



2004 Full Year Results

February 3, 2005

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.

Forward looking statements

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) an increase in demand as a result of a marked improvement in the world economy; (2) recovery of the building and winding wire markets; (3) the possibility to pass on to final customers increases in the costs of raw materials, energy and transport; (4) telecom operators returning to normal levels of infrastructure spending, particularly in the Group's export countries; (5) the management of risks associated with sales in turnkey projects; (6) the effect of metal price and currency fluctuations being neutral; (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; and (9) the Company successfully integrating acquisitions.

Impact of new accounting standards

The estimated financial information presented does not take account of all the changes which may arise as a result of the application of the IFRS standards but only of the major changes identified to date. The evolution of the text of the standards and of their interpretation by IFRIC as well as by other professional and regulatory bodies and the finalisation of their application within the group may lead to further adjustments having to be made which we have not yet identified and which may affect our indebtedness, our equity, assets and liabilities, our IFRS results for 2004 and cash-flow statements.

The information and figures contained in this presentation have not been audited.

The complete and audited financial information will be presented in the 2004 annual report.

Investor Relations:

Michel Gédéon

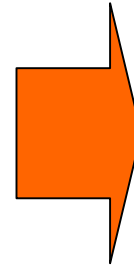
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- Non Binding "Memorandum of Understanding" signed on February 2nd,2005 with US company Superior Essex (SE), Largest North American producer of winding wires, aiming at
 - The full disposal of Nexans' interest in Nexans Tianjin (80 %)
 - The creation of a joint venture (majority-owned by SE) including :
 - ✓ The bulk of Nexans' European winding wires and varnishes business
 - ✓ SE's British business
- Nexans data : Sales \cong 250 M€ (contributed or divested entities)
- Impact : Removal from consolidation scope and reduction of the debt by 50 to 60 M€
- Targeted timeframes
 - Final agreement : during April
 - Closing date : end June

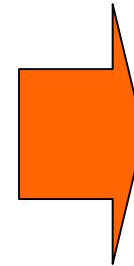
2004 SALES = 4,159 M€
+ 6.6 % organic



All product lines and geographical areas profitable

Operating Margin = 3.3 %
(2.3 % in 2003)

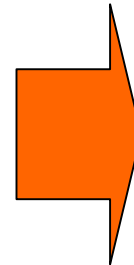
BUSINESS MIX REORIENTATION



Stronger positions in emerging markets (Lebanon, Egypt, S. Korea)

Project to divest control of European and Chinese Winding Wires to Superior Essex

