of Prysmian Cavi e Sistemi Energia S.r.l. dated 23 March 2010, Prysmian Cavi e Sistemi Italia S.r.l. dated 23 March 2010, Prysmian PowerLink S.r.l. dated 23 March 2010, Prysmian Câbles et Systèmes France S.A.S. dated 24 March 2010, Prysmian Cables & Systems Limited dated 24 March 2010, Prysmian Cables and Systems B.V. dated 24 March 2010 and Prysmian Power Cables & Systems Australia Pty Ltd dated 25 March 2010 and by a resolution of the shareholders of Prysmian Kabel und Systeme GmbH dated 25 March 2010.

Listing and admission to trading

Application has been made to the CSSF to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). The total expenses related to the admission to trading are estimated at €5,850.

This document prepared in connection with the Notes has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS0500405005 and the Common Code is 050040500.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg.

No significant change

There has been no significant change in the financial or trading position of the Issuer, the Original Guarantors and the Group since 31 December 2009 and there has been no material adverse change in the financial position or prospects of the Issuer, the Original Guarantors and the Group since 31 December 2009.

Litigation

Save as disclosed in this Prospectus at pages 57 to 59 above, none of the Issuer, the Original Guarantors or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Original Guarantors are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Independent Auditors

The independent auditors of the Issuer are PricewaterhouseCoopers S.p.A., Via Monte Rosa 91, 20149 Milan, Italy, who have audited the Issuer's annual consolidated financial statements, without qualification, prepared in accordance with IFRS for each of the financial years ended on 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006. PricewaterhouseCoopers S.p.A. are also the auditors of Prysmian Cavi e Sistemi Energia S.r.l., Prysmian Cavi e Sistemi Italia S.r.l. and Prysmian PowerLink S.r.l. PricewaterhouseCoopers S.p.A. is registered on the Special Register (*Albo Speciale*) of auditing firms held by CONSOB.

The independent auditors of Prysmian Cavi e Sistemi Energia S.r.l., Prysmian Cavi e Sistemi Italia S.r.l. and Prysmian PowerLink S.r.l. are PricewaterhouseCoopers S.p.A., with offices at Via Monte Rosa 91, 20149 Milan, Italy, who have issued an unqualified audit opinion on such company's annual financial statements, prepared in accordance with Italian law, as interpreted and integrated with the accounting principles issued by the *Organismo Italiano di Contabilità* (OIC – the Italian accounting board) for each of the financial years ended on 31 December 2009 and 31 December 2008. PricewaterhouseCoopers S.p.A. is registered on the Special Register (*Albo Speciale*) of auditing firms held by CONSOB.

The independent auditors of Prysmian Câbles et Systèmes France S.A.S. are PricewaterhouseCoopers Audit, with offices at 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France, who have issued an unqualified audit opinion on such company's stand-alone annual financial statements which have been prepared in accordance with French generally accepted accounting standards for each of the financial years ended on 31 December 2009 and 31 December 2008. PricewaterhouseCoopers Audit, a *société de commissariat aux comptes*, is registered with the *tableau de l'ordre de Paris*.

The independent auditors of Prysmian Cables & Systems Limited are PricewaterhouseCoopers LLP, with offices at Savannah House, 3 Ocean Way, Ocean Village, Southampton, Hampshire SO14 3TJ, England, who have issued an unqualified audit opinion on such company's stand-alone annual financial statements which have been prepared in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards for the financial year ended on 31 December 2008 and with the Companies Act 2006 and applicable United Kingdom accounting standards for the financial year ended on 31 December 2009. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

The statutory auditors of Prysmian Kabel und Systeme GmbH, Germany, are PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Lise-Meitner-Strasse 1, 10589 Berlin, Germany, who audited the company's stand-alone annual financial statements, which have been prepared in accordance with German general accounting principles set forth in the German Commercial Code (HGB) for each of the financial years ended 31 December 2009 and 31 December 2008 and issued an unqualified auditor's report (*Bestätigungsvermerk*) in each case. PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Chartered Accountants (*Wirtschaftsprüferkammer*).

The independent auditors of Prysmian Cables and Systems B.V. are PricewaterhouseCoopers Accountants N.V., with offices at Prinses Margrietplantsoen 46, 2595 BR Den Haag, Postbus 30715, 2500 GS Den Haag, The Netherlands, who have issued an unqualified audit opinion on such company's stand-alone annual financial statements which have been prepared in accordance with the statutory requirements of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual reporting in the Netherlands as issued by the Dutch Accounting Standards Board for each of the financial years ended on 31 December 2009 and 31 December 2008. All auditors of PricewaterhouseCoopers Accountants N.V. are members of the Netherlands Institute of Certified Auditors, the royal NIVRA (*Nederlands instituut voor register accountants*).

