

Mexans

2005 Full Year Results

February 2, 2006

Gérard Hauser

This presentation contains forward-looking statements relating to the Group's expectations for future financial performance, including sales and profitability, as well as an estimation of the impact that the IAS / IFRS accounting standards will have on its results.

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 others on the following assumptions and risks :

(1) the rates of economic growth in the zones where Nexans is active remaining at current levels until 2007; (2) the continued strong demand of the energy infrastructure market in particular in developing countries and of 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 metal price and currency fluctuations being neutral; (6) the Company being able to reduce its cost base through realization of restructuring actions in the anticipated time frame; (7) the Company being able to achieve productivity improvements; and (8) the Company successfully integrating acquisitions.

Investor Relations:

Michel Gédéon

Tel: 33 1 56 69 85 31

E-mail: michel.gedeon@nexans.com

Fax: 33 1 56 69 86 35

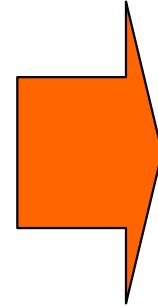
Divestiture of Electro-Matériel (Swiss Distribution) to Rexel

- Key data :
 - Sales : 189 M€ (o/w Nexans cables 10 M€)
 - EBITDA (*) : 21.3 M€
 - Operating margin (*) : 18.3 M€
 - Headcount : 396
- **Price paid in cash (Enterprise value) : 206 M€**
- Key dates :
 - Signature : January 20, 2006
 - Closing : February 1, 2006
- **Capital gain \cong 150 M€**

(*) Before contribution to central costs

2005 SALES = 4,263 M€

+ 5.2 %
Organic growth

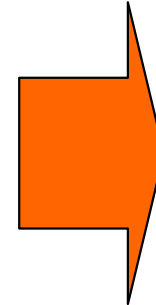


**Confirmed strong growth in
Energy markets**

**Development of speciality
products**

Op. Margin = 186 M€

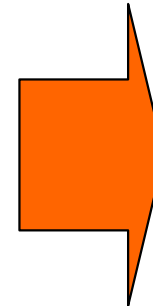
+ 40 %



Breakeven point lowered

**Further refocusing
Products / Geographic**

Net debt = 374 M€



**Increase
contained**

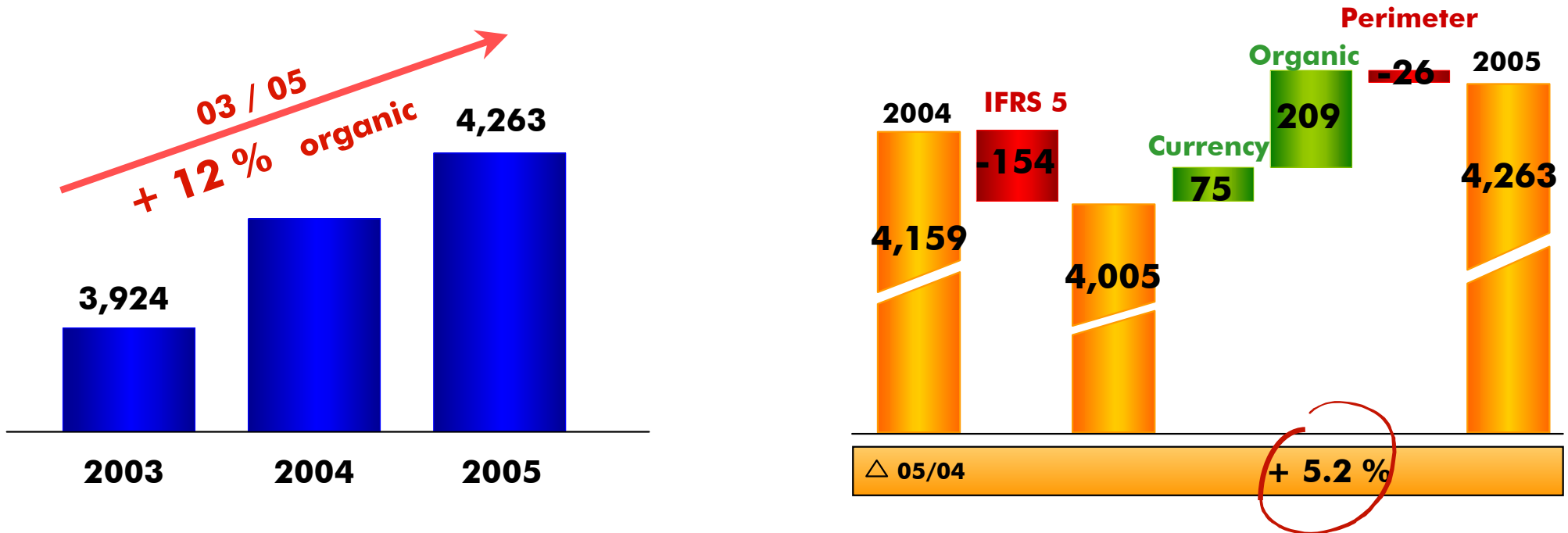
Proposed dividend = 1 €
X 2



**Confidence
in the future**

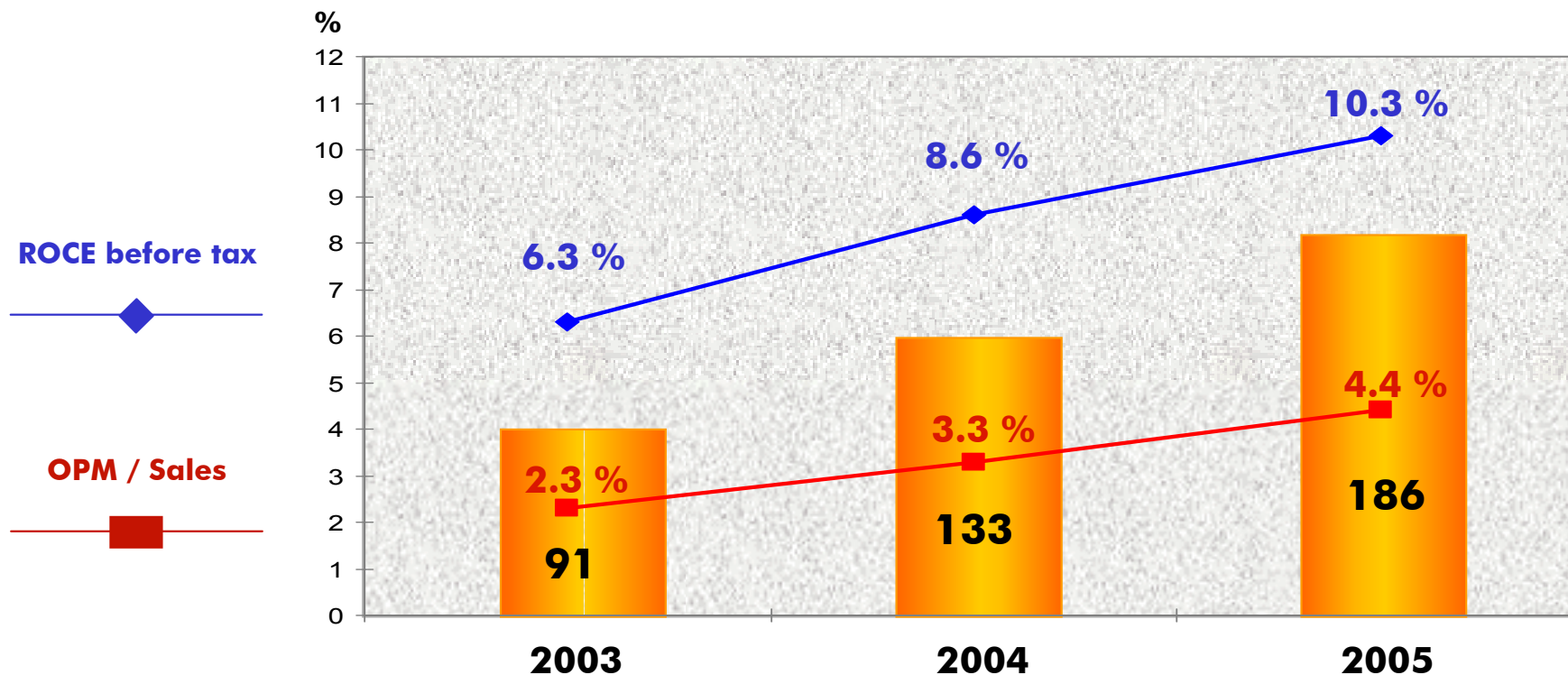
(in Million €)	2004	2005
Sales at current metal prices	4,732	5,449
Sales at constant metal prices	4,005	4,263
Sales at constant metal prices and exchange rates	4,080	4,263
EBITDA	222	281
EBITDA margin	5.6 %	6.6 %
Operating margin	133	186
Operating margin rate	3.3 %	4.4 %
Net income (group share)	58	108
Return on capital employed (ROCE) before tax	8.6 %	10.3 %
Fully diluted EPS (€)	2.55	4.46

