



2008 Half-Year Results



July 24, 2008

Safe Harbor

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

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

These forward looking statements depend, amongst other things, on the following assumptions and risks : (1) the rates of economic growth in the areas where Nexans operates remaining at current levels until 2009; (2) the continued strong demand of the energy infrastructure market, in particular in developing countries, and in the Oil & Gas sector; (3) the possibility to pass on to final customers increases in the costs of raw materials, energy and transport; (4) the management of risks associated with sales in turnkey projects; (5) the effect of currency fluctuations being neutral; (6) the Company being able to modify customer and supplier payment terms relating to metals; (7) the Company being able to reduce its cost base through realization of restructuring actions in the anticipated time frame; (8) the Company being able to achieve productivity improvements; (9) retention of key customers, (10) the absence of substantial capacity increases by competitors in Nexans' key markets, (11) the Company successfully integrating acquisitions ; and (12) the Company being able to adapt its organization.

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Strength of the business
model confirmed

Gérard Hauser
Chairman and CEO



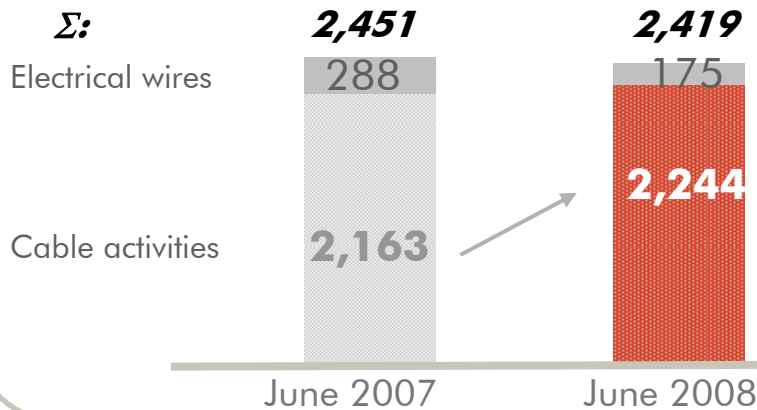
Key figures (1/2)

Performance in line with our objectives

in M€

Sales

(at constant metal prices)

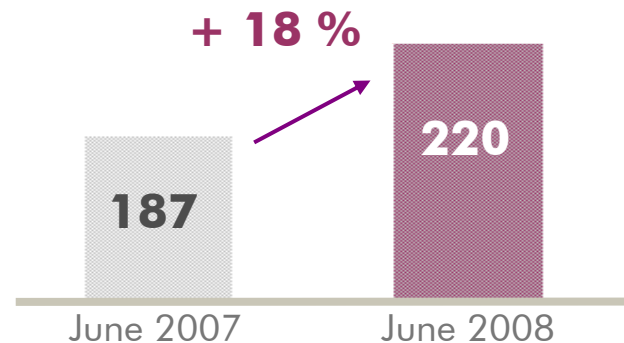


+ 7.2 %
Organic growth
of
cable activities

Objectives April 2008

**above
+ 6 %**

Operating margin



9.1 % (*)
Operating
margin rate

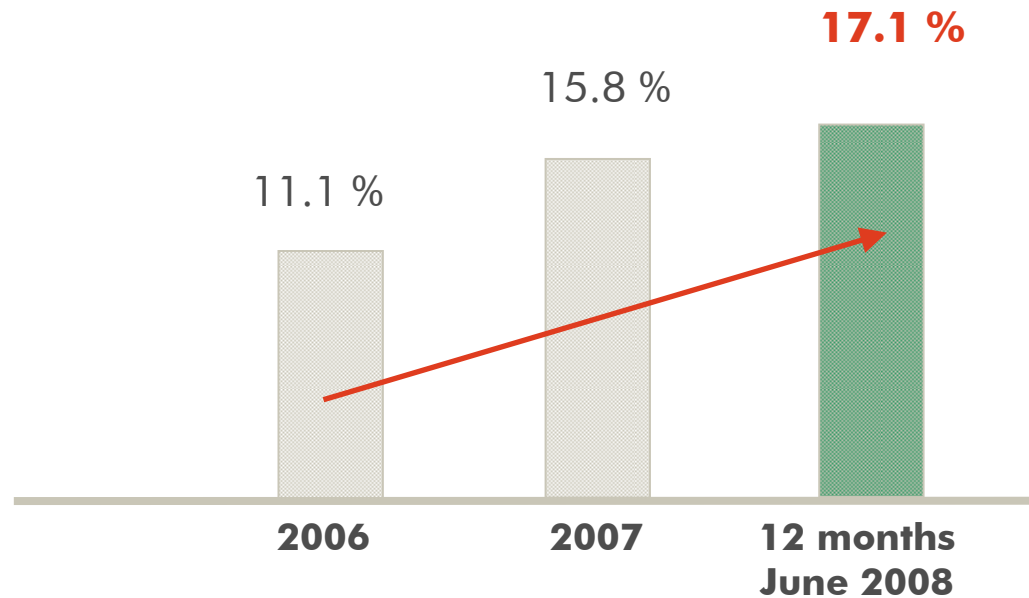
**8.5 %
to
9 % (*)**



Key figures (2/2) a value creating growth

▶ Value creation

ROCE before tax (*)



