



2006 Half Year Results

July 25, 2006

This presentation contains forward-looking statements relating to the Group's expectations for future financial performance, including sales and profitability.

The forward looking statements contained in this presentation are dependent on known and unknown risks, expectations and assumptions, uncertainties and other factors which may cause the Group's actual results, performance and objectives to be materially different from those indicated by the forward looking statements.

These forward looking statements depend amongst others on the following assumptions and risks :

(1) the rates of economic growth in the zones where Nexans is active remaining at current levels until 2007; (2) the continued strong demand of the energy infrastructure market in particular in developing countries and of the Oil & Gas sector; (3) the possibility to pass on to final customers increases in the costs of raw materials, energy and transport; (4) the management of risks associated with sales in turnkey projects; (5) the effect of currency fluctuations being neutral; (6) the Company being able to modify customer and supplier payment terms for metals; (7) the Company being able to reduce its cost base through realization of restructuring actions in the anticipated time frame; (8) the Company being able to achieve productivity improvements; and (9) the Company successfully integrating acquisitions.

Investor Relations:

Michel Gédéon

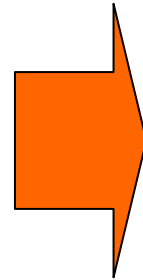
Tel: 33 1 56 69 85 31

E-mail: michel.gedeon@nexans.com

Fax: 33 1 56 69 86 35

Sales = 2,273 M€

**+ 12 %
Organic**

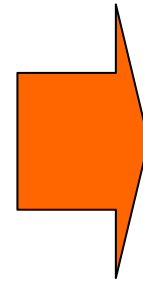


**Organic growth in Energy
businesses : + 13.9 %**

**Organic growth in North America
+ 22 %**

Operating margin = 108 M€

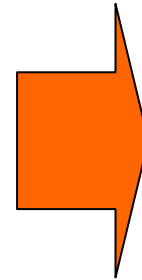
+ 48 %



**Development
in speciality products**

**Continuing "operational leverage"
effect**

Net debt = 431 M€



Increase contained

**Issue of an OCEANE
(convertible bond) of 280 M€
on July 7, 2006**

Net income = 211 M€



**Restructuring = - 36 M€
Copper positions = + 49 M€
Capital Gain on
Swiss Distribution = 148 M€**

At HY1 2006 economic environment :

- Organic growth close to 10 % (vs + 4 % in February 2006)
- Operating margin rate at least 5 %
- Restructuring confirmed at about 80 M€
- Capex around 170 M€ (vs 160 M€ in February 2006)
- Net debt of approximately 350 M€

Objectives 2005 – 2007 (*)

**Half way achievements
(18 months)**

Growth

Organic growth in sales
≥ 4 % p.a.