Sales at constant metal prices (M€)



- 2005 growth above expectations
- Driven by a particularly sustained Q4 (> 7 %)
- Strong growth in "Cable" activities (+ 8.6 %)

Operating margin (M€)



- ROCE up despite the adverse effect of copper
 - Operational lever and greater exposure to high value added segments
 - Management of capital employed
 - Further selective divestitures

■ **Infrastructure**

- Interconnection and protection of the networks in Europe
- Maintenance of the North American network
- Growth in emerging countries
- Safety / Ecology (Windmill)

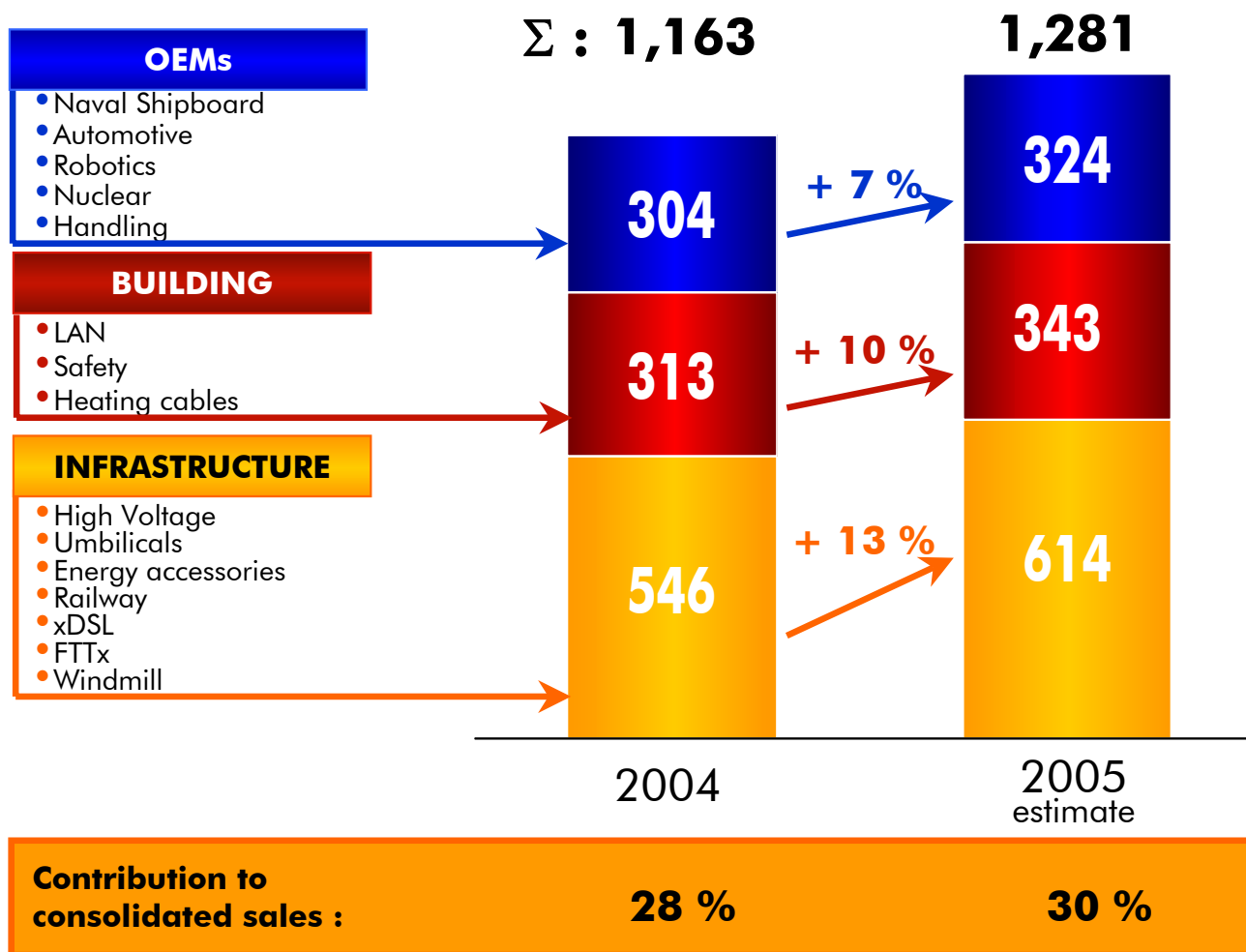
■ **OEMs : very active niches**

- Shipbuilding
- High end automotive
- Oil & Gas sector

■ **Building**

- Growing safety requirements
- Increase in residential construction

(in Million €)



- Development plan in place for each priority segment
- Constant monitoring through Country organization

2005 : DEVELOPMENT ON TARGET

August 05

- Divestiture : **Distribution Norway**
- Annual sales : 118 M€
- Price : 45 M€
- Buyer : Ahlsell

October 05

- Divestiture : 59 % of **Winding wires Europe**
- Annual sales : 150 M€
- Price : 59 M€ (basis 100 %)
- Buyer : Superior Essex

January 06

- Divestiture : **Distribution Switzerland**
- Annual sales : 189 M€
- Price : 206 M€
- Buyer : Rexel

January 06

- Acquisition : **Confecta Switzerland**
- Speciality cables
- Annual sales : 22 M€
- Acquisition : 60 % of **Lioa Vietnam (*)**
- Energy Infrastructure
- Annual sales : 10 M€

Total divestments (M€)

