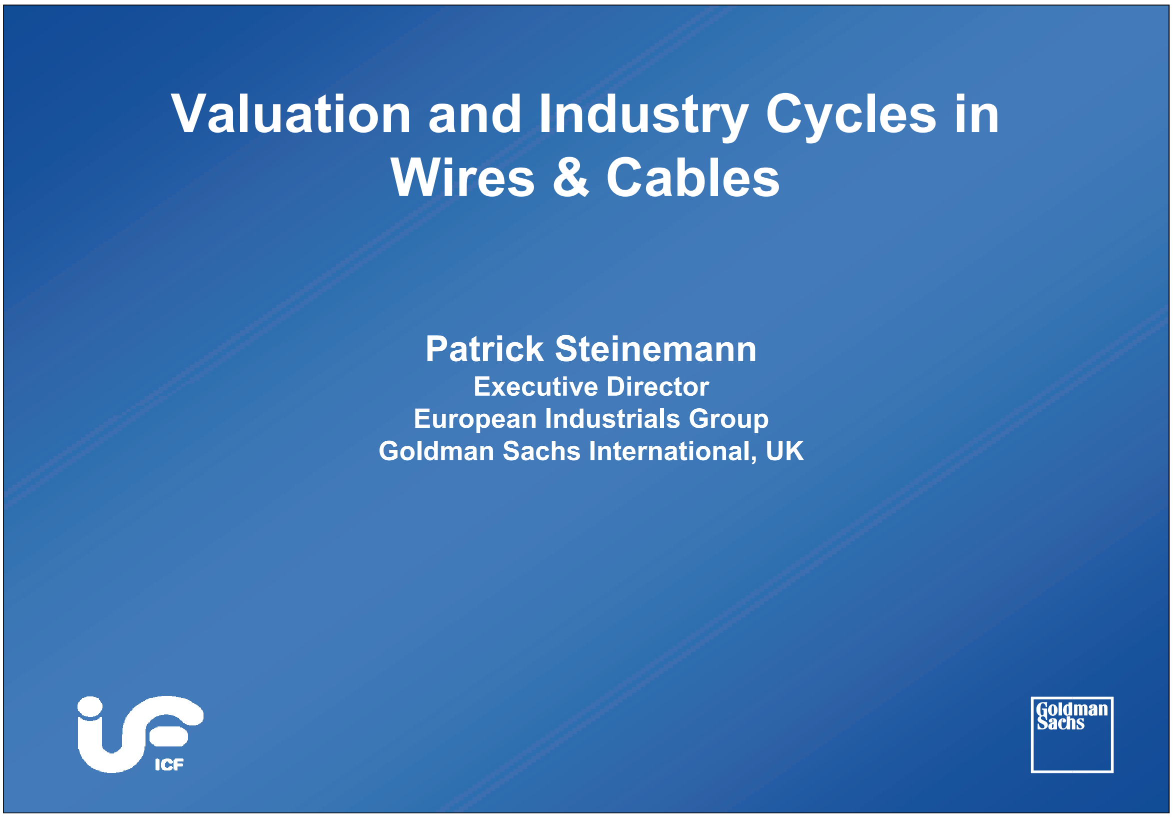

Mr. David Garza, Session Chairman
Our second speaker of today is Mr. Patrick Steinemann. He is Executive Director of Goldman Sachs International in London. He holds a Ph.D. from MIT and a Master degree from the Swiss Institute of Technology. At Goldman Sachs International in London, he is responsible for the General Industrials Sector in the Investment Banking Division. He has more than 10 years experience in investment banking. He will share with us the investment banking and private equity point of view. Please welcome Mr. Patrick Steinemann.

Mr. Patrick Steinemann:
Ladies and Gentlemen,
I am working with many industrial companies as part of my investment banking responsibilities at Goldman Sachs and in that function I have also been working with our private equity division and their investment in Prysmian. However, I will not specifically talk about Prysmian. My goal today is to speak about the broader trends in the industry seen from a public investors' perspective.

