



Press release

2008 third-quarter financial information

- **Renewed strong increase in organic growth in the cables business*: up 7.4% in the third quarter 2008 compared with a 7.2% rise in the first semester 2008**
- **Organic growth for the whole year is expected to be higher than the initial 6% target**
- **Confirmation of the Group's capacity to attain a higher operating margin than in 2007 despite the uncertain economic situation**

Paris, October 15, 2008 – Nexans today announced sales of **1,686** million euros (at actual non-ferrous prices) for the third quarter of 2008. At constant non-ferrous metal prices**, the quarter's sales stood at **1,165** million euros.

Organic growth in the third quarter in the cables business is **up 7.4%***** (up 3.8% if Electrical Wires is included. The Group is gradually winding down production to address only internal needs). At end September, growth was up 7.2%, comparable to the level in first half-year 2008.

For the full year 2008, the Group anticipates posting strong revenue growth, due to the continuing high level of business in energy infrastructure cables and strong sales in the main industrial cable segments, despite an expected drop in the Building business.

As for profitability, the Group should attain a higher operating margin in 2008 than the previous year, as forecast, due to the sustained profitability of its businesses.

* Cables and accessories, excluding electrical wires

** To neutralize the impact of variations in the price of non-ferrous metals and therefore measure the actual growth of its business, Nexans also establishes its sales at constant copper and aluminum prices

*** 2007 sales for comparable data correspond to sales at constant metal prices, adjusted for the impact of exchange rates (-34 million euros) and scope (-10 million euros).

Consolidated sales

(in millions of euros)	2007		2008
	At constant metal prices (**)	On the basis of comparable data (***)	At constant metal prices (**)
3rd quarter	1,166	1,123	1,165
2 nd quarter	1,257	1,204	1,228
1 st quarter	1,194	1,165	1,192
Total on September 30	3,617	3,492	3,585

Organic growth (in %)

	H108	Q308	End Sept. 08
Energy			
Energy Infrastructure	19.7%	22.7%	20.7%
Industry	4.8%	-2.3%	2.5%
Building	-4.2%	-3.5%	-4.0%
Telecom			
Local Area Network (LAN)	3.2%	2.7%	3.0%
Infrastructure Telecom	-2.2%	1.5%	-1.2%
Cable business	7.2%	7.4%	7.2%
Electrical wires	-36.1%	-30.3%	-34.5%
Group Total	2.2%	3.8%	2.7%
In millions of euros at constant metal prices	2,420	1,165	3,585

Energy

The third quarter 2008 confirms the high level of Energy cable sales noted in the first half-year. Organic growth rose 8.2 % in the third quarter 2008 compared with 8.1% on June 30, 2008.

- **Energy infrastructure: continuing with sustained growth**

Organic growth in the energy infrastructure business in the third quarter 2008 attained 22.7%, more than 300 basis points higher than on June 30, 2008, which confirms the strong fundamentals in this business. Growth was driven by the sustained investment policy undertaken since 2006, especially in high voltage, activity which grew by over 50%.

At end September 2008, the Group had a backlog of high voltage orders worth over €1.2 billion at current metal prices, supporting continued strong sales in this segment. Medium and low voltage Infrastructure cables and accessories showed sustained growth worldwide. The only exception was in North America, suffering from the slowdown in investments in secondary distribution networks.

For the first nine months of the year, Energy Infrastructure grew organically by 20.7%.

- **Industry: confirmation of first-half trends, impact of automotive market slowdown**

Sales in industrial cables fell slightly by 2.3% during the quarter compared with third quarter 2007, due to the combination of a stable industrial cables business and an approximate 5% reduction in cables and harnesses for the automotive industries and Telecom equipment suppliers.

More specifically, sales of special cables for Nexans' priority industrial segments are holding up well in Europe (cables for the oil industry, wind farms, and rail and air transportation, etc). Plants are showing satisfactory load levels, as the company responded to growing demand by streamlining its industrial processes without requiring large-scale investment in new capacity. Demand has remained strong in Australia and emerging countries such as Brazil, where the Group has expanded capacity during the last two years.

At end September, total year to date organic growth was up 2.5% due to a strong base effect in 2007.

- **Building: sales volumes hold up over first-half 2008 in a still difficult market context**

The drop in sales of cables for building has been limited to minus 3.5% for the third quarter against 2007, compared with minus 4.2% on June 30, 2008.

In Europe, volumes fell more in the third quarter in those countries most impacted by the building market slowdown in Spain and the United Kingdom (including in particular the effect of the close down of manufacturing in Ireland). However, margins have been maintained.