• Divestiture value (100 %)	310
• EBITDA	28.1
• Operating margin	20.5

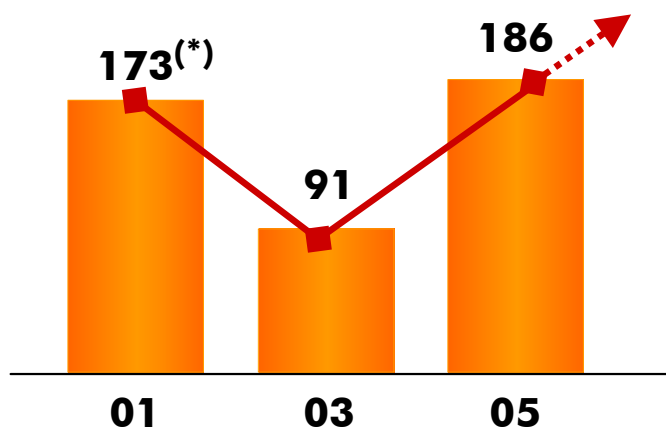
**Accretive effect
as early as
2006**

(*) Subject to approval by the Vietnamese authorities

(in Million €)

- Constant decrease in fixed costs since 2001

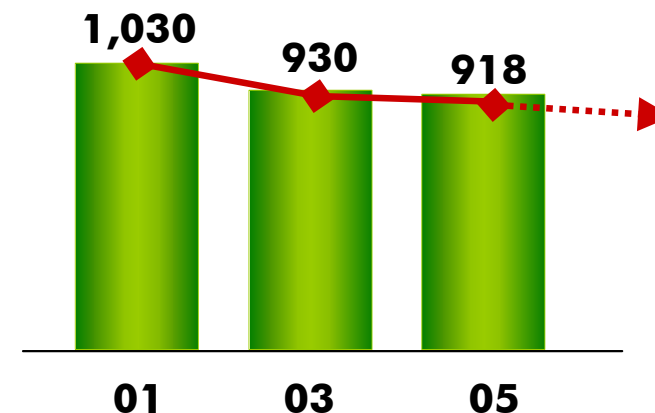
Operating Margin



- At a lower level of sales

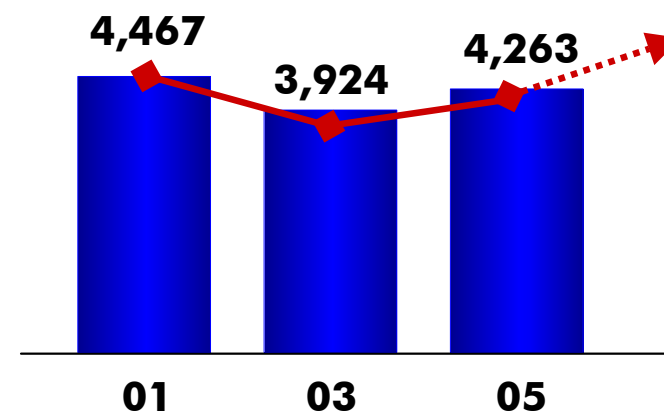
(*) Pro Forma after application of CRC 2002-10

Fixed costs



- Allows a higher profitability

Sales at constant metal prices



Performance
by business and by geographical area

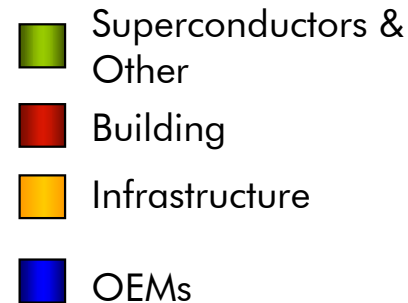
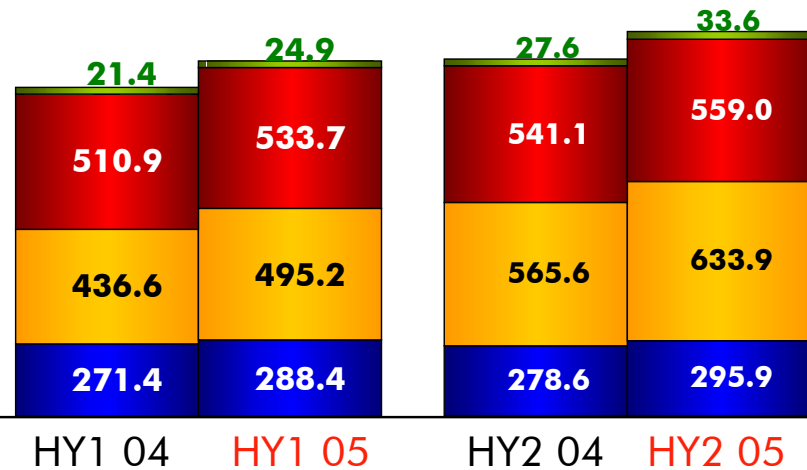
Frédéric Vincent

(in Million €) Sales at constant metal prices and exchange rates	2004			2005			2004 / 2005	
	Sales	OPM	%	Sales	OPM	%	Sales	OPM
Energy	2,653	119	4.5 %	2,865	171	6 %	+ 8 %	+ 44.6 %
Telecom	566	17	3.1 %	630	25	4 %	+ 11.3 %	+ 43.1 %
Electrical wires	850	7	0.8 %	758	6	0.7 %	- 10.8 %	- 16.4 %
Other	11	(10)	-	10	(16)	-	-	-
Total	4,080	133	3.3 %	4,263	186	4.4 %	+ 4.5 %	+ 39.7 %

Sales (M€) (*)

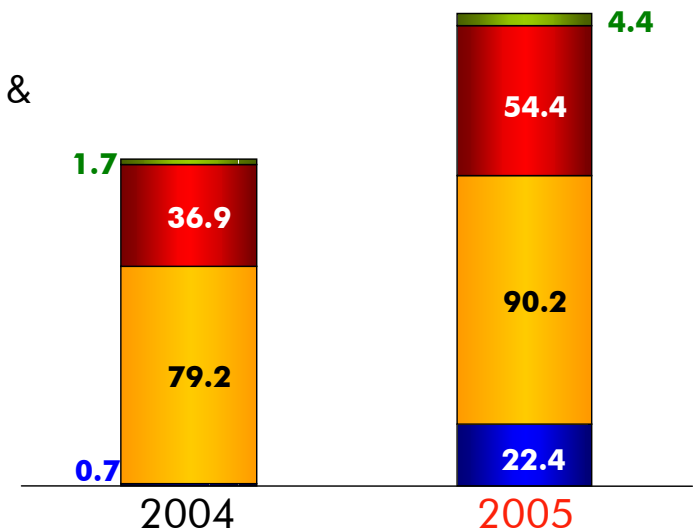
at constant metal prices and exchange rates

Σ : **1,240** **1,342** **1,413** **1,522**



Operating Margin (M€)