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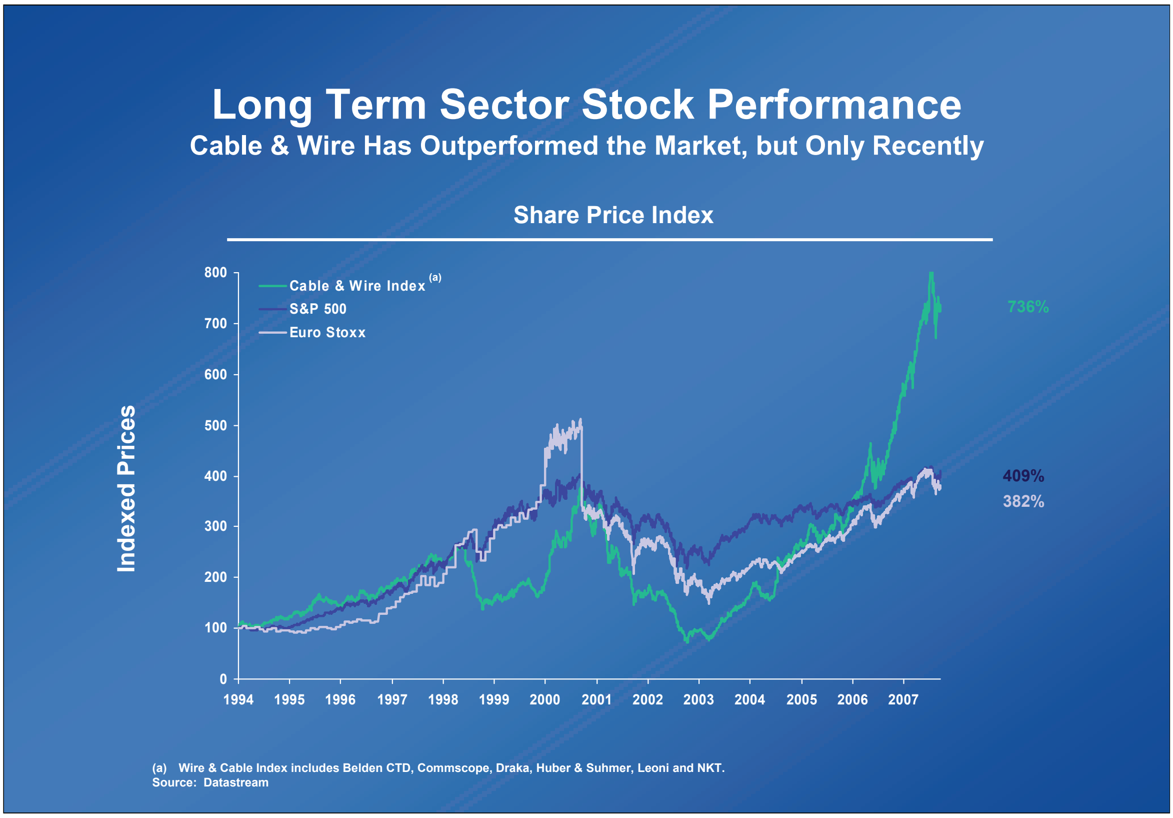
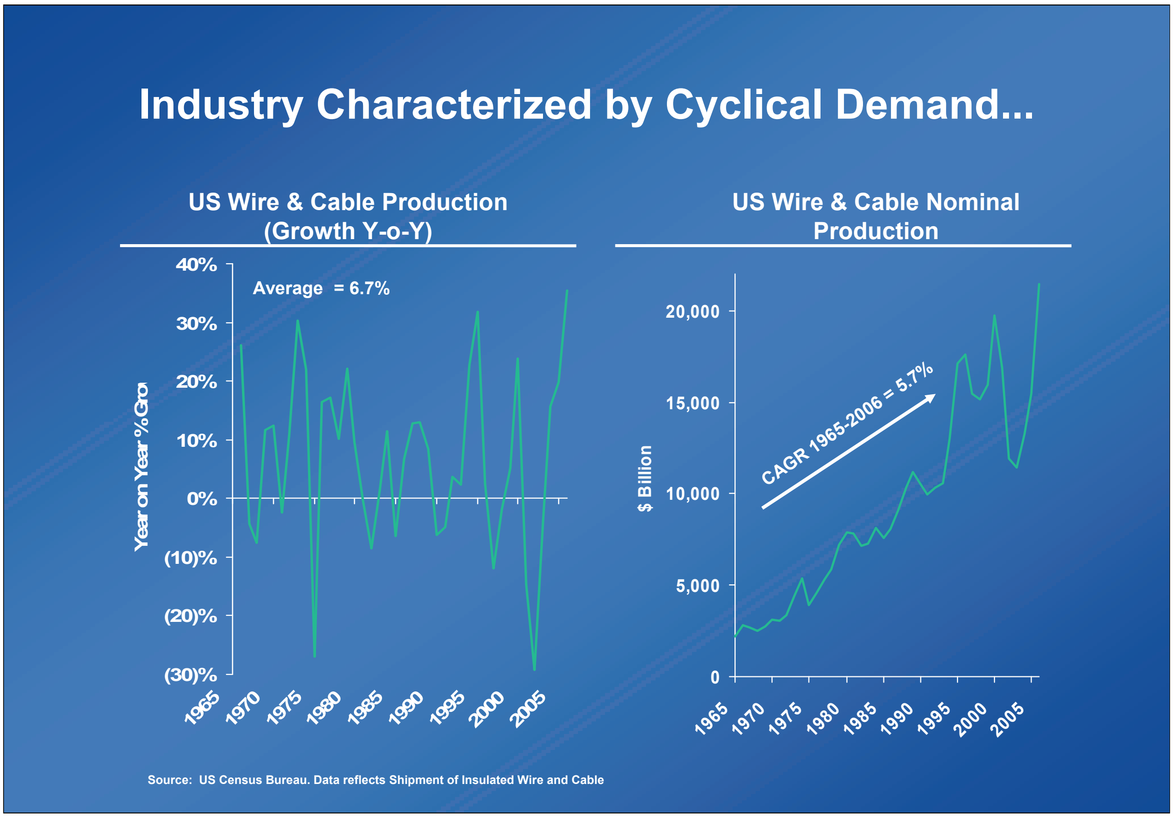


