



Press release

## 2008 results

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### Improving profitability and strong positive cash flow position

- **Net sales at constant metal prices<sup>1)</sup>: 4.776 billion euros**
- **Organic growth in the cable businesses<sup>2)</sup>: + 6%**
- **Operating margin<sup>3)</sup>: 427 million euros** (8.9% of sales at constant metal prices)
- **Solid financial base**

**Paris, February 12, 2009** – The Nexans Board of Directors chaired by Gérard Hauser, which met on February 11, 2009, has approved the accounts for 2008.

- Net sales in 2008 totaled 6.799 billion euros, compared with 7.412 billion euros in 2007. At constant non-ferrous metal prices and exchange rates, sales amounted to 4.776 billion euros, compared with 4.689 billion euros in 2007. 2008 net sales include consolidation of two recent Group acquisitions: Intercond on August 1, 2008, and cables activities of Madeco on October 1, 2008.

Organic growth of cable businesses totaled 6%.

- Operating margin totaled 427 million euros, an increase on 2007 figures despite the severe economic downturn in the fourth quarter of 2008. Operating margin also rose as a percentage of sales from 8.5% to 8.9% at constant non-ferrous metal prices, allowing the Group to see additional improvement in profitability.
- Income before taxes stood at 135 million euros in 2008, compared with 281 million euros in 2007. This sharp drop was largely due to a write-down for a non-cash expense of 165 million euros, under IFRS guidelines, which produced a temporary gap between the cost of copper used (based on the average cost due to the fungibility of stocks) and the actual cost of copper for customer orders.

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

2) Cables and related products (accessories), excluding electrical wires

3) A management indicator used by the Group to measure its operational performance

Application of the same accounting principle led the Group to post cumulated non-cash revenue of 296 million euros at December 31, 2007, based on the increase in copper prices. Nexans' hedging strategies neutralize any impact on operating margin (which reflects the Group's operational performance for the period).

- As a result, the Group's net income totaled 82 million euros in 2008, compared with 189 million in 2007.
- The Group's net financial debt stood at 536 million euros at December 31, 2008, compared with 290 million euros at December 31, 2007. This growth was largely driven by the acquisitions of Madeco's cables activities and Intercond (349 million euros). The Group's financial ratios are solid (net debt/EBITDA\* of 0.9). Nexans produced free cash flow of 291 million euros in 2008, compared with 275 million euros in 2007, buoyed by a drop in working capital requirements unrelated to the fall in the price of copper.
- In late January 2009, the European Commission, as well as competition authorities in Spain, Japan, South Korea and the United States, launched investigations against Nexans and other cable producers relating to alleged cartel behavior in the sector of submarine and underground energy cables, and associated products and services.  
At this stage, the Group is not in a position to evaluate the possible outcome of these investigations. Nonetheless, given the level of fines imposed by American and European authorities in recent cases and the possible direct and indirect consequences of this type of investigation, it is possible that these investigations may have a material adverse effect on the results of operations and consequently the financial condition of the Group.

The Board of Directors will propose a dividend of 2 euros per share, matching last year's payment. Shareholders will be asked to vote on this proposal at the General Shareholders' Meeting to be held in the first half of 2009.

Commenting on the 2008 results, Nexans Chairman and CEO, Gérard Hauser, said: *"In 2008, Nexans has steadily and successfully continued its reconfiguration despite an unfavorable economic climate through geographical redeployment by completing the integration of the cables activities of Madeco, the cable-market leader in South America, and strengthening its presence in the special cable market for industrial equipment through the acquisition of the Italian company Intercond. Finally, by signing a strategic partnership with Japanese firm Sumitomo, we have embarked on a new stage in our telecoms strategy, with a focus on Fiber To The Home (FTTH) applications.*

*"Nexans met its financial targets for 2008, achieving organic growth of 6% in its cable businesses with an operating margin of 8.9%, again showing a strong positive cash flow position.*

(\*) Proforma, based on acquisitions of Madeco's cables activities and Intercond over 12 months.

“As the prospect of an economic slowdown began to emerge, we took a number of steps to improve our cash flow and keep a tight rein on costs. Since 2001, we have been working to provide a solid bedrock to allow the Group to successfully weather the storm while creating growth drivers over the medium term. Despite the current climate of uncertainty, we have chosen to concentrate all the teams’ efforts around an operating margin of 6% for 2009, based on our assessment of the situation.”

