



Press release

2005 third-quarter sales

Strong operations and organic growth of 4.3%

Paris, October 25, 2005 – Consolidated sales for the Nexans Group in the third quarter of 2005 totaled 1,468 million euros (at current metal prices*). This result is based on 14 working weeks, compared to 13 working weeks in the third quarter 2004.

At constant non-ferrous metal prices** third-quarter sales stood at 1,134 million euros, an increase of 16% compared with third quarter of 2004. ***On a comparable scope, exchange rate and number of working days***, this increase is 4.3%.

Sales for the first 9 months of the year totaled 3,150 million euros, up 6.0% over the same period last year. ***On the basis of comparable data***, this translates to an increase of 2.4%.

Nexans Chairman and CEO, Gérard Hauser said: *“Third-quarter results reflect the continuing positive trend in infrastructure markets in the energy and telecom sectors. They also stem from progress in high-value-added businesses and remarkable development seen in a number of countries. These results keep us firmly on course to achieve our annual targets.”*

* At current metal prices, third-quarter sales for 2004 totaled 1,186 million euros (published) and 1,157 million euros (recalculated according to the IFRS 5).

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

Consolidated sales**

(in millions of euros)	At constant metal prices			At constant metal prices and exchange rates	
	2004 published	2004/IFRS 5	2005	2004/IFRS 5	2005
3rd quarter	1,007	977	1,134	1,000	1,134
2 nd quarter	1,077	1,040	1,058	1,047	1,058
1 st quarter	952	919	958	926	958
Total on September 30th	3,036	2,936	3,150	2,973	3,150

Consolidated sales by business sector**

(in millions of euros)	At constant metal prices			At constant metal prices and exchange rates	
	Q ₃ 04 published	Q ₃ 04 /IFRS 5	Q ₃ 05	Q ₃ 04 /IFRS 5	Q ₃ 05
Energy	633	633	758	647	758
Telecom	141	140	170	142	170
Electrical wires	230	201	203	208	203
Other	3	3	3	3	3
Total	1,007	977	1,134	1,000	1,134

Operations by geographic area

Sales by geographic area

(in millions of euros)	At constant metal prices			At constant metal prices and exchange rates	
	Q ₃ 04 published	Q ₃ 04 /IFRS 5	Q ₃ 05	Q ₃ 04 /IFRS 5	Q ₃ 05
Europe	736	709	782	713	782
North America	173	172	216	182	216
Asia	54	52	60	57	60
Rest of the World	44	44	76	48	76
Total	1,007	977	1,134	1,000	1,134

- **Europe**

European operations achieved organic growth of 1.9% over the 3rd quarter of 2004 (based on a comparable number of working days).

Intensive activity in high and medium-voltage Energy infrastructures continued in the third quarter and is expected to continue in the fourth quarter.

Sales in Telecom infrastructures were equally strong for both copper and optical-fiber cables, bolstered by the growth in Broadband.

Low-voltage cables for the building sector made a clear progress, particularly in France and Norway.

However, sales in industry cables were more subdued, largely due to a continuing weakness in industrial capital expenditure. Electrical wires were hit hard, with overall sales down 16.9% due to a decrease in sales of winding wires and external wirerod sales.

- **North America**

Organic growth (based on a comparable number of working days) was 15.2% over the same period last year.

Telecom cable sales were sustained by favorable growth in volume of mid-range LAN cables, while products offering high added value (CAT6, 10-Gbit) showed slower progress.

Power cables sales remained strong, bolstered by demand for network maintenance, thus offsetting the downturn experienced in electrical wires brought on by parity in the US/Canadian dollar exchange rate (though less noticeable than in the first half).

- **Asia**

Organic evolution (based on a comparable number of working days) was insignificant compared with the third quarter of 2004.

Third-quarter sales were in line with expectations, both in China – with the successful start of the new factory in Shanghai – and in South Korea, where applications for shipbuilding and oil platforms remained strong. This growth helped offset the lack of infrastructure investment among major operators in the South Korean Energy and Telecom sectors.

- **Rest of the world**

Organic growth (based on a comparable number of working days) stood at 7.6% over the same period last year.

Sales of infrastructure power cables showed strong growth in Brazil, Morocco and the Middle East, while real-estate investment helped maintain growth in cable sales for the building industry in Turkey.

In the telecom sector, sales were affected by the lack of infrastructure investments, except in Egypt.

Outlook for 2005

Group operations in the third quarter are in line with our annual targets, both in terms of sales and operating margin, which is expected to be close to 4%.

In August, Nexans concluded the sale of its Distribution activities in Norway, and, in October, the creation of a Joint Venture with Superior Essex for Winding Wires in Europe. These two operations resulted in a reduction in debt of 80 million euros.

However, the new increase in copper prices since July 1st is expected to lead (if the current trend continues) to year-end net debt close to 340 million euros (compared with the 320 million euros forecast).

About Nexans

Nexans is the worldwide leader in the cable industry. The Group brings an extensive range of advanced copper and optical fiber cable solutions to the infrastructure, industry and building markets. Nexans cables and cabling systems can be found in every area of people's lives, from telecommunications and energy networks, to aeronautics, aerospace, automobile, railways, building, petrochemical, medical applications, etc. With an industrial presence in 29 countries and commercial activities throughout the world, Nexans employs 20,000 people and had sales in 2004 of 4.8 billion euros. Nexans is listed on the Paris stock exchange. More information available on www.nexans.com

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