Nexans supplies Shanghai with a high-voltage underground cable linking the Shibo and Sanlin substations. This 17-km-long 500 kV cable, manufactured and installed by Nexans, set two world records:

- first intra-city 500 kV cable,
- first 500 kV XLPE (cross-linked polyethylene insulated) cable with a cross-section of 2,500mm².

This 35 million euro contract forms part of the global infrastructure project to meet Shanghai’s growing demand for power, with the city’s consumption estimated to reach 125 billion kWhr by 2010.
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 in the infrastructure, industry, building and Local Area Network (LAN) markets.

Nexans’ products meet the most demanding requirements in terms of quality and respect for the environment. The Group’s services cover the entire value chain, from upstream to downstream: research, design, manufacturing, installation, and maintenance. With its technological leadership, global expertise, and local presence, Nexans operates around the world to satisfy essential needs while maintaining the highest levels of safety and performance.

Nexans is listed on the Paris stock exchange.
ALL THE
ADVANTAGES
TO LEAD OUR INDUSTRY

GÉRARD HAUSER,
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
2007: a historic year for the Group

In 2007, we set a new record for growth and performance. Our cable operations (Energy and Telecom businesses combined) generated sales growth of 12% on a like-for-like basis and improved throughout all geographical areas and our three main markets: infrastructure, industry, and building. Our operating margin grew 57%, from 5.8% to 8.5% of sales at constant metal prices. Cash flow from operations rose 65%. Net income, excluding extraordinary gains on disposals in 2006, doubled in one year, and we reduced our net debt from 40% to 16% of consolidated equity by the end of 2007.

Based on these strong results, we have proposed to distribute a dividend of 2 euros per share, up by 67%, and we have launched a share buyback/cancellation program for 70 million euros in shares.

A relevant, ambitious strategy

One year after we launched our three-year strategic plan, our choices have already proven to be relevant and successful. By placing energy at the core of our development, strengthening our positions in high-growth regions, and improving the value-added of our product range, we have strengthened our positioning in markets that have excellent short-, medium-, and long-term prospects for growth and profit.

We live in an ever-changing world; our markets are shifting; and Nexans embodies these trends. We continually strive to develop the best solutions to improve the Group’s profile in terms of growth and profitability. Our goal is to optimize capital employed so that it is concentrated in rapidly-growing businesses, offering strong synergies.

To this end, between 2005 and 2007, we sold our distribution and winding wires businesses. We also became the leader in the cable industry in Asia-Pacific with the acquisition of Olex, the leading Australian cable manufacturer. Olex’s operational consolidation has proven to be a tremendous success. Over 2008, we plan to continue to actively manage our business portfolio.

Optimizing our business portfolio

We have entered into sales negotiations for the disposal of our copper-cable telecom infrastructure activities in Spain, which represent 55 million euros in sales. An exclusive agreement has been signed with a UK-based group, and the deal is slated for completion by the end of the first quarter of 2008. We are also looking into selling our automotive harnesses activity, which accounts for 250 million euros in sales.

“We have strengthened our positioning in markets that have excellent short-, medium-, and long-term prospects for growth and profit.”
These activities are not core businesses, and they do not offer enough critical mass worldwide. In terms of acquisitions, the year has been full of activity, and we have continued to expand in rapidly-developing countries. One such project is the planned acquisition of the cable manufacturing business of Madeco in South America which should be finalized toward the middle of 2008. In 2006, this business represented 672 million dollars in sales at current metal prices, or 490 million euros. With this acquisition, Nexans will become the leading cable manufacturer in South America.

Adjusted, strong and sustainable outlook

By June 2007, we had already reached our goals set for the end of 2009. As such, we have reassessed our prospects. For 2008-2009, with the Group’s new scope of consolidation, i.e. after we sell the harnesses and copper cable telecom infrastructure businesses in Spain and acquire Madeco’s cable manufacturing business, we expect average annual organic sales growth of approximately 6% per year. Operating margin should reach 7% to 10%, depending on the economic environment, and should give rise to a significant increase in free cash flow.

The financial markets have been impacted by the US mortgage lending crisis, the declining dollar, and rising oil prices. Like many other companies, Nexans saw its share price fall sharply during the second half of 2007. This trend seems completely unjustified to me and in no way affects the confidence that I have in our Group.

Our positioning and financial firepower should enable us to enjoy sustained growth despite a possible global slowdown. More profitable, more resistant, and well-positioned in high-growth markets and geographical areas, Nexans offers a strong, sustainable outlook and has the strategic advantages to lead the industry.
THE EXECUTIVE COMMITTEE
STRATEGY
GOALS
FOR 2009

To boost our development,
To become more profitable,
more resilient,
more focused,
and more efficient thanks
to increased synergies...

...with energy
as the basis of our development.
Four core activities
Energy infrastructure, industry, building, and LAN*

Nexans has established solid positions in these activities, which offer strong business, technical and operating synergies, and function in accordance with different business cycles. The Group has significant competitive advantages in terms of technology and innovation.

The Energy infrastructure market
Nexans is working to strengthen its leadership position in power networks, which offer unprecedented prospects for expansion in every area of the world, by enriching its product range, entering new profitable regional markets, and improving its customer-focused culture.

The Industry market
Nexans plans to increase its positions into profitable, high-growth energy and transport-related market segments in which it can differentiate itself from its competitors. These market segments include oil & gas, nuclear power, railway rolling stock, shipbuilding, material handling, automobiles, aerospace, electronics and robotics.

The Building market
The building activity allows Nexans to remain solidly established in local markets. Nexans plans to enrich its offering in this market by focusing on high-end products, whose value-added is clearly acknowledged by customers.

The Local Area Networks market (LAN)*
Nexans develops products and services based on high value-added systems combining cables, connectors, administration and security.

* LANs are communication systems that can link PCs and peripheral devices that are located within a few kilometers of each other.

One complementary activity
Telecom infrastructure

This activity completes the Group’s offering. To ensure profitability, only specific niches are being targeted.

The Telecom infrastructure market. Nexans focuses on high-performing solutions: xDSL applications (high-speed data transfer through copper cables in public switched telephone networks); and systems to deploy Fiber-to-the-Home (FTTH) towards the subscriber, which allow for internet connection speeds of up to 100 Mbit/s.

Two activities focused on internal needs
Electrical wires and wirerods

Nexans’ electrical wires and wirerod activities allow Nexans to ensure high-quality supplies. However, these activities tie up sizeable capital, which is not fully offset by margins on sales to outside customers. Consequently, the Group is scaling back these activities to focus on internal needs.

Two activities earmarked for sale
Cable harnesses and copper telecom cables in Spain

As part of its decision to manage business more pro-actively, Nexans is exploring opportunities for selling its non-core cable harnesses and copper telecom cable activities in Spain, whose market positions prevent them from achieving critical mass.
2007: STRATEGY IN ACTION

CANADA
Strong margins earned in the building activity. Disposal of winding wire businesses. Wirerod production cut by one-third.

BRAZIL
Startup of production of insulated energy copper cables and instrumentation cables for industrial applications.

CHILE
Agreement signed for the acquisition of Madeco’s cables business, which will be slotted into Nexans this year. Madeco is the leading cable manufacturer in South America.

UNITED STATES
Increased production of aerospace cables. Broadened range of cables for the building market. Acquisition of The Valley Group, the world expert in thermal rating systems for overhead lines.

CAPITAL EXPENDITURE: 174 MILLION EUROS
TURKEY
Production stepped up in the manufacturing of cables for the oil and gas industry.

EGYPT
Start-up of high-voltage cable production.

LEBANON
Production expanded to encompass instrumentation cables for the oil and gas industry.

MOROCCO
Planned startup of production capacities for aerospace cables, to meet demand from locally based integrators.

FRANCE
Capital investments in the production of cables for the Airbus A380 and A350 aircraft.

BELGIUM
Production capacity increase planned for high-voltage terrestrial cables.

ITALY
Production of low-voltage, medium-voltage and special cables split between different production sites.

NORWAY
Increased manufacturing capacity for the production of submarine cables and umbilicals.

JAPAN
Started production of submarine cables in association with Viscas.

KOREA
Increased specialization at each production site.

VIETNAM
Started production of power and industrial cables in Hanoi. Currently reorganizing cable production for telecom networks.

CHINA

FRANCE
Capital investments in the production of cables for the Airbus A380 and A350 aircraft.

RUSSIA
Creation of a cable production plant to serve the energy infrastructure market segment. Startup scheduled for 2008.

BELGIUM
Production capacity increase planned for high-voltage terrestrial cables.

Italy
Production of low-voltage, medium-voltage and special cables split between different production sites.

NORWAY
Increased manufacturing capacity for the production of submarine cables and umbilicals.

JAPAN
Started production of submarine cables in association with Viscas.

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Increased specialization at each production site.

AUSTRALIA
Currently increasing production capacity for high-voltage terrestrial cables.

MOROCCO
Planned startup of production capacities for aerospace cables, to meet demand from locally based integrators.

TURKEY
Production stepped up in the manufacturing of cables for the oil and gas industry. Development of LAN business, in particular for the UK market.

EGYPT
Startup of high-voltage cable production.

LEBANON
Production expanded to encompass instrumentation cables for the oil and gas industry.
Three priorities to ensure targets are reached

Nexans is enriching its products’ offering, expanding into new profitable regional markets, and strengthening its customer-focused culture to better satisfy their expectations and provide them with complete solutions.

Five growth-oriented areas

Nexans is constantly developing and strengthening its geographical presence by focusing on high-growth countries and on promising activities and markets within each Area.

**Europe**

Nexans has advanced manufacturing capacity in Europe and is continuing to make selective capital investments, for example, in Norway (high-voltage submarine cables and umbilicals), in Germany (power accessories), and in Eastern Europe (special cables for various industries).

**North America**

Nexans is adding capacity to keep in step with major development and interconnection projects involving power transmission and distribution networks, and it is investing to satisfy demand for the roll out of 10 Gbit Local Area Networks.

**Asia-Pacific**

In this Area, Nexans focuses on high-tech and value added products. The Group has built up solid, successful business positions in Australia, Japan, China, Korea and Vietnam. It plans to continue strengthening capacity in these countries.

**South America**

Once the Madeco transaction is completed, Nexans will be the leading cable manufacturer in South America, which will allow the Group to constitute a new development Area.

**Rest of the World**

Nexans has successfully steered the focus of its business units towards energy infrastructure and industrial applications.

The Group is adding to production facilities in Turkey, Morocco and Brazil and is expanding positions in Russia and the Middle East.
TARGETS FOR 2009 IN FIGURES

Average annual organic growth of 6% \(^{(1)}\)

Operating margin of **between 7% to 10%**, depending on the economic environment

**Positive** net cash flow starting from 2008 \(^{(2)}\)

30% of earnings from operations paid out in dividends (i.e. net income, Group share excluding non-recurring items)

\(^{(1)}\) Organic growth for the cable businesses, and after changes in scope (disposal of cable harnesses and copper telecom infrastructure cables in Spain, and acquisition of Madeco).

\(^{(2)}\) Change in net debt.
Nexans develops, manufactures and supplies cables, connection accessories and cabling systems for four main markets: Infrastructure, Industry, Building and Local Area Networks.

The Group offers a complete range of solutions and turnkey services in each of the market segments in which it is present. Performance, safety, reliability and respect for the environment: Nexans’ power and telecommunication cables are at the cutting edge of technology and meet all national and international standards.

**01 INFRASTRUCTURE**

POWER GENERATION, TRANSMISSION AND DISTRIBUTION | RAILWAY INFRASTRUCTURE, MOTORWAYS, PORTS AND AIRPORTS | TELECOMMUNICATION INFRASTRUCTURE, ETC.

**Greener electricity** | Cables for windfarms and for solar panels, and submarine and terrestrial systems that connect to the power grid help towards the development of renewable energy.

**02 INDUSTRY**

OIL & GAS | NUCLEAR POWER | RAILWAY ROLLING STOCK | AUTOMOBILES | SHIPBUILDING | MATERIAL HANDLING | AEROSPACE | ELECTRONICS | ROBOTICS, ETC.

**Uninterrupted offshore connections** | Surveillance, maintenance, control of production equipment: the remote management of oil & gas platforms requires perfectly secure broadband transmission. Robust and easy to use, the CEM connector allows optical fibers and submarine equipment to be connected. The connector works in depths of up to 3,000m.

**More efficient and resistant cranes and portal frames** | Thanks to new materials and an innovative design, BUFLEX® X’PREM cables enable cranes and portal frames used at large port and rail terminals to operate more quickly, without interruption and for 10 times longer than their predecessors.

**03 BUILDING**

ALL INDUSTRIAL, COMMERCIAL, RESIDENTIAL AND TERTIARY BUILDINGS: FACTORIES, WAREHOUSES | OFFICES, HOTELS | SHOPPING MALLS | SPORTS, CULTURAL, EDUCATIONAL, SOCIAL AND MEDICAL FACILITIES | INDIVIDUAL HOUSES AND MULTI-DWELLING, ETC.

**Safer emergency evacuations** | ALSECURE® fire-reaction cables do not emit fumes likely to irritate the eyes and lungs and do not react to contact with dry ice or water causing damage to installations. ALSECURE® PLUS cables also allow detection, alarm and emergency exit signs to function during evacuation and fire-fighting procedures.

**04 LOCAL AREA NETWORKS**

ALL LOCAL AREA NETWORKS: PRIVATE NETWORKS | DATA CENTERS | SECURITY SERVICES, ETC.

**More cost-effective and reliable Local Area Networks** | The LANmark-OF Pre-Term range combines broadband optical fiber and high performance components. These systems reduce the time and cost of installing networks and guarantee long-term reliability and scalability.
AND DIVERSIFIED MARKETS
KEY FIGURES
STRONGER PERFORMANCE

SALES AT CURRENT NON-FERROUS METAL PRICES
In millions of euros

SALES AT CONSTANT NON-FERROUS METAL PRICES
In millions of euros

Sales at constant non-ferrous metal prices climbed 8.5%; based on constant exchange rates and a comparable scope of consolidation (like-for-like), the increase came to 4.8% over 2006. This increase reflects the 12.1% organic growth in the cable activities, buoyed by the Group’s dynamic sales throughout all its geographical Areas, in infrastructure, industry, and buildings alike.

OPERATING MARGIN
In millions of euros
Operating margin jumped 57% compared with 2006. This very positive trend can be attributed to an increase in business activities as well as an increase in high value-added businesses in the Group’s product range.

OPERATING MARGIN AT CONSTANT NON-FERROUS METAL PRICES
In %

ATTRIBUTABLE NET INCOME
In millions of euros
Net income for the fiscal year grew in line with operating margin. Net income came to 189 million euros in 2007. Excluding extraordinary gains on asset disposals in 2006, net income has doubled in one year.
2007 SALES BY ACTIVITY AT CONSTANT NON-FERROUS METAL PRICES
Change compared with 2006*:
- Energy + 20%
- Telecom + 8%
- Electrical wires − 37%

* At current exchange rates and scope of consolidation.

2007 SALES BY GEOGRAPHICAL AREA BY ORIGIN AT CONSTANT NON-FERROUS METAL PRICES
Change compared with 2006*:
- Europe + 6%
- North America − 18%
- Asia-Pacific + 106%
- Rest of the World + 13%

* At current exchange rates and scope of consolidation.

2007 OPERATING MARGIN BY GEOGRAPHICAL AREA AT CONSTANT NON-FERROUS METAL PRICES
Change compared with 2006:
- Europe + 78%
- North America + 23%
- Asia-Pacific + 163%
- Rest of the World − 15%

Note: Operating margin on unallocated operations = − 14 million euros

MANUFACTURING CAPITAL EXPENDITURES
In millions of euros
The amount of the Group’s expenditures was in line with the plan announced at the beginning of 2007. The largest portion of planned expenditures was allocated to energy infrastructure operations (40%), where demand is very high; the Group’s next biggest area for expenditures was industry (22%).