(*) Operating margin on average capital employed over the last four quarters

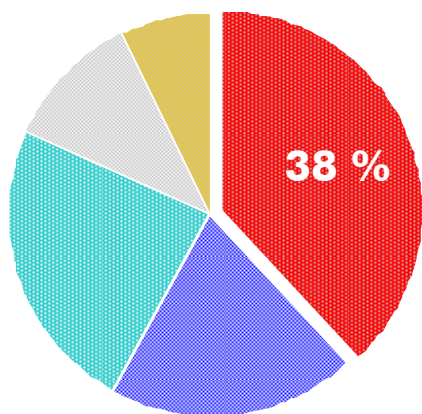


Focus on highly predictable activities

Growing exposure to Energy infrastructure

Resistance of business model

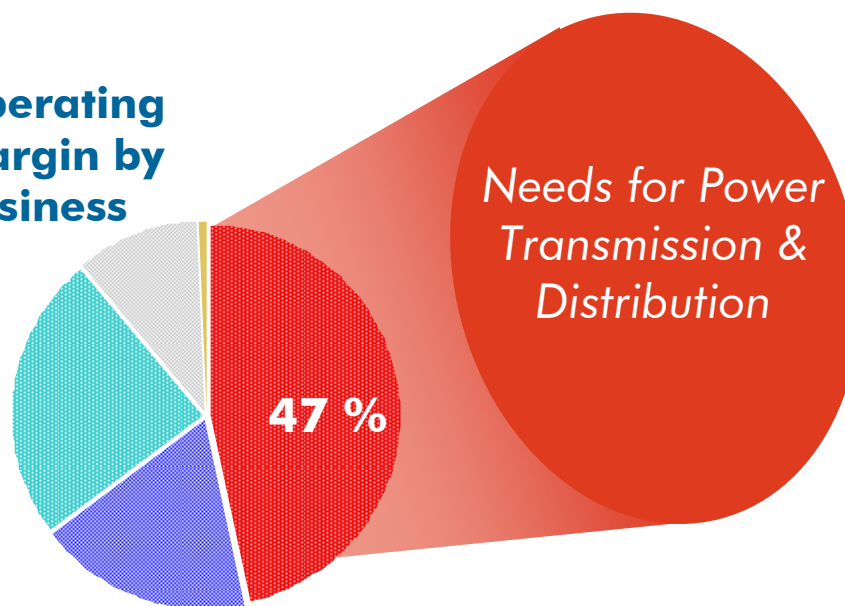
Sales by business (*)



▶ Energy infrastructure at the core of our business

- Energy Infrastructure
- Industry
- Building
- Telecom
- Electrical Wires

Operating margin by business



(*) Sales at constant metal prices



... and on the most profitable activities

Growing exposure to Energy infrastructure

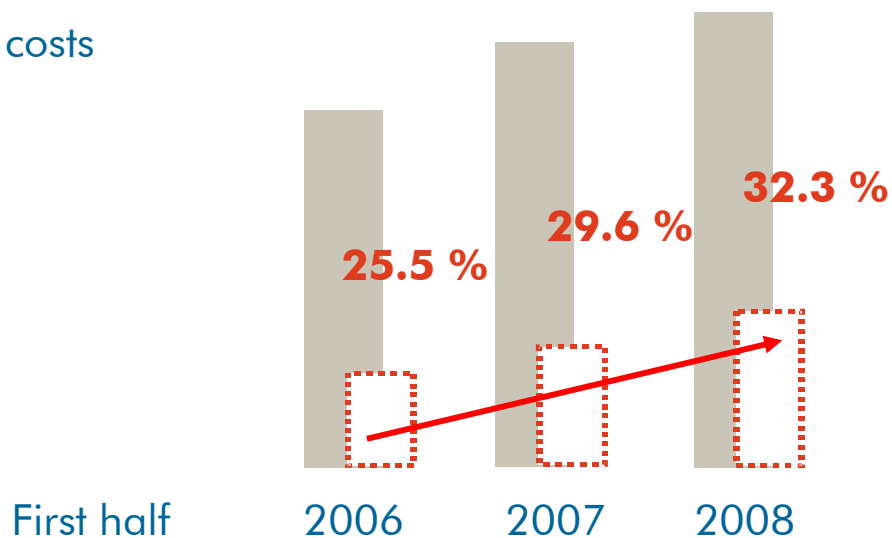
Lower break-even point

Resistance of business model

Product mix improvement

▤ Margin on variable costs

■ Sales



(*) Sales at constant metal prices



Solid financial structure

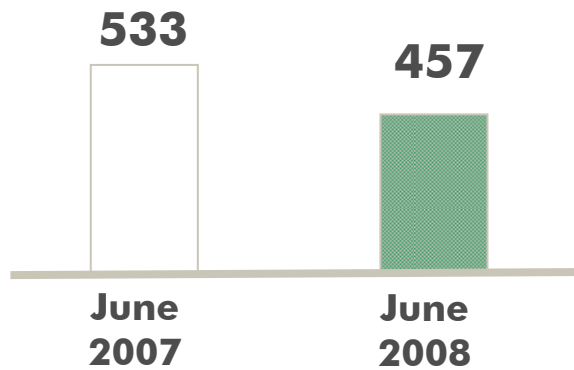
Growing exposure to Energy infrastructure