## 2008 Key Figures

(in millions of euros)	At constant non-ferrous metal prices	
	2007	2008
Sales	4,822	4,776
<b>Sales at constant exchange rates (2008)</b>	<b>4,689</b>	<b>4,776</b>
Operating margin	409	427
Operating margin as % of sales	8.5%	8.9%
Net income attributable to equity holders of the company	189	82
Diluted EPS (in euros)	6.67	3.07

## Detailed analysis by business sector

### Sales breakdown by business sector

(in millions of euros)	2007	2008	Organic growth (at constant consolidated scope and exchange rates)
	At constant metal prices	At constant metal prices	
Energy			
- Infrastructure	1,643	1,917	19.5%
- Industry	1,005	924	-1.3%
- Building	1,132	1,088	-4.9%
Telecoms			
- Infrastructure	247	218	1.5%
- LAN	282	290	1.0%
Other	11	14	N/S
<b>Subtotal: Cable businesses</b>	<b>4,320</b>	<b>4,451</b>	<b>6.0%</b>
Electrical wires	502	325	-36.8%
<b>Group total</b>	<b>4,822</b>	<b>4,776</b>	<b>1.5%</b>

## Operating margin by business sector

(in millions of euros)	2007	2008
Energy		
- Infrastructure	152	223
- Industry	87	65
- Building	126	114
Telecoms		
- Infrastructure	18	10
- LAN	31	31
Other	(14)	(13)
<b>Subtotal: Cable businesses</b>	<b>400</b>	<b>430</b>
Electrical wires	9	(3)
<b>Group total</b>	<b>409</b>	<b>427</b>

### Energy: strong performance in energy infrastructure

Sales in the energy business amounted to 3,929 million euros, a 6.7% increase at constant consolidated scope and exchange rates compared with 2007.

*Energy infrastructure: strong growth in sales and profitability in high-voltage cables*

Full-year growth in sales totaled 19.5%, matching first-half figures. Sales of high-voltage cables reached 752 million euros, up 37.9%. Operating margin as a percentage of sales stood at around 14%. Booked business already takes the Group beyond 2009.

Medium and low voltage cables also enjoyed significant growth of 10.8%, despite a slight second-half downturn in some regions, such as Morocco, Italy, Germany and North America. Growth in the export of low high voltage cables should buoy business in 2009.

*Industry: significant slowdown in cables and harnesses for the automotive industry with some sectors experiencing worsening market conditions in the fourth quarter.*

Sales dropped by 1.3% from 2007 figures, hampered by both a strong second-half downturn in cables and harnesses for the automotive industry and low sales volumes in electronic cables for leading telecoms equipment manufacturers.

Key sectors in which the Group is focusing on strengthening its position—such as cables for the shipbuilding, railways, aeronautics, and oil & gas industries—continue to resist the downturn.

*Building: the Group maintained profitability in 2008 despite a slowdown in business*

The Group suffered a 4.9% drop in sales at constant consolidated scope and exchange rates.

In Europe, the Group experienced a decrease in full-year sales of close to 11% in 2008. The downtrend was more severe in the second half of the year in countries hit hardest by the collapse in the property market, such as the UK, Spain, Ireland and Germany. Some regions, such as France, Benelux and Scandinavia, remained on a more even keel. In North America, sales grew by 4.7% compared with 2007, largely driven by the release of a new product range and a second-half improvement in business. The Group continued to focus on margins rather than sales volumes.

Operating margin in the energy business rose from 365 to 402 million euros, reaching 10.2% in 2008 at constant metal prices, compared with 9.7% in 2007. This improvement in profitability was largely due to growth in energy infrastructure cables, which rose from 44% to 49% of sales in the energy sector.

### **Telecoms: resistance of the sector with a stronger position in optical fiber cables**

Telecoms sales increased by 1.2% at constant consolidated scope and exchange rates compared with 2007 to reach 508 million euros.