The independent auditors of Prysmian Power Cables & Systems Australia Pty Ltd are PricewaterhouseCoopers Australia, with offices at Darling Park Tower 2, 201 Sussex Street, GPO Box 2650, Sydney NSW 1171, DX 77 Sydney, Australia, who have issued an unqualified audit opinion on such company's consolidated annual financial statements which have been prepared in accordance with Australian accounting standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001 for each of the financial years ended on 31 December 2009 and 31 December 2008. Australian accounting standards include Australian equivalents to IFRS and compliance with Australian IFRS ensures that the consolidated financial statements of the company comply with IFRS. PricewaterhouseCoopers Australia are members of the Institute of Chartered Accountants Australia.

Contribution of the Original Guarantors to the Group

As at 31 December 2009, the aggregate positive contribution of the Original Guarantors to the Adjusted EBITDA (as defined in "*Terms and Conditions of the Notes*") of the Group was 67 per cent.

Legend concerning US Persons

The Notes and Coupons will contain the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will be available for inspection by the Noteholders from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (a) the by-laws (*statuto*) (with an English translation thereof) of the Issuer and the by-laws of each Original Guarantor (with an English translation thereof, where applicable);
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2009, 31 December 2008, 31 December 2007 and 31 December 2006 (with an English translation thereof), in each case together with the audit reports in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis and unaudited consolidated accounts on a quarterly basis. The Issuer’s consolidated semi-annual accounts are subject to a limited review by its external auditors;
- (c) the stand-alone (or, in the case of Prysmian Power Cables & Systems Australia Pty Ltd, the consolidated) audited financial statements of each of the Original Guarantors in respect of the financial years ended 31 December 2009 and 31 December 2008 (where applicable, with an English translation thereof), in each case together with the audit reports in connection therewith. Each Original Guarantor currently prepares audited stand-alone (and, in the case of Prysmian Power Cables & Systems Australia Pty Ltd, consolidated) financial statements on an annual basis; and
- (d) the Subscription Agreement, the Trust Deed and the Agency Agreement.

In addition, copies of this Prospectus and each document incorporated by reference is available on the Luxembourg Stock Exchange’s website at www.bourse.lu.

Yield

On the basis of the issue price of the Notes of 99.674 per cent. of their principal amount, the gross yield of the Notes is 5.326 per cent. on an annual basis.

Managers transacting with the Issuer and the Guarantors

Certain of the Managers and their affiliates (including their parent companies) have engaged, are currently engaged, and may in the future engage, in investment banking, commercial banking (including derivatives contracts, the provision of loan facilities and consultancy services) and other related transactions with, and may perform services to the Issuer, the Guarantors and their affiliates (including other members of the Group) in the ordinary course of business.

THE ISSUER

Prysmian S.p.A.
Viale Sarca, 222
20126 Milan
Italy

THE ORIGINAL GUARANTORS

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Energia S.r.l.**
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Italy

**Prysmian Cavi e Sistemi
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**Prysmian
PowerLink S.r.l.**
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Germany

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Systems Australia Pty Ltd**
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Australia

TRUSTEE

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United Kingdom

PRINCIPAL PAYING AGENT

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Canary Wharf
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To the Issuer and the Original Guarantors as to Italian law

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To the Managers as to English and Italian law

Allen & Overy

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*To the Managers and the Trustee
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*To the Managers and the Trustee
as to Dutch law*

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To the Trustee as to English law

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*To the Managers and the Trustee
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Allen & Overy

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To the Managers as to Australian tax law

Logicca

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Australia

AUDITORS TO THE ISSUER

PricewaterhouseCoopers S.p.A.

Via Monte Rosa 91
20149 Milan
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AUDITORS TO THE ORIGINAL GUARANTORS

*To Prysmian Cavi e Sistemi
Energia S.r.l., Prysmian Cavi e
Sistemi Italia S.r.l. and
Prysmian PowerLink S.r.l.*

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PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft

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*To Prysmian Cables and
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PricewaterhouseCoopers Accountants N.V.

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Australia

LUXEMBOURG LISTING AND PAYING AGENT

Dexia Banque Internationale à Luxembourg

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