+ 7.5 %

Profitability

5 % in 2007



**4.8 %
today**

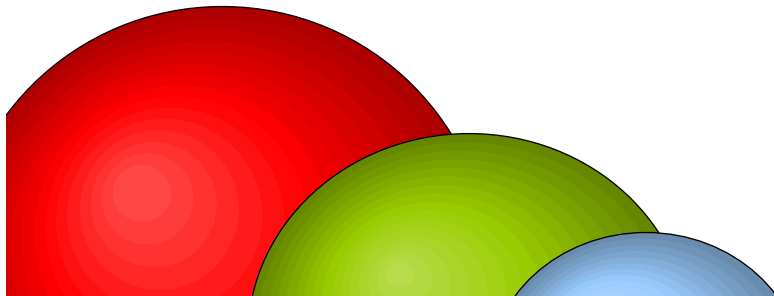
ROCE

Return on capital employed
up 3 to 4 points over 3 years



**+ 1.8 points
despite 137 % rise
in copper price**

(*) Presentation on February 3, 2005

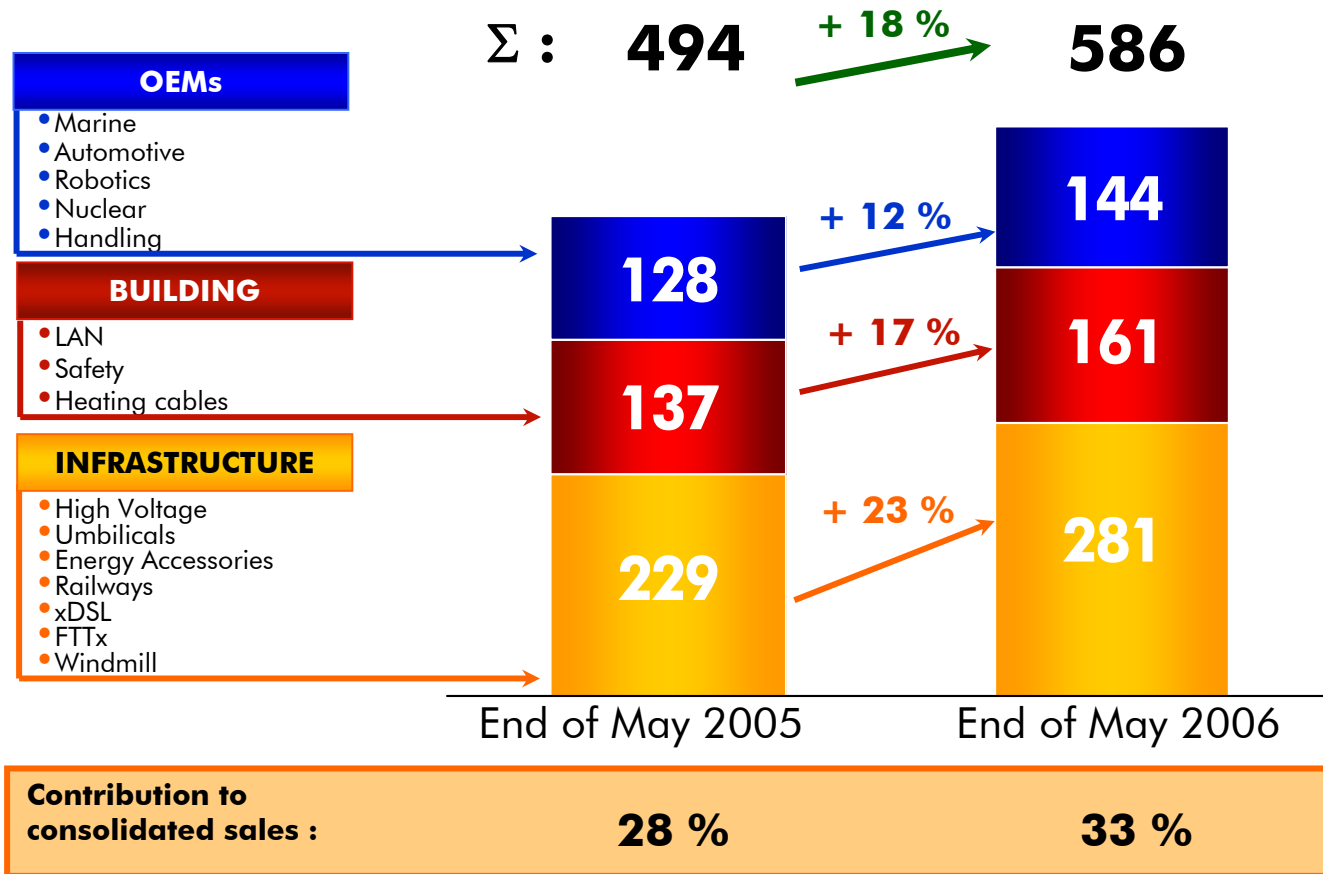


Sales by origin



**Total Nexans
= + 12 %**

(in Million €)

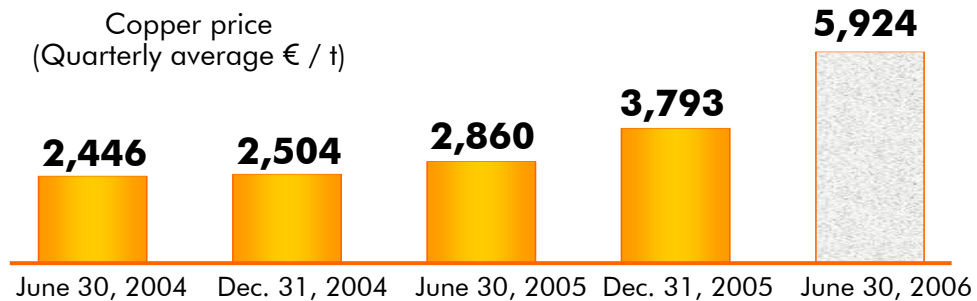


2006 : DEVELOPMENT ON TARGET

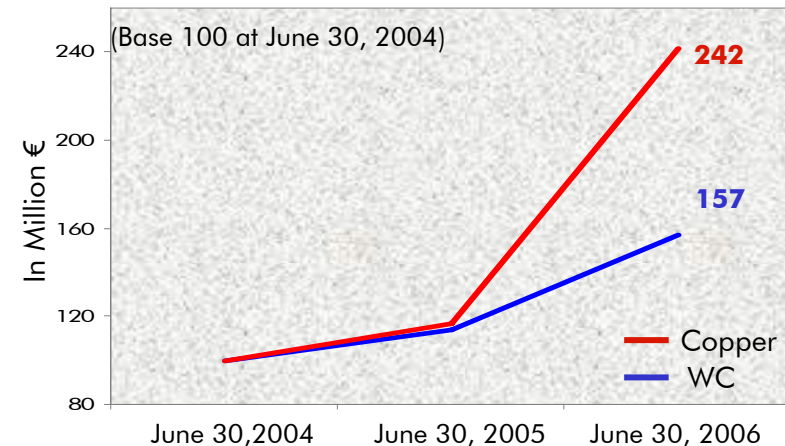
- **Given the exceptional growth in the high voltage market**
 - Signature on July 21 of an agreement for the creation of a manufacturing joint-venture Nexans (66 %) / Viscas (34 %) for high voltage submarine cables
 - Operation of the Tokyo bay (Japan) plant currently owned by Viscas
 - Start-up in January 2007
 - 90 people eventually
 - Cost for Nexans \cong 20 M€ in 2007
 - Allows Nexans to increase by one third its potential business in submarine cables
- **Cancellation of the shares owned by minority shareholders in Korea (mainly marine cables) currently under consideration**
 - Cost \cong 43 M€
 - Immediate accretive effect to EPS

