



**Press release**

## **Financial information for 2007 first quarter**

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### **Nexans achieves a remarkable performance with organic growth of 15% of its cable businesses\* (excluding electrical wires)**

**Paris, April 17, 2007** - Nexans today announced its 2007 first quarter sales of **1,805** million euros (at actual non-ferrous metal prices\*\*). At constant non-ferrous metal prices\*\*\*, sales were **1,194** million euros, reflecting organic growth of 6%. Excluding the electrical wires business where the reduction in activity has been programmed by the Group, growth was **15.1%**.

This strong organic growth of sales was accompanied by a notable increase in operating margin compared with the first quarter of 2006.

Nexans net financial debt at March 31, 2007 remained stable compared to that recorded at December 31, 2006 (633 million euros).

\* Cables and associated products (accessories), excluding electrical wires

\*\* At actual metal prices, first quarter 2006 sales were 1,659 million euros (see Appendix).

\*\*\* To neutralize the effect of variations in the purchase price of non-ferrous metals and thus measure the underlying sales trend, Nexans also calculates its sales using a constant price for copper and aluminum.

## Consolidated sales by business sector

Sales figures are now presented according to the classification adopted in the new 2007-2009 strategic plan published in January.

(in millions of euro)	Q <sub>1</sub> 06		Q <sub>1</sub> 07	% Variation
	At constant metal prices	At constant metal prices and exchange rates	At constant metal prices and exchange rates	
				Organic growth
Energy infrastructures	309	303	371	+ 11,4 %
Industry	195	193	255	+ 17,3 %
Building	247	243	288	+ 16,7 %
Telecom Infrastructures	54	53	65	+ 21,8 %
Private Network (LAN)	64	60	71	+ 17,6 %
Other	2	2	1	
<b>Total: Cable businesses</b>	<b>871</b>	<b>854</b>	<b>1,051</b>	<b>+15,1%</b>
Electrical wires	224	214	143	- 32,9 %
<b>Total Group</b>	<b>1,095</b>	<b>1,068</b>	<b>1,194</b>	<b>+ 6,0 %</b>

- Energy infrastructures: high level of activity**  
Demand for energy infrastructure cables remained very strong. Sales grew over 11% on the basis of comparable data during the first quarter. This growth was seen mainly in sales of accessories and high voltage cables.
- Industry: strong development of priority sectors**  
Up 17.3% on the basis of comparable data, sales of special cables for large industrial equipment manufacturers accelerated worldwide, with particularly vigorous growth in the Shipbuilding and Oil & Gas sectors.
- Building: strong organic growth and high margins**  
Sales in the building sector in the first quarter of 2007 continued at the same pace as in the second half of 2006 with organic growth of 17%. Profit margins continued to improve with sales volumes substantially the same in Europe as in the last quarter of 2006, and were slightly better in North America in the stated period.
- Telecom infrastructures: acceleration of sales**  
Telecom sales increased by approximately 22% on the basis of comparable data during the first quarter of 2007, as a result of positive developments in the niche markets for optical fiber cables as well as increasing sales in the telecommunications copper cable industry, in particular in Asia and originating from Spain.
- Private Network (LAN): further increase in sales**  
LAN cable activities recorded growth of 17.6%, following the same trends observed during the last quarter of 2006 (in terms of price and volumes).

- **Electrical wires**

Since the Group has refocused on its internal requirements, sales of electrical wires have decreased by 33%. Operating margin has nevertheless improved as a result of commercial measures taken in respect of external sales and cost reduction measures.

## Sales by geographical area

(in millions of euros)	Q <sub>1</sub> 06		Q <sub>1</sub> 07
	At constant metal prices	At constant metal prices and exchange rates	At constant metal prices and exchange rates
Europe	629	627	727
North America	112	103	106
Asia-Pacific	57	54	133
Rest of the World	73	70	85
<b>Total: Cable businesses</b>	<b>871</b>	<b>854</b>	<b>1,051</b>
Electrical wires (all areas)	224	214	143
<b>Total Group</b>	<b>1,095</b>	<b>1,068</b>	<b>1,194</b>

Sales rose in all geographical areas.

The acquisition of Olex was finalized in December 2006 and resulted in strong growth in the Asia-Pacific area (+145%) following the integration of Olex. Excluding Olex, the Asia-Pacific area recorded organic growth for cables businesses of 13.7%.