TOTAL EQUITY
In millions of euros
Total equity rose in line with the increase in income over the year (197 million euros). The Group’s significant equity and its considerably lower net debt enabled the Group to lower its net debt/equity ratio, which stood at a solid 16% (compared with 40% in 2006).

NET DEBT
In millions of euros
The Group cut its net debt in half over 2007 (down to 290 million euros) compared with 633 million euros in 2006. These positive results can be attributed to considerably higher cash flow from operations along with successful initiatives taken to lower working capital requirements.
**THE NEXANS SHARE**

*Nexans is listed on Euronext Paris, Compartment A*
- Deferred settlement service
- ISIN Code: FR0000044448
- Par value: 1 euro

**Market capitalization**
2,196 million euros as of December 31, 2007

**Average daily trading volume**
236,127 shares in 2007

**Indexes**
- SBF 120: 0.18% of the index as of December 31, 2007
- CACMid 100: 2.24% of the index as of December 31, 2007

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**STOCK MARKET DATA (THROUGH 12/31/2007)**

<table>
<thead>
<tr>
<th>Share price in euros (except ratios)</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>131.71</td>
<td>97</td>
<td>41.44</td>
</tr>
<tr>
<td>Lowest</td>
<td>82.69</td>
<td>39.75</td>
<td>28.91</td>
</tr>
<tr>
<td>Year closing price</td>
<td>85.5</td>
<td>97</td>
<td>40.13</td>
</tr>
<tr>
<td>Change over the year</td>
<td>-11.9%</td>
<td>+141.7%</td>
<td>+38.7%</td>
</tr>
<tr>
<td>Change in the SBF 120 over the year</td>
<td>+0.3%</td>
<td>+19.1%</td>
<td>+25.2%</td>
</tr>
<tr>
<td><strong>Market capitalization as of December 31</strong> (1)</td>
<td><strong>2,195.5</strong></td>
<td><strong>2,450.70</strong></td>
<td><strong>943.35</strong></td>
</tr>
<tr>
<td>Average daily trading volume (2)</td>
<td>236,127</td>
<td>153,335</td>
<td>104,831</td>
</tr>
<tr>
<td>Number of issued shares as of December 31</td>
<td>25,678,355</td>
<td>25,264,955</td>
<td>23,507,322</td>
</tr>
<tr>
<td>Share turnover (3)</td>
<td>0.92%</td>
<td>0.65%</td>
<td>0.49%</td>
</tr>
</tbody>
</table>

(1) In millions of euros.  (2) In number of shares.  (3) Daily average over the year.
**PER SHARE DATA**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>2005 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets (2)</td>
<td>67.0</td>
<td>61.3</td>
<td>51.1</td>
</tr>
<tr>
<td>EPS (3)</td>
<td>7.41</td>
<td>10.25</td>
<td>7.73</td>
</tr>
<tr>
<td>Diluted EPS (4)</td>
<td>6.67</td>
<td>8.93</td>
<td>6.63</td>
</tr>
<tr>
<td>PER (5)</td>
<td>11.5</td>
<td>9.5</td>
<td>5.2</td>
</tr>
<tr>
<td>Net dividend (6)</td>
<td>2.00</td>
<td>1.20</td>
<td>1.0</td>
</tr>
<tr>
<td>Dividend yield (5)</td>
<td>2.3%</td>
<td>1.2%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

(1) IFRS data, restated for the change relating to the recognition of non-ferrous metal inventories.
(2) Equity excluding minority interest divided by the number of shares outstanding on December 31.
(3) Based on the weighted average number of shares outstanding.
(4) Earnings per share if all convertible securities (warrants, convertible bonds, stock options, and rights) are exchanged for common shares, which would increase the number of shares and consequently reduce net earnings per share.
(5) Based on December 31 share price.
(6) 2007 dividend proposed to the Annual Shareholders’ Meeting on April 22, 2008.

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**CHANGES IN CAPITAL IN 2007**

<table>
<thead>
<tr>
<th>SHARE CAPITAL</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares as of December 31, 2006</td>
<td>25,264,955</td>
<td>25,678,355</td>
</tr>
<tr>
<td>Cancelled shares</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>New shares issued *</td>
<td>413,400</td>
<td></td>
</tr>
<tr>
<td><strong>Number of shares as of December 31, 2007</strong></td>
<td><strong>25,678,355</strong></td>
<td></td>
</tr>
<tr>
<td>Stock options</td>
<td>1,070,250</td>
<td></td>
</tr>
<tr>
<td>OCEANE bonds</td>
<td>3,794,037</td>
<td></td>
</tr>
<tr>
<td><strong>Number of fully diluted shares as of December 31, 2007</strong></td>
<td><strong>30,542,642</strong></td>
<td></td>
</tr>
</tbody>
</table>

Average number of shares in 2007 used to calculate:
- Basic EPS: 25,553,906
- Fully-diluted EPS: 29,895,603

* Breakdown of new shares issued: exercise of options.

---

**ESTIMATED OWNERSHIP STRUCTURE AS OF DECEMBER 31, 2007**

- Total number of shares: 25,678,355
- Total number of voting rights: 25,899,075
- Estimated number of shareholders: approximately 50,000

<table>
<thead>
<tr>
<th>SHARE CAPITAL</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional shareholders France</td>
<td>18.9</td>
</tr>
<tr>
<td>Institutional shareholders United Kingdom and Ireland</td>
<td>15.4</td>
</tr>
<tr>
<td>Other institutional shareholders Europe</td>
<td>12.9</td>
</tr>
<tr>
<td>Institutional shareholders United States</td>
<td>35.1</td>
</tr>
<tr>
<td>Institutional shareholders Rest of the World</td>
<td>1.6</td>
</tr>
<tr>
<td>Employee shareholders</td>
<td>1.0</td>
</tr>
<tr>
<td>Individual shareholders</td>
<td>11.3</td>
</tr>
<tr>
<td>Non-identified shareholders</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Shares registered in the name of the same holder for at least two years carry double voting rights.
A shareholder’s voting rights are limited to 8% in the case of single voting rights and 16% in the case of double voting rights of the voting rights attached to shares present or represented when voting on resolutions at an Annual Shareholders’ Meeting.

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**NET DIVIDEND**

*Proposed to the Annual Shareholders’ Meeting on April 22, 2008, for distribution on April 29, 2008.

**EARNINGS PER SHARE**

*Excluding extraordinary capital gains in 2006.

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(1) IFRS data, restated for the change relating to the recognition of non-ferrous metal inventories.
(2) Equity excluding minority interest divided by the number of shares outstanding on December 31.
(3) Based on the weighted average number of shares outstanding.
(4) Earnings per share if all convertible securities (warrants, convertible bonds, stock options, and rights) are exchanged for common shares, which would increase the number of shares and consequently reduce net earnings per share.
(5) Based on December 31 share price.
(6) 2007 dividend proposed to the Annual Shareholders’ Meeting on April 22, 2008.
SHAREHOLDER INFORMATION

Active dialogue with our shareholders
Nexans strives to earn the loyalty of its shareholders by consistently improving its performance, so that its share price climbs and the Group can continue to increase its dividend.
Nexans is also concerned with good corporate governance, and provides its investors with faithful, transparent information, while putting all its efforts into keeping its commitments.

A wide range of financial information
Nexans strives to earn the trust of its shareholders, and provides regular, complete, and transparent information using a variety of means for different shareholder needs. The Group publishes an Annual Report-Registration Document, a shorter version, the Activity Report, and three Shareholders’ Newsletters. All Nexans’ shareholder information is available on the Group website, www.nexans.com, with a Shareholder’s Corner under “Financial Information” on the home page.
For a quick response to questions, contact us or send an e-mail to investor.relation@nexans.com.

Direct dialogue
The Group gave five presentations for shareholders in Marseille, Clermont-Ferrand, Lille, Strasbourg, and Bordeaux, and for the first time organized a seminar on cables in Paris that was extremely well-received.
Shareholders only have to own one share to become a member of the Shareholders’ Club and receive personalized information and invitations to special events.
Nexans’ senior managers also held meetings with analysts and investors.

Securities services
Nexans’ securities services are provided by Société Générale, 32, rue du Champ de Tir
BP 81236 - 44312 Nantes Cedex 3
Tel. : +33 (0) 825 820 000
Fax: +33 (0)2 51 85 53 42

Registered shares are not subject to safe custody fees, and may receive double voting rights after two years. They also allow the shareholder to receive invitations to the Group’s shareholder meetings and a personal mailing of information about the Company. Investors wishing to purchase pure registered shares should contact their financial intermediary, who will then obtain the necessary registration documents from Société Générale.

FINANCIAL CALENDAR

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Shareholders’ Meeting</td>
<td>April 22, 2008</td>
</tr>
<tr>
<td>Publication of 2008 first quarter sales</td>
<td>April 22, 2008</td>
</tr>
<tr>
<td>Payment of the dividend</td>
<td>April 29, 2008</td>
</tr>
<tr>
<td>Individual shareholders’ information meetings*</td>
<td></td>
</tr>
<tr>
<td>April 3, 2008</td>
<td>Saint-Étienne</td>
</tr>
<tr>
<td>June 5, 2008</td>
<td>Lille</td>
</tr>
<tr>
<td>September 30, 2008</td>
<td>Nice</td>
</tr>
<tr>
<td>November 24, 2008</td>
<td>Reims</td>
</tr>
</tbody>
</table>

* These dates are subject to change

SHAREHOLDERS’ CONTACT

Investor Relations Department
Nexans - 16, rue de Monceau 75008 Paris
Tel.: +33 (0)1 56 69 84 56
Fax: +33 (0)1 56 69 86 40
E-mail: investor.relation@nexans.com
Our financial information is also available on the Group’s website: www.nexans.com
Information about members of the Board of Directors and other corporate officers as of December 31, 2007.

GÉRARD HAUSER
Chairman and CEO of Nexans
66 YEARS OLD | 16 RUE DE MONCEAU, 75008 PARIS
NUMBER OF NEXANS SHARES HELD: 18,268 (AS OF FEBRUARY 29, 2008)
DATE OF FIRST APPOINTMENT: OCTOBER 17, 2000
DATE OF MOST RECENT TERM RENEWAL: MAY 15, 2006
DATE OF TERM EXPIRATION AS DIRECTOR: 2010 ANNUAL SHAREHOLDERS’ MEETING
DATE OF TERM EXPIRATION AS CHAIRMAN AND CEO: 2009 ANNUAL SHAREHOLDERS’ MEETING

- Other Directorships and positions held:
  - Director of Alstom, Faurecia, Aplix, and Ipsen
- Directorships expired in the past five years:
  - Director of Electro-Banque
- Expertise/Experience: Held various positions of responsibility within the Philips Group from 1965 to 1975. From 1975 to 1996, he was Chairman and CEO, first of Pechiney World Trade, then of Pechiney Rhénalu and finally Senior Executive Vice President of American National Can and member of the Group’s Executive Committee. In 1996, he joined Alcatel Câble France and became Vice President of the Cables and Components division of Alcatel in 1997. In 2000, he was appointed Chairman and CEO of Nexans.

FRÉDÉRIC VINCENT
Chief Operating Officer of Nexans
(Proposed as a Director at the 2008 Annual Shareholders’ Meeting)
53 YEARS OLD | 16 RUE DE MONCEAU, 75008 PARIS
NUMBER OF NEXANS SHARES HELD: 836 (AS OF FEBRUARY 29, 2008)
NUMBER OF EMPLOYEE MUTUAL FUND UNITS INVESTED IN NEXANS SHARES: 3,305 (VALUE OF ONE UNIT = VALUE OF ONE SHARE)
DATE OF APPOINTMENT: MAY 15, 2006

- Other Directorships and positions held:
  - Director of Electro-Banque
- Directorships expired in the past five years:
  - Director of Electro-Banque
- Expertise/Experience: Joined Alcatel in 1986 after working for a large auditing firm from 1978 to 1985. Moved to Alcatel’s Cables and Components sector in 1989, and in 1994 was appointed Deputy Managing Director (Administration and Finance) for Alcatel’s submarine telecommunications activities, and in 1997, of Saft, Alcatel’s batteries activity.

GIANPAOLO CACCINI
Director of Nexans
69 YEARS OLD | PRESIDENT OF ASSOVETRO, THE ITALIAN ASSOCIATION OF GLASS MANUFACTURERS
VIA CARADOSSO N°17, 20123 MILAN – ITALY
NUMBER OF NEXANS SHARES HELD: 487
DATE OF FIRST APPOINTMENT: JUNE 15, 2001
DATE OF TERM EXPIRATION: 2011 ANNUAL SHAREHOLDERS’ MEETING

- Other Directorships and positions held:
  - Director of Saint-Gobain, JM Huber Corporation*, and Saint-Gobain Corporation*
- Directorships expired in the past five years:
  - Director of Nybron Flooring International*
  - Chief Operating Officer of Saint-Gobain Group
  - Senior Vice President of Saint-Gobain Corporation*
- Expertise/Experience: From 1973 to 1980, he worked at the Saint-Gobain Group as Vice President Sales, then managed several divisions, units, and subsidiaries including Vetrotex Italie Spa and Saint-Gobain Desjonquères SA France. From 1996 to 2000, he was Vice President, North America and Deputy CEO of this Group, and CEO, from 2000 to 2004. He has been the President of Assovetro (the Italian Association of Glass Manufacturers) since 2004.

JEAN-MARIE CHEVALIER
Director of Nexans
66 YEARS OLD | PROFESSOR OF ECONOMICS
OF THE UNIVERSITY OF PARIS IX/DAUPHINE
PLACE DU MARÉCHAL DE LATTRE DE TASSIGNY, 75116 PARIS
NUMBER OF NEXANS SHARES HELD: 420
DATE OF FIRST APPOINTMENT: OCTOBER 23, 2003
DATE OF TERM EXPIRATION: 2011 ANNUAL SHAREHOLDERS’ MEETING

- Other Directorships and positions held:
  - Vice President of Cambridge Energy Research Associates
- Directorships expired in the past five years:
  - None

* Offices and positions held in foreign companies
has been Consultant for various companies, banks, government agencies, and international organizations. Since 1984, Consultant for the Energy Department at the World Bank, Vice President at Cambridge Energy Research Associates (CERA) since 1997.

**FRANÇOIS POLGE DE COMBRET**  
**Director of Nexans**  
67 YEARS OLD | SENIOR ADVISOR OF UBS INVESTMENT BANK  
65 RUE DE COURCELLES, 75008 PARIS  
NUMBER OF NEXANS SHARES HELD: 500  
DATE OF FIRST APPOINTMENT: MAY 15, 2006  
DATE OF TERM EXPIRATION: 2010 ANNUAL SHAREHOLDERS’ MEETING

- **Other Directorships and positions held:**  
  - Director of Renault and Bouygues Telecom  
  - Member of the Supervisory Board of Safran

- **Expertise/Experience:**  
  He was successively Honorary Advisor to the Cour des Comptes, Advisor for economic and industrial affairs under Valéry Giscard d’Estaing (1971-1978), first at the Ministry of Finance and Economics, then to the President of the Republic, before being appointed Deputy General Secretary (1978-1981). He was recruited by the bank Lazard in 1982, then spent three years in New York before being appointed a partner and manager of the bank in Paris in 1985. He left the bank Lazard in 2006 to become a Senior Advisor at the bank UBS.