NET INCOME = 57 M€

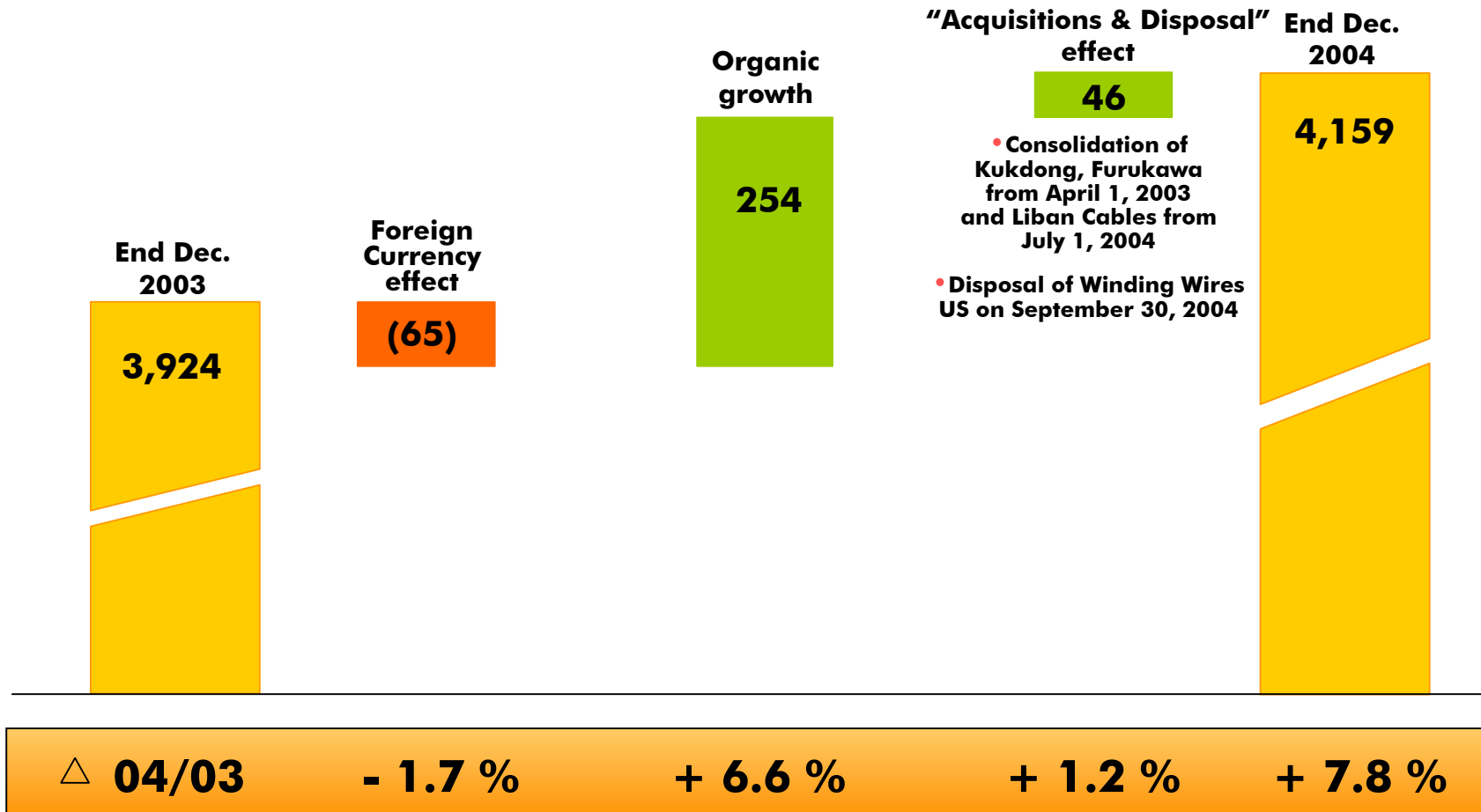


Proposed dividend = 0.50 € per share

Yield of 1.8 % on the basis of average 2004 share price

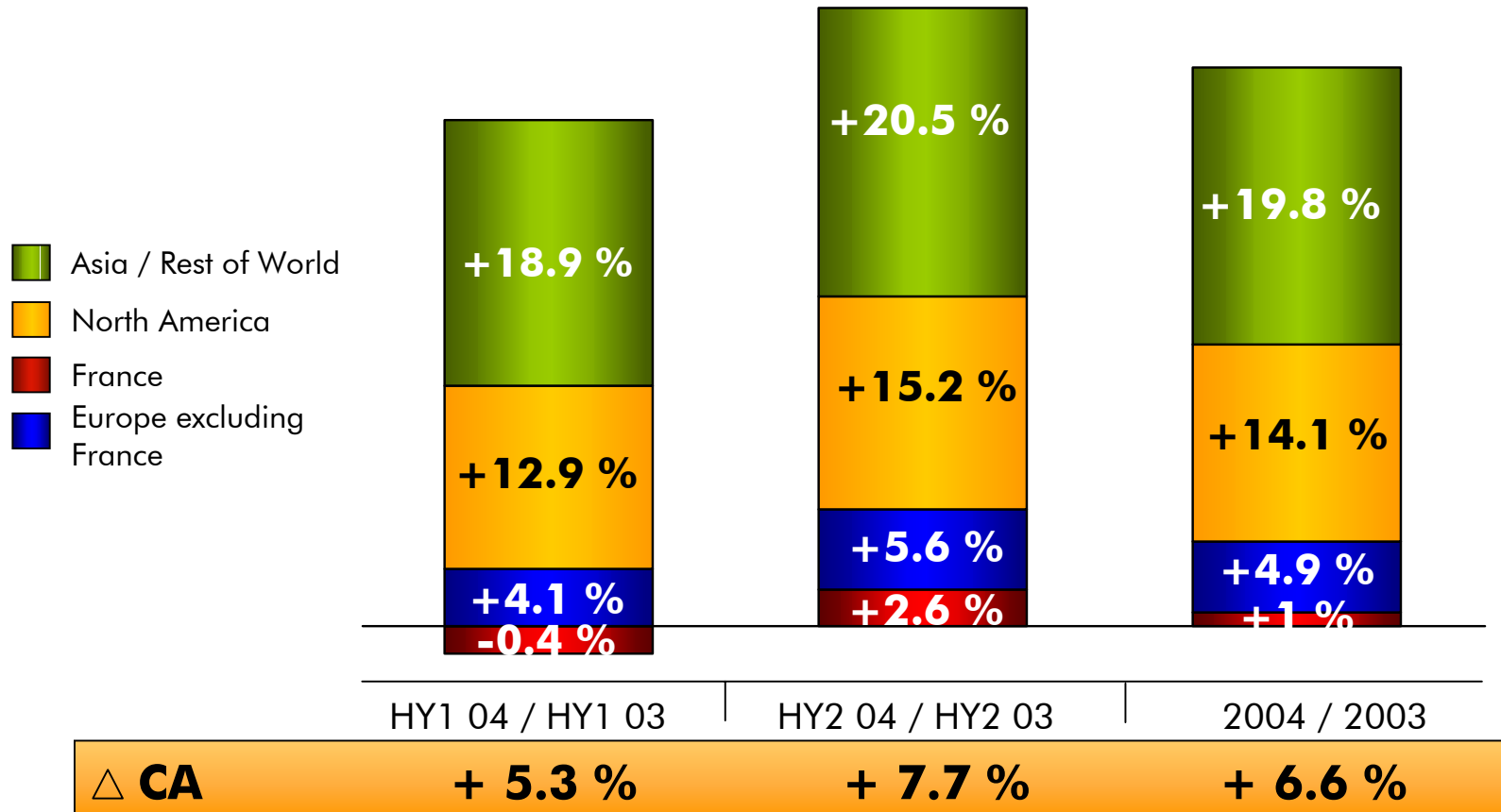
(in Million €)	2003	2004
Sales at current metal prices	4,046	4,900
Sales at constant metal prices	3,924	4,159
Sales at constant metal prices and exchange rates	3,859	4,159
EBITDA	190	228
EBITDA margin	4.9 %	5.5 %
Operating profit	91	135
Operating profit margin	2.3 %	3.3 %
Net income (group share)	1	57
Return on capital employed (ROCE) after tax	4.5 %	5.9 %
Earnings per share after dilution (€)	0.06	2.38

(Figures at constant metal prices)



Annual evolution in organic sales