Σ : **119** **171**



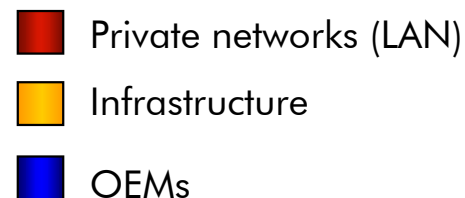
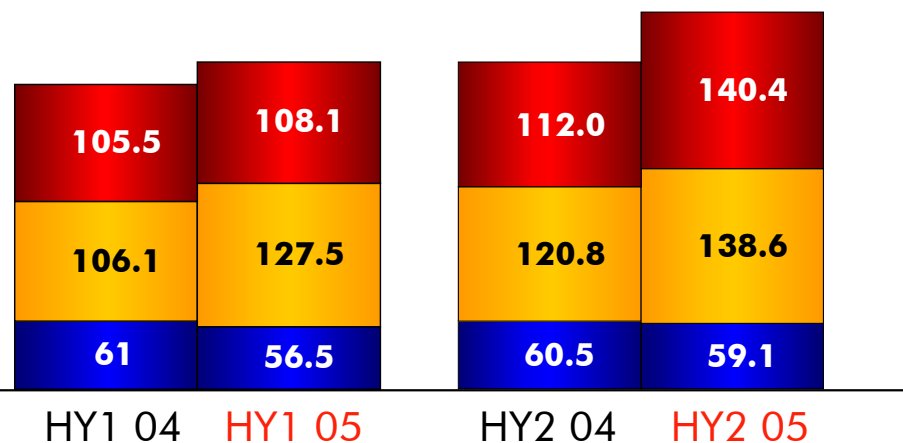
- High voltage and umbilicals : Growth in orders in excess of 80 %
- OEMs :
 - Improved industrial performance in Germany
 - Strong growth in high end automotive cables
- Building :
 - Increased market share worldwide
 - Recovery in industrial performance in Europe

(*) Annual change in sales = + 8.2 % at constant consolidation scope

Sales (M€) (*)

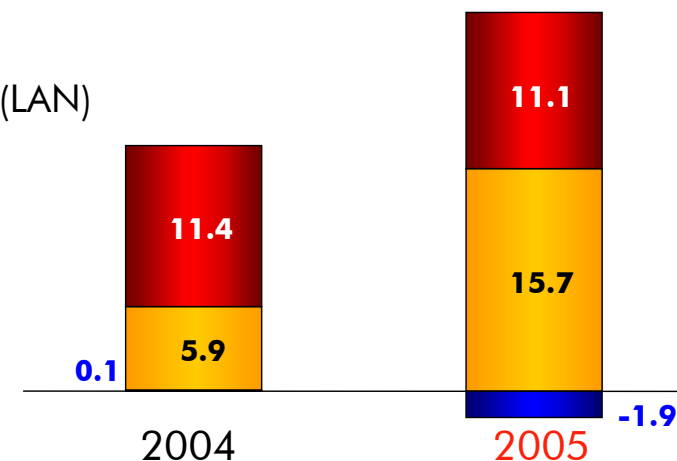
at constant metal prices and exchange rates

Σ : **273** **292** **293** **338**



Operating Margin (M€)

Σ : **17** **25**



■ Infrastructure

- Satisfactory growth in copper networks
- Speciality markets particularly profitable (Accessories, OF cables, ...)

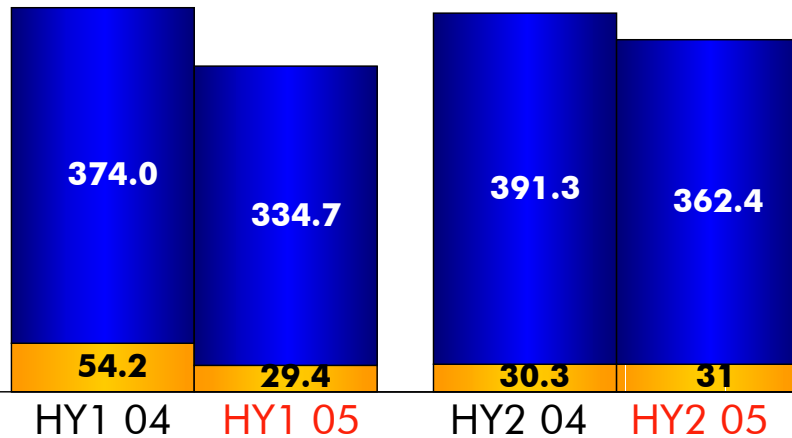
■ Favorable US context for private local area network (LAN) cables



(*) Annual change in sales = + 10.5 % at constant consolidation scope

Sales (M€) (*)

at constant metal prices and exchange rates

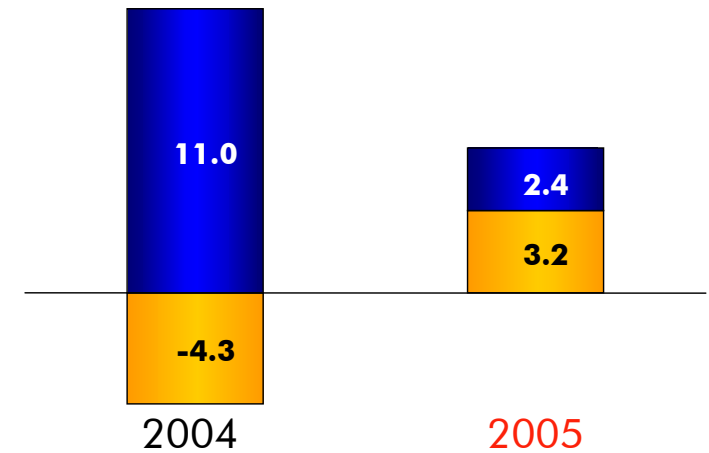
Σ : **428** **364** **422** **393**



 Wirerod and Bare conductors
 Winding Wires

Operating Margin (M€)

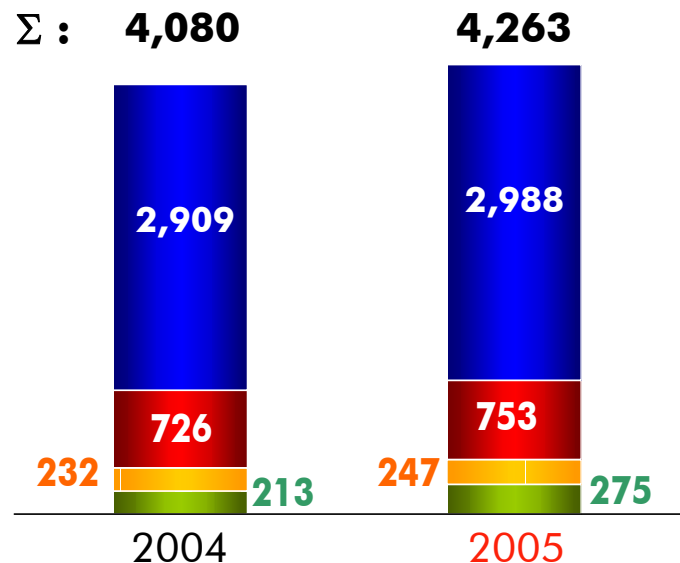
Σ : **7** **6**



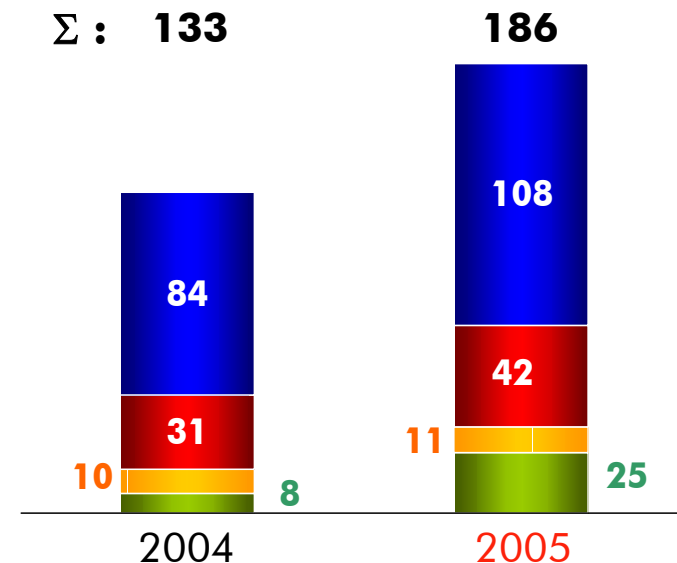
- Winding wires : 2004 divestitures contribute to recovery
- Bare conductors : External volumes down and pressure on prices