**JÉRÔME GALLOT**  
**Director of Nexans**  
48 YEARS OLD | CHAIRMAN OF CDC ENTERPRISES,  
TOUR MAINE MONTPARNASSE  
33, AVENUE DU MAINE  
BP 174 - 75755 PARIS CEDEX 15  
NUMBER OF NEXANS SHARES HELD: 200  
DATE OF FIRST APPOINTMENT: MAY 10, 2007  
DATE OF TERM EXPIRATION: 2011 ANNUAL SHAREHOLDERS’ MEETING

- **Other Directorships and positions held:**  
  - Member of the Supervisory Board of NRJ Group and Schneider Electric SA  
  - Director of CNP Assurances, ICADE, Caixa Seguros*, and Plastic Omnium  
  - Non-voting director of Oseo

- **Directorships expired in the past five years:**  
  - Director of Schneider Electric SA, Crédit Foncier de France, Galaxy Fund, and Galaxy Management Services  
  - Member of the Supervisory Board of CNP Assurances and Compagnie Nationale du Rhône (CNR)  
  - Chairman of Sicav Austral  
  - Vice President of Caisse des Dépôts et Consignations

- **Expertise/Experience:** After serving as Auditor at the Cour des Comptes for three years, he joined the Secretary General of the Inter-Ministry Committee for issues regarding the Organization for European Economic Cooperation (1989 to 1992), then the Budget Department. He was successively Cabinet Director of the Ministries of Industry, Post, and Telecommunications, Foreign Trade, and Public Services, then became Deputy Finance Minister (1993 to 1997). He was appointed Director General of the Department of Competition, Consumer Affairs, and Repression of Fraud within the French Ministry of the Economy, Finance, and Industry (1997 to 2003) before becoming Vice President and Member of the Executive Committee of Caisse des Dépôts and Consignations. He was appointed Chairman of CDC Entreprises in 2006.

**JACQUES GARAÏALDE**  
**Director of Nexans**  
51 YEARS OLD | MANAGING DIRECTOR DE KOHLBERG KRAVIS ROBERTS & CO. LTD.  
STIRLING SQUARE, 7 CARLTON GARDENS, LONDON SW1Y 5AD – UNITED KINGDOM  
NUMBER OF NEXANS SHARES HELD: 500  
DATE OF FIRST APPOINTMENT: JUNE 15, 2001  
DATE OF TERM EXPIRATION: 2011 ANNUAL SHAREHOLDERS’ MEETING

- **Other Directorships and positions held:**  
  - Chairman of the PagesJaunes Group’s Board of Directors  
  - Chairman and CEO of Mediannuaire Holding

* Offices and positions held in foreign companies
JEAN-LOUIS GERONDEAU
Director of Nexans
64 YEARS OLD
MEMBER OF THE MANAGEMENT BOARD OF THE ZODIAC GROUP
2, RUE MAURICE MALLET
92130 ISSY LES MOULINEAUX
NUMBER OF NEXANS SHARES HELD: 100
DATE OF FIRST APPOINTMENT: MAY 10, 2007
DATE OF TERM EXPIRATION: 2011 ANNUAL SHAREHOLDERS’ MEETING

• Other Directorships and positions held:
  - Chairman and Vice Chairman of the Supervisory Board of the Institute for Industrial Development (IDI)
  - Chairman of Aerazur, Inter Technique, Aerazur Newco, Zodiac Marine Holding, and Zodiac Airline Equipment LLC*

• Directorships expired in the past five years:
  - Chairman of the Management Board of the Zodiac Group
  - Director of Ferma and Optim Actif

• Expertise/Experience: He began his career in 1965 at the French Ministry of Equipment, within the Department of International and Economic Affairs, where he worked for 5 years. From 1970 to 1974, he worked for McKinsey. He became Chief Executive Officer of the Zodiac Group in 1974, and was appointed Chairman of the Zodiac Management Board in 1980. Since 2007, he has served as a Member of the Management Board of the Zodiac Group.

COLETTE LEWINER
Director of Nexans
62 YEARS OLD | VICE PRESIDENT, GLOBAL LEADER ENERGY, UTILITIES & CHEMICALS OF CAP GEMINI
CAP GEMINI, TOUR EUROPLAZA, LA DÉFENSE 4
20, AVENUE ANDRÉ PROTHIN 92927 PARIS LA DÉFENSE CEDEX
NUMBER OF NEXANS SHARES HELD: 1,000

DATE OF FIRST APPOINTMENT: JUNE 3, 2004
DATE OF TERM EXPIRATION: 2008 ANNUAL SHAREHOLDERS’ MEETING

• Other Directorships and positions held:
  - Director of La Poste and TGS-NOPEC Geophysical Company ASA*
  - Member of the Information Technology Strategic Board reporting to the Prime Minister
  - Member of the Académie des Technologies

• Directorships expired in the past five years:
  - None

• Expertise/Experience: After several years of physics research and teaching at the university level (Maître de conférences at Université Paris 7) she joined Electricité de France in 1979 and set up the Development and Commercial Strategy Department in 1989. She was appointed Chief Executive Officer of SGN-Réseau Euryis in 1992, before joining Cap Gemini in 1998 to set up the international Utilities Department. After the merger with Ernst&Young, she was made Head of the extended Energy, Utilities & Chemicals Department. In 2004, she set up the Global Marketing Department of Cap Gemini which she managed until 2007.

ERVIN ROSENBERG
Director of Nexans
72 YEARS OLD | ADVISOR TO THE CHAIRMAN OF COMPAGNIE FINANCIÈRE EDMOND DE ROTHSCHILD BANQUE
47 RUE DU FAUBOURG SAINT HONORÉ, 75008 PARIS
NUMBER OF NEXANS SHARES HELD: 500
DATE OF FIRST APPOINTMENT: JUNE 15, 2001
DATE OF TERM EXPIRATION: 2011 ANNUAL SHAREHOLDERS’ MEETING

• Other Directorships and positions held:
  - Member of the Supervisory Board of LCF Rothschild Financial Services and Mobility Saint Honoré
  - Chairman and CEO of Financière Savoisienne
  - Non-voting director of Compagnie Financière Edmond de Rothschild Banque

• Directorships expired in the past five years:
  - Director of Thomson SA and Carbune Lorraine
  - Member of the Supervisory Board of Compagnie Financière Edmond de Rothschild Banque, Itah Finance, and Entreprise Minière et Chimique

• Expertise/Experience: He started working at BNP in 1965 where he joined the Industrial Business Division (1984), then the Large Business Division (1985). He was appointed Director of the Large Businesses Division in 1993 and was appointed successively a member of the General Management Committee of BNP and then Central Director in 1994, before being appointed honorary Deputy Managing Director in 2000. He joined Compagnie Financière Edmond de Rothschild Banque in 2000 as Advisor to the Chairman of the Management Board. He also served as a member of the Supervisory Board from 2000 to 2006, and in 2006, he became the non-voting director of Compagnie Financière Edmond de Rothschild Banque.

• Offices and positions held in foreign companies

* Offices and positions held in foreign companies
CORPORATE GOVERNANCE

NICOLAS DE TAVERNOT
Director of Nexans
57 YEARS OLD
CHAIRMAN OF THE MANAGEMENT BOARD OF THE M6 GROUP
89, AVENUE CHARLES DE GAULLE
92575 NEUILLY CEDEX
NUMBER OF NEXANS SHARES HELD: 501
DATE OF FIRST APPOINTMENT: MAY 10, 2007
DATE OF TERM EXPIRATION: 2011 ANNUAL SHAREHOLDERS’ MEETING

• Other Directorships and positions held:
- Member of the Supervisory Board of Ediradio SA (RTL)
- Director of Antena 3* and GL Events SA, and within the M6 Group, Extension TV SA, TF6 Gestion SA, and Société Nouvelle de Distribution SA
- President of the Association of European Commercial Television (ACT)*
• Directorships expired in the past five years:
Director of Business Interactif and Hotel Saint Dominique (on his own behalf)
• Expertise/Experience:
First of all employed by the French Ministry of International Commerce (1974) then appointed General Secretary of the French Chamber of Commerce in Zurich (1976), he joined the cabinet of the Secretary of State of Post and Telecommunications in 1977 where he was posted in 1981 to the Telecommunications Department and then to the public services division of the Video Communications Department. He joined Lyonnaise des Eaux in 1986 as Director of the Audiovisual activities. He has been Managing Director of M6 since its creation in 1987, and was made Chairman of the M6 Group in 2000.

PROPOSAL SUBMITTED TO THE ANNUAL SHAREHOLDERS’ MEETING TO BE HELD ON APRIL 22, 2008 (HELD UPON SECOND CALL): RENEWAL OF DIRECTORS’ TERM OF OFFICE AND APPOINTMENT OF NEW DIRECTORS TO THE BOARD

The renewal, for a period of four years, of the term of office of Mrs. Colette Lewiner and the appointment, for a four-year term, of Mr. Frédéric Vincent, Chief Operating Officer of Nexans since May 2006 (see the description on page 15), and Mr. Guillermo Luksic Craig (see below), as two new directors, will be submitted for approval at the next Shareholders’ Meeting.

GUILLERMO LUKSIC CRAIG
52 YEARS OLD

• Expertise/Experience: Guillermo Luksic Craig is Chairman of the Board of Directors of Quíñenco, a business conglomerate listed in Chile, of which he is also a shareholder. He began his career in 1975 with the Quíñenco group and was appointed Chairman of the Board in 1982. He is currently Chairman of the Boards of Directors of the Chilean companies Madeuco, CCU (beverage company held by Quíñenco and its strategic partner Heineken, listed in Chile and in the United States), CNT Telefónica del Sur (a leading telecommunications company in the south of Chile), and Viña San Pedro (a company specialized in wine production). Since 2001, he has been a member of the Board of Directors of the second largest bank in the country, Banco de Chile. In 2005, he was appointed member of the Board of Directors of Antofagasta plc, a London-based Chilean mining company with extensive investments in Chile. He is member of and advisor to management bodies of various nonprofit organizations, including the Era Craig foundation and the Centro de Estudios Publico. He is also a trustee of the Finis Terrae University in Chile.

ORGANIZATION OF THE BOARD OF DIRECTORS

Since its listing on the stock exchange, Nexans has adopted a number of rules relating to corporate governance with a view to ensuring transparency of information with respect to both its directors and its shareholders. The Board of Directors is currently made up of 11 members. They come from diverse backgrounds and were selected for their expertise and experience in industry, banking, or consultancy, enabling them to give informed opinions and advice in the best interests of the Company. The Combined Shareholders’ Meeting of June 3, 2004 decided to reduce the length of Directors’ term of office from six years to four years, starting with terms beginning during the 2004 financial year. No category of shareholder is represented on the Board of Directors, and no Director is elected by the employees. Each year, the Board of Directors reviews the situation of each of its members with regard to the criteria governing independence defined in the combined Viénot-Bouton Report of June 2003 as reflected in the Company’s Internal Regulations. The latter specifies in particular that in the Group’s relations with businesses and banks in which any of its directors have an interest, independence will be determined according to the level of sales made to such companies, which is fixed at 10%, or in respect of investment banks

SUMMARY OF THE TERM OF OFFICE EXPIRATION DATES OF NEXANS BOARD MEMBERS

<table>
<thead>
<tr>
<th>Year</th>
<th>Board member</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>C. Lewiner</td>
</tr>
<tr>
<td>2010</td>
<td>G. Hauser</td>
</tr>
<tr>
<td></td>
<td>F. Polge de Combret</td>
</tr>
<tr>
<td>2011</td>
<td>G. Caccini</td>
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<tr>
<td></td>
<td>J.M. Chevalier</td>
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<tr>
<td></td>
<td>G. Chodron de Courcel</td>
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<td></td>
<td>J. Gallat</td>
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<td></td>
<td>J. Garaialde</td>
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<td>J.L. Gerondeau</td>
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<td></td>
<td>E. Rosenberg</td>
</tr>
<tr>
<td></td>
<td>N. de Tavernost</td>
</tr>
</tbody>
</table>

* Offices and positions held in foreign companies
and financial share of business given to them. The aim is to determine whether these relationships are of an importance and nature such that they could affect the independence and freedom of judgment of the directors concerned.

Based on these criteria, Gérard Hauser, Georges Chodron de Courcel, and Ervin Rosenberg have declared that they are not independent directors: Gérard Hauser, in view of his position as Chairman and Chief Executive Officer of the Company, and Georges Chodron de Courcel and Ervin Rosenberg, owing to their positions within BNP Paribas and La Compagnie Financière Edmond de Rothschild Banque, respectively, which are two banks with whom the Group has business relationships.

The other directors are deemed to be independent directors: Gianpaolo Caccini, Jean-Marie Chevalier, Jérôme Gallot, Jacques Garaialde, Jean-Louis Gerondeau, Colette Lewiner, François Polge de Combrêt, and Nicolas de Tavernost.

Eight out of the eleven directors are therefore independent, representing more than half of the Board members, a proportion in accordance with the recommendations of the Viénot-Bouton Report.

There are no family links between the Board members.

There are no service contracts between any of the Board members and the Company or any of its subsidiaries.

No loans or guarantees have been granted or established for the benefit of a corporate officer by the Company or a company within its Group.

To the best knowledge of the Company, during the past five years:
• no Board member has been convicted of fraud;
• no Board member has been associated with any bankruptcy, placing into receivership, or liquidation of a company;
• no Board member has been the subject of an incrimination or official public sanction by any statutory or regulatory authorities;
• no Board member has been prohibited by court order from serving on an administrative, executive, or supervisory body of a public company, or from participating in the management of business of a public company.

ABSENCE OF CONFLICTS OF INTEREST

As mentioned above, some Board members serve as corporate officers and/or senior managers for companies that may enter into contractual agreements with Nexans for commercial and/or financial transactions (as investment advisors and/or managers). Such contracts having been negotiated and signed under normal conditions, the Company is not aware of any possible conflicts of interest between the Board members’ duties towards Nexans and their private interests and/or any of their other obligations.

Apart from the related-party transactions discussed on pages 195 and 196 of the Annual Report-Registration document and the agreements relating to the transaction with Madeco described on page 47 of the Annual Report-Registration document, no agreements or arrangements have been concluded with the primary shareholders, customers, suppliers, or other parties, under the terms of which a Board member has been selected.

Board members are not subject to any restrictions on the sale of their ownership interest in Nexans’ capital, with the exception of any regulations governing insider trading.

COMPENSATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors Meeting on March 27, 2007 approved the following changes to the methods for setting and paying the Directors’ fees described in the Management Report presented by the Board of Directors on page 61 of the Annual Report-Registration document:
• each of the Directors, including the Chairman, receives 17,500 euros for the fixed portion;
• each of the Directors, including the Chairman, receives an additional 2,000 euros for each Board Meeting attended, subject to a ceiling of 12,000 euros per Director;
• each of the members of the Accounts and Audit Committee receives 3,000 euros per meeting, subject to a 12,000 euros maximum per year;
• each of the members of the Appointments and Compensation Committee receives 3,000 euros per meeting, subject to a 12,000 euros maximum per year.

SUMMARY OF TRANSACTIONS COMPLETED BY CORPORATE OFFICERS AND SENIOR MANAGERS RELATING TO THE COMPANY’S SECURITIES, AS REQUIRED BY ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE

The table in the Management Report presented by the Board of Directors on pages 64 and 65 of the Annual Report-Registration document summarizes the transactions completed by Nexans’ corporate officers and Executive Committee members in relation to the Company’s securities during 2007 and disclosed to the AMF.

