



**Press Release**

## **2007 third-quarter financial information**

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- **Sustained organic growth in cable\* business in the third quarter 2007 (up 12.5% excluding electrical wires)**
- **Stronger sales of energy infrastructure cables (up 9%)**
- **Confirmation of the target double-digit growth for cable business in 2007, and the significant improvement in operating profitability**

**Paris, October 18 2007** – Nexans today announced 2007 third-quarter sales of **1,776** million euros (at actual non-ferrous metal prices). At constant non-ferrous metal prices\*\*, the quarter's sales stood at **1,166** million euros. Organic growth for cable business was **12.5%** (5.0% including the Electrical Wires business).

With an organic growth rate of 12.8% for cable business\*, sales, for the first 9 months of the year at constant non-ferrous metal prices, reached 3,617 million euros.

The operating profitability improved beyond the 7.6% reported for June 30, 2007.

Financial debt is at a similar level to that at June 30, 2007, being a reduction of approximately 100 million euros compared with December 31<sup>st</sup>, 2006, despite the increased volume of business.

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

\*\* 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

(in millions of euros)	2006		2007
	At constant metal prices (**)	On the basis of comparable data (***)	At constant metal prices (**)
<b>3<sup>rd</sup> quarter</b>	<b>1,066</b>	<b>1,110</b>	<b>1,166</b>
2 <sup>nd</sup> quarter	1,178	1,216	1,257
1 <sup>st</sup> quarter	1,095	1,127	1,194
<b>Total on September 30</b>	<b>3,339</b>	<b>3,453</b>	<b>3,617</b>

## CONSOLIDATED SALES BY BUSINESS SECTOR

(in millions of euros)	Q3 2006		Q3 2007	Change
	At constant metal prices (**)	On the basis of comparable data (***)	At constant metal prices (**)	Organic growth
Energy infrastructures (a)	336	368	401	9.0%
Industry (a)	195	208	246	18.3%
Building (a)	224	245	283	15.5%
Telecom infrastructures (b)	55	54	58	7.4%
Private networks (LAN) (b)	70	67	72	7.5%
Other	3	3	3	0.0%
<b>Sub-total: Cable business</b>	<b>883</b>	<b>945</b>	<b>1,063</b>	<b>12.5%</b>
Electrical wires	183	165	103	-37.6%
<b>Group total</b>	<b>1,066</b>	<b>1,110</b>	<b>1,166</b>	<b>5.0%</b>

(a) Energy business segment, (b) Telecom business segment.

- **Energy infrastructures: sharp rise in growth**

Sales rose 9.0% in the third quarter, on the basis of comparable data, compared with 6.5% on June 30, 2007.

This growth is attributable to the combined effect of the ramp-up of the Tokyo Bay High Voltage Submarine cable plant, the resumption of activity at the Quebec plant, and the buoyant conditions in the Rest of the World area.

Overall, the fundamentals of this segment remain positively oriented.

- **Industry: confirmation of strong business growth**

Sales of special cables to the world's leading industrial OEMs were up by 18.3%, on the basis of comparable data, and have continued to grow at a very strong rate, driven by the shipbuilding and the oil industry segments in particular.

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\*\*\* 2006 sales is on the basis of comparable data for sales at constant metal prices, restated to account for estimated adjustments for constant consolidation scope and exchange rates.

- **Building: ongoing organic growth**

Building business continues to be strong. When compared to the 2006 third quarter, the main highlight was higher volume sales in Europe (especially to installers) in a more favorable price environment.

Compared with the 2<sup>nd</sup> quarter in 2007, the volume sales for this business remained steady with ongoing robust prices.

- **Telecom Infrastructures: confirmation of the first-half year trend**

Sales rose 7.4% in the 2007 third quarter on the basis of comparable data.

European business continued to grow driven by Accessories and Optical Fiber cables. Business in Asia slowed down temporarily following the closure of the Vietnamese telecom cable joint venture, the activity of which is anticipated to resume in the final quarter but under Nexans' exclusive control.

Excluding this event's impact, the organic growth for Telecom Infrastructures totaled 11.6% for the quarter.

- **Private networks (LAN): selective growth**

LAN cable business posted organic growth of 7.5% for the third quarter, the emphasis essentially being on the development of higher value-added products.

- **Electrical wires: continuing strategy to refocus solely on the Group's needs**

As planned, electrical wire sales were reduced by 37.6%, on the basis of comparable data. The sale of the Chinese winding wire business (Tianjin plant) was finalized in July 2007.

## **DEVELOPMENTS BY GEOGRAPHIC AREA**

### **CONSOLIDATED SALES BY GEOGRAPHIC AREA**

(in millions of euros)	Q3 - 2006		Q3 - 2007	Change
	At constant metal prices (**)	On the basis of comparable data (***)	At constant metal prices (**)	Organic growth
Europe	632	626	724	15.7%
North America	109	103	108	4.9%
Asia-Pacific	63	137	138	0.7%
Rest of the World	79	79	93	17.7%
<b>Sub-total: cable business</b>	<b>883</b>	<b>945</b>	<b>1,063</b>	<b>12.5%</b>
<b>Sub-total: electrical wire business (****)</b>	<b>183</b>	<b>165</b>	<b>103</b>	<b>-37.6%</b>
<b>Group total</b>	<b>1,066</b>	<b>1,110</b>	<b>1,166</b>	<b>5.0%</b>

(\*\*\*\*) The breakdown of "electrical wire" sales by geographic area for the 2006 third quarter was: Europe 87 million euros; North America 91 million euros, and Asia 5 million euros. In 2007, the breakdown by area is: Europe 55 million euros and North America 48 million euros.

- **Europe: strong growth across all segments**

In the third quarter, the organic growth for cable business was +15.7%. Energy infrastructures, industry cables and building cables were the main contributors to this growth.