*LAN cables: the Group continued to experience growth in LAN cables in 2008 despite a second-half slowdown in systems sales.*

The Group posted a 1% increase in sales in 2008 at constant consolidated scope and exchange rates. In the United States, Nexans' largest market for LAN cable sales, business grew by 5% in relatively stable market conditions, driven by the focus on value added, high-speed copper cables. Business fell in Europe and Asia-Pacific, though Turkey enjoyed strong growth, following a number of investments in new production lines made in 2007.

*Telecoms infrastructure: agreement signed with leading FTTH company.*

Telecoms infrastructure sales grew by 1.5% at constant consolidated scope and exchange rates in 2008, despite the disposal of Vietnamese operations in late June 2007. Excluding the impact of this withdrawal, sales increased by 5.1% in 2008 compared with 2007.

In 2008, the Group also sold the Santander copper cables production plant in line with its decision to leave the segment and focus on optical fiber cables. In Northern Europe, there was strong growth in FTTH solutions, despite the second-half slowdown.

To better draw on market potential in this segment, on December 5, 2008, Nexans announced a joint venture with Sumitomo Electric Industries Ltd. (SEI) to provide optical fibers for European terrestrial networks. The partnership covers all FTTx applications with a focus on FTTH roll-outs.

Operating margin in the telecoms sector dropped to 41 million euros (8.0% of sales at constant metal prices) in 2008, compared with 49 million euros (9.3% of sales at constant metal prices) in 2007. The downturn was largely due to low sales volumes and the discontinuance of operations in Vietnam. Profitability remained extremely high in North America but dropped slightly in Europe.

### **Electrical wires: continued refocusing**

External sales of electrical wires totaled 325 million euros in 2008, down 37% at constant consolidated scope and exchange rates compared with 2007. The Group continued to pursue its policy of refocusing solely on its own requirements.

Operating margin for electrical wires slipped from 8 million euros in 2007 to a loss of 3 million euros in 2008, largely due to the drop in orders in some industrial sectors, such as the automotive industry. In 2007, the winding-wires business—from which the Group has now withdrawn—contributed 4 million euros to this figure.

### **Financial calendar**

April 2, 2009: Individual shareholders' information meeting in Toulouse\*

April 22, 2009: Publication of financial information of 2009 first quarter

May 26, 2009: Annual Shareholders' Meeting

June 11, 2009: Individual shareholders' information meeting in Nantes\*

(\* dates to be confirmed)

The Group's Web site provides the full set of financial statements and the management report of the Board, which includes the risk factors and confirmation of the risk relating to the on-going antitrust investigation announced on February 3, 2009 and described before.

### **About Nexans**

With energy as the basis of its development, Nexans, the worldwide leader in the cable industry, offers an extensive range of cables and cabling systems. The Group is a global player in the infrastructure, industry, building and Local Area Network markets. Nexans addresses a series of market segments from energy, transport and telecom networks to shipbuilding, oil and gas, nuclear power, automotive, electronics, aeronautics, handling and automation. With an industrial presence in 39 countries and commercial activities worldwide, Nexans employs 23,500 people and had sales in 2008 of 6.8 billion euros. Nexans is listed on NYSE Euronext Paris, compartment A. More information on [www.nexans.com](http://www.nexans.com)

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*Appendices*

1. Consolidated income statements under IFRS
2. Consolidated balance sheet under IFRS
3. Consolidated statement of cash flows under IFRS
4. Segment information