ADDITIONAL INFORMATION

Additional information regarding the Board of Directors, its various Committees, and Nexans’ senior managers are given in the Management Report presented by the Board of Directors on pages 59 to 63 of the Annual Report-Registration document, and in the Chairman’s Report on the Board of Directors’ Operations and the Company’s Internal Control Procedures on pages 200 to 209 of the Annual Report-Registration document.
Against a backdrop of stronger competition and further increases in raw materials and energy prices, Nexans consolidated its global leadership position in the cable industry and boosted its operating and financial performance. The Group reinforced its manufacturing capacities, continued to post very robust growth in the energy infrastructure sector and enhanced its positions in the industry market, in particular in the oil and gas, aerospace and material handling industries. Nexans also successfully integrated Olex, Australia’s leading cable manufacturer, and announced the acquisition in 2008 of the cable activities of Madeco, the leading cable manufacturer in South America. These acquisitions should further strengthen the Group’s positions in high growth regions.

*For comparison purposes, the sales figures given in this section have been calculated at constant metal prices, scope, exchange rates and accounting methods.*
Focus on energy

Why is worldwide energy demand skyrocketing?

Boosted by vigorous economic growth in emerging countries, advances in urbanization, transportation and automation in all fields and the explosion in global communications, worldwide energy demand has never been so strong. Nexans is looking to exploit these fundamental trends and it has already benefited from them in 2007, by focusing on energy as the basis of its development.
**Downstream and upstream, the needs are immense**
With economic and population growth, global primary energy consumption is expected to increase by 65% by 2030 and electricity consumption will double. To satisfy this demand, $300 billion dollars will have to be invested on average each year until 2030, of which 70% in electricity. No other sector in the world carries such a heavy investment requirement*.

Whether generating energy, or upgrading, reinforcing or developing power networks, the needs are almost infinite. In emerging countries, 1.6 billion people still live without electricity and a large number of those that have access only have a minimal supply.

In developed countries, availability and quality of electricity are of critical importance for an increasing number of applications, while the number of black-outs is on the rise. Sweden and the United States have both launched major programs to upgrade their power transmission and distribution networks.

**Nexans is present throughout the chain**
Oil, gas, nuclear or wind power, petrochemicals; generation, transmission and distribution of electricity: downstream and upstream, Nexans is present at every stage of the value chain and holds leading positions in many high value-added market segments. The Group has the expertise, capacity and geographical presence to serve the high growth areas of Asia, South America and the Middle East.

While the developed countries still consume two-thirds of the world’s electricity supply, consumption in emerging countries is rapidly progressing: by 2015, China will have caught up with United States in terms of electricity consumption.

**From high-voltage submarine cables...**
Between 1950 and 2005, the cable industry installed 5,000 km of submarine power cables. For 2007-2010 its order book has reached 3,000 km, and a further 6,000 km is anticipated for the following five years. What is behind the explosion in demand? Primarily, the need to interconnect networks in order to trade electricity and secure a reliable supply. This has led to a large number of high-voltage submarine interconnection projects: Morocco-Spain, Norway-Netherlands, Saudi Arabia-Bahrain, etc.

Many projects involve linking islands to mainland power networks to cover increased needs during the tourist season. Nexans has been entrusted with three major projects of this kind in the Balearic Islands (Spain), Hainan Island in the south of China and Delma Island off the coast of Abu Dhabi.

* Source: International Energy Agency (IEA)

**POINT OF VIEW**

of JEAN-MARIE CHEVALIER*, energy specialist and Director at Nexans

“Higher oil prices are persuading companies to explore and develop ever further and deeper, and this favors the umbilical and submarine solutions offered by Nexans, the world leader in this field. It also leads to the revival of nuclear programs and the development of renewable energies. Wind energy, a sector in which Nexans is very active, could represent 12% of global energy generation by 2020.”

*Jean-Marie Chevalier is Professor of Economics at the University of Paris-Dauphine (France), consultant for the energy department of the World Bank, Senior Associate of Cambridge Energy Research Associates (CERA) and a member of the Board of Directors of Nexans since 2003.
The third factor leading to increased demand is the supply of oil platforms with energy from the mainland, offering a safer, more cost-effective and more ecological solution than the gas turbines generally used. Finally, the offshore windfarms also need to be connected to the power network.

...to underground cables, business is booming
Demand for high- and very high-voltage underground power networks is also healthy. These networks serve high energy-consuming ultramodern towns and infrastructure in the Gulf region, reinforce and secure supplies to large cities in Russia and are combined with overhead power lines on the suburbs of certain large European towns, due to real estate prices and environmental protection policies.

High-tech solutions
With diameters of up to 150 mm for very high-voltage cables (from 220 kV to 550 kV), Nexans offers high-tech solutions designed to carry a reliable electricity supply for many decades. They require sophisticated connectors and accessories, which the Group manufactures and supplies internationally. On these high value-added markets, Nexans is able to offer its unique expertise and complete turnkey solutions such as power network management, including CAT-1 real-time thermal rating systems. The Group is also at the cutting edge of development in the very advanced field of high-voltage superconductor cables, which are smaller in diameter than standard cables but enable the transmission of more current.

Spotlight on added value
Competition is very strong in developing countries where products need to be manufactured locally to be competitive. On these markets Nexans focuses on high value-added market segments to protect its margins. Thus, with overhead power lines spanning hundreds of kilometers (or even thousands in the case of Brazil), the Group sometimes only targets portions of line that require high performance cables, for instance by proposing cables that can withstand temperatures of 150°C (versus 80°C for standard lines) or solutions able to absorb peaks in consumption.

Nexans: energy solutions
- A complete offering of submarine, umbilical, aerial, underground and special high-, medium- and low-voltage cables.
- Unique resources for laying submarine cables (software, Capjet and Spider remotely operated vehicles and the Skagerrak cable-laying vessel, etc).
- High value-added power accessories and systems.
- Network monitoring and management systems, e.g. CAT-1 software and equipment.

Advanced products...
- High-voltage direct current (HVDC) submarine cables with return conductors.
- Electrical direct-heating cables to enable oil to run through pipelines.
- Cable and connection systems to feed electricity generated by onshore and offshore windfarms to the network for distribution.
- Cables for nuclear reactors and power plants.
- High-temperature superconductor cables.
- High-performance Aero-Z overhead conductors.
Against a backdrop of stronger competition and further increases in raw materials and energy prices, Nexans consolidated its global leadership position in the cable industry and boosted its operating and financial performance. The Group reinforced its manufacturing capacities, continued to post very robust growth in the energy infrastructure sector and enhanced its positions in the industry market, in particular in the oil and gas, aerospace and material handling industries. Nexans also successfully integrated Olex, Australia’s leading cable manufacturer, and announced the acquisition in 2008 of the cable activities of Madeco, the leading cable manufacturer in South America. These acquisitions should further strengthen the Group’s positions in high growth regions.

*For comparison purposes, the sales figures given in this section have been calculated at constant metal prices, scope, exchange rates and accounting methods.*
EUROPE*

A VERY GOOD YEAR FOR BOTH SALES AND EARNINGS IN ALL MARKETS

15,184
EMPLOYEES

PLANTS IN
17 COUNTRIES

3,215 M€
SALES (UP 7.2% ON 2006)

265 M€
OPERATING MARGIN

* AUSTRIA, THE BALTIC STATES, BELGIUM, BULGARIA, CROATIA, THE CZECH REPUBLIC, DENMARK, FINLAND, FRANCE, GERMANY,
GREECE, HUNGARY, IRELAND, ITALY, THE NETHERLANDS, NORWAY, POLAND, PORTUGAL, ROMANIA, SERBIA, SLOVAKIA, SLOVENIA,
SPAIN, SWEDEN, SWITZERLAND, THE UNITED KINGDOM.

A favorable environment

Nexans enjoyed generally favorable economic conditions on the domestic and export markets alike.
The Group is benefiting from the development of power networks. Demand for submarine cables and umbilicals was driven up sharply by large interconnection projects and dynamic oil, gas and wind power markets. The order book for high-voltage cables now stands at close to two years of sales. Demand for industrial cables has been particularly strong in many segments.
Low-voltage cables for the building market enjoyed robust demand in several countries (France, Norway, Sweden, Benelux and Switzerland). In the telecom business, 2007 saw a recovery in demand for copper cables, sustained business in the railway market segment (signaling cables) and strong growth in optical fiber cables in Belgium, France, Switzerland and Northern Europe.

LIGHTER AND MORE SECURE CABLES FOR THE AEROSPACE INDUSTRY

High-temperature cables, coaxial cables, bus cables for onboard entertainment systems, fire-resistant wires, etc. For the Airbus A380, Nexans has developed cables with aluminum conductors or optical fibers that reduce the weight of onboard cabling by 10%, eliminate the risk of an electrical arc spreading, and are resistant to higher temperatures.
REDUCING THE DIGITAL DIVIDE AT A LOWER COST

Running optical fiber cables along high-voltage overhead lines and installing them with the help of a robot suspended from the line: this is the innovative solution Nexans proposed to French electricity network operator, RTE. This simple, fast and economical method of delivering broadband access to the most isolated areas has significantly cut investment and avoided having to negotiate rights of way, features that are likely to appeal to all operators.

Further strong improvements in performance

The Europe Area had a very good year in terms of sales and profits. The cable and cabling systems activities reported strong growth across all markets. Sales of electrical wires to external customers dropped by close to 50% in line with the Group’s strategy to refocus on its own requirements.

Nexans reaped the rewards of streamlining and investments carried out in the last two years, which aimed at achieving more productive and efficient manufacturing and logistics operations and to steering commercial initiatives towards the most profitable and value-enhancing market segments.

Ongoing investment

More than 113 million euros have been invested in enhancing the performance of manufacturing plants. In Italy, the two main sites, Latina and Battipaglia, have been specialized. In Belgium, the manufacture of cable harnesses for the aerospace industry has been stopped, and production of harnesses for industrial vehicles has been transferred to Slovakia. Investments are to be made at the Draveil plant in France to enable the manufacturing of high value-added cables for the Airbus A380 and A350.

The Group has increased capacity at its Halden facility in Norway by more than 50% and started up the Tokyo Bay plant in Japan** to cater for the very strong global demand for high-voltage submarine cables.

In high-voltage terrestrial cables, capacity at the Charleroi plant in Belgium is to be expanded.

Record demand for high-voltage cables and umbilicals

Sales of high-voltage cables have risen by 20.5%. This activity has registered record order levels in Europe, the Middle East and Asia. Several new major worldwide technological breakthroughs were made in the field of high-voltage submarine cables in 2007.

** High-voltage activity assigned to the Europe Area
Notable achievements and contracts signed in 2007 include the NorNed project to connect the Norwegian and Dutch power networks, the new high-voltage link between the Balearic Isles and Spain, and the Horns Rev 2 offshore windfarm currently being built in Denmark. In the umbilicals sector, Nexans supplied an innovative direct electrical heating system for the submarine pipelines used at the Tyrihans oil & gas field off the coast of Norway.

**Good performances in medium-voltage and accessories**

Sales of low and medium-voltage cables and connection accessories increased by 7.6%.

Medium-voltage cables for power networks benefited from strong demand in France, Switzerland, Norway, Sweden (where the network is being buried), and the UK, where networks are being upgraded ahead of the 2012 Olympic Games. To meet the demand, the

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**A NEW RECORD IN HIGH-VOLTAGE SUBMARINE**

The Halden factory in Norway is to provide Canadian Renewable Energy Corporation with a record high capacity cable for the Wolfe Island windfarm project near Kingston, Ontario. Measuring 7.8 km, this will be the world’s first three-core XLPE-insulated submarine cable to achieve a voltage rating of 245 kV, beating Nexans’ current world record of 150 kV set by the Horns Rev windfarm in Denmark. The cable is to be laid on the bottom of the Saint Lawrence River in 2008. The junctions with terrestrial cabling networks will be built at the Cossonay plant in Switzerland, and the underground section by a plant in Germany. With a total of 86 2.3 MW turbines, the Wolfe Island windfarm will supply 75,000 homes.
INNOVATION THAT MEETS GERMAN RAILWAY AUTHORITY APPROVAL

With DuoTrack®, Nexans is providing an attractive option for equipping non-electrified regional railway networks. Designed for railway signaling, DuoTrack® combines communication and control functions within a single cable which can be fastened directly to the track using special clamps, avoiding time-consuming and costly civil engineering works. This solution reduces the overall costs of cable installation by half.

NEXANS TO CABLE STOCKHOLM

AB Stokab, the owner of Stockholm’s Citynet broadband infrastructure, selected Nexans for its Fiber-to-the-Home (FTTH) program. AB Stokab has chosen Nexans’ new N3S (3S = Space Saving Solution) high density optical fiber system which allows installation and handling of a large number of optical cross-sections in a very small space, which is necessary if every apartment in a closely packed city environment is to be provided with its own pair of optical fibers.

Group called on its Greek, Italian and Swiss manufacturing plants to support the local units. Power accessories continued to show strong growth, reflecting the reliability, quality and scope of the products that Nexans offers. The Group masters a wide range of technologies including epoxy resins, polyurethanes, silicon, thermo-retractable and cold shrink. In 2007, the Group gained very significant market share in France and Spain, but also in Eastern Europe.

Strong results in industrial cables

Sales of industrial cables increased by 17.2%, with significantly higher volumes in high value-added segments. All sites contributed to these strong performances.

In France, sales of cables for the aerospace, oil & gas, nuclear power, material handling, railway rolling stock and shipbuilding industries jumped 34.8%. In Germany, where business is focused on cables for the robotics, railway, automobile, material handling and shipbuilding industries, sales rose by 13%.

In Sweden, where Nexans supplies in particular industrial vehicle manufacturers, growth exceeded 19.3%. Sales of cable harnesses were up 14.5% thanks mainly to the popularity of upmarket German cars. New production sites have been opened in Slovakia and Ukraine to round out the existing production network in Czech Republic and Romania.

A hike in building sector margins

The building sector also enjoyed strong growth with sales climbing 11.8% and a sharp improvement in operating margin.

Nexans continued to extend its range of fire-resistant products. In the area of fire safety, Nexans is already prepared for the new European Commission Construction Products Directive (CPD), which will set new fire-reaction and fire-resistance standards for all cables. The Group has developed a new range of cables with improved fire reaction properties (ALSECURE®) and a range of fire-resistant cables that ensure the continued operation of safety systems during emergency conditions.
AN ULTRA-FAST LINK ACROSS LAKE CONSTANCE

The German towns of Konstanz and Friedrichshafen are on opposite shores of Lake Constance. Nexans supplied a 26 km-long cable in one single continuous piece for the upgrading of the telecom network between the two towns. Beneath a robust outer sheath, it comprises four conductors, each consisting of 48 monomode optical fibers. Each individual fiber is capable of high-bandwidth transmission of data, digital television signals, and almost unlimited telephone communications.

(ALSECURE® PLUS). These ranges were first launched in France, Benelux, Spain, Denmark and Sweden in 2005, and then in the UK, which has particularly stringent requirements for safety cables, in 2006.

Healthy demand for telecom and data transmission cables

The telecom infrastructure activity has registered 16.5% growth. Demand for copper cables has picked up. Nexans signed three contracts with Telecom Italia, covering the management of supply to the many centers that span the whole of Italy. Sales of optical fiber cables and connectivity accessories were up significantly in Belgium, France, Switzerland and Northern Europe.

In the Local Area Networks activity, Nexans cabling systems registered strong growth at the upper end of the range with a complete offering that includes cables, connectors and “intelligent systems”. This offer has been particularly successful in businesses with strong reliability and safety requirements such as airports, data centers and equity trading rooms.