- **Expected charge of approximately 80 M€ in 2006 maintained**
 - At June 30, 06 : 36 M€
 - Worker consultations underway for the closure of 3 sites (LAN Europe and Electrical wires)
 - By end 2006 :
 - Wirerod Europe : focus on our own needs (as from 2007) under consideration
 - Ongoing efforts in Europe for other businesses

- **Despite continuous increase in raw materials**



- **Growth in capital employed correlates less and less with copper prices**



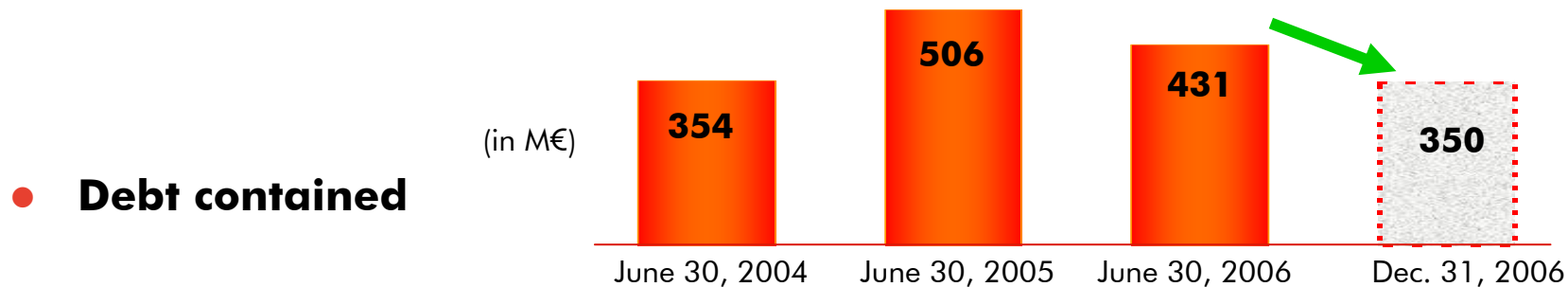
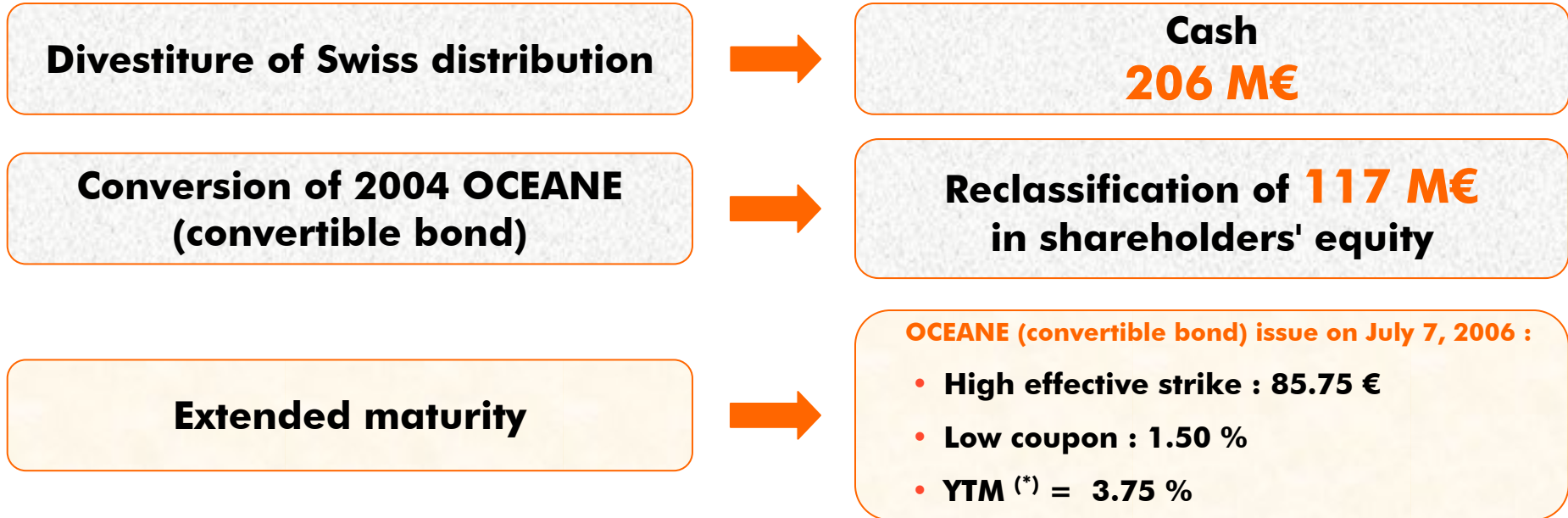
- **Thanks to the effect of an active action plan that will be stepped up further :**