## Consolidated income statement under IFRS

<i>in millions of euros</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Net sales</b>	<b>6 799</b>	<b>7 412</b>	<b>7 489</b>
<i>Metal price effect*</i>	(2 023)	(2 591)	(3 046)
<b><i>Net sales at constant metal prices*</i></b>	<b>4 776</b>	<b>4 822</b>	<b>4 442</b>
Cost of sales	(5 842)	(6 521)	(6 802)
<i>Cost of sales at constant metal prices*</i>	(3 819)	(3 930)	(3 756)
<b>Gross profit</b>	<b>957</b>	<b>892</b>	<b>687</b>
Administrative and selling expenses	(467)	(423)	(372)
R&D costs	(63)	(60)	(55)
<b><i>Operating margin*</i></b>	<b>427</b>	<b>409</b>	<b>260</b>
Core exposure effect**	(165)	20	107
Net asset impairment	(19)	(21)	(99)
Changes in fair value of non-ferrous metal derivatives	(12)	(36)	(7)
Net gains on asset disposals	4	4	151
Restructuring costs	(22)	(14)	(48)
<b>Operating income</b>	<b>214</b>	<b>362</b>	<b>363</b>
Cost of debt (gross)	(66)	(57)	(45)
Income from cash and cash equivalents	18	13	12
Other financial expenses	(31)	(37)	(36)
Share in net income of associates	(0)	-	3
<b>Income before taxes</b>	<b>135</b>	<b>281</b>	<b>297</b>
Income taxes	(50)	(84)	(48)
<b>Net income from continuing operations</b>	<b>84</b>	<b>197</b>	<b>249</b>
Net income / (loss) from discontinued operations	-	-	(4)
<b>Net income</b>	<b>84</b>	<b>197</b>	<b>244</b>
Attributable to equity holders of the Company	82	189	241
Attributable to minority interests	2	7	3
<b>Attributable net income from continuing operations per share (in euros)</b>			
- basic earnings per share	3,16	7,41	10,44
- diluted earnings per share	3,07	6,67	9,10
<b>Net income/(loss) from discontinued operations per share (in euros)</b>			
- basic loss per share	-	-	(0,19)
- diluted loss per share	-	-	(0,17)
<b>Net income per share attributable to equity holders of the company (in euros)</b>			
- basic earnings per share	3,16	7,41	10,25
- diluted earnings per share	3,07	6,67	8,93

\* Performance indicators used to measure the Group's operational performance

\*\* Effect relating to the revaluation of core exposure at weighted average cost.

## Consolidated balance sheet under IFRS

At December 31, in millions of euros

	2008	2007	2006*
<b>ASSETS</b>			
Goodwill	400	192	174
Other intangible assets	85	101	110
Property, plant and equipment	997	858	830
Investments in associates	4	1	22
Other non-current financial assets	35	28	50
Deferred tax assets	91	48	97
Other non-current assets	4	-	-
<b>NON-CURRENT ASSETS</b>	<b>1 616</b>	<b>1 227</b>	<b>1 283</b>
Inventories and work in progress	922	1 158	1 328
Amounts due from customers on construction contracts	195	163	77
Trade receivables	1 110	1 092	1 272
Other current financial assets	320	125	105
Current income tax receivables	26	11	7
Other current non-financial assets	84	83	79
Cash and cash equivalents	398	622	287
Assets and groups of assets held for sale	1	150	60
<b>CURRENT ASSETS</b>	<b>3 055</b>	<b>3 403</b>	<b>3 214</b>
<b>TOTAL ASSETS</b>	<b>4 671</b>	<b>4 630</b>	<b>4 497</b>
<b>EQUITY AND LIABILITIES</b>			
Capital stock	28	26	25
Additional paid-in capital	1 256	1 133	1 127
Reserves	212	374	158
Net income attributable to equity holders of the Company	82	189	241
<b>Equity excluding minority interests</b>	<b>1 578</b>	<b>1 722</b>	<b>1 551</b>
Minority interests	39	36	39
<b>TOTAL EQUITY</b>	<b>1 617</b>	<b>1 758</b>	<b>1 589</b>
Pension and other retirement benefit obligations	317	322	336
Other long-term employee benefit obligations	13	15	17
Long-term provisions	27	25	27
Convertible bonds	271	258	247
Other long-term financial debt	389	353	7
Deferred tax liabilities	45	85	94
<b>NON-CURRENT LIABILITIES</b>	<b>1 062</b>	<b>1 058</b>	<b>728</b>
Short-term provisions	65	72	89
Short-term financial debt	274	301	665
Liabilities related to construction contracts**	111	138	71
Trade payables	908	866	956
Other current financial liabilities	376	180	174
Social Liabilities	160	133	116
Current income tax payables	43	32	39
Other current non-financial liabilities	54	47	47
Liabilities related to groups of assets held for sale	1	45	22
<b>CURRENT LIABILITIES</b>	<b>1 992</b>	<b>1 814</b>	<b>2 180</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 671</b>	<b>4 630</b>	<b>4 497</b>

\* 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.

\*\* Including advances received related to long-term contracts.