Lower break-even point

Financial structure maintained

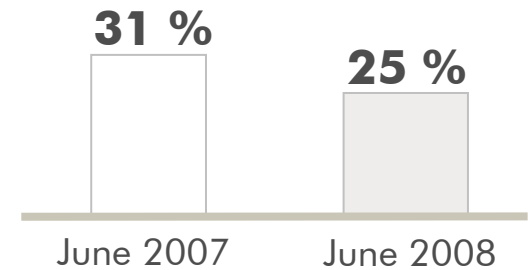
Resistance of business model

▶ Net debt

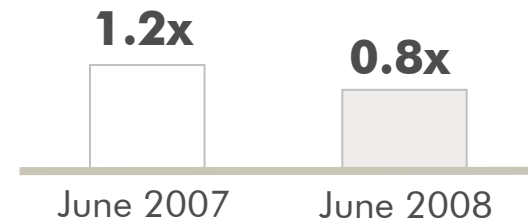


▶ Solid financial ratios

Gearing



Net debt / 12m EBITDA





Update on acquisitions and divestitures

► Acquisitions

Intercond

Sales* 50 M€
EBITDA > 25 % of sales

Goal : Strengthen
the "automation"
high value activity

Status : closing planned
for August '08

Madeco W&C

CA* 370 M€
EBITDA > 15 % of sales

Goal : Geographical
expansion, n°1 in South
America

Status : closing planned
end September '08

► Divestitures

Copper Telecom Santander

Sales* 55 M€
Exit this business in Spain

Harnesses

Not sufficiently valued
by the market



Divestiture cancelled

* Estimated 2008 annual sales at constant metal prices



In line with mid term objectives

**2008-2009
Objectives**

**Achievements
at June 30, 2008**

Organic growth
(Cable activities)

+ 6 %

+ 7.2 %



**Operating
margin**

7 to 10 %

+ 9.1 %



Free Cash Flow

Positive

**Positive over
the last 12 months**





Financial Results

Frédéric Michelland
Chief Financial Officer



Key figures

(in Million €)	June 2007	June 2008	08/07 ▲
Sales at current metal prices	3,792	3,554	
Sales at constant metal prices and exchange rates	2,397	2,419	+ 7.2 % cable activities
Operating margin	187	220	+ 18 %
<i>Operating margin rate at constant metal prices</i>	7.6 %	9.1 %	
<i>Operating margin rate at current metal prices</i>	4.9 %	6.2 %	
Net income (group share)	119	119	
Operating Cash Flow	178	194	+ 9 %
Net debt	533	457	↘



Income Statement

(in Million €)

June 07

June 08

Sales at constant metal prices	2,451		2,419	
Margin on variable costs	725	29.6 %	781	32.3 %
Indirect costs	(484)		(508)	
EBITDA (operating margin before depreciation)	241	9.8 %	273	11.3 %
Depreciation	(54)		(53)	
Operating margin	187	7.6 %	220	9.1 %
Core exposure impact	48		18	
Impairment	(11)		(10)	
Change in fair value of metal derivatives and other	(5)		10	Metal effect
Financial charge	(38)		(45)	
Restructuring	(12)		(17)	
Other revenue	4		(2)	
Income before tax	173		174	
Income tax	(49)		(56)	Effective rate 32 %
Net income from operations	124		118	
Minority interests	(5)		1	
Net income (group share)	119		119	