Lower exposure to high copper content businesses

Changes to customer terms of payment

Renegotiation of supplier terms of payment

Objective :
Reduce capital employed by 200 to 300 M€ by mid-2007



Ready to seize any opportunity for Value Creation

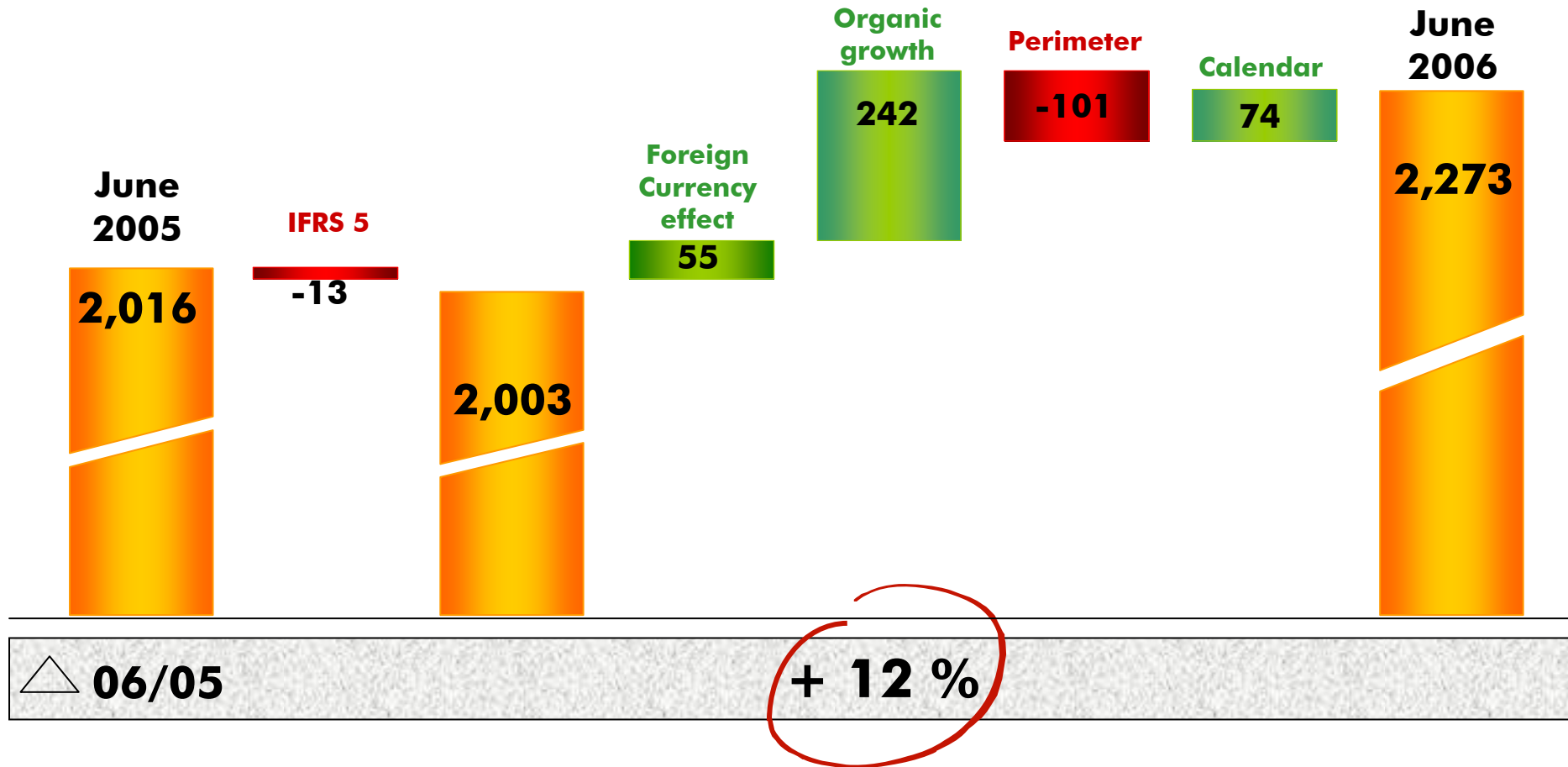
(*) Yield to maturity

Operations and Financials

| (in Million €) | HY1 05 ^(*) | HY1 06 |
|--|-----------------------|--------------|
| Sales at current metal prices | 2,435 | 3,686 |
| Sales at constant metal prices | 2,003 | 2,273 |
| Sales at constant metal prices and exchange rates | 2,058 | 2,273 |
| EBITDA | 122 | 155 |
| EBITDA margin | 6 % | 6.8 % |
| Operating margin | 73 | 108 |
| Operating margin rate | 3.5 % | 4.8 % |
| Net income (group share) | 16 | 211 |
| Return on capital employed (ROCE) before tax | 7.5 % | 9.6 % |