I start with a picture that shows the stock performance of the cable & wire sector over a long period, more than 10 years. The first thing that strikes me is that the wire & cable sector, the line in green, has outperformed the market, by a wide margin. This is quite well known to some of you. What is notable though is that the outperformance is quite recent. It is confined to the last two years and there have been long stretches of underperformance. As recently as 2003, the values were in fact below where they were ten years before then. Also, there is high volatility, which is of course a concern to market participants and investors.

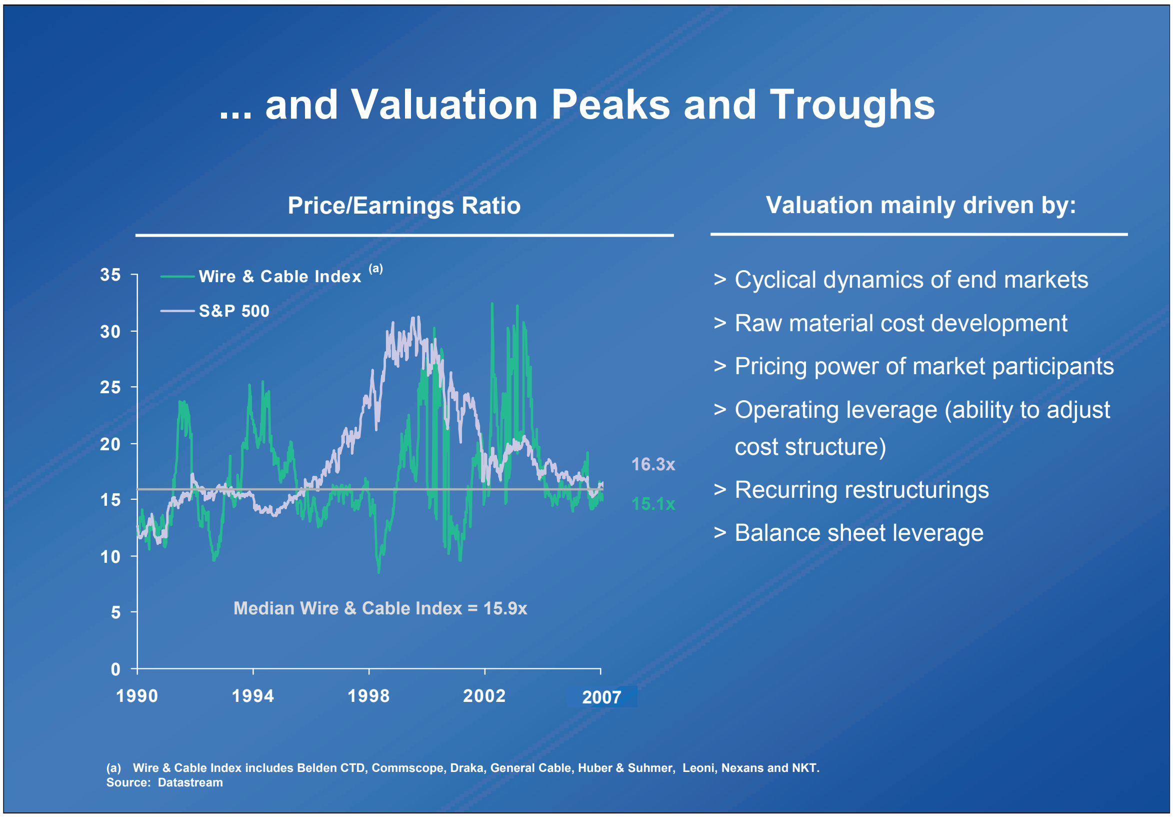
In the remaining presentation, I would like to address the following questions:

- First, why are valuations cyclical in this sector and what are the reasons?
- Second, where are we in the current cycle?
- Last, what can be done from your perspective and from investors' perspectives about the inherent cyclicality in the industry.



This slide shows the long term cycles in the industry, going back 40 years and taking the US as an example because it offers nice statistical data. It is obvious that the cyclicality is tremendous. On the left hand side, you see peaks and troughs of +/- 10% and more repeating every couple of years. On the right hand side, you see the same as an index over time, an exponentially growing curve with steep ups and downs. The cause of this cyclicality is primarily the cyclicality in demand which results in cyclicality in production which will then be reflected in cyclical earnings, which will then reflect themselves in the cyclical valuations of public companies.