## Consolidated statement of cash flows under IFRS

<i>in millions of euros</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Net income attributable to equity holders of the Company	82	189	241
Minority interests	2	7	3
Depreciation, amortization and impairment of assets (incl. goodwill)	125	122	178
Cost of debt (gross)	66	57	45
Core exposure impact*	165	(20)	(107)
Other restatements**	12	118	(70)
<b>Cash flows from operations before gross cost of debt and tax***</b>	<b>453</b>	<b>473</b>	<b>290</b>
Decrease (increase) in receivables	31	61	(181)
Decrease (increase) in inventories	174	129	(308)
Increase (decrease) in payables and accrued expenses	(59)	(6)	242
Income tax paid	(62)	(80)	(58)
Impairment of current assets and accrued contract costs	4	(4)	12
<b>Net change in current assets and liabilities</b>	<b>88</b>	<b>100</b>	<b>(294)</b>
<b>Net cash generated from (used in) operating activities</b>	<b>541</b>	<b>573</b>	<b>(3)</b>
Proceeds from disposals of property, plant and equipment and intangible assets	16	7	6
Capital expenditures	(172)	(168)	(171)
Decrease (increase) in loans granted	(187)	2	2
- of which margin calls related to metal derivatives	(140)	-	-
Purchase of shares in consolidated companies, net of cash acquired	(311)	(36)	(365)
Proceeds from sale of shares in consolidated companies, net of cash transferred	19	48	201
<b>Net cash used in investing activities</b>	<b>(635)</b>	<b>(147)</b>	<b>(327)</b>
<b>Net change in cash and cash equivalents after investing activities</b>	<b>(94)</b>	<b>427</b>	<b>(330)</b>
Proceeds from (repayment of) long-term borrowings	22	344	276
- of which issuance of borrowings	29	345	279
- of which repayment of borrowings	(7)	(1)	(3)
Proceeds from (repayment of) short-term borrowings	14	(409)	282
Proceeds from issuance of shares paid up in cash / capital (decreases)	(23)	7	8
Interest paid	(54)	(36)	(45)
Dividends paid	(52)	(32)	(23)
<b>Net cash (used in) generated from financing activities</b>	<b>(93)</b>	<b>(125)</b>	<b>497</b>
Net effect of currency translation differences	(19)	4	1
Impact of changes in scope of consolidation – discontinued operations	-	-	1
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(206)</b>	<b>306</b>	<b>170</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>594</b>	<b>287</b>	<b>117</b>
<b>Cash and cash equivalents at year-end</b>	<b>388</b>	<b>594</b>	<b>287</b>
<i>Of which cash and cash equivalents recorded as assets in the balance sheet</i>	398	622	287
<i>Of which bank overdrafts</i>	(10)	(28)	-

\* Impact relating to the revaluation of core exposure at weighted average cost – no cash impact.

\*\* Other restatements for the year ended December 31, 2008 primarily concerned (i) offsetting the Group's income tax charge (+ 50 millions euros) and (ii) cancelling the expense recorded in the income statement for changes in fair value of metal and foreign exchange derivatives (- 28 millions euros).

In 2007, this item primarily related to : offsetting the Group's income tax charge (+84 million euros) and cancelling 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 Electro-Matériel (-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).

\*\*\* The Group also uses the "operating cash flow" concept which is calculated after adding back restructuring costs (respectively 24 millions euros, 22 millions euros and 40 millions euros in 2008, 2007 and 2006), and deducting gross cost of debt and current income tax charge.