Highly reactive to cost hikes



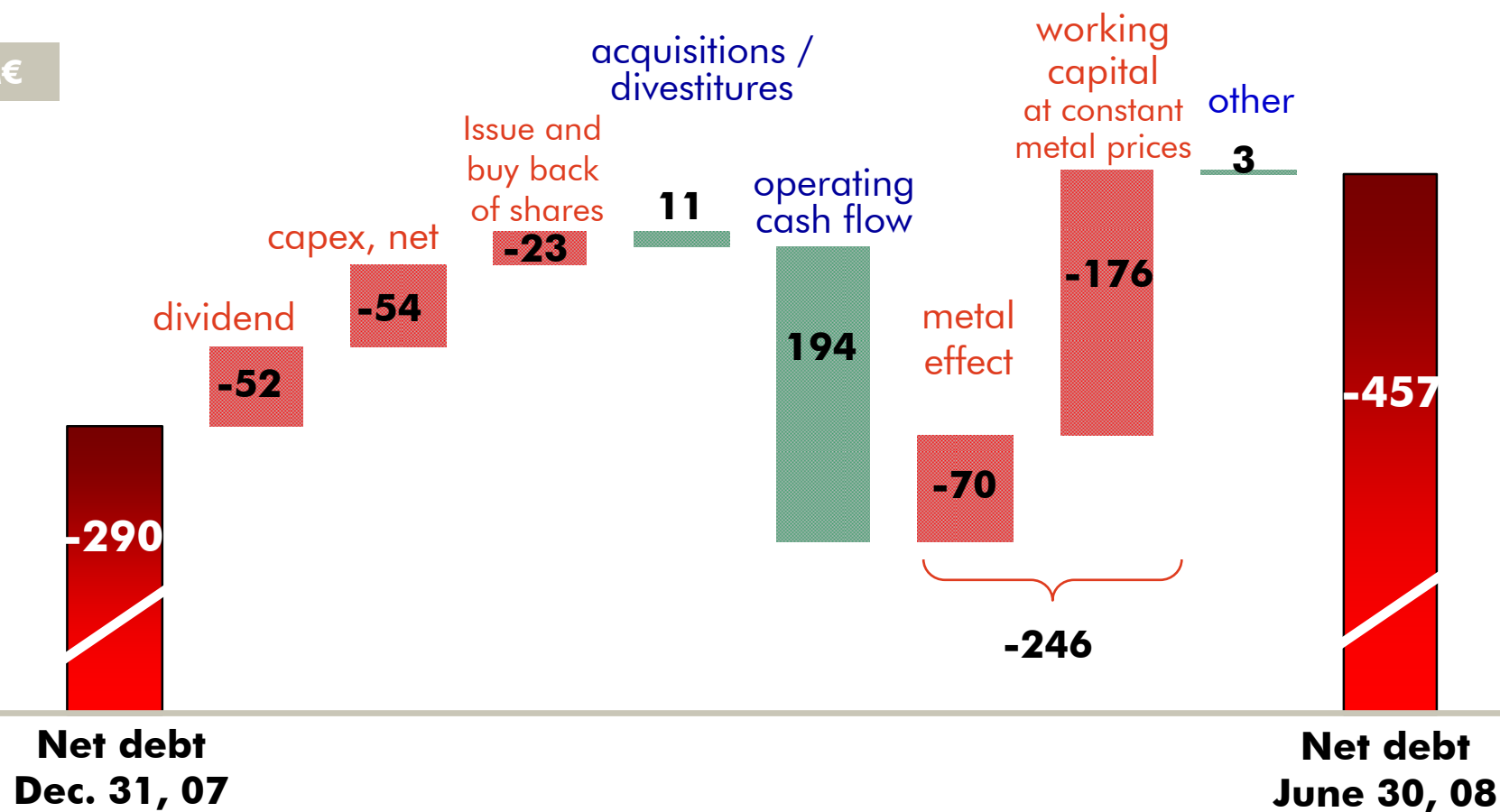
Operating costs		Impact HY 2008 (*)	Actions	Δ margin on variable costs HY '08/'07
Other fixed costs	8%			
Payroll	13%	~ 20 M€	Productivity	
Energy, transportation	4%		Partial pass through	
Plastics and components	15%	~ 40 M€	Full pass through	
Copper and Aluminum	60%			
HY '08: 3.3 Bn€	100 %			

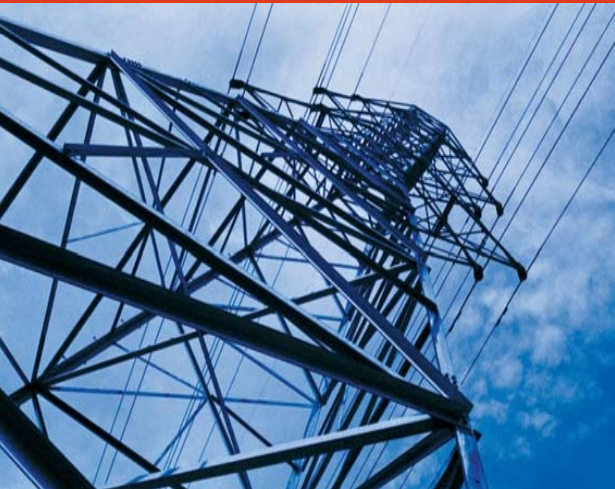
(*) Impact of rising costs at HY 2008 vs 2007 average



Net debt evolution

In M€





Business review & outlook: Energy is core

Frédéric Vincent
Chief Operating Officer



Opportunities remain the same

Growth potential

- Electrification needs worldwide
- Oil & gas infrastructure
- Transport needs
- Datacom private networks

Business model

- Global leader
- Geography and product redeployment
- A consolidation player in the industry

Profitability

- Constantly improving profitability
- Resilience across the cycles
- Value creation

Financial structure

- Solid and stable Cash flow
- Dividend constantly increasing
- Financial flexibility

+ 9.3 %

Average organic growth 2003-2007 (*)

(*) cable activity

33 %

Contribution from high growth areas (**)

