



Press release

Nexans signs a Framework Agreement to acquire the cable business of Madeco, the cable market leader in South America

This acquisition, the largest yet made by Nexans, will result in a leading position for the group in energy cables in a high growth area

Paris, November 15, 2007 – Nexans, the worldwide leader in the cable industry, announced the signature of a Framework Agreement to acquire the cable business of Madeco, the cable industry leader in South America.

At current non-ferrous metal prices, the 2006 sales of the Madeco Group cable business totaled 672 million USD (457 million euros), in three major segments: cables for infrastructures, industry and building (and in electrical wires to a lesser extent). The organic volume growth for these segments was 12% per year during the 2004/2006 period. For the 2007 half-year, Madeco's Wire and Cable sales breakdown by country was approximately: 43% in Brazil, the largest market in South America, 28% in Chile, 18% in Peru, 6% in Argentina, and 5% in Colombia. In all these countries, Madeco has a leading position thanks to its established reputation and commercial image. These growing markets, Madeco's leading position, and its management excellence enabled Madeco to realize a 43 million USD (29 million euros) EBITDA in H1 2007 representing an operating margin of 10.6% of sales at current non-ferrous metal prices.

The closing of this acquisition is expected in Q3 2008. Payment will consist of 2.5 million newly-issued shares of Nexans and 422 million USD (287 million euros) in cash and assumption of debt after taking into account minority interests. At the November 14, 2007 Nexans share price of 101.67 euros, it will represent an enterprise value of 822 million USD (559 million euros) and an acquisition goodwill* close to 380 million USD (close to 260 million euros).

Madeco will get a stake in Nexans of approximately 9% (on the basis of 28.1** million shares) which it commits to hold for a minimum period of 12 months from the closing date. Nexans' Board of Directors will call an Extraordinary General Shareholders' Meeting early in 2008 for the approval of a shares issuance and the election of a Madeco Group representative as Director.

« This acquisition is in line with our strategy to expand in fast-growing areas and in the energy market. It will result in the Group having a leading position in South America, a reinforced presence in Brazil, and an opportunity to introduce Nexans' complete range

* Before allocation to assets

** 25.6 million outstanding shares as of November 14, 2007 + 2.5 million shares to be issued

of products and best industrial practices in this area » said Gérard Hauser, Chairman and CEO of Nexans.

« This "acquisition of growth" will be made in a balanced manner, allowing Nexans, due to the partial payment in shares, to retain financial flexibility for further repositioning of the Group. Madeco's investment in Nexans will contribute to a stable shareholder base and associate Nexans with a quality partner to aid its development in South America. It also demonstrates the confidence of Madeco in Nexans' development perspectives. This transaction should have an accretive impact on the 2009 EPS », added Frédéric Vincent, Nexans COO.

Guillermo Luksic, Chairman of Madeco, highlighted that *« this partnership will allow Madeco to continue growing because it will become part of a world class company, that not only leads the global market in terms of sales, but also invests heavily in Research & Development leading to a clear leadership in value added cables. Madeco will bring its leadership in South America and Nexans its expertise and knowledge ».*

The closing of the transaction is mainly subject to approval of Madeco's and Nexans' shareholders as well as relevant regulatory authorities.

A full set of slides of the presentation is available on the Nexans Web site at www.nexans.com

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 www.nexans.com

About Madeco

With over six decades of market presence, Madeco is a diversified group of manufacturing companies engaged in the production of copper and aluminum products as well as flexible packaging through its affiliates and associated companies in various countries of Latin America.

The activities of the Madeco group are divided into four business units: Wire & Cable, Brass Mills, Flexible Packaging and Aluminum Profiles. These units supply various sectors of the economy: mining, industry, energy, construction and telecommunications. Madeco, through its various companies, currently owns 18 productive plants in Chile, Brazil, Peru, Argentina and Colombia, taking advantage of the synergies created to supply regional markets as well as North America, Europe and Asia.

Madeco has sales of over 1 billion USD and is listed on the Santiago and New York stock exchanges. More information on www.madeco.cl

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