## Segment information

### Information by business line

<i>In millions of euros</i>	Electrical wires	Energy	Telecom	Other (or not allocated)	Inter-segment eliminations*	<b>Group total</b>
<b>December 31, 2008</b>						
Net sales at current metal prices	2 084	5 292	594	14	(1 185)	<b>6 799</b>
Net sales at constant metal prices	710	3 929	508	14	(385)	<b>4 776</b>
Operating margin	(2)	402	40	(13)	-	<b>427</b>
Depreciation and amortization	(2)	(89)	(13)	(3)	-	<b>(106)</b>
Impairment losses	(5)	(15)	(1)	(2)	-	<b>(23)</b>
Reversals of impairment losses	-	2	-	2	-	<b>4</b>
EBITDA **	(1)	491	54	(11)	-	<b>533</b>
Restructuring costs	(2)	(19)	-	(1)	-	<b>(22)</b>
Capital expenditure	6	161	15	10	-	<b>192</b>
Property, Plant and equipment, net	18	866	100	13	-	<b>997</b>
Total segment assets ***	236	3 226	241	40	-	<b>3 743</b>
Total segment liabilities ****	149	1 018	83	57	-	<b>1 307</b>
Investments in associates	4	-	-	-	-	<b>4</b>
Share in net income of associates	-	-	-	-	-	<b>-</b>
Number of employees	899	19 319	2 183	1 079	-	<b>23 480</b>
<b>December 31, 2007</b>						
Net sales at current metal prices	2 603	5 270	638	11	(1 110)	<b>7 412</b>
Net sales at constant metal prices	845	3 780	529	11	(343)	<b>4 822</b>
Net sales at constant metal prices and 2008 exchange rates	826	3 684	509	11	(341)	<b>4 689</b>
Operating margin	9	365	49	(14)	-	<b>409</b>
Depreciation and amortization	(3)	(76)	(13)	(9)	-	<b>(101)</b>
Impairment losses	(34)	(21)	(7)	-	-	<b>(63)</b>
Reversals of impairment losses	-	38	4	-	-	<b>42</b>
EBITDA **	12	441	62	(5)	-	<b>510</b>
Restructuring costs	(3)	(8)	-	(2)	-	<b>(14)</b>
Capital expenditure	10	141	14	10	-	<b>174</b>
Property, Plant and equipment, net	13	759	98	22	-	<b>893</b>
Total segment assets ***	400	3 014	270	56	-	<b>3 740</b>
Total segment liabilities ****	281	879	85	84	-	<b>1 329</b>
Investments in associates	1	-	-	-	-	<b>1</b>
Share in net income of associates	-	-	-	-	-	<b>-</b>
Number of employees	779	18 089	2 183	847	-	<b>21 898</b>
<b>December 31, 2006*****</b>						
Net sales at current metal prices	3 438	4 298	781	9	(1 038)	<b>7 489</b>
Net sales at constant metal prices	1 133	2 983	648	9	(331)	<b>4 442</b>
Net sales at constant metal prices and 2007 exchange rates	1 163	3 104	472	9	(375)	<b>4 373</b>
Operating margin	(4)	233	48	(18)	-	<b>260</b>
Depreciation and amortization	(10)	(62)	(19)	(4)	-	<b>(95)</b>
Impairment losses	(54)	(61)	(9)	(4)	-	<b>(128)</b>
Reversals of impairment losses	-	19	8	-	-	<b>27</b>
EBITDA **	6	296	67	(14)	-	<b>355</b>
Restructuring costs	(5)	(19)	(24)	(1)	-	<b>(48)</b>
Capital expenditures	14	137	17	4	-	<b>171</b>
Property, Plant and equipment, net	23	643	143	20	-	<b>829</b>
Total segment assets ***	662	2 725	399	41	-	<b>3 826</b>
Total segment liabilities ****	416	732	100	50	-	<b>1 298</b>

Investments in associates	22	-	-	-	-	<b>22</b>
Share in net income of associates	3	-	-	-	-	<b>3</b>
Number of employees	1 140	15 952	3 276	782	-	<b>21 150</b>

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\* Inter-segment eliminations mostly stem from the upstream Electrical Wires business.

\*\* Operating margin excluding depreciation and amortization.

\*\*\* Segment assets include property, plant and equipment and intangible assets, inventories, trade receivables & advances to suppliers, amounts due from customers on construction contracts, other operating receivables and goodwill. In 2008, segment assets included 1 million euro worth of assets owned by entities held for sale.

\*\*\*\* Segment liabilities include trade payables, amounts due to customers on construction contracts, customer deposits and advances, accrued contract costs and other operating liabilities (in particular social liabilities). In 2008, segment liabilities included 1 million euro worth of liabilities held by entities held for sale.

\*\*\*\*\* 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.