(*) Annual change in sales = - 7.9 % at constant consolidation scope

Sales (M€) (*)
at constant metal prices and exchange rates



Operating Margin (M€)



■ Europe :

- Success in export markets. Some domestic markets remain tough
- Specialities improving

■ North America : Good position on a growing market

■ Asia : Protecting margins on a competitive market

■ Rest of World : Strong growth engines

Financial Results

Frédéric Vincent

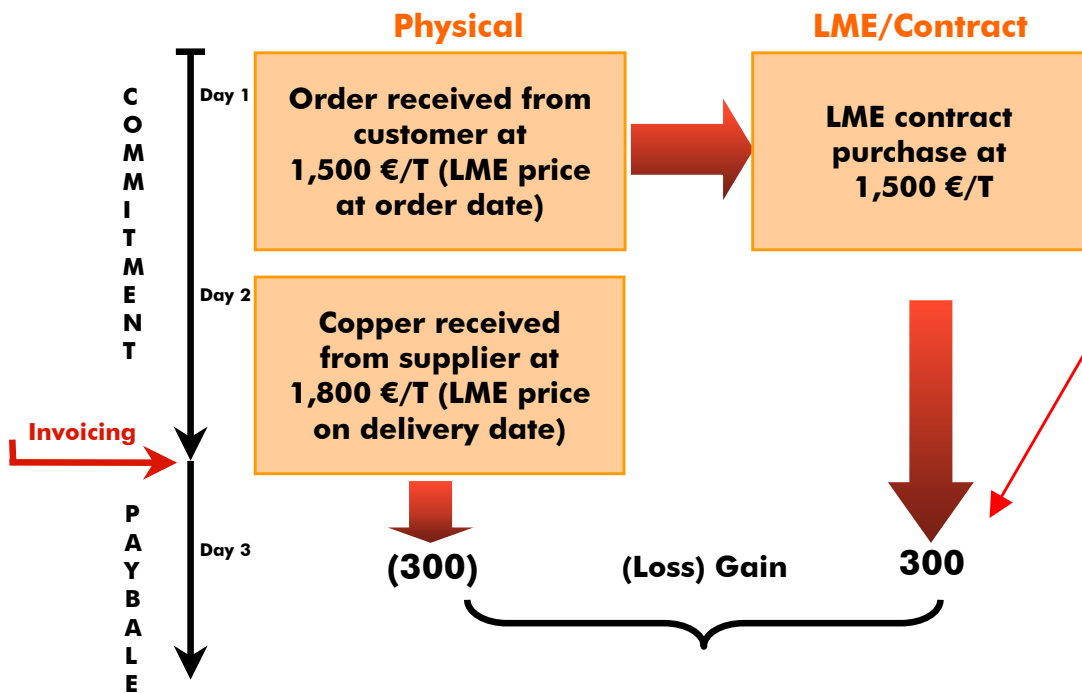
(in Million €)	2004 (*)	2005
Sales at constant metal	4,005	4,263
Margin on variable costs	1,022 25.5 %	1,104 25.9 %
Indirect costs	(799)	(823)
EBITDA(**)	222 5.6 %	281 6.6 %
Depreciation	(89)	(95)
Operating margin	133	186
<i>Operating margin rate (%)</i>	<i>3.3 %</i>	<i>4.4 %</i>
Change in fair value of metal derivatives and other	-	33
Financial charge	(36)	(36)
Restructuring	(36)	(24)
Other revenue	16	29
Income before tax	<u>77</u>	<u>188</u>
Income tax	(19)	(26)
Net income from operations	58	162
Net income from discontinued operations	5	(45)
Minority interests	(5)	(9)
Net income (group share)	58	108

(*) Excluding IAS 32 and 39 implemented as of January 1st, 2005

(**) Operating margin before depreciation

Operating margin protected

IAS 39
Temporary volatility
on net income



Anticipated potential gain
in 2005 (+ 33 M€)

Cancelled when
implemented in 2006 (- 33 M€)

Total 2005/06	0	0
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- Perimeter of "discontinued activities" (IFRS 5) :
 - Winding wires Europe sold to Superior Essex (closing on October 21, 2005)
 - Winding wires Italy (discontinued in September 2005)

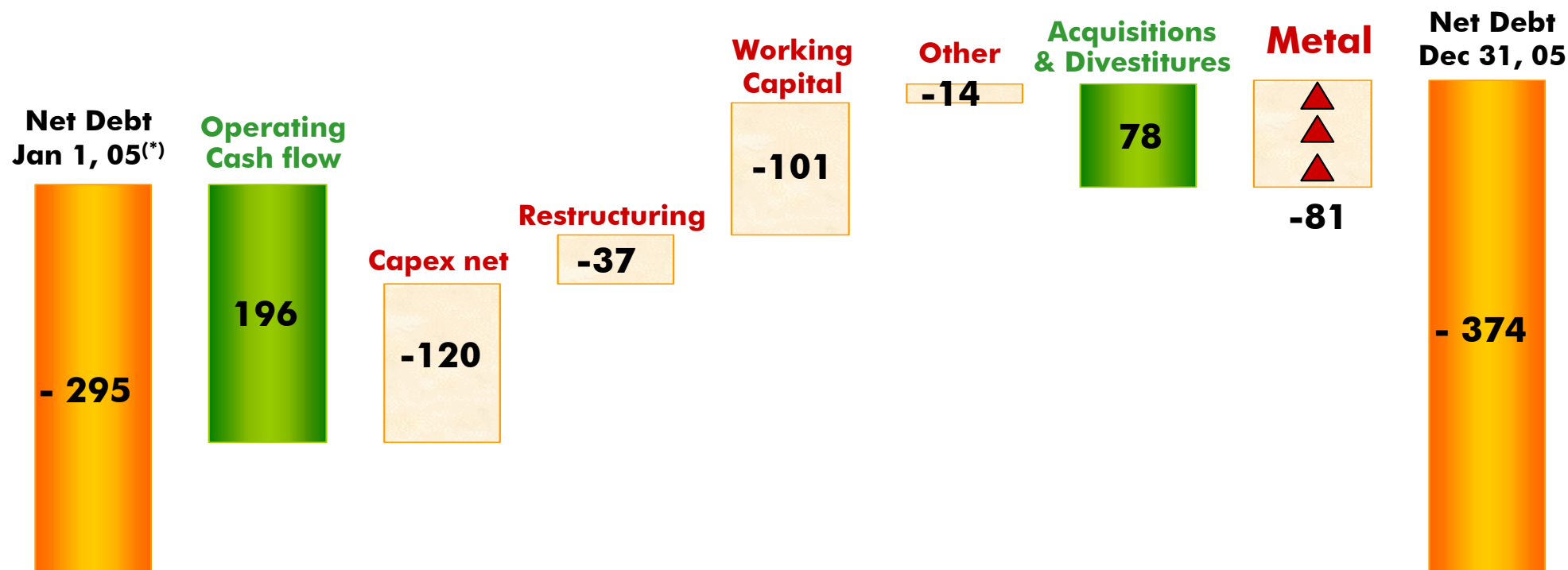
	(in Million €)
Sales (at constant metal prices)	131
Operating margin	(7)
Closing costs	(11)
"Impairment" and capital loss	(27)
Net income from discontinued operations	(45)