(**) pro-forma with Madeco

+ 45 %

per year on average 2003-2007

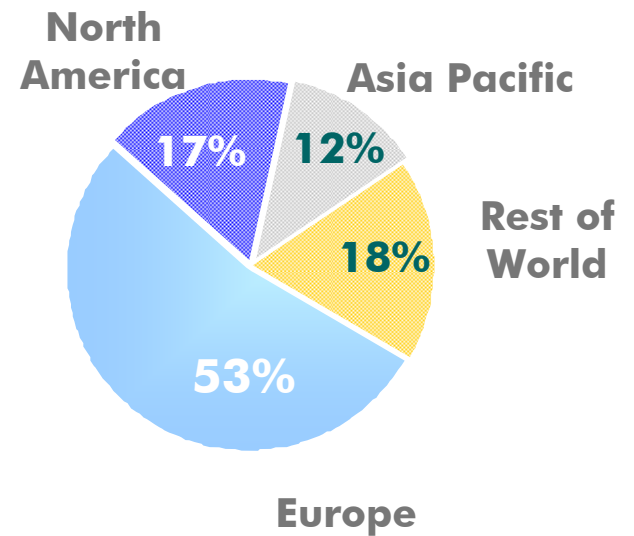
- Dividend: **x 2**
in two years
- Gearing: **25 %**
at end of June '08



Sustained growth in cable activities

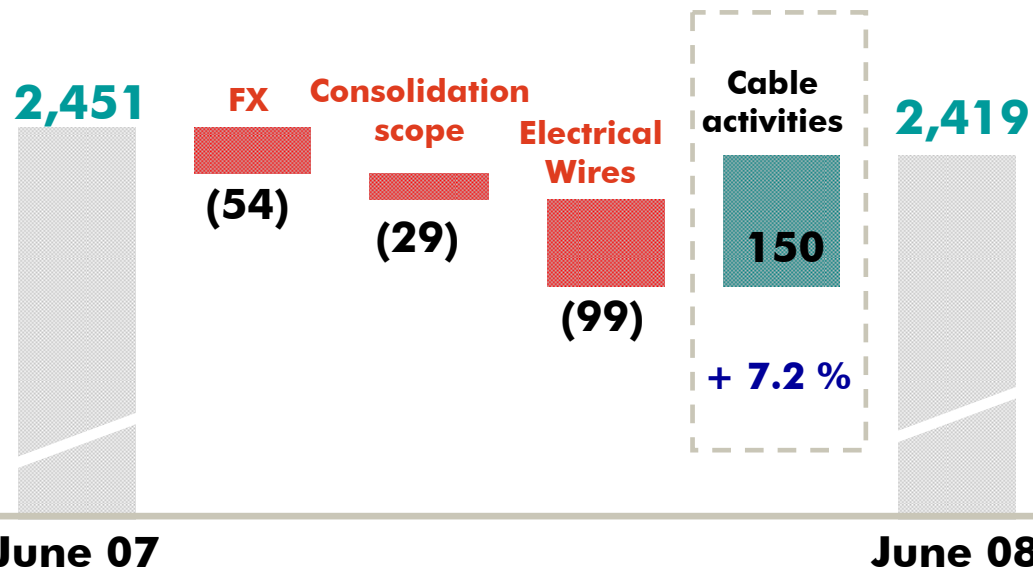
- ▶ **7.2 %** organic growth of **cable activities** (*)
- ▶ Electrical Wires down-sizing

Sales (**) by destination



In M€

Sales at constant metal prices



(*) Excluding Electrical Wires

(**) at current metal prices



Very high growth in Energy networks

Organic growth of Cable activities	2007	Q1	Q2	HY '08
Energy infrastructure	10.2%	16.4 %	22.6 %	19.7 %
Industry	17.5 %	3.8 %	6.1 %	4.8 %
Building	10.4 %	-0.7 %	-7.7 %	-4.2 %
Private networks (LAN)	13.9 %	2,5 %	3.4 %	3.2 %
Telecom infrastructure	9.9 %	-8.5 %	3.5 %	-2.2 %
Total Cable	12.1 %	6.4 %	7.8 %	7.2 %
Electrical Wires	- 32.8 %			- 36.1 %

Sustained Energy infrastructure activity

Growth in priority industry segments

Slow down in Building increased by base effect



Higher profitability in two of our main core businesses

Operating margin rate	HY '07	HY '08
Energy Infrastructure	7.2 %	11.4 %
Industry	7.7 %	8.6 %
Building	10.9 %	9.7 %
Private networks (LAN)	12.3 %	10.4 %
Telecom infrastructure	7.1 %	6.8 %
Total Cable	8.4 %	9.7 %
Electrical Wires	1.4 %	1.1 %
Total Group	7.6 %	9.1 %

**Energy
infrastructure
accelerating**

**Consolidation
of industry
margins**

**Building
margins
holding up**



Energy Infrastructure : years of opportunities ahead

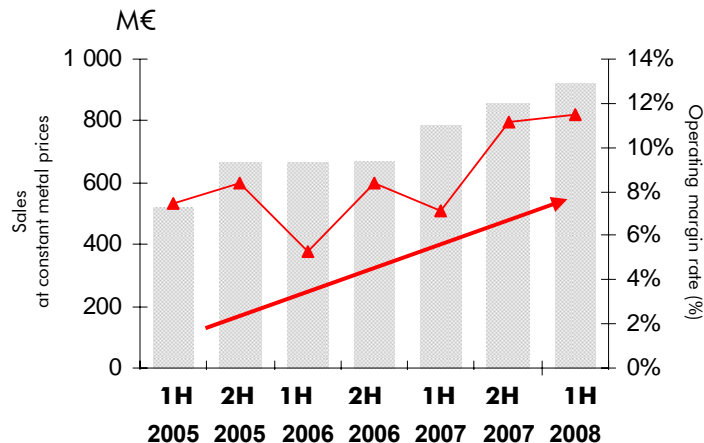
► Fundamentals unchanged

- Needs for **interconnection** and **renovation** of networks in Europe and North America
- Building new infrastructure in **Asia and Middle East**
- Powerful growth in offshore **oil & gas** and **wind power**