(*) Any differences with figures published on July 2005 are notably due to the retroactive effect of IFRS 5 accounting standard

Sales at constant metal (M€)



| (in Million €) Sales at constant metal prices and exchange rates | <u>HY1 05</u> ^(*) | | | <u>HY1 06</u> | | |
|--|------------------------------|------------|--------------|---------------|------------|--------------|
| | Sales | OPM | % | Sales | OPM | % |
| Energy | 1,371 | 63 | 4.6 % | 1,491 | 97 | 6.5 % |
| Telecom | 299 | 10 | 3.3 % | 327 | 15 | 4.6 % |
| Electrical Wires | 384 | 4 | 1 % | 450 | 2 | 0.4 % |
| Other | 4 | (4) | - | 5 | (6) | - |
| Total | 2,058 | 73 | 3.5 % | 2,273 | 108 | 4.8 % |

(*) Any differences with figures published on July 2005 are notably due to the retroactive effect of IFRS 5 accounting standard

| (in Million €) | HY1 2005^(*) | 2005 | HY1 2006 |
|---|-------------------------------|---------------------|-------------------|
| Sales at constant metal | 2,003 | 4,263 | 2,273 |
| Margin on variable costs | 527 26.3 % | 1,104 25.9 % | 580 25.5 % |
| Indirect costs | (405) | (823) | (425) |
| EBITDA ^(**) | 122 6.1 % | 281 6.6 % | 155 6.8 % |
| Depreciation | (49) | (95) | (47) |
| Operating margin | 73 | 186 | 108 |
| <i>Operating margin rate (%)</i> | <i>3.6 %</i> | <i>4.4 %</i> | <i>4.8 %</i> |
| Change in fair value of metal derivatives and other | 0 | 33 | 49 |
| Financial charge | (16) | (36) | (37) |
| Restructuring | (4) | (24) | (36) |
| Other revenue | 2 | 29 | 149 |
| Income before tax | 55 | 188 | 233 |
| Income tax | (12) | (26) | (15) |
| Net income from operations | 43 | 162 | 218 |
| Net income from discontinued operations | (24) | (45) | (3) |
| Minority interests | (3) | (9) | (4) |
| Net income (group share) | 16 | 108 | 211 |

(*) Any differences with figures published on July 2005 are notably due to the retroactive effect of IFRS 5 accounting standard

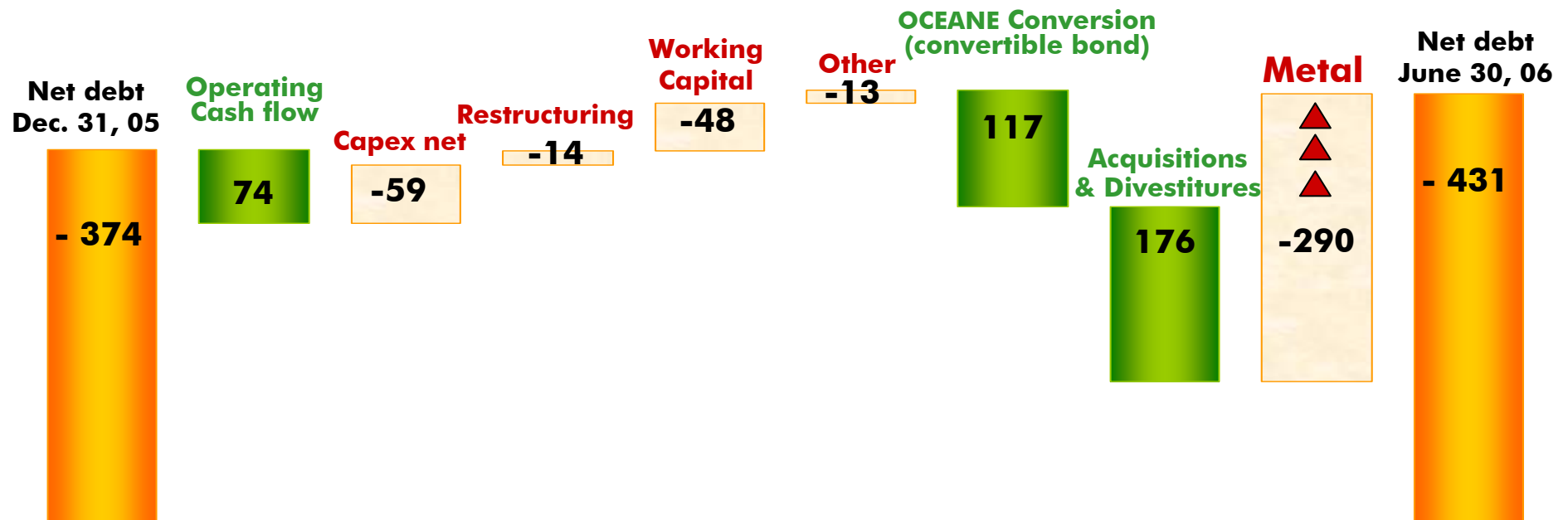
(**) Operating margin before depreciation