- It was initially expected that closing costs would be recorded on the "Restructuring" line
- Winding wire activity now limited to the Canadian facility Simcoe and the Tianjin Chinese joint venture

(in Million €)

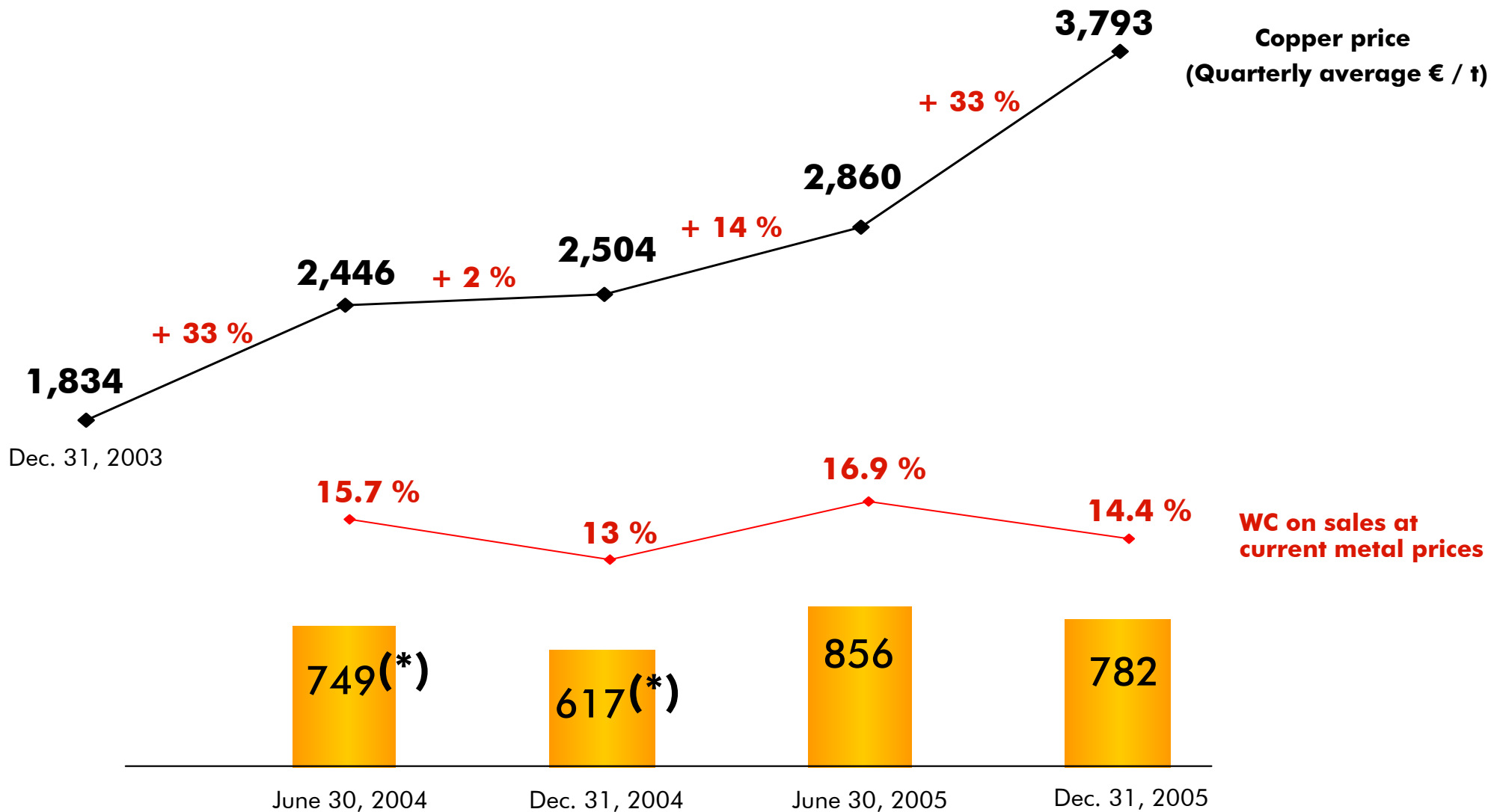
	2004	2005
Operating Cash Flow (*)	141	196
Capital expenditure (net of disposals: 19 M€ in 04 and 10 M€ in 05)	(78)	(120)
Change in Working Capital	(90)	(182)
Cash impact of (acquisitions) / disposals	(96)	78
Restructuring expensed	(35)	(37)
Dividend paid	(9)	(12)
Other	8	(2)
(Increase)/decrease in net debt	(159)	(79)
IAS 32 and 39 FTA (of which 130 M€ sales of receivables)	n/a	(115)
Change in Balance Sheet Debt (increase)	(159)	(193)

(*) Cash flow provided by operations not including restructuring expenses



- Capex and restructuring financed by Operating Cash flow
- Net Financial Debt at closing still below 1.5 X EBITDA
- Gearing at 35 %