## Information by geographic area

<i>In millions of euros</i>	France***	Germany	Other European countries	North America	Asia - Pacific	MERA*	South America**	<b>Group total</b>
<b>December 31, 2008</b>								
Net sales at current metal prices (before inter-segment elimination)	2 404	907	2 410	1 054	778	483	272	N/A
Inter-segment sales at current metal prices	(923)	(78)	(446)	(2)	(29)	(31)	-	N/A
Net sales at current metal prices	1 481	829	1 964	1 052	749	451	272	<b>6 799</b>
Net sales at constant metal prices	1 042	623	1 560	560	502	303	186	<b>4 776</b>
Operating margin	65	43	180	55	42	27	15	<b>427</b>
Capital expenditure	33	15	69	10	28	30	7	<b>192</b>
Property, Plant and equipment, net	143	118	289	83	137	106	121	<b>997</b>
Total segment assets ****	858	338	1 025	212	520	305	485	<b>3 743</b>
Number of employees	3 917	2 771	7 887	1 803	2 459	2 108	2 535	<b>23 480</b>
<b>December 31, 2007</b>								
Net sales at current metal prices (before inter-segment elimination)	2 871	935	2 390	1 333	886	453	138	N/A
Inter-segment sales at current metal prices	(1 032)	(83)	(432)	(1)	(15)	(31)	-	N/A
Net sales at current metal prices	1 839	852	1 958	1 332	871	422	138	<b>7 412</b>
Net sales at constant metal prices	1 083	621	1 511	662	571	277	97	<b>4 822</b>
Net sales at constant metal prices and 2008 exchange rates	1 083	621	1 483	620	514	271	97	<b>4 689</b>
Operating margin	61	65	123	78	50	23	8	<b>409</b>
Capital expenditure	35	28	55	10	16	26	3	<b>174</b>
Property, Plant and equipment, net	146	120	264	90	153	88	33	<b>893</b>
Total segment assets ****	973	386	1 062	307	640	310	62	<b>3 740</b>
Number of employees	3 919	2 862	8 407	1 870	2 269	2 067	504	<b>21 898</b>
<b>December 31, 2006*****</b>								
Net sales at current metal prices (before inter-segment elimination)	3 112	911	2 175	1 745	435	407	112	N/A
Inter-segment sales at current metal prices	(937)	(59)	(354)	(2)	(6)	(50)	-	N/A
Net sales at current metal prices	2 175	852	1 821	1 743	429	357	112	<b>7 489</b>
Net sales at constant metal prices	1 037	582	1 402	813	277	246	85	<b>4 442</b>
Net sales at constant metal prices and 2007 exchange rates	1 037	582	1 397	769	261	239	87	<b>4 373</b>
Operating margin	35	33	72	63	19	29	8	<b>260</b>
Capital expenditure	30	18	64	24	6	19	11	<b>171</b>
Property, Plant and equipment, net	158	105	235	88	153	65	26	<b>829</b>
Total segment assets ****	1 180	404	989	305	616	275	57	<b>3 826</b>
Number of employees	3 858	2 707	7 807	1 960	2 459	1 899	460	<b>21 150</b>

\* MERA (Middle East, Russia and Africa) corresponds to the former « Rest of the world » area with the exception of Nexans Brazil which is now reported within the "South America" area. 2007 and 2006 information have been restated correspondingly, through the reclassification of amounts related to Nexans Brazil.

\*\* The "South America" area gathers the cable activities of the Madeco group together with those of Nexans Brazil.

\*\*\* Including corporate activities.

\*\*\*\* Segment assets include property, plant and equipment and intangible assets, inventories, trade receivables & advances to suppliers, amounts due from customers on construction contracts, other operating receivables and goodwill.

\*\*\*\*\* 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.

## Net sales at current metal prices by geographic market

In millions of euros	France	Germany	Other European countries	North America	Asia - Pacific	MERA*	South America**	<b>Group total</b>
2008	812	677	1 982	1 078	918	1 004	329	<b>6 799</b>
2007, restated*	998	762	2 283	1 380	993	863	133	7 412
2006, restated*	987	852	2 512	1 729	512	761	135	7 489

\* MERA (Middle East, Russia and Africa) corresponds to the former « Rest of the world » area with the exception of Nexans Brazil which is now reported within the "South America" area. 2007 and 2006 information have been restated correspondingly, through the reclassification of amounts related to Nexans Brazil.

\*\* The "South America" area gathers the cable activities of the Madeco group together with those of Nexans Brazil.