EUROPE

OUTLOOK

NUMEROUS OPPORTUNITIES

Going forward, Nexans will be able to draw on optimized manufacturing capacity to serve the major European markets, a wide range of products and services and a proactive sales organization that is ready to seize the many opportunities offered by an enlarged Europe and by export markets. Several capacity increases are either underway or planned in Europe to supply the surging demand for high-voltage submarine and terrestrial cables, and industrial cables for the wind power, oil and gas and nuclear power market segments. At the same time the Group is concentrating a lot of effort into optimizing its manufacturing plants. Nexans is looking at ways of optimizing production between the various units that supply the industry market and has already taken steps to develop synergies. Finally the Group has decided to stop supplying wirerod to external customers in Europe in an effort to reduce its working capital requirement.
A mixed environment
2007 was characterized by a mixed environment with a highly volatile copper price and a weak US dollar. In Canada, the energy infrastructure market remained robust, but demand weakened in the building market and record declines in the US dollar led to increased competition.
In the United States, demand for energy infrastructure cables was boosted by networks upgrades and large interconnection projects between the US and Canada. The building market slowed due to a sharp decline in new housing starts, but tertiary and industrial building market segments remained strong.

Dollar depreciation led to very strong growth in industry exports, particularly in the aerospace industry which was very buoyant. The Group enjoyed strong demand in the telecom and LAN activities.

A robust performance
Cable sales grew by 5.4% despite a strike at the plant in Quebec which lasted several months. The decline in total revenues is mainly attributable to deliberate efforts to reduce wirerod sales (—29%). Nexans also fully withdrew from the winding wire business under good conditions, with the sale of the Simcoe manufacturing plant in Ontario to the Essex group. Operating margin improved significantly,

OPTIMIZING THE PERFORMANCE OF OVERHEAD POWER NETWORKS
Through real time monitoring of overhead power line loads, the CAT-1 systems supplied by The Valley Group (TVG), a Nexans subsidiary, improve the reliability and performance of overhead power networks. Improved management of interconnected networks avoids overloads and increases capacities by 15% to 30%. Nexans’ acquisition of The Valley Group, a pioneer in its field, reinforces the Group’s leadership position in high-voltage transmission systems and broadens its product offering through the addition of optimized power transmission solutions.
HIGH-BANDWIDTH CONNECTIONS FOR REMOTE REGIONS

It took Nexans barely three and a half months to deliver 800 km of submarine optical fiber cable to the Canadian operator IT International Telecom. The goal was to provide high-bandwidth Internet and television access to 68 schools and 103 communities in remote rural regions in Eastern Canada. This contract once again illustrates the competitiveness of Nexans’ submarine optical fiber cables, more than 16,000 km of which have already been installed around the world.

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PERFORMANCE

Long-standing customer-supplier partnerships

Nexans extended its supply contract with BC Hydro by five years. Its locally-made products will strengthen British Columbia’s electricity distribution infrastructure with a view to the 2010 Winter Olympics in Vancouver. The Weyburn (Canada) plant also renewed for five years its partnership with SaskPower, Saskatchewan’s main electricity supplier. These long-term contracts guarantee customers an optimally-priced supply source while enabling Nexans to plan its business efficiently.

NORTH AMERICA

Performance

reaching 11.9% versus 7.9% in 2006. Energy infrastructure cable sales fell by 13.4% due to the strike at the Quebec plant. The Valley Group**, subsidiary, acquired in early 2007, has flourished since joining Nexans. Sales have more than doubled and order levels are excellent.

Strong growth in industrial cables

Sales of industrial cables jumped 22.8%. The ramp-up of the new aerospace cable production line in Elm City (North Carolina) has enabled the Group to keep up with vigorous demand in this industry. Profitability has continued to improve in the aerospace and shipbuilding businesses. A concerted effort by the sales force has led to continued strong growth in sales of high-technology cables manufactured at the Group’s European and Asian plants. The oil & gas industry accounted for the bulk of these sales. Nexans has reinforced its teams in Mexico and opened an office in Venezuela to keep up with growth in this market.

High profitability in the building and telecom network activities

Sales of cables for the building market rose by 6.1% and profitability levels were very good. Demand remained strong in the tertiary and industrial market segments, where the Group is strongly positioned. Nexans was only marginally impacted by the slack demand in the residential building since it is not a major player in this segment.

** non-consolidated subsidiary

Opportunity

North America

LONG-STANDING CUSTOMER-SUPPLIER PARTNERSHIPS

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** non-consolidated subsidiary
Following the launch in Chester (United States) of a new range of solutions for commercial buildings, the Group now has a complete product offering for the North American building market. Sales of LAN cables leapt up 15.6% thanks to the success of high value-added offerings combining cables and connectors and a strong start to sales of very high speed DSL copper cables (10GB). This high-end strategy has helped to keep profitability strong.

**SUSTAINED DEMAND IN CABLES**

In 2008 sales are expected to be supported by demand in energy infrastructure, exports in the capital goods and transportation and the development of high speed data transmission products. Nexans intends to further reduce production of electrical wires and reinforce productivity at its Quebec plant, which provides a solid base for the manufacture of medium-voltage cables. The Group is planning to double its production capacity for 10GB LAN cables and strengthen capacity for aerospace cables in 2008. In the building market, it is looking to step up stock and cost control efforts and focus on the tertiary and industrial segments, where it holds solid positions.
OPPORTUNITY

OLEX-NEXANS: SYNERGIES IN WIND POWER

With 45 turbines and a total installed capacity of 94.5 MW, the Hallett windfarm will distribute electricity to 54,000 homes. Nexans’ Australian subsidiary, Olex, is supplying Suzlon Energy Australia, the company running the project, with all low and medium-voltage cables, as well as 135 km of ultra-flexible low-voltage cables for the turbines. These ultra-flexible cables are manufactured by Nexans in France. This partnership should lead to further projects in the fast-growing Australian wind power market. Nexans has a complete range of onshore and offshore power transmission and interconnection cables, as well as special cables to be used within the wind turbines.

ASIA-PACIFIC*

STRONGER POSITIONS, IMPROVED SALES AND PROFITABILITY

2,273 EMPLOYEES
6 PLANTS IN COUNTRIES
571 M€ SALES (+13.6% EXCL. OLEX ACQUISITION AND AT CONSTANT EXCHANGE RATES)
50 M€ OPERATING MARGIN

SOUTH-EAST ASIA, AUSTRALIA, CHINA, KOREA, INDIA, JAPAN, NEW ZEALAND, OCEANIA, VIETNAM

A dynamic environment

The developing Asian economies continued to grow at a healthy pace, leading to strong demand for cables in all markets despite stronger competition.

GDP growth exceeded 5% in Korea. The Vietnamese economy advanced 8% and China broke all previous records, registering growth in excess of 10%.

The recovery in the Japanese economy was confirmed and Australia continued to invest robustly in energy infrastructure, industry and the building market. While the building market remained dull in New Zealand, industrial projects are numerous and demand for overhead power lines remained strong.

Solid manufacturing capacities

Nexans’ plants in China, Korea and Vietnam export to ASEAN countries, as well as to Japan, Australia, Oceania and Eastern Russia. The Group significantly strengthened its manufacturing and sales resources, with the acquisition of Olex, the leading cable manufacturer in Australia and

OLEX-NEXANS: SYNERGIES IN WIND POWER

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AIRPORTS: A SUCCESS STORY 
IN A FAST-GROWING MARKET

There are currently close to 300 airport projects being run around the world. Airfield lighting, data transmission, security, conveying, etc. Nexans is developing an offering that covers all airport cabling needs. A perfect example of this is the extension of the Incheon international airport in Seoul, Korea, on which the Group recently worked. Considered the most modern airport in Asia, Incheon chose Nexans for its advanced LANmark (copper and optical fiber) local network solutions, its intelligent infrastructure management system, LANSense, and its railway signaling cables for the Seoul-Incheon rail connection. With cooperation from Belgium, the United Kingdom and the United States, the Korean subsidiary, Kukdong, was able to deliver complete cabling systems for the project.

Olex: a successful integration

At operating level, the integration of Olex went remarkably well, with both industrial and commercial synergies on target. 2007 sales and earnings exceeded expectations. Olex contributed sales of 284 million euros to the Asia-Pacific Area.

The startup of production of high-voltage submarine cables at the Tokyo Bay** plant has also gone according to plan. A first major contract has been signed in China to provide submarine cables to link up the Hainan Island.

A FIRST IN JAPAN: EXCLUSIVE SUPPLIER TO TWO MAJOR SHIPYARDS

Nexans has signed two framework agreements to supply Mitsubishi Heavy Industries and IHI Marine United with power, control and communication cables that conform to Japanese JIS standards. Manufactured at the Jincheon factory in Korea, Nexans’ cables will exclusively supply 39 ships being built at five plants, which constitutes a first in Japan. For the customers, the aim is to reinforce overall reliability of supply and to improve compatibility between the various onboard cables.

** High-voltage activity assigned to the Europe Area.
**Strong growth and a new plant in China**

Organic growth reached 13.6% in the Area, excluding changes in scope relating to the acquisition of Olex. Operating margin also improved.

In China, Nexans opened a third manufacturing site at Nanning in the Guangxi province. This plant manufactures copper telecom cables and will soon produce signaling cables for the railway market. The two other sites manufacturing LAN cables and cables for shipbuilding and industrial applications have continued to register strong growth. Meanwhile, the Group sold its winding wires business in Tianjin.

In Korea, new capacity has enabled the Group to keep up with strong demand in the shipbuilding and offshore oil & gas industries. In LAN cables, Nexans has focused on large-scale projects, with improving results. As fierce competition weighs on prices, efficiency in the manufacture of automobile cables has greatly improved.

In Vietnam, where Nexans operates three plants, growth was registered in all activities except telecom cables.

**OUTLOOK**

**FOCUS ON HIGH-TECHNOLOGY PRODUCTS**

Nexans’ development in Asia should continue as the Group focuses on high-technology products.

In Australia, the Group is planning substantial investment to meet growing demand for high-voltage and special industrial cables.

In China, Nexans is benefiting from the arrival of its international customers as well as the development of local industry. It will continue to concentrate on high value-added segments where international standards apply, such as nuclear power, aerospace and airports, railway rolling stock, shipbuilding, port installations and telecommunications. Nexans is looking to double manufacturing capacity in Shanghai in 2008.

A rubber mixing plant is to be built in Korea to serve the needs of the Area.

In Vietnam, Nexans will start manufacturing telecom network cables at a site jointly owned by Nexans LIOA in Hanoi.
REST OF THE WORLD*
HIGH POTENTIAL REGIONS, BUOYANT IN 2007

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<td>OPERATING MARGIN</td>
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SOUTH AMERICA, RUSSIA, THE COMMONWEALTH OF INDEPENDENT STATES (CIS), TURKEY, MOROCCO, EGYPT, LEBANON, THE MIDDLE EAST, PAKISTAN, SOUTH AFRICA.

A burgeoning economic climate in most areas
The Rest of the World Area comprises South America, Africa, the Middle East, Russia, and the former Soviet Republics. All these regions and countries enjoyed positive trends in 2007.

The South American cable market is worth around 4 billion dollars, with firm demand underpinned by large electrification and energy transmission programs, as well as significant needs in the oil & gas, mining and transportation industries.

The Middle East and Central Asia are using oil and gas resources to reinforce energy infrastructure, interconnect networks and develop major industrial and tertiary projects. Most African countries are registering solid growth and strong demand for cables. Competition is increasing, notably from Indian, Chinese and Middle Eastern operators.

Healthy growth
The Rest of the World Area registered organic growth of 14.5%. Overhead lines in Brazil, building in Turkey, energy infrastructure and special cables for the oil industry in the Middle East: the Group’s main market segments all enjoyed strong momentum. The most recent activities also followed positive trends.

Already very active in Brazil supplying aluminum cables for overhead lines and cables for telecom infrastructure and LANs, Nexans has now also started manufacturing insulated copper cables for the country’s energy market as well as cables for the building and industrial markets.

Strong performances in Turkey and Lebanon
Sales of low- and medium-voltage cables have benefited from healthy market conditions in Turkey, where Nexans has two manufacturing plants. Exports to CIS countries.

HIGH RESISTANCE CONDUCTORS IN PERU
Nexans is supplying Red de Energia del Perú (REP) with 875 km of AERO-Z® high-voltage (220 kV) bare aluminum overhead conductors. Peru’s power lines are highly challenged by corrosion due to their proximity to the Pacific Ocean. With Nexans’ AERO-Z® cables, REP has chosen the overhead conductors that offer the greatest resistance to Peru’s extreme weather conditions: concentric layers of profiled wires in the form of a “Z”, which make the cable totally air- and water-tight, preventing internal corrosion and making it easier to eliminate dust, thus reducing line losses.
were buoyant in all markets and the Group has consolidated production capacity in instrumentation cables for industry.
In Lebanon, Nexans has also diversified production by manufacturing cables for the oil & gas industry. Half of all cables manufactured in Lebanon are exported to the Middle East, CIS and Russia in relation with Turkey, and towards Sub-Saharan Africa.
In Russia, the new Ouglich plant is expected to start operating in 2008. The unit will mainly produce power cables for the building and energy networks markets.

**New developments in Morocco and Egypt**
In Morocco, Nexans has benefited from major programs to build and renovate social housing and from strong demand for automobile cables. A new aerospace cables activity is to be launched.
In Egypt, The Group has enhanced its production capacities for the oil & gas industry and for medium-voltage cables. Exports mostly target COMESA** countries, where Nexans works in partnership with East African Cables (EAC), which has a commercial network.

**STRATEGIC ALLIANCE BETWEEN THE NO. 1 IN SOUTH AMERICA AND NO. 1 IN THE WORLD**
Leadership positioning – number one in Brazil, Chile and Peru, number three in Colombia and number four in Argentina; strong momentum with annual volume growth exceeding 12% over the last two years; operational excellence with highly efficient manufacturing plants, strong commercial brands and an EBITDA margin of 11%:
Madeco Wires & Cables is an exceptional partner on all levels. It brings top-level presence in the power network and industrial markets in a fast-growing region and will benefit from Nexans’ expertise and technological leadership.
This alliance consolidates Nexans’ global positioning and makes it number one in South America.

**Madeco Wires & Cables**: 8 factories in 5 countries – 1,600 employees – 2006 sales: 490 million euros

**NEXANS: PARTNERING MAJOR ENGINEERING PROJECTS**
Nexans is the sole cable supplier to the LNG (liquefied natural gas) terminal being built in the port of Balhaf in the Gulf of Aden. The project includes two natural gas liquefaction trains each capable of processing 6.7 million tons per year. The contract covers 1,100 km of power transmission, data, telecommunications, control and instrumentation cables. It highlights the close cooperation between Nexans and large engineering companies such as Technip, Japan Gas Corporation and American firm KBR, all partners on this project.

**REST OF THE WORLD**

**Common Market for Eastern and Southern Africa**

**OPPORTUNITY**
**PERFORMANCE**

**NEXANS MEETS TO A TECHNOLOGICAL CHALLENGE FOR PETROBRAS**

The Group is supplying the Mexilhão gas field off the coast of Sao Paulo with umbilicals totaling 59 km in length. These will link the platform to the submarine manifold and the manifold to each wellhead, providing electronic control of the subsea systems and hydraulic and chemical liquid injection. Nexans is the only cable manufacturer in the world to have successfully overcome the enormous challenges posed by this project: pressures of close to 700 bar and temperatures exceeding 130°C at the wellheads.

**OUTLOOK**

The Group has won several large contracts in oil & gas in Nigeria, aerial power transmission infrastructure in Niger and in the mining industry in Congo.