► Appropriate positioning

- A **global** leader, with a presence in both emerging and developed countries
- A **complete range** of products and services
- Unrivaled **technologies**, especially in High Voltage

► Uninterrupted growth in sales & margins



► Making intensive use of resources

- Impact of capacity increase in **submarine HV** (2006-2007) and **underground** (2008)

In 2008 :

- Sustained growth
- Increasing contribution to Group profits

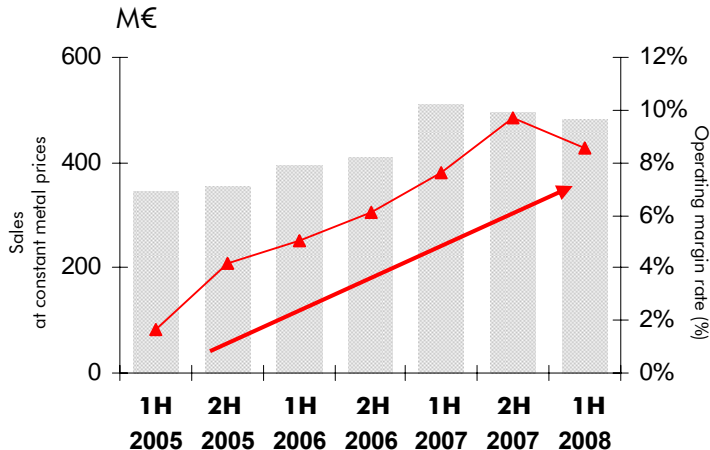


Industry : High potential for growth and profitability

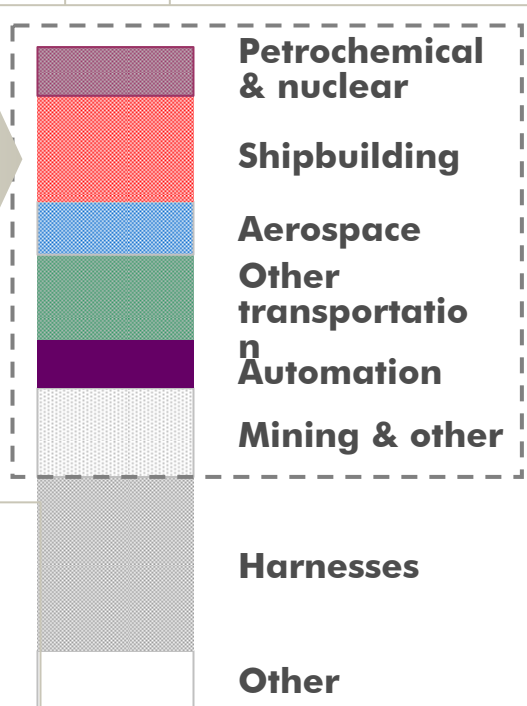
► Priority for high value-added segments

- Focus on « **priority** » segments
- « Automation » business **X2** : Nexans becomes European leader

► Rise in margins



► Building on growth segments



- **Oil & Gas:**
Take-off in this industry
- **Transportation:**
Order backlog in aerospace, rail, shipbuilding
- **Renewable energies:**
Wind, photovoltaic

In 2008 :

- Continued growth
- Potential for higher margins

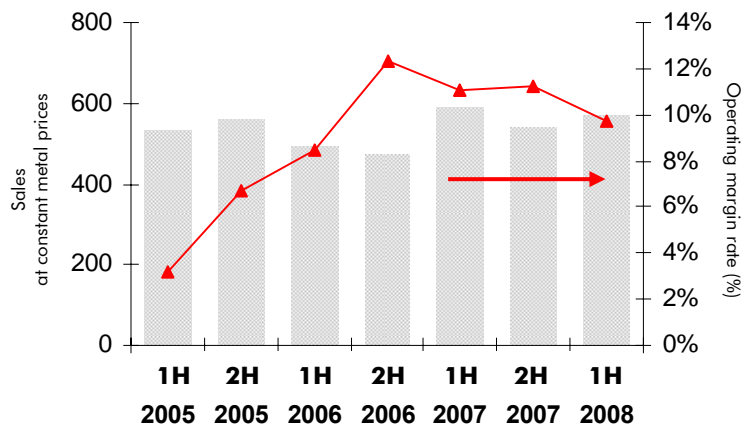


Building : solid business model

▶ Strategy oriented on both costs and product mix

- Customer selection and enhancement of product portfolio
- Restructuring efforts in Ireland and Germany
- Control over fixed costs : 19 % of sales