| (in Million €) | HY1 2005^(*) | HY1 2006 |
|--|-------------------------------|-----------------|
| Operating Cash Flow^(**) | 72 | 74 |
| Capital expenditure (net of disposals 6 M€ in 05 and 3 M€ in 06) | (51) | (59) |
| Change in Working Capital | (215) | (338) |
| Cash impact of (acquisitions) / disposals | (7) | 176 |
| Restructuring expensed | (19) | (14) |
| Dividend paid | (10) | (23) |
| Capital increases | 3 | 124 |
| Other | 17 | 1 |
| (Increase)/decrease in net debt | (210) | (59) |
| IAS 32 and 39 FTA (of which 130 M€ sales of receivables) | (115) | - |
| Change in Balance Sheet Debt (increase) | (325) | (59) |

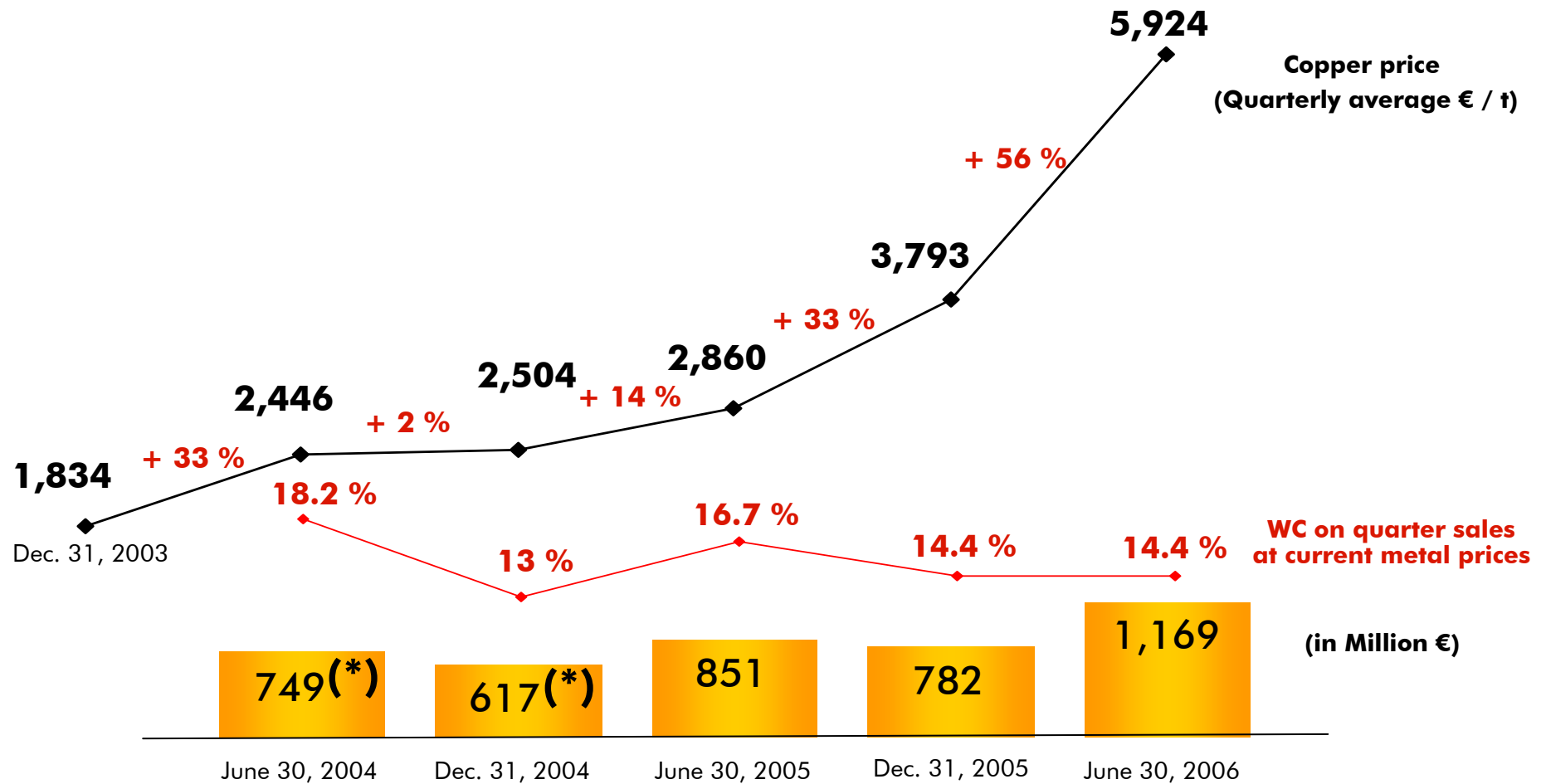
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(**) Cash flow provided by operations not including restructuring expenses

(in Million €)