**OUR ACTIVITIES IN 2007**

**CONSIDERABLE GROWTH POTENTIAL**

Nexans has considerable growth potential in these countries, and has focused its operations on the most profitable markets: energy transmission and distribution, oil & gas, automobiles and building. Urban and rural electrification programs offer very good opportunities in Latin America and Russia, as well as in Africa, where major interconnection projects between Angola, Zaire, Mozambique and Kenya are also being considered. Brazil and Morocco have embarked on major social housing programs. Morocco also represents a close and competitive manufacturing base for Europe. The same can be said for Turkey, which is very focused on the Central Asian Republics, where growth is upbeat. The outlook is very favorable in the Middle East: the six countries in the Gulf Cooperation Council are looking to invest 700 billion dollars in their economies between 2006 and 2010.
OUR IMPROVEMENTS IN 2007

A new organizational structure, to better understand and meet our customers’ needs, and new products and solutions to enhance their performance • A “Nexans University”, new training programs, and a new profit-sharing policy • New improvements for industrial efficiency and productivity, logistics and support functions • Innovation in eco-design and recycling • Improved environmental management systems and control • Progress in sustainable development, renewable energy in particular • A major sponsorship project - restoration of the technical and energy networks at the Palace of Versailles.
The goal of the Service+ program is to provide support and tools to Nexans plants where quality of service needs to be improved. Eight issues are explored, including order-taking, delivery, forecast reliability, planning and monitoring of real-time production, and inventory management. Action plans are based on practices already in place at the most efficient plants.

Making customers the focus of our Group naturally means respecting our commitments to them. It also means better understanding and satisfying their requirements, speeding up time-to-market for new products, developing new services, and establishing a close relationship of mutual trust. Our new organizational structure meets all of these objectives.

Getting closer to our customers
Nexans has adapted its sales and operating systems to improve its understanding of market expectations and better serve its customers, locally and worldwide. In addition to country-level organization systems, designed first and foremost to respond to local needs, the Group has developed a specific organization to help its customers in their international development. It has appointed dedicated managers for each of its three principal markets – Industry, Infrastructure and Building – and regional managers are in place for each major geographic area. For the Industry market, each priority market segment has been entrusted to a Global Segment Manager. The new organization relies on the Industrial Management and Technical Departments to supervise and monitor industrial and R&D operations related to this market. Key Account Managers have also been appointed to strengthen relationships with major customers, whose needs are often diverse and span several countries. These managers have access to all of the Group’s resources to bring customers appropriate and comprehensive solutions.

Global Research and Development
Nexans’ Research Center (NRC) is dedicated to upstream research on the basic cable components: sheath and insulation. The NRC teams work alongside universities and well-known research institutions and their work is focused on polymer properties to improve cable reliability in complex or extreme environments, flame-retardant properties for cables, and weight and volume reduction, in particular for the aerospace and automotive industries. The Nexans Metallurgy Center (NMC) in Lens, France, carries out upstream research on conductors. Downstream, applied research is conducted in six Competence Centers in Europe and North America.

Satisfying our customers
Making customers the focus of our Group naturally means respecting our commitments to them. It also means better understanding and satisfying their requirements, speeding up time-to-market for new products, developing new services, and establishing a close relationship of mutual trust. Our new organizational structure meets all of these objectives.
Each of these centers is dedicated to specific products or a key technology. This organizational structure was reinforced in 2007 with the appointment of a Corporate Technical Manager for each market, who ensures coordination between the research, marketing and production teams.

Innovation in step with customer needs
Nexans acts as a technology partner to its customers and relies on an in-depth understanding of their applications to provide solutions that boost performance, lower costs and facilitate equipment installation.

In several major Group plants, Nexans has created application centers that refine and test cables under actual-use conditions. These centers are dedicated to robotics at the Nuremberg plant (Germany), material handling at Lyon (France), and LAN cabling systems at New Holland (United States). They regularly receive customers, and above all enable Nexans to speed up time-to-market, perform comparative trials, and demonstrate how Nexans’ solutions effectively meet customers’ requirements. They provide an important link between the business units and the Group’s Competence Centers.

Nexans has appointed Customer Technical Interfaces (CTI) for customers in certain market segments, in particular automotive. These CTIs facilitate dialogue between Nexans’ engineers and the customers’ technical teams and enable the Group to improve its proposals, adapt its programs to changes in customers’ plans and requirements, and undertake joint development projects with customers.

Technological leadership
Nexans is at the leading edge of many of tomorrow’s technologies. The Group is considered a benchmark...

SHORTENING TIME-TO-MARKET
Optimizing design, enhancing technical performances, cutting costs and reducing time-to-market are permanent goals at Nexans. Digital modeling and simulation help to achieve these objectives.

These softwares programs, which are developed or adapted by Nexans, reduce the number of tests and prototypes needed, facilitate joint development and consequently accelerate product and process innovation.
A CUSTOMER-ORIENTED WEBSITE
The new nexans.com website contains all commercial, professional, institutional and financial information relating to the Group. It showcases the Group’s complete offering by market segment, with more than 300,000 product information sheets, detailed installation guides and precise calculation tools, and provides numerous services to registered customers. Nexans’ global offering is adapted in each country to the local language and to the specific needs of local markets. Simple, yet complete, dynamic and interactive, www.nexans.com meets the requirements of all the Group’s stakeholders worldwide.

SATISFYING OUR CUSTOMERS

Easier, more efficient and more cost effective solutions
In telecoms, Nexans offers cost effective micro-blown optical fiber cable solutions. The NS3 compact closets, launched in 2007, allow 40 times more optical fiber to be interconnected in a limited space (compared to previous systems). In the building market, the Group is developing easy-to-install cables and accessories and a full range of fire-retardant and fire-resistant cables. Nexans also offers a wide range of innovative cables for industrial applications, including DuoTrack for railway signaling, and special cables for cars such as halogen-free cables that are heat resistant up to 125 °C. The Group launched several new products in 2007, such as compact, ultra flexible cables for wind turbines, ultrafine cables for ships and integrated LANmark systems for bringing data, internet and TV onboard, highly available solutions for material handling in ports and freight terminals, etc. These innovations were awarded by an internal Group Prize.

IN PROGRESS

in high-voltage submarine cables, umbilicals for offshore platforms, and cabling systems for wind turbines and windfarms. It develops composite conductors for aerial cables (which can carry more current), as well as advanced solutions to safeguard overhead lines, to avoid any possible domino effect that could lead to a major power outage.
DEVELOPING OUR TEAMS

Developing skills, promoting customer focus, building commitment, sharing knowledge and best practices, and providing the resources necessary for business growth and development: by building up its teams and helping them express their potential, Nexans is preparing for sustained international expansion.

Anticipating human resources needs
Nexans supports its employees by helping them develop their skills in line with the Group’s needs, and by encouraging manager mobility.
The Group Human Resources Department sets common policies and procedures and coordinates essential issues such as manager career development, compensation guidelines, training programs, workplace safety, employee access to IT systems, and performance reviews. Teams were strengthened across the Group in 2007, and shared indicators are now in place on an international scale.
The forward-looking management of skills needs and career paths is becoming more widespread, led, at both Group and country level, by a Career Management Committee. Annual performance reviews are being put in place for all employees and succession plans for managers are reviewed each year.
In 2007, Nexans prepared a skills model for all managers, setting out the skills required for certain functions.

Attracting talent and developing training
The Group also drives growth through recruitment. When hiring engineers and managers, Nexans gives priority to young graduates able to work in an international environment: 54% of employees hired in 2007 were under 30 years old. Internal promotion and mobility are encouraged.
The main management positions available can be viewed on the Group’s intranet site, and a new charter for expatriate employees was drawn up during the year.
Through training, each employee can improve his or her skills and thus better contribute to the Group’s success.
Training allows best practices to be shared and unites employees around common values, goals and methods.
In 2007, over half of the Group’s total workforce received training, and the Nexans University was created with a view to promoting the “Nexans Way” in all the main fields of management and on an international scale, and encouraging the dissemination of best practices.

Developing Knowledge Management
Launched in spring 2007, Nexans University offers training to all operating subsidiaries worldwide. The first training catalogue offered 25 programs and a further 30 will be added in 2008. The programs cover topics such as copper management policy (Nexans is the number one copper purchaser in the world) and the training of new managers.
SPOTLIGHT ON TOP SCHOOLS AND UNIVERSITIES

To ensure the recruitment of future managers, Nexans has stepped up efforts to promote itself at prestigious schools and universities, particularly in Germany, France, Norway, China and the US. In 2007, the Group took part in a number of student forums and created a space on its website dedicated to students of top business and engineering schools. Customer focus, leadership, ability to work as part of team and to take responsibility, and commitment to operational excellence are the key professional skills and values emphasized during the recruitment process.

Workplace health and safety: focus on prevention

Nexans is committed to protecting its employees’ health and safety and to ensuring the safety of installations at all sites. In 2007, the Group carried out frequent information and awareness-raising campaigns on safety in the workplace and at home, and has implemented strict on-site programs. Certain Nexans plants in Switzerland, Norway and Turkey have already obtained OHSAS 18001 certification. During the year an action plan was drawn up to improve electric safety in the employees’ day-to-day work. A thorough analysis was made of the most frequent problems and new procedures were rolled out. Eleven sites were accident free in 2007, compared with six the previous year.

An open labor dialogue

Nexans maintains an open dialogue with unions. In 2007, over 70 collective agreements were signed, and in Europe the terms of office of the members of Newco, the European Works Council representing 13 countries, were renewed. The European Works Council held three plenary meetings in 2007, and two additional meetings were held by council officers. The exchanges mainly concerned information provided during acquisitions, disposals and
inter-European restructuring projects. The terms and conditions regarding the information to be provided are now set out in a formal charter.

When Nexans is required to restructure, it does its utmost to redeploy staff, either within the company or elsewhere. When necessary it offers training and personalized support. On a wider scale, the Group is putting anticipatory measures in place to help employees develop their ability to adapt to new working conditions.

An attractive compensation policy

To build employee commitment, an attractive, coherent compensation policy is needed. Nexans has established such a policy in a spirit of transparency and fairness while taking into account local conditions.

The compensation paid to managers comprises a fixed salary plus a variable bonus tied to goals set at the start of the year, some of which are linked to the financial performance of the Group or the particular entity. The sales teams are also eligible for a profit-sharing scheme and a bonus tied to their entity’s results. Almost all of Nexans’ French subsidiaries have set up employee profit-sharing schemes and many of its international subsidiaries have similar programs depending on the regulations in effect in each country. Nexans has also decided to open its stock option plans to more managers and in 2008 will implement a long-term investment plan. The Group regularly offers global employee share ownership plans.
THE NEXANS GUIDE BOOK ENCOURAGES CONTINUED IMPROVEMENT

A s a partner dedicated to its customer’s performance, Nexans is continually striving to improve the efficiency of its day-to-day operations and to share the benefits of these improvements. The Group is becoming more responsive and more competitive, improving product quality, streamlining logistics, and optimizing purchasing processes and manufacturing capacities.

IMPROVING EFFICIENCY

An ever-more competitive industrial base

The Group is constantly improving its manufacturing operations in an effort to control costs and adjust to structural changes in demand. It has specialized plants in developed countries, and is growing its capacity in Eastern Europe, North Africa, South America and Asia to meet the growing demand in these markets and serve its global customers. In 2007, the Group carried on its manufacturing improvement program in Europe. Its Italian sites were specialized, and LAN cable production was transferred to Turkey. Nexans also dedicated a significant share of its 500 million euro / 3-year investment plan to upgrade operating performance at all of its plants worldwide.

Improving operating performance...

Nexans is managing ongoing improvement programs in all sectors: Program+ for manufacturing and industrial improvements, Service+ for logistics, Sales+ for sales. The main goal of Program+ is to improve operating performance in plants and increase customer satisfaction, which requires strong involvement from all Nexans’ teams. Databases, inter-functions networks, and seminars will contribute to the dissemination of best practices and innovations in key areas. In 2007, plant managers from 28 countries met to discuss the Nexans Guide Book, which describes the ideal plant and can be used as a basis for managers to assess their performance and launch priority action plans.

In the face of higher raw materials and energy prices, a number of programs have been set up with respect to energy efficiency, quality control and scrap reduction, through Program+ in particular.

THE NEXANS GUIDE BOOK ENCOURAGES CONTINUED IMPROVEMENT

Both simple and complete, the Nexans Guide Book is a reference manual that allows each manufacturing plant to assess its performance in relation to the most effective plants and to prioritize action points for progress. All areas that contribute to performance can be assessed: innovation, productivity, quality, safety and human resources, customer service, logistics and environment. The aim: ongoing improvement in all fields through the dissemination of best practices.
...and increasing sales efficiency
All over the world, Nexans is making its processes more reliable, improving its flexibility, and investing in systems that allow for more efficient inventory management, decreased working capital requirements, and better customer service.

The sales teams benefit from methods developed in accordance with best practices within the Group and other companies. Nexans has appointed country-level Sales Developers who help the sales teams seize opportunities in priority markets as soon as they arise. To provide the best service possible, from order processing through to customer delivery, Nexans has also appointed supply chain managers who coordinate production schedules, procurement, inventory management and shipping. Their goal is to help strengthen customer loyalty by ensuring that customers receive exactly what they ordered on the promised delivery date. This is measured through the On Time In Full (OTIF) performance indicator.

ADVANCED RETROLOGISTICS FOR CABLE DRUMS
Cables are usually delivered in large and expensive wooden drums, which customers cannot always return due to the high transport costs incurred from remote locations. In setting up a return scheme between Spain and Italy, Nexans can bring back all of its drums at a limited cost. The drums are dismantled to save space during transport and then rebuilt close to their place of manufacture. The whole process is more cost-effective than purchasing new drums.

QUALITY, STANDARDIZATION AND EXPERTISE
This is the roadmap for Nexans’ High-Voltage Training Center. By recreating actual-use conditions, this training program is designed for fitters, work-site technicians and engineers as well as customers. The goal is to improve the quality and reliability of accessory installations and to standardize fitting methods, tools and procedures throughout the Group in line with best practices.
Optimized purchasing

Purchases represent the equivalent of approximately 80% of Nexans’ sales and therefore present a huge opportunity for savings. In order to realize these savings, Nexans has increased the internal quantitative and qualitative control, by its Purchasing teams, of the supply of all of its products (copper, aluminum, plastics, additives, components, equipment, energy, and packaging) and services (temporary work and advisory services, transport, IT, and maintenance). It has signed long-term contracts with major metal producers worldwide to secure supply. Cost savings have been generated thanks to a systematic comparison of prices between suppliers and countries, and group-wide contracts have been extended to new countries including Australia and New Zealand, resulting in improved synergies. Finally, supply risk management has been bolstered. A systematic approach to services and equipment has been implemented to increase control by the purchasing function while at the same time generating extensive cost savings. These actions are backed by in-depth work on purchasing processes and the enhanced expertise of the function, notably thanks to training.

HAINAN BENEFITS FROM NEXANS’ NEW CAPACITY IN JAPAN

Nexans has been awarded a 140 million euro contract with Chinese companies HEV Power Transmission Company of CSG and Guangdong Nan-Dian Power Equipment Co to manufacture and install a 30 km-long 500 kV submarine power link to connect Hainan Island to Guangdong province on the Chinese mainland.

The cable will be manufactured in Japan by NVC, the subsidiary created with Japanese company Viscas. By increasing high-voltage submarine cable manufacturing capacity by one-third, this alliance means the Group is able to satisfy demand from Chinese customers more quickly.
PROTECTING THE ENVIRONMENT

Nexans has stepped-up its efforts to protect the environment, control its consumption of energy, water and materials, and facilitate product recycling. The Group works alongside its customers to provide solutions that enhance the safety of both people and equipment, respect the landscape and marine life, and encourage the use of clean and renewable energy.

Eco-design and eco-production
Nexans does its utmost to develop products that meet customers’ needs while having minimum impact on the environment over their entire lifecycle. This includes eliminating lead stabilizers in PVC sheaths, halogens, and solvents; selecting non-polluting materials and materials that are easier to recycle; and designing systems so that cable components can be easily dismantled, making it easier to process end-of-life products.