▶ Level of activity and margin remaining high



▶ A balanced geographical mix

In % of sales (*)	HY 2008/ 2007	
	Volume	Price
France - Benelux	36 %	- =/+
Scandinavia	10 %	= =
Other Europe	20 %	- =
North America	14 %	+ - -
Asia-Pacific	11 %	= +
Rest of World	9 %	+ +

(*) June 2008, at constant metal prices

In 2008 :

– Business model is holding up



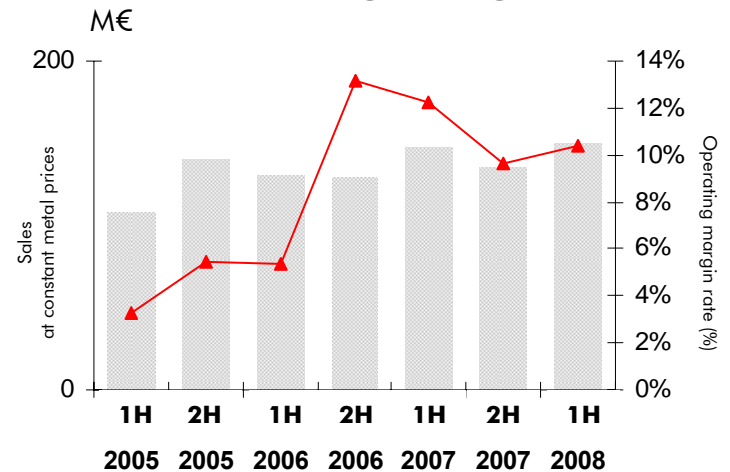
LAN & Telecom infrastructure

▶ LAN

▶ Continued enhancement of product mix

- ▶ Demand for broader bandwidth, driven by data centers
- ▶ Success of 10 Gigabit in the U.S.
- ▶ Opportunities in the Middle East
- ▶ Technology breakthrough in 40 Gigabit

▶ Consolidating margins



▶ Telecom Infrastructure

▶ Copper Telecom

- Exit in Spain

Selective approach in Asia and Rest of world

▶ Optical Fiber

- FTTH Programs in Europe

Powerful growth drivers



Assuming continuation of first-half 2008 economic trends

- ▶ Above 6 % organic growth in cable activities for the year
- ▶ Increase of operating margin compared to 2007
- ▶ Net debt between 500 M€ and 600 M€ after acquisitions financing (Intercond et Madeco) and including the cancellation of the harnesses divestiture



Appendices



Foreign exchange & consolidation scope impacts on sales

In M€

	June 2007	Foreign exchange	Consolidation scope	Organic growth	June 2008
Sales at constant metal prices					
Energy Infrastructures	784	(7)	(9)	151	919
Industry	510	(14)	(36)	22	482
Building	589	(13)	19	(24)	571
Private networks (LAN)	147	(12)	10	4	149
Telecom Infrastructure	129	(3)	(5)	(3)	118
Other	4	-	-	-	5
Electrical Wires	287	(5)	(8)	(99)	175
Total Group	2,451	(54)	(29)	51	2,419



Sales & Operating margin by business

In M€

	HY 2007			HY 2008		
	Sales*	OM	%	Sales*	OM	%
Energy infrastructure	784	56	7.2 %	919	106	11.4 %
Industry	510	39	7.7 %	482	41	8.6 %
Building	589	65	10.9 %	571	55	9.7 %
Private network (LAN)	147	18	12.3 %	149	15	10.4 %
Telecom Infrastructure	129	9	7.1 %	118	8	6.8 %
Other	5	(4)	-	5	(7)	-
Total Cable	2,164	183	8.4 %	2,244	218	9.7 %
Electrical Wires	287	4	1.4 %	175	2	1.1 %
Total Group	2,451	187	7.6 %	2,419	220	9.1 %