- **North America: growth driven by industry cables**

The organic growth for cable business was +4.9%, up against the previous half at +1.1%, reflecting the gradual resumption of activity at the Quebec plant.

The US residential sector crisis had little effect on Nexans given its limited exposure to this segment in the US and the relative stability of prices and volume sales. Nexans is nonetheless keeping a close watch on developments of this market.

Energy infrastructure remained steady in its positive trend, and LAN cables continued to enjoy a more profitable product mix.

- **Asia-Pacific: strong growth in China**

The modest +0.7% organic growth is attributable to the combined effect of the reduction in copper telecom cables for which the joint venture operation in Vietnam is being terminated (expected to resume under exclusive Nexans control in the final quarter) and the very strong growth in Chinese business that is fully capitalizing on the relocation of the leading European OEMs and the ramp-up of Chinese OEMs.

- **Rest of the World: very strong growth in all of the area's countries**

Organic growth for the Rest of the World totaled 17.7% for the third quarter.

The Group's historical business in this area remains solid; by example, the overhead cables for the power grids in Brazil, the building segment in Turkey and the special cables for the oil industry in the Middle East.

New market segments are also making a significant contribution to this growth: automotive cables in Morocco, start-up of insulated copper cables in Brazil and LAN cables in Turkey.

### **Financial calendar**

November 13, 2007: Individual shareholder information meeting in Strasbourg

November 19, 2007: Individual shareholder meeting in Bordeaux

January 31, 2008: Publication of 2007 annual consolidated results

### **About Nexans**

With energy as the basis of its development, Nexans, the worldwide leader in the cable industry, offers an extensive range of cables (copper, aluminium and optical fiber) and cabling systems. The Group is a global player in the energy 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

	First quarter		Second quarter		Third quarter		Cumul. to end Sept.	
	2006	2007	2006	2007	2006	2007	2006	2007
<b>At actual metal prices</b>	<b>1,659</b>	<b>1,805</b>	<b>2,027</b>	<b>1,987</b>	<b>1,899</b>	<b>1,776</b>	<b>5,585</b>	<b>5,568</b>
<b>At constant metal prices</b>	<b>1,095</b>	<b>1,194</b>	<b>1,178</b>	<b>1,257</b>	<b>1,066</b>	<b>1,166</b>	<b>3,339</b>	<b>3,617</b>
<b>Sales at actual metal prices by business segment (*)</b>								
<b>Energy (*)</b>	<b>980</b>	<b>1,246</b>	<b>1,163</b>	<b>1,352</b>	<b>1,124</b>	<b>1,301</b>	<b>3,267</b>	<b>3,899</b>
<b>Telecom</b>	<b>134</b>	<b>166</b>	<b>159</b>	<b>168</b>	<b>160</b>	<b>158</b>	<b>453</b>	<b>492</b>
<b>Other</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>8</b>
<b>Electrical wires</b>	<b>543</b>	<b>392</b>	<b>702</b>	<b>463</b>	<b>612</b>	<b>314</b>	<b>1,857</b>	<b>1,169</b>
<b>Group total</b>	<b>1,659</b>	<b>1,805</b>	<b>2,027</b>	<b>1,987</b>	<b>1,899</b>	<b>1,776</b>	<b>5,585</b>	<b>5,568</b>
<b>Sales at constant metal prices by business segment (*)</b>								
<b>Energy (*)</b>	<b>751</b>	<b>914</b>	<b>821</b>	<b>969</b>	<b>755</b>	<b>930</b>	<b>2,327</b>	<b>2,813</b>
<b>Telecom</b>	<b>118</b>	<b>136</b>	<b>128</b>	<b>140</b>	<b>125</b>	<b>130</b>	<b>371</b>	<b>406</b>
<b>Other</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>8</b>
<b>Electrical wires</b>	<b>224</b>	<b>143</b>	<b>226</b>	<b>144</b>	<b>183</b>	<b>103</b>	<b>633</b>	<b>390</b>
<b>Group total</b>	<b>1,095</b>	<b>1,194</b>	<b>1,178</b>	<b>1,257</b>	<b>1,066</b>	<b>1,166</b>	<b>3,339</b>	<b>3,617</b>
<b>Sales at actual metal prices by geographic area</b>								
Europe	1,081	1,137	1,271	1,205	1,219	1,129	3,571	3,471
North America	408	337	530	399	453	305	1,391	1,041
Asia-Pacific	76	204	113	236	108	199	297	639
Rest of the World	94	127	113	147	118	143	325	417
<b>Group total</b>	<b>1,659</b>	<b>1,805</b>	<b>2,027</b>	<b>1,987</b>	<b>1,898</b>	<b>1,776</b>	<b>5,584</b>	<b>5,568</b>
<b>Sales at constant metal prices by geographic area</b>								
Europe	742	798	800	817	719	779	2,261	2,394
North America	218	174	235	183	200	156	653	513
Asia-Pacific	62	137	64	158	68	138	194	433
Rest of the World	73	85	79	99	79	93	231	277
<b>Group total</b>	<b>1,095</b>	<b>1,194</b>	<b>1,178</b>	<b>1,257</b>	<b>1,066</b>	<b>1,166</b>	<b>3,339</b>	<b>3,617</b>

(\*) In accordance with the new segmentation in the strategic plan, submarine cables used for the remote control of submarine vehicles and robots and electrical cables have been integrated in the Energy Infrastructures and Industry segments respectively, given the similarity of the end markets and customers. In 2007, these cables have been reclassified under the Energy segment and no longer under the Telecom segment. Sales for these businesses totaled 164 million euros (at constant non-ferrous metal prices) for the first 9 months of 2007, compared with 121 million euros in 2006. The 2006 figures have therefore been restated accordingly.