During the first quarter of 2007, sales in the cable businesses in North America only grew by 3.1%, due to the temporary closure of a production site dedicated to energy networks, which is currently starting up again.

On the basis of comparable data, cable business sales increased by 16.6% in Europe and by 22.1% in the Rest of the World area.

*Nexans takes this opportunity to update its communication regarding significant outstanding litigation in Appendix 2 attached hereto.*

## Financial calendar

May 10, 2007: Annual Shareholders' Meeting

May 15, 2007: Payment of dividend

June 7, 2007: Individual shareholders' information meeting in Clermont-Ferrand\*

June 19, 2007: Individual shareholders' information meeting in Lille\*

July 25, 2007: Publication of 2007 first-half sales and results

\* *provisional dates*

## About Nexans

With energy as the basis of its development, Nexans, the worldwide leader in the cable industry, offers an extensive range of cables and cabling systems. The Group is a global player in the infrastructure, industry and building markets. Nexans addresses a series of market segments from energy, transport and telecom networks to shipbuilding, oil and gas, nuclear, automotive, electronics, aeronautics, handling and automation.

With an industrial presence in more than 30 countries and commercial activities worldwide, Nexans employs 21,000 people and had sales in 2006 of 7.5 billion euros. Nexans is listed on the Paris stock exchange, compartment A of the Eurolist of Euronext. More information on <http://www.nexans.com/>

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## Appendix

1. Consolidated sales by business sector and geographical area at current metal prices
2. Update on certain significant litigation

## Appendix 1

### Consolidated sales by business sector at current metal prices

(in millions of euros)	At current metal prices	
	Q <sub>1</sub> 06	Q <sub>1</sub> 07
Energy infrastructure	372	469
Industry	239	326
Building	369	451
Telecom Infrastructures	64	82
Private Network (LAN)	70	84
Other	2	1
<b>Total: Cable businesses</b>	<b>1,116</b>	<b>1,413</b>
Electrical wires	543	392
<b>Total Group</b>	<b>1,659</b>	<b>1,805</b>

### Consolidated sales by geographical area at current metal prices

(in millions of euros)	At current metal prices	
	Q <sub>1</sub> 06	Q <sub>1</sub> 07
Europe	803	950
North America	143	142
Asia-Pacific	76	194
Rest of the World	94	127
<b>Total: Cable businesses</b>	<b>1,116</b>	<b>1,413</b>
Electrical wires (all areas)	543	392
<b>Total Group</b>	<b>1,659</b>	<b>1,805</b>

## **Appendix 2**

### **Update on certain significant litigation**

(in relation to the annual report submitted March 28, 2007)

#### Disputes

1. The most significant ongoing dispute for which provisions have been recorded relates to cables supplied by Nexans for corvettes for the South African navy. The supply of certain of these cables was subcontracted to a South African manufacturer. After installation of the cables on the first two corvettes, it was found that the cables supplied by the subcontractor were non-compliant. All the cables already installed were then removed and replaced. The customer has claimed damages of approximately 36 million euros, which Nexans is contesting. The allocation of liability between Nexans and the parties involved – including the customer, the insurers and the subcontractor – has not yet been determined.

In view of the general uncertainty as to the liability of each party, Nexans considered it to be prudent and reasonable in its 2004 financial statements to increase the €5 million euro provision already set aside at December 31, 2003. At December 31, 2006 this provision was maintained in the Group's financial statements. Based on the information available and the position of the insurer, the 11 million euro provision currently recorded in the accounts will probably prove to be unnecessary.
2. In the proceedings started by the competition authorities in France, the Direction Nationale des Enquêtes (National Investigation Agency) of the Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (Department of Competition, Consumer Affairs and Repression of Fraud) started investigations in both 2003 and 2006, into certain contracts awarded by EDF for the supply of high voltage cables, and the market for electric cables respectively. Nexans received a statement of complaint from the French Competition Council ("Conseil de la Concurrence") further to the 2003 investigation, but no indication was given of the fines which may be applied for the alleged wrongdoings. Following receipt of the statement, Nexans France has agreed with the executive case officer of the French Competition Council on a settlement procedure. No provision has been recorded for this case as the circumstances do not meet the required recognition criteria. In light of the specific circumstances of the case, Nexans believes the outcome of this procedure will not have a significant impact on the Group's net financial situation. Finally, the statement of complaint confirms that the 2006 investigation has been closed.