(*) after IAS 32 and 39

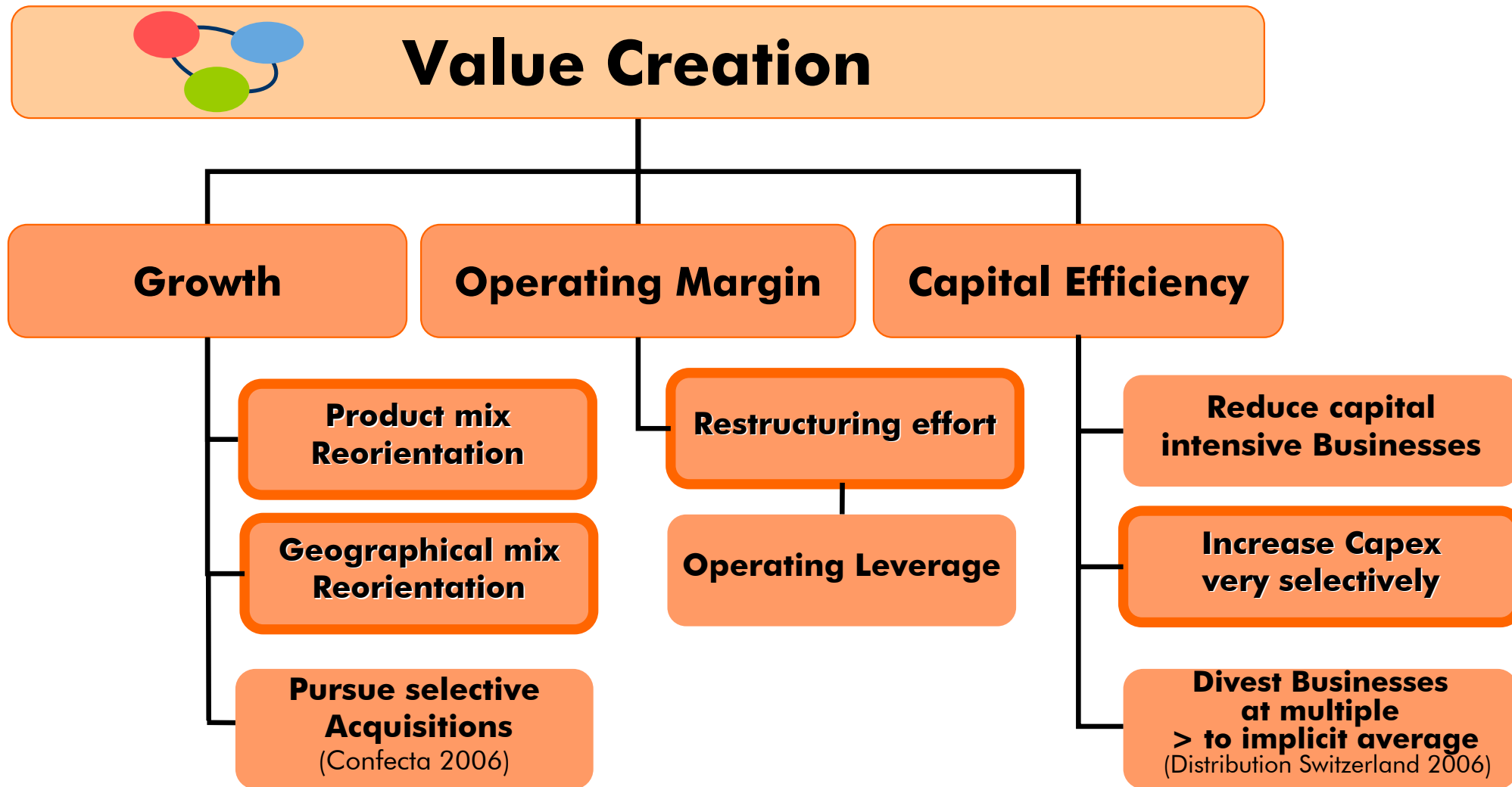


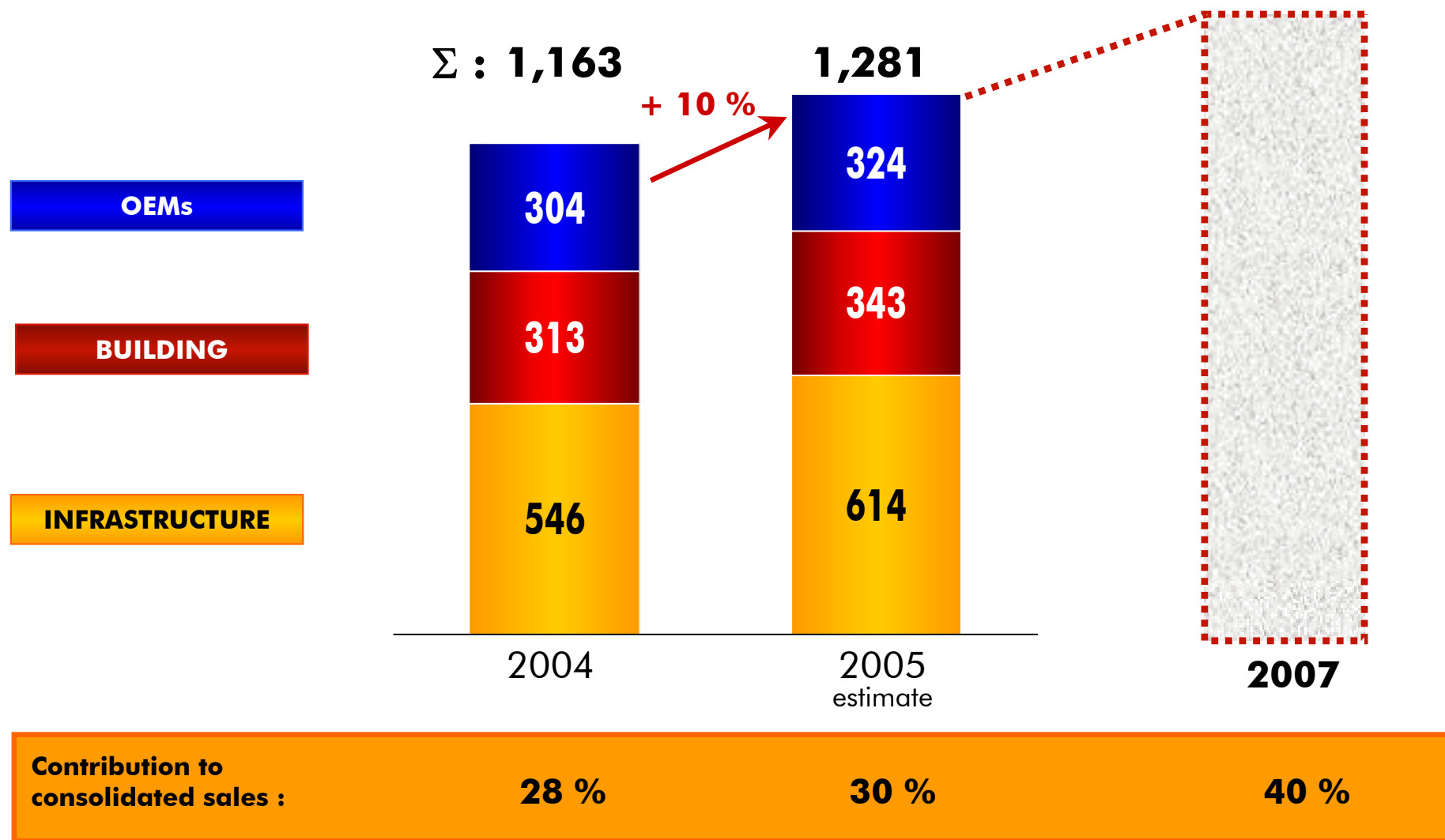
(*) Pro-forma after application of IFRS standards

(in Million €)	Dec. 31, 04	Dec. 31, 05
Long-term fixed assets	1,046	1,115
Deferred tax assets	66	76
Non-current assets	1,112	1,191
Working Capital	473	782
Assets (net) held for sale	69	42
Total to finance	1,654	2,015
Net Financial Debt		
Current	35	246
Non-current	145	128
Reserves		
Current	92	83
Non-current	380	367
Deferred tax liabilities	32	32
Shareholders' equity and Minority interests	970	1,159
Total financing	1,654	2,015