The situation in North America, on the other hand, seems to be stabilizing. Volumes and margins in both the residential and commercial markets are stable compared with the first half-year. In emerging countries and Australia, business has grown sharply.

Telecom

Telecom sales grew in the third quarter of 2008 by 2.2% over comparable date for the third quarter 2007.

- **Local Area Networks (LAN): sustained growth in North America**

Sales of LAN cables grew by 2.7% during the third quarter compared with 2007.

LAN cables grew strongly in North America (up 6%) due to more demand for high end products (categories 6, 7 and 10 Gbits).

The situation is more mixed in Europe, but offset by growth in the Middle East and Asia.

- **Telecom infrastructure: slight recovery in the third quarter**

Telecom infrastructure posted organic growth of 1.5% for the quarter, with a strong increase in accessories and fiber optic cables.

Remaining sales of copper telecom cable, are however decreasing. Due to the lack of prospects on this market, the Group decided to divest its Santander plant in Spain last May and opt for profitability over volumes in other countries.

Electrical wires

- **Electrical wires: continuation of the strategy of refocusing exclusively on Group-internal requirements**

Sales of electrical wires dropped by 30% (at constant metal prices, and on the basis of comparable scope and exchange rates), as a result of refocusing only on the Group's internal needs. In North America and in Europe, the Group is gradually replacing external sales of Electrical wires with transformation services.

Outlook for the year

Sustained growth in long-cycle businesses (mainly Energy Infrastructure) and continuing initiatives to improve profitability, allow the Group to maintain its objectives to achieve organic growth above 6% in its cable business in 2008 and to improve its operating margin relative to 2007 despite the uncertain economic situation.

Financial calendar

February 12, 2009: 2008 annual results

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 more than 30 countries and commercial activities worldwide, Nexans employs 22,800 people and had sales in 2007 of 7.4 billion euros. Nexans is listed on Euronext Paris, compartment A. More information on: <http://www.nexans.com/>

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APPENDIX: DETAILS ON SALES

	First quarter		Second quarter		Third quarter		Cumul. to end Sept.	
	2007	2008	2007	2008	2007	2008	2007	2008
At actual metal prices	1,805	1,743	1,987	1,811	1,776	1,686	5,568	5,241
At constant metal prices	1,194	1,192	1,257	1,227	1,166	1,165	3,617	3,585

Sales at actual metal prices by business segment

Energy	1,246	1,335	1,352	1,371	1,301	1,320	3,899	4,026
Energy Infrastructure	469	535	529	572	507	576	1,505	1,683
Industry	326	315	334	324	323	286	983	925
Building	451	485	489	475	471	458	1,411	1,418
Telecom	166	155	168	163	158	146	492	464
Telecom Infrastructure	82	68	78	70	70	54	230	192
Local Area Network (LAN)	84	87	90	93	88	92	262	272
Other	1	3	4	2	3	2	8	7
Electrical wires	392	250	463	276	314	218	1,169	744
Group total	1,805	1,743	1,987	1,811	1,776	1,686	5,568	5,241

Sales at constant metal prices by business segment

Energy	914	972	969	1,000	930	964	2,813	2,936
Energy Infrastructure	371	441	413	478	401	475	1,185	1,394
Industry	255	237	255	245	246	216	756	698
Building	288	294	301	277	283	273	872	844
Telecom	136	130	140	137	130	126	406	393
Telecom Infrastructure	65	58	64	60	58	49	187	167
Local Area Network (LAN)	71	72	76	77	72	77	219	226
Other	1	4	4	1	3	2	8	7
Electrical wires	143	86	144	89	103	73	390	249
Group total	1,194	1,192	1,257	1,227	1,166	1,165	3,617	3,585

Sales at actual metal prices by geographical area

Europe	1,137	1,122	1,205	1,166	1,129	1,055	3,471	3,343
North America	337	284	399	296	305	281	1,041	862
Asia Pacific	204	193	236	199	199	192	639	584
Rest of the World	127	144	147	150	143	158	417	452
Group total	1,805	1,743	1,987	1,811	1,776	1,686	5,568	5,241

Sales at constant metal prices by geographical area

Europe	798	825	817	853	779	792	2,394	2,470
North America	174	141	183	142	156	143	513	426
Asia Pacific	137	129	158	130	138	125	433	384
Rest of the World	85	97	99	102	93	105	277	305
Group total	1,194	1,192	1,257	1,227	1,166	1,165	3,617	3,585