In-depth research is performed to ensure that Nexans’ products are resistant in tough environments, such as deep waters, high pressure, extreme climates, corrosion, and fire, as well as under intense mechanical stress.

To help engineers identify the best production techniques available, Nexans’ product developers use EIME (Environmental Information & Management Explorer) software to compare the environmental features of the various options, involving suppliers in the selection process.

Nexans also takes care to develop manufacturing processes that are cleaner and consume less energy and raw materials.

Cheongwon, Eumseong and Jincheon, Nexans’ three manufacturing plants in Korea received an EHP label in 2007. Korea is the second country after Germany to receive this label for all its plants.
materials. Quality control is being improved in order to reduce short lengths and scrap. Packaging choices are being optimized, as, on a wider scale are logistics options.

Strict environmental management
Nexans’ environmental and safety policy is outlined in a Risk Management Charter, and includes a thorough analysis of the risks connected with the Group’s products and manufacturing processes, a continuous improvement program and employee training programs on good environmental practices.

The environmental policy is steered by the Industrial Management Department, which reports directly to the Strategic Operations Department.

The Environment Committee includes representatives from the Strategic Operations, Industrial Management, Technical, Purchasing, Legal, Risk Management, Human Resources and Communications departments.

A Group Environmental Manual describes all the objectives, procedures and tools available to each site and a dedicated intranet site compiles the available information and enables sites to share best practices, which are organized by subject matter.

Regular audits and EHP label
The Group’s voluntary internal environmental management system has been operational for several years. Under this system, twelve environmental issues – covered by an in-depth survey sent to all Group’s manufacturing plants – are audited. Following the audit, plants can be awarded the Nexans EHP label (Environement Hautement Protégé or Highly Protected Environment).

By the end of 2007, almost all Nexans’ sites had once
A CONTINUOUS SUPPLY OF RECYCLED COPPER

In 2007, Nexans started the continuous transformation of bare copper waste into wirerod at its plant in Lens, France. The Group invested 10 million euros in this exclusive and competitive process that should enable it to recycle 50,000 tons of copper and secure part of its supply. A total of 23,000 tons of wirerod were produced in 2007.

AIR-FILLED CABLES, THE LIGHTWEIGHT SOLUTION

A new process involving the injection of air during the extrusion process can reduce the weight of cables by up to 10% while maintaining performance levels. The weight-saving can be as much as 6 kg for 1 km length of 3G1.5 cable, bringing the total weight down from 107 kg to 101 kg.

AN ENVIRONMENT-FRIENDLY SOLUTION

Hamilton Island, close to the Great Barrier Reef in Australia, receives its power supply via a 22kV XLPE submarine power cable. By avoiding the use of noisy and polluting diesel generators, this solution protects the island’s superb landscape, is more cost-effective than a power plant, and has zero impact on the underwater flora and fauna.

ON THE PROGRAM

In 2007, investments in wastewater management and treatment were made at many sites, including Halden in Norway, Fumay in France, Chester in the United States and Montréal in Canada. Investments to replace heating units or save energy were made at Chauny in France, Mönchengladbach in Germany, and Milton in the United States.

A major player in recycling

The Group is highly committed to recycling its manufacturing waste, and in 2007 recycled a total of 26,930 tons of waste, including 21,993 tons of production waste from most of its European sites, and 4,937 tons of end-of-life cables collected directly from customers. In 2008, Nexans set up a partnering arrangement between its subsidiary RIPS and Suez Environnement subsidiary Sita, with a view to strengthening recycling activities.

Investments of 4.49 million euros

Nexans’ environmental priorities include protecting the soil, managing water and hazardous fluids, eliminating PCB transformers, replacing oil-burning boilers and old heating systems with less polluting gas boilers and systems that consume less energy, and treating air and gaseous effluents. The Group is particularly focused on phasing out single-wall underground storage tanks. Ongoing improvements are also being made in the retention of liquids, fire extinction water and wastewater.

again participated in this ongoing improvement program, and 50 of them had already received the internal EHP label, specially adapted to the risks posed by the Group’s activities. Sixteen sites received this label in 2007, and 37 sites had already obtained the ISO 14001 certification. Nexans also undertook a program for analyzing historic soil studies and defined a method for calculating greenhouse gas emissions, which will be tested at three sites in 2008.

NB: key environmental data is given on page 60.
NEXANS, SPONSOR
OF THE PALACE OF VERSAILLES

Since June 2007, Nexans has been contributing its cabling and building expertise to the renovation of the Palace of Versailles. This is Nexans’ most ambitious sponsorship project since its creation, marking its dedication to safeguarding one of the world’s most emblematic historical monuments.

Donation of cables and skills-partnership
With the backing of the Group’s Executive Committee, on June 19, 2007 Nexans formalized its commitment to the project through a corporate sponsorship agreement with the Public Corporation of the National Museum and Estate of the Palace of Versailles. In concrete terms, Nexans is to provide, exclusively and free of charge, the low- and medium-voltage power cables, telecom cables, and optical fiber data cables for the Trianon, the Grand Lodgings and the Royal Opera house. These cables are manufactured at the Autun, Bourg-en-Bresse, Fumay and Lyon plants.

Stringent safety requirements
Within the scope of this skills partnership, Nexans will contribute to restoring Versailles’ technical networks, both within the Palace itself and in its domain, as part of the “Grand Versailles” project. This project entails bringing the Royal Opera building in line with current safety standards, modernizing the power networks, creating an energy center under the courtyard of the Grand Lodgings, revamping unguided visitors reception hall in the Dufour Pavilion, and refurbishing the Groves of the Ballroom and the Baths of Apollo.

To ensure protection of the site as well as personal and visitors’ safety, Nexans cables will have enhanced fire-reaction properties. In the event of fire, these halogen-free cables from the ALSECURE® range will enable safety devices to keep working, and emit very little smoke and no toxic gases.

A long-term partnership
The first stage in the renovation work got underway in October 2007, in the Trianon domain. At the end of the year the safety standards in the Opera house were brought into line with current requirements.

In Spring 2008, the energy center under the Grand Lodgings will be created, as well as premises to house the Palace’s service facilities. Work will also start in 2008 to modernize the Palace’s energy networks.

Finally, the reception hall for unguided individual visitors in the Dufour Pavilion will be revamped and the refurbishment of the Groves of the Ballroom and of the Baths of Apollo is in the pipeline.

At the end of this first phase of sponsorship, Nexans would like to remain involved, through the renovation of the Petit Parc, which is also part of the Grand Versailles project.

THE GRAND VERSAILLES PROJECT
The Palace of Versailles, a UNESCO world heritage site since 1979, is one of the most visited monuments in the world, receiving seven million visitors each year.
In 2003, the French State and the Palace of Versailles launched the Grand Versailles project, a 17-year restoration program, which will bring the Palace and its domain back to their original beauty and architectural glory. Visitor reception and safety will also be improved.
2007 RESULTS
BY BUSINESS*

ENERGY CABLES
• 78.5% of Group sales
  (up 12.1% from 2006)
• 89.2% of Group operating margin

Positions
As the leading global manufacturer of power cables, Nexans holds solid positions in energy infrastructure markets in Europe, North America and the Asia-Pacific region. Worldwide, it is the leading supplier of cables for shipbuilding, railway rolling stock and petrochemical industries.

2007 results
• Sales from the energy business rose 12.1% to 3.78 billion euros. Organic growth came in at 10.2% in energy infrastructure, 17.5% in industrial cables and 10.4% in low-voltage cables for buildings.
• Operating margin totaled 365 million euros, or 9.7% of sales.

Trends
• The outlook for the energy infrastructure market segment worldwide is excellent, due to the need for network reliability, modernization, development, and interconnection. High-voltage submarine cables will be a major growth driver as large-scale projects get underway. Oil & gas is one of the most dynamic industries in the global economy at the present time. Energy needs and environmental constraints are fuelling demand for renewable energy sources. Across all these fields, Nexans has ensured a technological head start and is already testing out tomorrow’s solutions, such as superconductor cables.
• In the industry market, Nexans provides advanced solutions for automobiles, aerospace, robotics, shipbuilding and material handling. The Group plans to dispose of its cable harnesses business, the profile of which does not overlap with other core activities.
• In the building market, Nexans has anticipated the upcoming changes in EU standards, supplying high-performing fire-resistant and fire-reaction cables.

TELECOM CABLES
• 11% of Group sales
  (up 12% from 2006)
• 12.2% of Group operating margin

Positions
Nexans is extremely well-positioned in the supply of telecom cables in Europe and LAN cables in the United States. The Group is focusing expansion on high-growth Asian markets (China, Korea, and Vietnam). Thanks to its highly effective solutions for high-bandwidth transmission and connectivity, the Group also has strong positions in local loop, ADSL, and xDSL technologies.

2007 results
• Sales of telecom cables rose 12% like-for-like (constant scope and exchange rates) to 529 million euros. Despite slow market growth worldwide, Nexans’ business was fueled by enhanced customer investments in railway infrastructure and high-speed LAN cables. Organic growth reached 9.9% in telecom infrastructure and 13.9% in Local Area Networks through the Group’s offering of high value-added cabling systems.
• Operating margin totaled 49 million euros, or 9.3% of sales.

* The sales figures given in this section have been calculated at constant metal prices, scope and exchange rates. Operating margin has been calculated on the basis of sales at constant non-ferrous metal prices.
Trends

• In the telecom business, Nexans is continuing to implement a selective strategy focused on promoting high-performing solutions.
• The booming market for high-speed internet access has prompted operators to invest in xDSL networks, which allow to meet users’ growing needs for extra bandwidth. Companies’ demand for higher bandwidth shows no signs of abating, and numbers of cable subscribers continue to rise steadily.
• Growth drivers for Nexans going forward include unbundling, Local Area Network expansion, second lines in European households for internet access, and telecom infrastructure deployment in developing countries. The Group is a member of the FTTH Council Europe, which lobbies to speed up the deployment of high-speed optical fiber access across Europe, and has developed a full range of cables, connectors and patchcords complying with future standards. Despite having a leading edge in terms of technology, Nexans lacks the scale to remain competitive in copper telecom infrastructure.

ELECTRICAL WIRES

• 10.4% of Group sales (down 32.8% from 2006)
• Operating margin of 8.5 million euros

Positions

Nexans manufactures wirerods, the cable industry’s base product. A large portion of goods produced are purchased by other business units within the Group as a way of guaranteeing a high-quality supply. Nexans has started refocusing the electrical wires business on its own needs. Winding wires are used as magnetic parts in engines, household appliances, cars, etc., and are sold mainly to parts suppliers in the automobile, railway, and aerospace industries. Nexans completed the disposal of this business during 2007.

2007 results

• Sales from the electrical wires business dropped by 32.8% like-for-like (constant scope and exchange rates) to 502 million euros. In organic terms, sales of wirerods declined by 38.1% after the Group made a deliberate decision to cut volumes sold to outside customers (down 45% on average, in tons). Sales of bare electrical wires fell 13.7% on an organic basis with more marked declines in France and Germany.
• Under the terms of previous agreements, the winding wires businesses in Canada and China were sold to US firm Superior Essex in late April and late July respectively last year. These disposals concerned the Simcoe site in Canada and the 80% holding in Nexans Tianjin Magnet Wires and Cables, in China. Nexans also completed the sale of winding wire activities in Europe in June last year through the sale of its remaining 40% stake in Essex Nexans to Superior Essex.
• Operating margin for electrical wires totaled 8.5 million, or 1.7% of sales.

Trends

Nexans plans to continue refocusing these business activities on its own requirements and will halt deliveries of wirerods to external customers in Europe.
## CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th>in millions of euros</th>
<th>Notes</th>
<th>2007</th>
<th>2006</th>
<th>2005 Restated**</th>
<th>Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal price effect*</td>
<td></td>
<td>(2,591)</td>
<td>(3,046)</td>
<td>(1,186)</td>
<td>(1,186)</td>
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<tr>
<td>Cost of sales</td>
<td></td>
<td>(6,521)</td>
<td>(6,802)</td>
<td>(4,825)</td>
<td>(4,825)</td>
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<tr>
<td>Cost of sales at constant metal prices*</td>
<td></td>
<td>(3,930)</td>
<td>(3,756)</td>
<td>(3,640)</td>
<td>(3,640)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td></td>
<td>892</td>
<td>687</td>
<td>623</td>
<td>623</td>
</tr>
<tr>
<td>Administrative and selling expenses</td>
<td></td>
<td>(423)</td>
<td>(372)</td>
<td>(386)</td>
<td>(386)</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>[1.k]</td>
<td>(60)</td>
<td>(55)</td>
<td>(52)</td>
<td>(52)</td>
</tr>
<tr>
<td>Core exposure effect** **</td>
<td>[1.j]</td>
<td>20</td>
<td>107</td>
<td>93</td>
<td>–</td>
</tr>
<tr>
<td>Changes in fair value of non-ferrous metal derivatives</td>
<td>[1.g]</td>
<td>(36)</td>
<td>(7)</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Net gains on asset disposals</td>
<td>[6]</td>
<td>4</td>
<td>151</td>
<td>34</td>
<td>34</td>
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<tr>
<td>Restructuring costs</td>
<td>(22.b)</td>
<td>(14)</td>
<td>(48)</td>
<td>(24)</td>
<td>(24)</td>
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<tr>
<td><strong>OPERATING INCOME</strong></td>
<td></td>
<td>362</td>
<td>363</td>
<td>290</td>
<td>225</td>
</tr>
<tr>
<td>Cost of debt (gross)</td>
<td></td>
<td>(57)</td>
<td>(45)</td>
<td>(26)</td>
<td>(26)</td>
</tr>
<tr>
<td>Income from cash and cash equivalents</td>
<td></td>
<td>13</td>
<td>12</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>[5]</td>
<td>(37)</td>
<td>(36)</td>
<td>(17)</td>
<td>(17)</td>
</tr>
<tr>
<td>Share in net income of associates</td>
<td></td>
<td>3</td>
<td>(0)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>INCOME BEFORE TAXES</strong></td>
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<td>281</td>
<td>297</td>
<td>254</td>
<td>189</td>
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<tr>
<td>Income taxes</td>
<td>[9]</td>
<td>(84)</td>
<td>(48)</td>
<td>(36)</td>
<td>(26)</td>
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<tr>
<td><strong>NET INCOME FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td>197</td>
<td>249</td>
<td>218</td>
<td>163</td>
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<tr>
<td><strong>NET INCOME</strong></td>
<td></td>
<td>197</td>
<td>244</td>
<td>172</td>
<td>117</td>
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<tr>
<td>Attributable to equity holders of the Company</td>
<td></td>
<td>189</td>
<td>241</td>
<td>163</td>
<td>108</td>
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<tr>
<td>Attributable to minority interests</td>
<td></td>
<td>7</td>
<td>3</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>– basic earnings per share</td>
<td></td>
<td>6.67</td>
<td>9.10</td>
<td>8.52</td>
<td>6.36</td>
</tr>
<tr>
<td>– diluted earnings per share</td>
<td></td>
<td>0.00</td>
<td>(0.19)</td>
<td>(2.18)</td>
<td>(2.18)</td>
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<tr>
<td><strong>NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS PER SHARE (IN EUROS)</strong></td>
<td>[1.dd] &amp; [10]</td>
<td>0.00</td>
<td>(0.17)</td>
<td>(1.89)</td>
<td>(1.89)</td>
</tr>
<tr>
<td>– basic loss per share</td>
<td></td>
<td>0.00</td>
<td>(0.19)</td>
<td>(2.18)</td>
<td>(2.18)</td>
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<tr>
<td>– diluted loss per share</td>
<td></td>
<td>6.67</td>
<td>8.93</td>
<td>6.63</td>
<td>4.46</td>
</tr>
<tr>
<td>– basic earnings per share</td>
<td></td>
<td>6.67</td>
<td>8.93</td>
<td>6.63</td>
<td>4.46</td>
</tr>
</tbody>
</table>

* Performance indicators used to measure the Group’s operational performance.