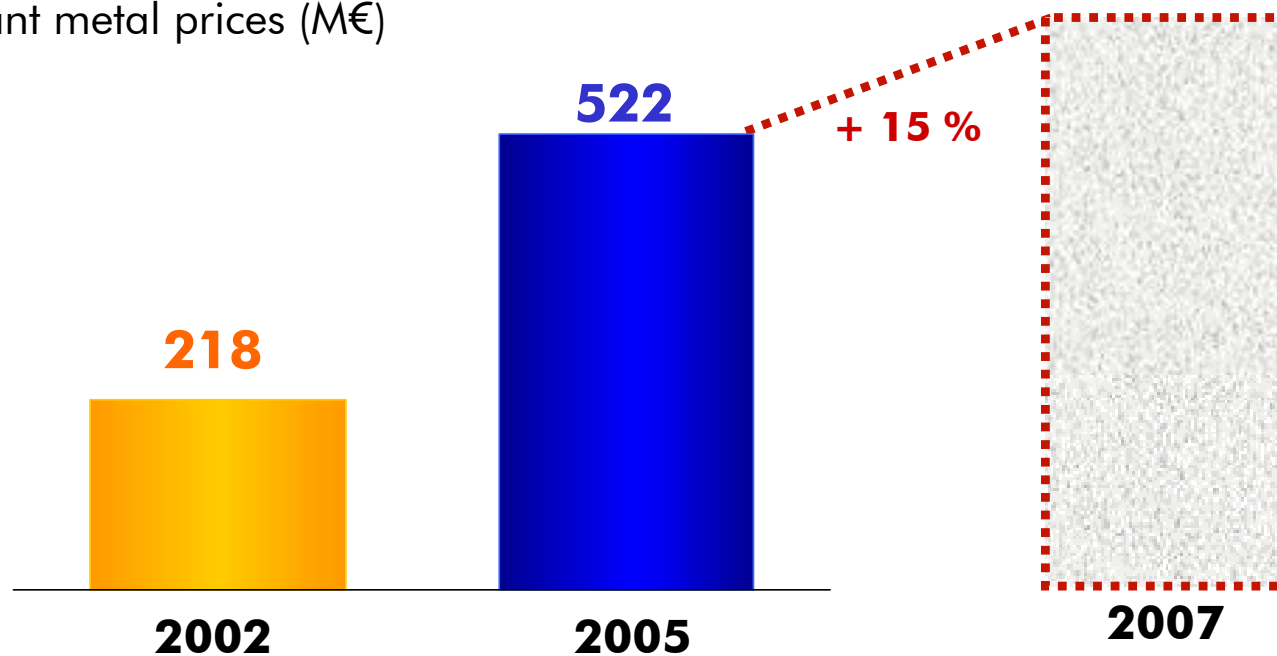
**Medium-Term
Outlook**

G rard Hauser





Sales from high growth areas
at constant metal prices (M€)



- Currently includes China, Vietnam, South Korea, Middle East, Morocco & Brazil
- Activity doubled in 3 years
 - 1/3 through internal growth and 2/3 through acquisitions


■ Context

- Confirmed weakness of certain domestic markets in Europe
- High level of capital employed on these same markets given the price of copper

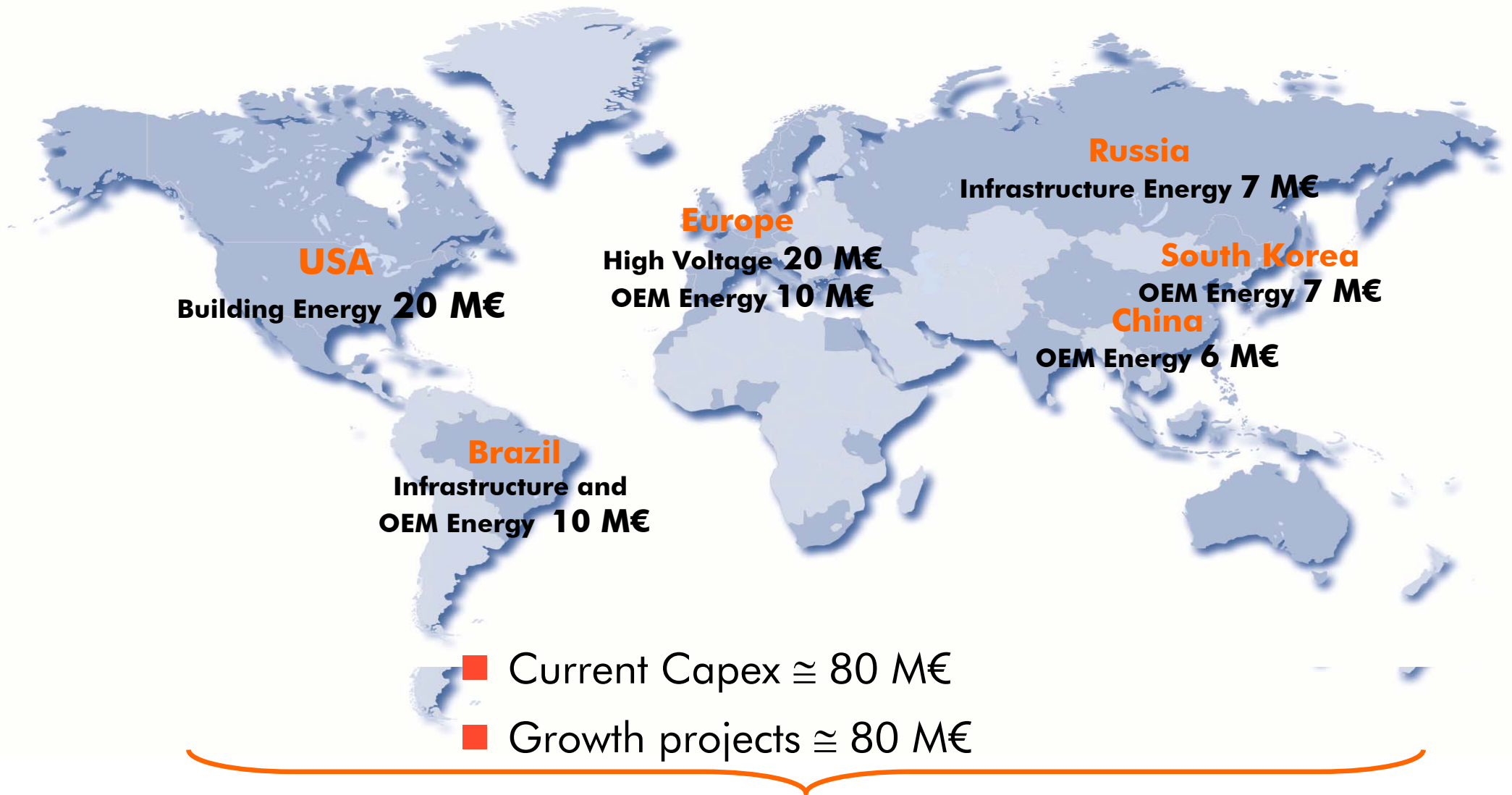
■ Challenge

- In 2006, launch (and accrue for) actions initially spread over time

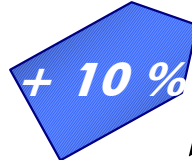
P&L Effect	2005	2006	2007
Initial (February 05)	40	40	40
Revised (February 06)	35	80	



- Reduction in capital employed of 90 M€ to 100 M€
- Annual reduction in fixed costs of 20 M€ to 25 M€



2006 : total CAPEX of 160 M€

(in Million €)	2001	2004	2005			2007
			<u>Published</u>	<u>Excl. Distribution</u>		
Sales at constant metal	4,467	4,005	4,263	4,003		4,400
OPM/Sales (%)	3.9 %	3.3 %	4.4 %	4.1 %		5.2 % to 5.5 %
ROCE ^(a) after tax	7.4 %	5.9 %	7.2 %	6.6 %		8 % to 8.4 %

Means for 2 years

- **CAPEX = 300 M€ (Depreciation = 220 M€)**
- **RESTRUCTURING = 80 M€ (in 2006)**
- **DEBT at end 2007 < 250 M€ (at end 2005 copper price)**
- **WACC^(b) = 7.3 %**

^(a) Return on capital employed

^(b) Weighted Average Cost of Capital

■ **Given the disposals made to date**

- Organic growth in sales of approximately 4 %
- Higher operating margin
- Reserves for 2006 and 2007 restructuring fully accrued for in 2006 (80 M€)
- Proposition to double dividend (1 € versus 0.50 € in 2004)
- Capex = 160 M€
- Capital gain of approximately 150 M€ (divestiture of Electro-Matériel)
- Closing debt of around 230 M€ at end December 2005 copper price

■ **Launch of an employee share plan for a maximum of 400,000 shares**

Mexans