(Constant consolidation scope, copper prices & exchange rates)



Performance
by business and by geographical area

(in Million €) Sales at constant metal prices and exchange rates	2003			2004			2003 / 2004	
	Sales	OP	%	Sales	OP	%	Sales	OP
Energy ^(*)	2,382	91	3.8 %	2,593	116	4.5 %	+ 8.9 %	+ 27.5 %
Telecom	527	(1)	-	570	17	3 %	+ 8.2 %	++
Electrical wires	945	10	1 %	985	14	1.4 %	+ 4.2 %	+ 40 %
Other	5	(9)	-	11	(12)	-	-	-
Total	3,859	91	2.3 %	4,159	135	3.3 %	+ 7.8 %	+ 48 %

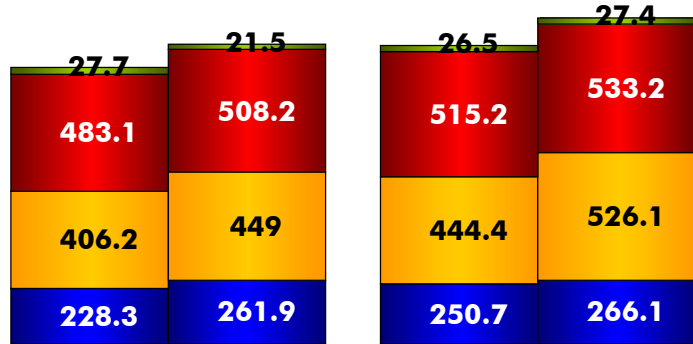
^(*) o/w

Distribution activity	267	13	4.8 %	286	16	5.7 %	+ 7.1 %	+ 26.4 %
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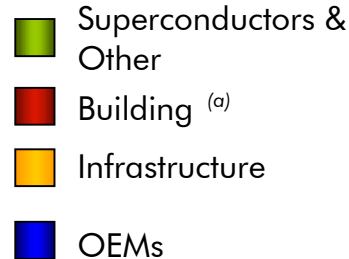
Sales (M€) (*)