- Capex and restructuring financed by Operating Cash flow
- Net Financial Debt at closing still below 1.5 X EBITDA
- Gearing at 31 %



(*) Pro-forma after application of IFRS standards

| (in Million €) | Dec. 31, 05 | June 30, 06 |
|---|--------------|--------------|
| Long-term fixed assets | 1,115 | 1,135 |
| Deferred tax assets | 76 | 96 |
| Non-current assets | 1,191 | 1,231 |
| Working Capital | 782 | 1,169 |
| Assets (net) held for sale | 42 | 7 |
| Total to finance | 2,015 | 2,407 |
| Net Financial Debt | | |
| Current | 246 | 423 |
| Non-current | 128 | 8 |
| Reserves | | |
| Current | 83 | 100 |
| Non-current | 367 | 361 |
| Deferred tax liabilities | 32 | 35 |
| Shareholders' equity and Minority interests | 1,159 | 1,480 |
| Total financing | 2,015 | 2,407 |

Reminder of objectives 2007 (*)

| | | |
|-------------------------|---|----------------|
| Sales at constant metal | = | 4,400 M€ |
| OPM/Sales (%) | = | 5.2 % to 5.5 % |
| ROCE(**) after tax | = | 8 % to 8.4 % |

At HY1 2006 economic environment :
A possible upgrade as part of a new
2007 to 2009 plan

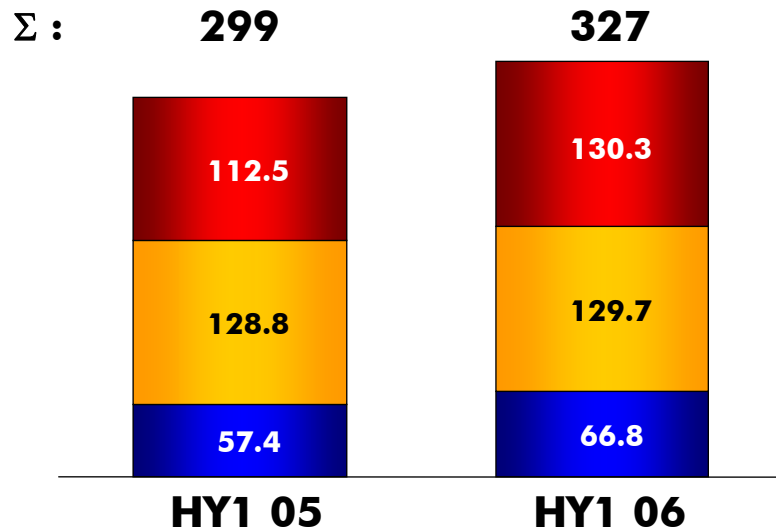
(*) Presentation on February 2, 2006

(**) Return on capital employed

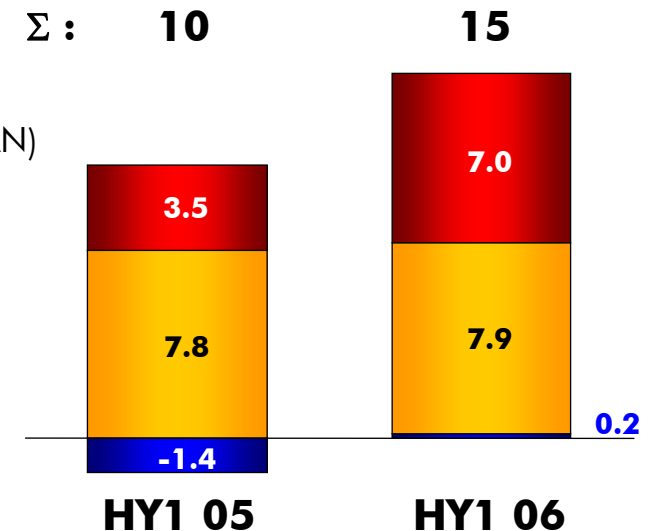
Appendices

Performance by
Business and Geographical area

Sales (M€) (*)
at constant metal prices and exchange rates



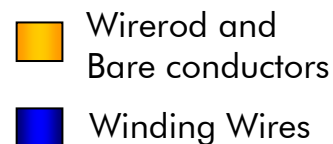
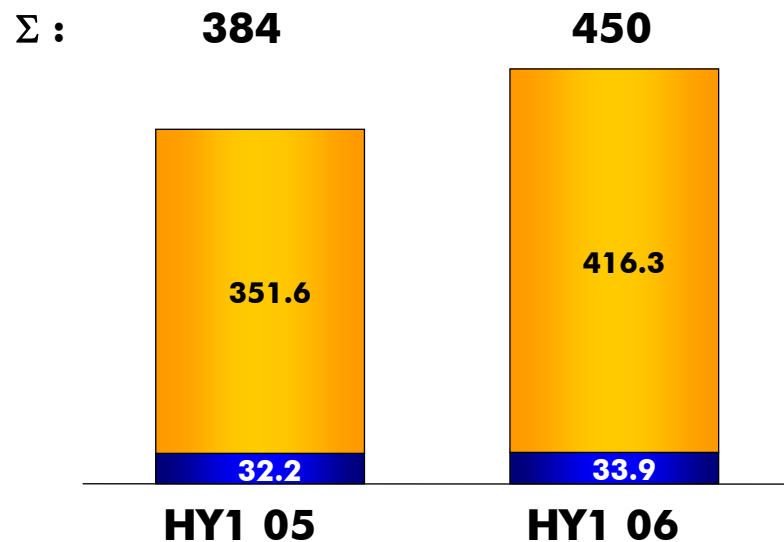
Operating Margin (M€)