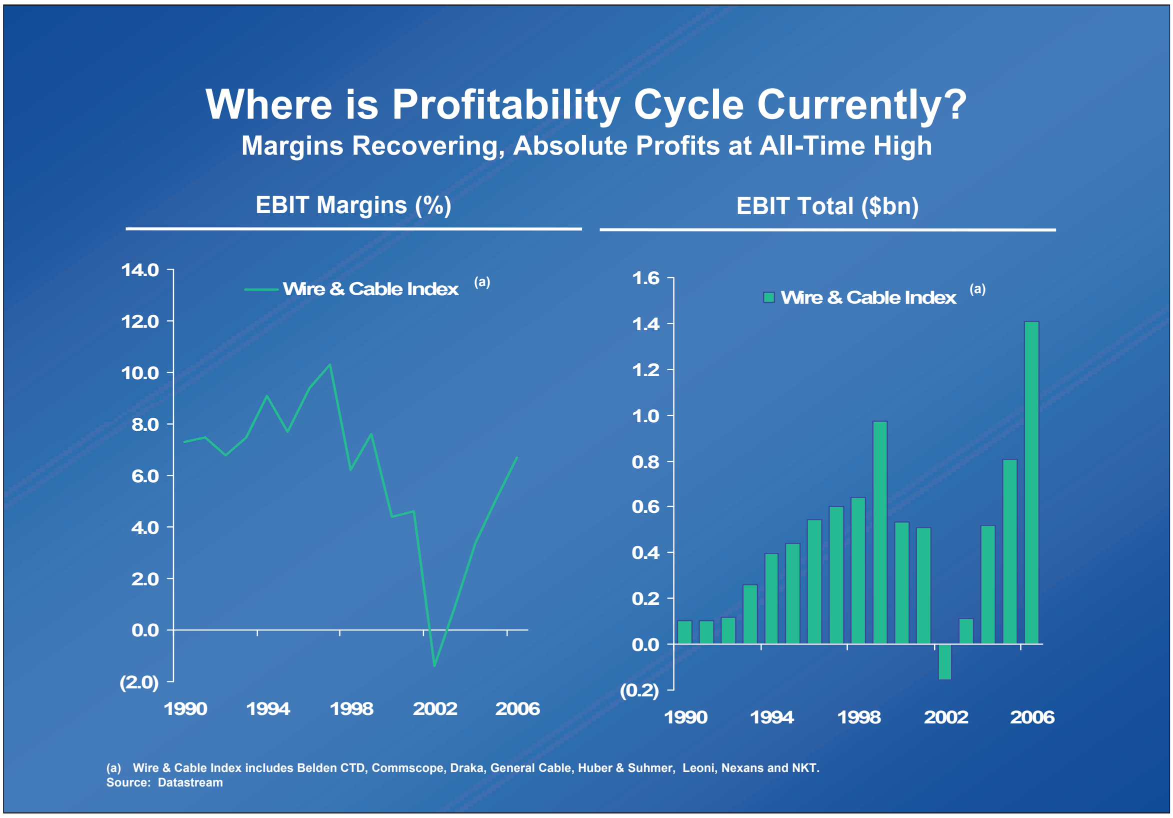
Is there anything that can be done about these cycles? Why is this industry attractive to investors, if it is so cyclical? The answer is partly reflected in the fact that it is a high growth industry with intense periods of growth amounting to a high average growth rate over longer periods of time. You can see from the average growth shown here, that industry growth rates are above the long run US GDP growth rates. A similar analysis in other countries and emerging markets shows essentially the same, the cable & wire industry is a high growth industry which is what fundamentally interests investors.



What does this mean for valuation? This slide shows how valuation has fared over time. The graph shows the cable & wire industry as a whole, which is reflected in the public markets only by those companies which are listed on the public market.
You see the P/E ratio for the wire & cable sector plotted in green against the S&P 500.

First, there appears to be little correlation with the S&P 500.
Second, you see some of the same cycles in the green curve that you saw on the previous slide, namely the increase in the early 90's, the increase in the mid 90's, the boom and bust around the 2000-2001 period and most recently a reduction to a more long run average.
What drives these peaks and troughs? An investor primarily cares about growth, earnings, cash flows and a few other things. What fundamentally drives these financial indices is in other words what matters to your industry: the cyclical demand of markets that can affect growth, the raw material inflation which can affect margins, the pricing power of market participants, operating leverage, the ability to adjust costs i.e. fixed vs. variable cost split, and other items.