At constant metal prices and exchange rates

Σ : 1,145 1,241 1,237 1,353



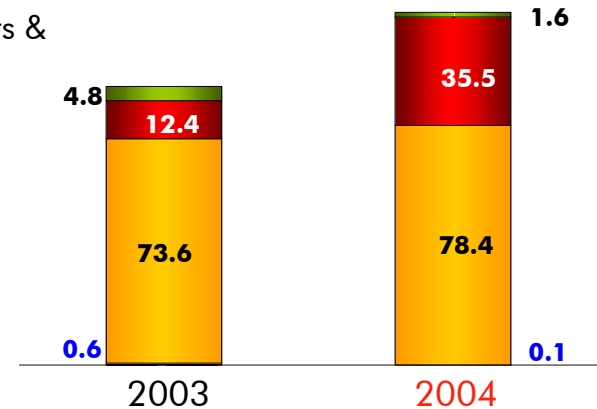
HY1 03 HY1 04 HY2 03 HY2 04



(a) Incl. Distribution

Operating Profit (M€)

Σ : 91 116



■ Infrastructure

- HV cables, accessories and umbilical cables extremely well oriented
- LV and MV cables : Growth in North America and emerging countries

■ OEMs :

- Operating recovery masked by a reserve for claim
- High demand in Asia (ship building) offsets weakness of investment in Europe

■ Building :

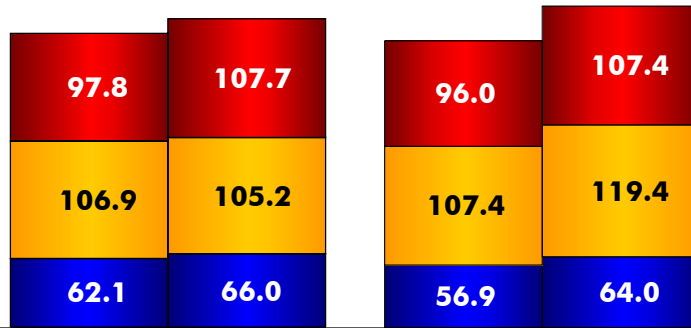
- Buoyant North American market
- Positive effect of restructurings in Europe combined with increased sales prices

(*) Annual change in sales = + 6.4 % at constant consolidation scope

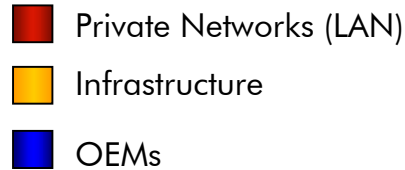
Sales (M€) (*)

at constant metal prices and exchange rates

Σ : **267** **279** **260** **291**

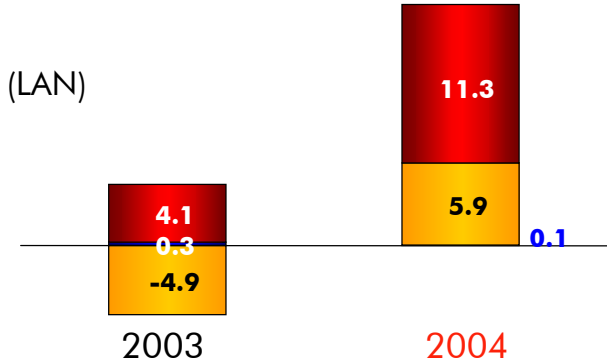


HY1 03 HY1 04 HY2 03 HY2 04



Operating Profit (M€)