* Sales at constant metal prices

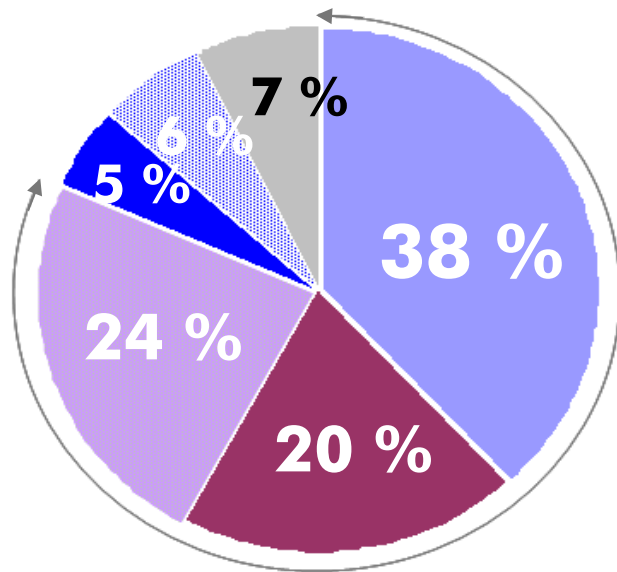


Break-down by business segments

Sales

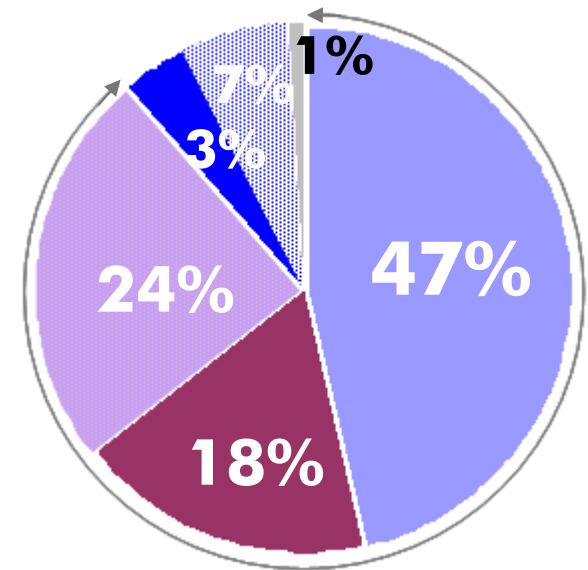
by business segments

at constant metal and exchange rates



- Energy infrastructure
- Industry
- Building
- Private networks (LAN)
- Telecom infrastructure
- Electrical wires

Operating margin by business segments

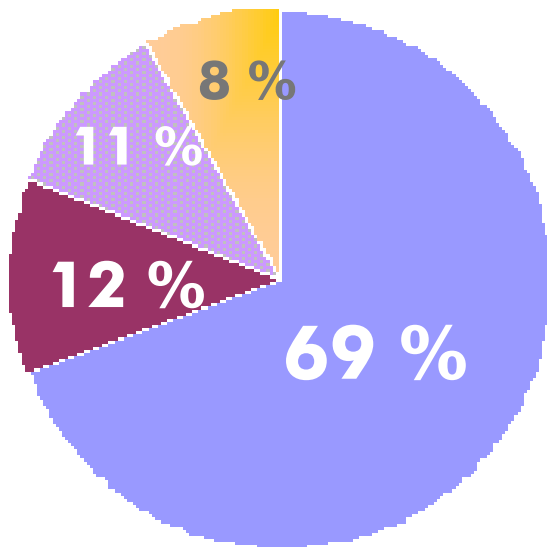




Break-down by geographic area

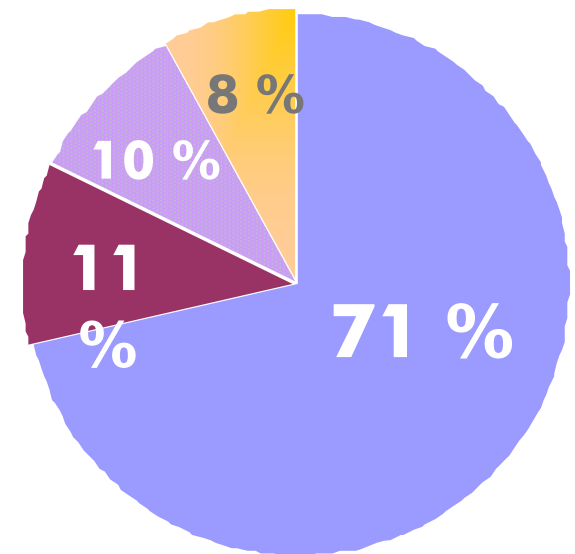
Sales by origin

at constant metal and exchange rates



- Europe
- North America
- Asia-Pacific
- Rest of World

Operating margin by origin





Strong operating leverage maintained

Excluding Electrical Wires

(in Million €)

	June 07		June 08
Sales cable activities, at current metal prices	2,937		3,029
Sales cable activities, at constant metal prices	2,163	80	2,243
Margin on variable costs	687		751
<i>Margin on variable costs (%)</i>	<i>31.8 %</i>		<i>33.5 %</i>
Indirect costs (*)	(453)		(481)
EBITDA (**)	234		270
<i>EBITDA margin (%)</i>	<i>10.8 %</i>		<i>12 %</i>
Depreciation	(51)		(52)
Operating margin cable activities	183	35	218
<i>Operating margin rate (on Sales at constant metal prices)</i>	<i>8.4%</i>	44 %	<i>9.7%</i>

(*) Includes factory indirect costs excluding Depreciation + R&D + SG&A

(**) Operating margin before depreciation



Solid financial structure

(in Million €)

	Dec. 31, 07	June 30, 08
Long term fixed assets	1,192	1,209
<i>of which goodwill</i>	<i>192</i>	<i>201</i>
Deferred tax assets	48	45
Non-current assets	1,240	1,254
Working capital	1,222	1,556
Assets (net) held for sale	105	1
Total to finance	2,567	2,811
Net financial debt	290	457
reserves	434	448
Deferred tax liabilities	85	105
Shareholder's equity and Minority interests	1,758	1,801
Total financing	2,567	2,811

Gearing 25 %
Leverage (Net debt / 12m EBITDA) = 0,8
X

Mexans