** Since December 31, 2006, the Group’s financial statements have been prepared taking into account a change relating to the recognition of non-ferrous metal inventories (see Note 1.b. of the consolidated financial statements included in the Registration document). The figures in the “Restated” column for 2005 have been adjusted to reflect the impact of this change.

*** Effect relating to the revaluation of core exposure at weighted average cost.
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Notes</th>
<th>2007</th>
<th>2006**</th>
<th>2005 Restated*</th>
<th>2005 Reported</th>
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</thead>
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<tr>
<td>Goodwill</td>
<td>(11)</td>
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<td>Intangible assets</td>
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<td>110</td>
<td>14</td>
<td>14</td>
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<tr>
<td>Property, plant and equipment</td>
<td>(13)</td>
<td>858</td>
<td>830</td>
<td>778</td>
<td>942</td>
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<tr>
<td>Investments in associates</td>
<td>(14)</td>
<td>1</td>
<td>22</td>
<td>18</td>
<td>18</td>
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<tr>
<td>Other non-current financial assets</td>
<td>(15)</td>
<td>28</td>
<td>50</td>
<td>56</td>
<td>56</td>
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<tr>
<td>Deferred tax assets</td>
<td>(9.d)</td>
<td>48</td>
<td>97</td>
<td>53</td>
<td>76</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
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<td>1,283</td>
<td>1,001</td>
<td>1,194</td>
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<td>Inventories and work in progress</td>
<td>(16)</td>
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<td>1,328</td>
<td>874</td>
<td>563</td>
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<td>Amounts due from customers on construction contracts</td>
<td>—</td>
<td>163</td>
<td>77</td>
<td>47</td>
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<td>Trade receivables</td>
<td>(17)</td>
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<td>1,272</td>
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<td>1,105</td>
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<td>Current income tax receivables</td>
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<td>7</td>
<td>9</td>
<td>9</td>
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<tr>
<td>Other current non-financial assets</td>
<td>—</td>
<td>83</td>
<td>79</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>(18)</td>
<td>125</td>
<td>105</td>
<td>155</td>
<td>155</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(19)</td>
<td>622</td>
<td>287</td>
<td>117</td>
<td>117</td>
</tr>
<tr>
<td>Assets and groups of assets held for sale</td>
<td>(8.a)</td>
<td>150</td>
<td>60</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td>3,403</td>
<td>3,214</td>
<td>2,441</td>
<td>2,130</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>4,630</td>
<td>4,497</td>
<td>3,442</td>
<td>3,324</td>
</tr>
</tbody>
</table>

* Since December 31, 2006, the Group’s financial statements have been prepared taking into account a change relating to the recognition of non-ferrous metal inventories [see Note 1.b. of the consolidated financial statements included in the Registration document]. The figures in the “Restated” column for 2005 have been adjusted to reflect the impact of this change.

** Taking into account the fair value adjustments made following the completion of the initial accounting for the Olex acquisition in relation to the Olex group’s opening balance sheet [see Note 11 of the consolidated financial statements included in the Registration document].
<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES</th>
<th>Notes</th>
<th>2007</th>
<th>2006**</th>
<th>2005 Restated</th>
<th>2005 Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
<td></td>
<td>26</td>
<td>25</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td></td>
<td>1,133</td>
<td>1,127</td>
<td>1,019</td>
<td>1,019</td>
</tr>
<tr>
<td>Treasury stock</td>
<td></td>
<td>–</td>
<td>–</td>
<td>(28)</td>
<td>(28)</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td>374</td>
<td>158</td>
<td>23</td>
<td>(40)</td>
</tr>
<tr>
<td>Net income attributable to equity holders of the Company</td>
<td></td>
<td>189</td>
<td>241</td>
<td>163</td>
<td>108</td>
</tr>
<tr>
<td><strong>EQUITY EXCLUDING MINORITY INTERESTS</strong></td>
<td></td>
<td>1,722</td>
<td>1,551</td>
<td>1,201</td>
<td>1,083</td>
</tr>
<tr>
<td>Minority interests</td>
<td></td>
<td>36</td>
<td>39</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>(20)</td>
<td>1,758</td>
<td>1,589</td>
<td>1,278</td>
</tr>
<tr>
<td>Pension and other retirement benefit obligations</td>
<td>(21)</td>
<td>322</td>
<td>336</td>
<td>353</td>
<td>353</td>
</tr>
<tr>
<td>Other long-term employee benefit obligations</td>
<td></td>
<td>15</td>
<td>17</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Long-term provisions</td>
<td>(22)</td>
<td>25</td>
<td>27</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Convertible bonds</td>
<td>(23)</td>
<td>258</td>
<td>247</td>
<td>117</td>
<td>117</td>
</tr>
<tr>
<td>Other long-term debt</td>
<td>(23)</td>
<td>353</td>
<td>7</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(9.d)</td>
<td>85</td>
<td>94</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Other non-current payables</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td>1,058</td>
<td>728</td>
<td>522</td>
<td>522</td>
</tr>
<tr>
<td>Short-term provisions</td>
<td>(22)</td>
<td>72</td>
<td>89</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>(23)</td>
<td>301</td>
<td>665</td>
<td>369</td>
<td>369</td>
</tr>
<tr>
<td>Customer deposits and advances</td>
<td></td>
<td>59</td>
<td>39</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Amounts due to customers on construction contracts</td>
<td></td>
<td>128</td>
<td>71</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Trade payables</td>
<td></td>
<td>817</td>
<td>917</td>
<td>692</td>
<td>692</td>
</tr>
<tr>
<td>Current income tax payables</td>
<td></td>
<td>32</td>
<td>39</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Other current non-financial liabilities</td>
<td></td>
<td>47</td>
<td>47</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Other current financial liabilities</td>
<td>(24)</td>
<td>313</td>
<td>290</td>
<td>308</td>
<td>308</td>
</tr>
<tr>
<td>Liabilities related to groups of assets held for sale</td>
<td>(8.a)</td>
<td>45</td>
<td>22</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td>1,814</td>
<td>2,180</td>
<td>1,642</td>
<td>1,642</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td></td>
<td>4,630</td>
<td>4,497</td>
<td>3,442</td>
<td>3,324</td>
</tr>
</tbody>
</table>

* Since December 31, 2006, the Group’s financial statements have been prepared taking into account a change relating to the recognition of non-ferrous metal inventories (see Note 1.b. of the consolidated financial statements included in the Registration document). The figures in the “Restated” column for 2005 have been adjusted to reflect the impact of this change.

** Taking into account the fair value adjustments made following the completion of the initial accounting for the Olex acquisition in relation to the Olex group’s opening balance sheet (see Note 11 of the consolidated financial statements included in the Registration document).
## CONSOLIDATED STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>in millions of euros</th>
<th>Notes</th>
<th>2007</th>
<th>2006</th>
<th>2005 Restated**</th>
<th>Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to equity holders of the Company</td>
<td>189</td>
<td>241</td>
<td>163</td>
<td>108</td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>7</td>
<td>3</td>
<td>9</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Depreciation, amortization and impairment of assets</td>
<td>122</td>
<td>178</td>
<td>129</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Cost of debt (gross)</td>
<td>57</td>
<td>45</td>
<td>26</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Core exposure impact*</td>
<td>(20)</td>
<td>(107)</td>
<td>(93)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other restatements***</td>
<td>118</td>
<td>(70)</td>
<td>(11)</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX</strong>**</td>
<td>473</td>
<td>290</td>
<td>223</td>
<td>223</td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in receivables</td>
<td>61</td>
<td>(181)</td>
<td>(404)</td>
<td>(404)</td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>129</td>
<td>(308)</td>
<td>(64)</td>
<td>(64)</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in payables and accrued expenses</td>
<td>(6)</td>
<td>242</td>
<td>310</td>
<td>310</td>
<td></td>
</tr>
<tr>
<td>Other assets and liabilities</td>
<td>–</td>
<td>–</td>
<td>(7)</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(80)</td>
<td>(58)</td>
<td>(46)</td>
<td>(46)</td>
<td></td>
</tr>
<tr>
<td>Impairment of current assets and accrued contract costs</td>
<td>–</td>
<td>12</td>
<td>(14)</td>
<td>(14)</td>
<td></td>
</tr>
<tr>
<td><strong>NET CHANGE IN CURRENT ASSETS AND LIABILITIES</strong></td>
<td>100</td>
<td>(294)</td>
<td>(225)</td>
<td>(225)</td>
<td></td>
</tr>
<tr>
<td><strong>NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES</strong></td>
<td>573</td>
<td>(3)</td>
<td>(2)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from disposals of property, plant and equipment and intangible assets</td>
<td>7</td>
<td>6</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(168)</td>
<td>(171)</td>
<td>(130)</td>
<td>(130)</td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in loans granted</td>
<td>2</td>
<td>2</td>
<td>(10)</td>
<td>(10)</td>
<td></td>
</tr>
<tr>
<td>Purchase of shares in consolidated companies, net of cash acquired</td>
<td>(2)</td>
<td>(36)</td>
<td>(28)</td>
<td>(28)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of shares in consolidated companies, net of cash transferred</td>
<td>48</td>
<td>201</td>
<td>116</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td><strong>NET CASH USED IN INVESTING ACTIVITIES</strong></td>
<td>(147)</td>
<td>(327)</td>
<td>(42)</td>
<td>(42)</td>
<td></td>
</tr>
<tr>
<td><strong>NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES</strong></td>
<td>427</td>
<td>(330)</td>
<td>(44)</td>
<td>(44)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from (repayment of) long-term borrowings</td>
<td>(23)</td>
<td>344</td>
<td>276</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Proceeds from (repayment of) short-term borrowings</td>
<td>(23)</td>
<td>(409)</td>
<td>282</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>Proceeds from issuance of shares paid up in cash</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td>(36)</td>
<td>(45)</td>
<td>(23)</td>
<td>(23)</td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(32)</td>
<td>(23)</td>
<td>(12)</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td><strong>NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES</strong></td>
<td>(125)</td>
<td>497</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Net effect of currency translation differences</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Impact of changes in scope of consolidation - discontinued operations</td>
<td>–</td>
<td>1</td>
<td>(3)</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td><strong>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</strong></td>
<td>306</td>
<td>170</td>
<td>(4)</td>
<td>(4)</td>
<td></td>
</tr>
</tbody>
</table>

### Footnotes:

* Impact relating to the revaluation of core exposure at weighted average cost - no cash impact (see Note 1.p of the consolidated financial statements included in the Registration document).

** Since December 31, 2006, the Group’s financial statements have been prepared taking into account a change relating to the recognition of non-ferrous metal inventories (see Note 1.b. of the consolidated financial statements included in the Registration document). The figures in the “Restated” column for 2005 have been adjusted to reflect the impact of this change.

*** Other restatements for the year ended December 31, 2007 primarily concerned (i) offsetting the Group’s income tax charge (84 million euros), and (ii) the cancellation of the expense recorded in the income statement for changes in fair value of metal and foreign exchange derivatives (54 million euros).

**** In 2006, this item primarily related to: capital gains on the disposal of ElectrMateriel (150 million euros), offsetting the income tax charge (48 million euros), the non-cash impact of changes in fair value of derivatives (16 million euros), goodwill impairment and negative goodwill (17 million euros), and stock option expense (3.4 million euros).

***** The Group also uses the “operating cash flow” concept which is calculated after adding back restructuring costs (22 million euros and 40 million euros in 2007 and 2006 respectively), and deducting gross cost of debt and current income tax charge.
SOCIAL INFORMATION AND DATA ON NEXANS’ R&D

INFORMATION ON NEXANS’ R&D

KEY FIGURES
• Nine research centers
• Almost 600 researchers, engineers and technicians
• 63 patents filed in 2007
• 1.25% of sales invested in R&D projects.

INDICATORS

<table>
<thead>
<tr>
<th>R&amp;D spending (in millions of euros)</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.2</td>
<td>54.6</td>
<td>53.6</td>
<td></td>
</tr>
</tbody>
</table>

Number of patents filed

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>63</td>
<td>59</td>
<td>57</td>
</tr>
</tbody>
</table>

SOCIAL INFORMATION

INDICATORS

Total employees

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>21,898</td>
<td>21,150</td>
<td>19,584</td>
</tr>
</tbody>
</table>

Number of new hires
(including automotive cable harnesses)

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,248*</td>
<td>3,086</td>
<td>2,300</td>
</tr>
</tbody>
</table>

* 2,151 excluding automotive cable harnesses.

Workforce composition in 2007

Men: 73.2%
Women: 26.8%

Employee age pyramid

Training in 2007 averaged 18.2 hours per person across the workforce as a whole.
The average absenteeism rate was 4.07% (excluding automotive cable harnesses).
## Environmental Information

### Indicators

#### Consumption

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006(1)</th>
<th>2005(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption</td>
<td>1,715,000 MWh</td>
<td>1,615,000 MWh</td>
<td>1,480,800 MWh</td>
</tr>
<tr>
<td>of which electricity</td>
<td>913,000 MWh</td>
<td>893,200 MWh</td>
<td>838,100 MWh</td>
</tr>
<tr>
<td>Waste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which special waste (in tons)</td>
<td>93,500 t</td>
<td>97,500 t</td>
<td>91,300 t</td>
</tr>
<tr>
<td></td>
<td>6,200 t</td>
<td>4,800 t</td>
<td>7,400 t</td>
</tr>
<tr>
<td>Number of sites monitored</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>98*</td>
<td>91</td>
<td>79</td>
</tr>
<tr>
<td>Water consumption</td>
<td>4,743,000 m³</td>
<td>4,452,000 m³</td>
<td>4,430,000 m³</td>
</tr>
<tr>
<td>Solvent consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>740 t (2)</td>
<td>1,500 t (2)</td>
<td>1,500 t (2)</td>
</tr>
<tr>
<td>Copper consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>718,000 t</td>
<td>841,000 t</td>
<td>809,000 t</td>
</tr>
<tr>
<td>Aluminum consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>154,000 t</td>
<td>140,000 t</td>
<td>133,000 t</td>
</tr>
</tbody>
</table>

(1) OLEX is included in the 2007 indicators.

(2) Based on previous scope of consolidation.

(3) The Simcoe plant has left the consolidated group. Only solvents are taken into account for environmental impact considerations.

(4) Including acids and bases (300 t) in addition to solvents.
SHAREHOLDER’S CONTACT
Requests for information or documents may be addressed to:
Investor Relations Department
16, rue de Monceau - 75008 Paris
Tel.: + 33 (0)1 56 69 84 56
Fax: + 33 (0)1 56 69 86 40
E-mail : investor.relation@nexans.com
Our financial information is also available on the Group’s website: www.nexans.com

FOR FURTHER INFORMATION...
If you wish to receive the 2007 Annual Report-Registration document, you should contact:
Communications Department
16, rue de Monceau, 75008 Paris
Tel.: + 33 (0)1 56 69 84 01
Fax: + 33 (0)1 56 69 86 38
…or directly download it on Nexans website:
www.nexans.com
Press contact:
Tel.: + 33 (0)1 56 69 84 12

FINANCIAL CALENDAR
Annual Shareholder’s Meeting April 22, 2008
Publication of 2008 first quarter sales April 22, 2008
Payment of the dividend April 29, 2008

Individual shareholders’ information meetings*
April 3, 2008 Saint-Étienne
June 5, 2008 Lille
September 30, 2008 Nice
November 24, 2008 Reims

* These dates are subject to change