Σ : **- 1** **17**



2003

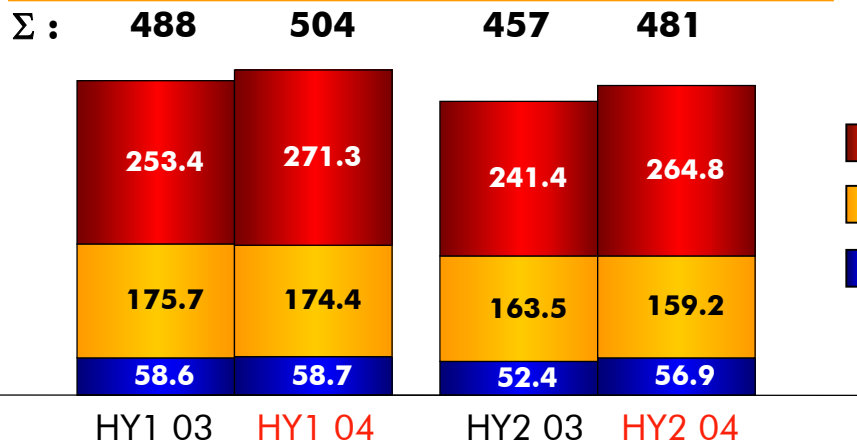
2004




- Significant boost to profitability in the context of a rise in sales greater than 8 %
- Improved performance for LAN cables driven by volumes, product mix in the U.S. and an upturn in Europe
- Infrastructure : encouraging performance for European copper networks (ADSL)

(*) Annual change in sales = + 7 % at constant consolidation scope

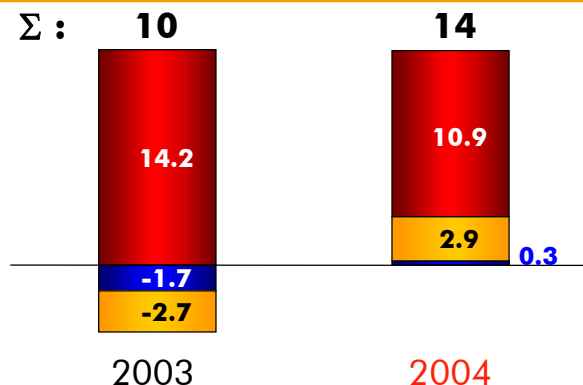
Sales (M€) (*)

at constant metal prices and exchange rates



 Wirerod
 Winding Wires
 Bare conductors

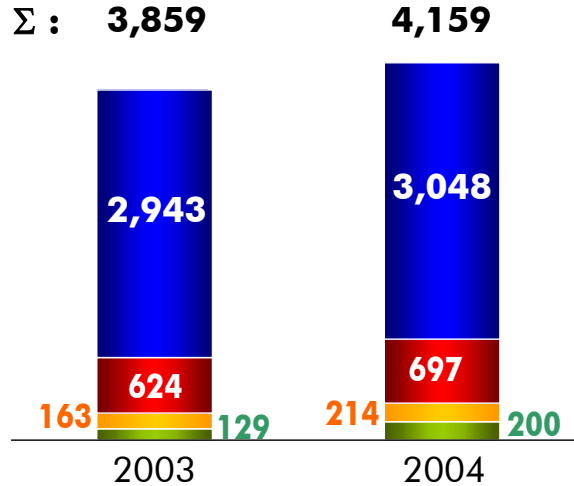
Operating Profit (M€)



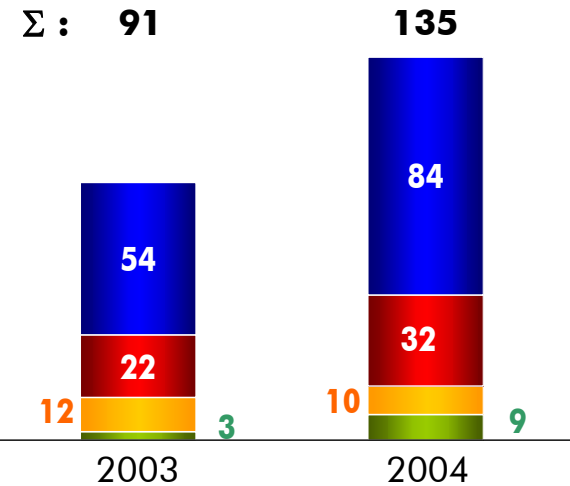
- Wirerod : Market share maintained in a context of pressure on prices (especially in North America : CAD/USD exchange rate)
- Winding Wires : marked improvement attributable to restructurings and disposal of this activity in North America

(*) Annual change in sales = + 5.7 % at constant consolidation scope

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



Operating Profit (M€)