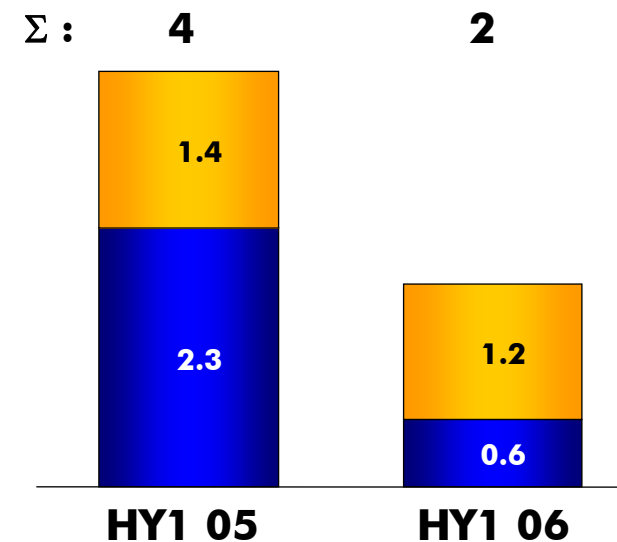
- **Infrastructure** : Steady activity with growth in fiber on profitable niche markets
- **Private networks** :
 - Limited increase in volumes
 - Improved margins in Europe after ongoing restructuring
 - Profit up in North America thanks to positive product mix
- **OEMs** : Strong competition in ADSL cables offset by demand in aerospace.

(*) Annual change in sales = + 2.9 % at constant consolidation scope

Sales (M€) (*) at constant metal prices and exchange rates



Operating Margin (M€)



■ Winding wires

- Strong progress in China
- Manufacturing reorganization under way in Canada

■ Wirerod and bare conductors

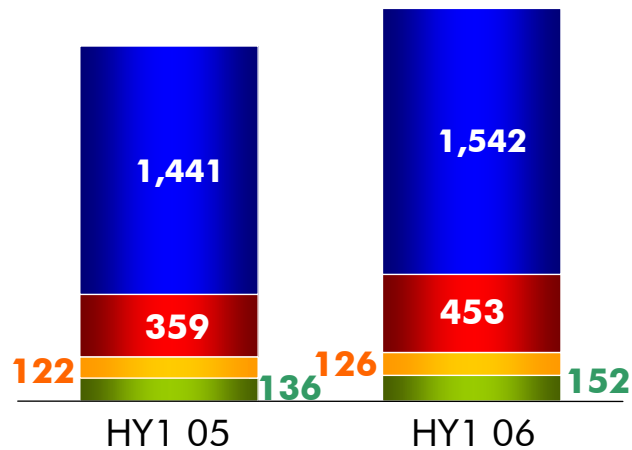
- Very strong growth in volumes insufficient to compensate competitive pressure and increased energy and transportation costs

(*) Annual change in sales = + 13.6 % at constant consolidation scope

Sales (M€)
at constant metal prices and exchange rates

Σ : **2,058**

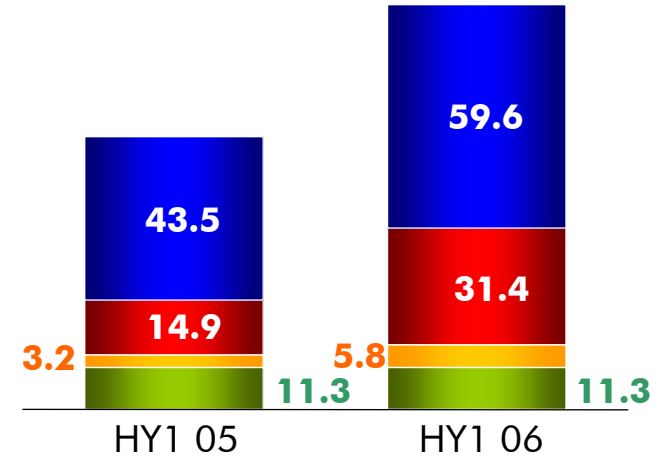
2,273



Operating Margin (M€)

Σ : **73**

108



■ **Europe :**

- Construction and priority segments trending positively

■ **North America :**

- Extremely vigorous residential and industrial construction markets

■ **Asia :**

- Selective approach to high value-added segments

■ **Rest of World :**

- Very encouraging perspectives in rapidly growing economies

Nexans