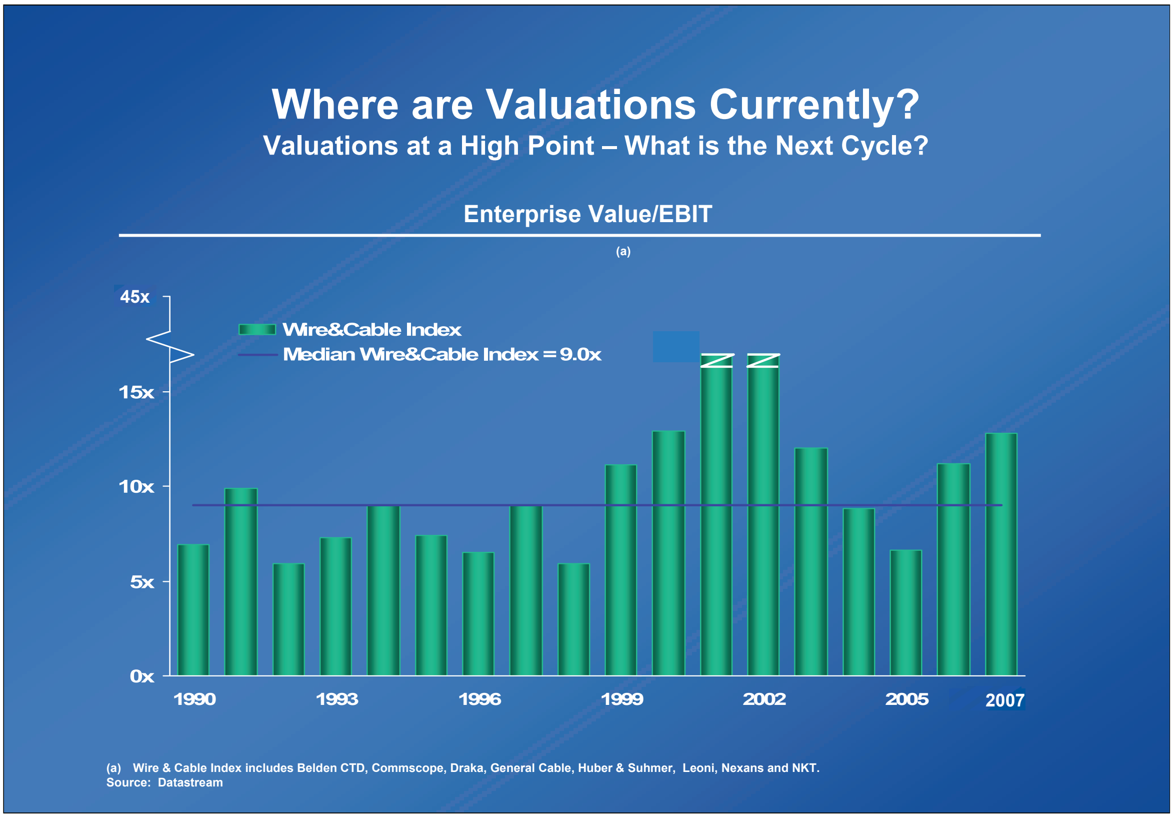
But if these drivers are known, why investors are not able to look through the cycle and predict longer term peaks and troughs? The answer is, that it is inherently complex because all of these operational items have an effect on earnings, cash flows and growth in the future and it is extremely difficult to predict all future changes.



Where are we in the current cycle? This page shows the last 10 years of profit progress in the industry as a whole, taking some of the larger public market participants as an index.

We see on the left hand side that over the last 15 years, the industry has experienced a margin decline that is first of all due to the specific events around the telecom boom and bust of 2000/2001 period, but also due to margin compression based on raw material price inflation. However, the picture looks different if we look at the absolute earnings in the chart on the right hand side, expressed in billion dollars, i.e. the total profit generated in the industry. What we see here is that absolute profits (in $ billion) are currently at an all time high.

This begs the question, how will this cycle continue? How much longer will it last and what will the next downturn imply? The follow-up question is, what can be done about this from the industry participants perspective and what can be done from an investor’s perspective in understanding the dynamics?



This graph shows EBIT multiples, instead of the P/E over the last 15 years.

EBIT or operating profit gets the noise out of P/E in terms of different balance sheet leverage. Current valuations in 2007 are at near peak, and at an all-time high if the two exceptional years of 2001 and 2002, in the aftermath of the communication bubble, are excluded. The long run average EBIT multiple was about 9 times and we are currently steering towards 14 times as an average for the industry according to this graphs.

What are Investors Expecting for the Future?

Value-enhancing Strategies for Wire & Cable Companies

> Continued growth without compromising financial profile

> Broadening of geographic exposure

> Diversification of end markets, but focus on core strength

> Product mix improvements

> Retain financial flexibility through cycle

> Value-creating consolidation of fragmented markets

I would like to come to conclusions now here in terms of what can be done by companies in the industry to reduce the effect of cycles and what can be done by investors to understand what these strategies are.

The first point is that growth is an obvious way of overcoming cyclicality, but growth is not always easy to find. However, growth can be supported by a broadening of geographic exposure or a diversification into other end markets and products. Investors want both a focus on core strength, but also a certain degree of diversification into related areas, as we have heard from Piero Galli in his presentation just before. Furthermore, retaining financial flexibility through the cycle is as important for maintaining financial strategy. Last, consolidation through M&A can help to get over cyclicality

Thank you for your attention.