- Europe : Profitability up as a result of restructurings (France and Spain) in a context of ongoing slow growth
- North America : Strong growth in all businesses, especially high value added products (LAN, Energy Infrastructure, etc...)
- Asia :
 - Beginning of the year disturbed by rise in copper price and high competition
 - Encouraging perspectives for 2005
- Rest of World :
 - Very strong start in Energy Infrastructure cables (Brazil, Morocco, Middle East)

Financial Results

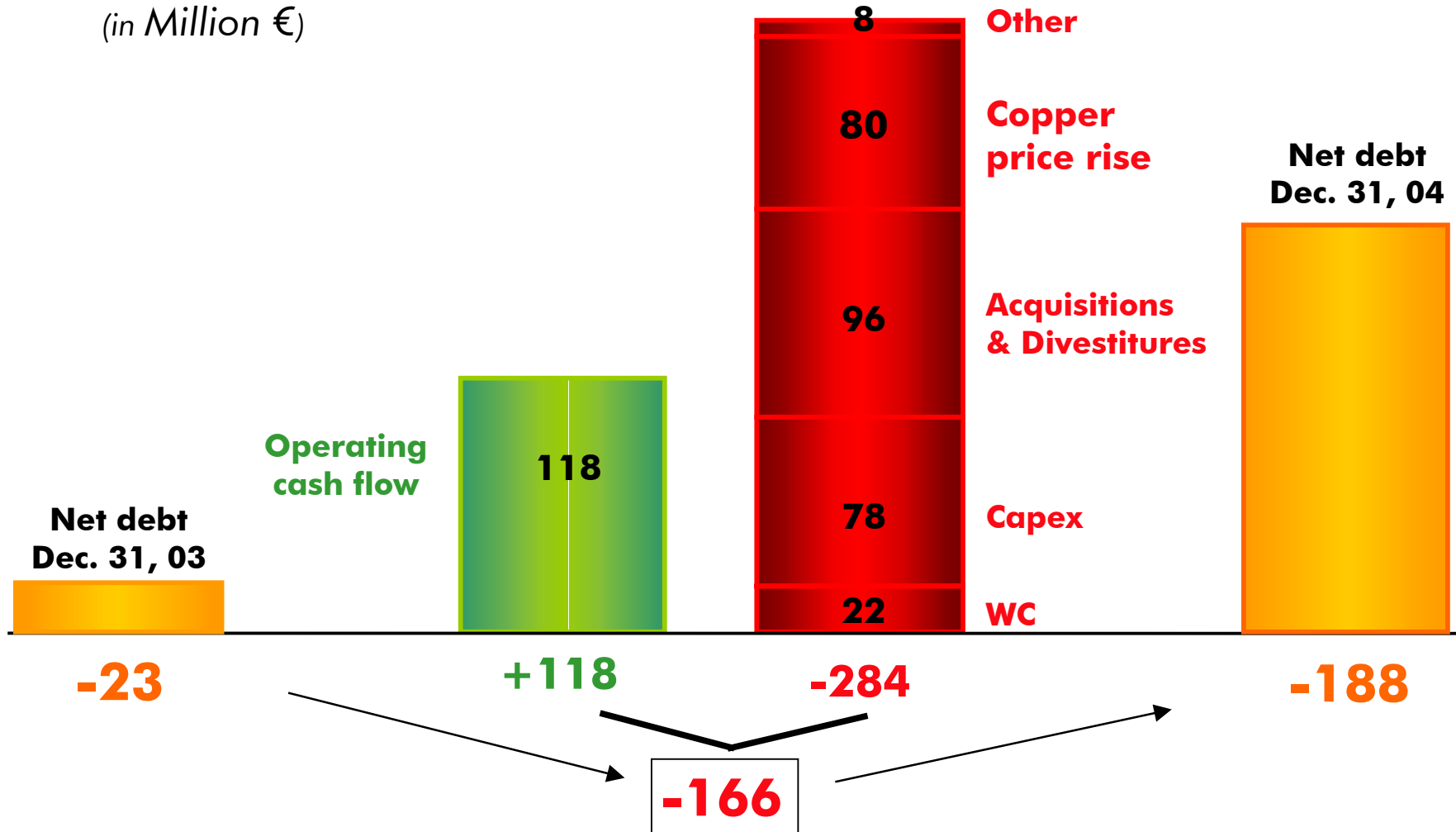
Frédéric Vincent

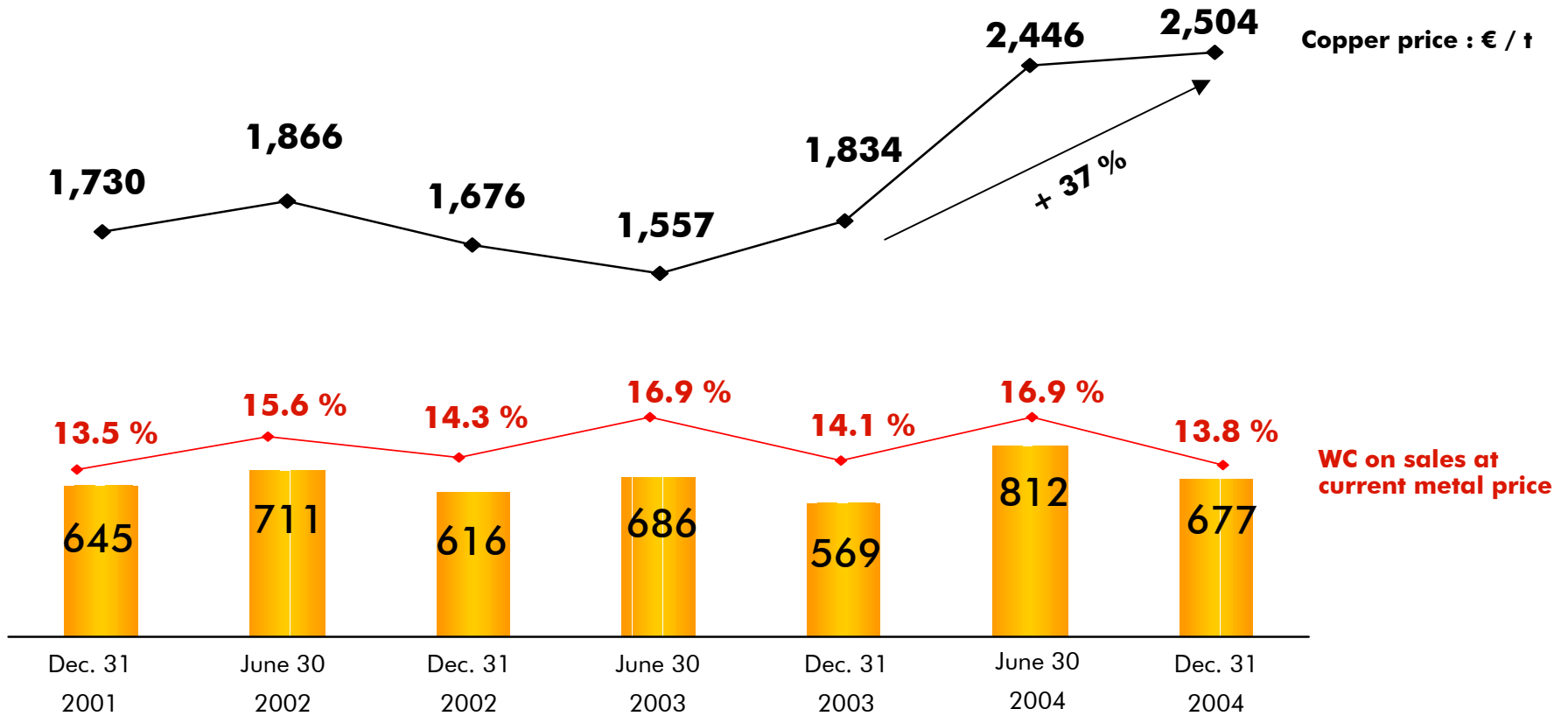
(in Million €)	2003	2004	
Sales at constant metal	3,924	4,159	
Margin on variable costs	1,021	1,065	
<i>Margin on variable costs (%)</i>	<i>26 %</i>	<i>25.6 %</i>	↗ HY1 = 25.1 %
Indirect costs	(831)	(837)	↘ HY2 = 26 %
EBITDA ^(*)	190	228	
<i>EBITDA margin (%)</i>	<i>4.8 %</i>	<i>5.5 %</i>	
Depreciation	(99)	(93)	
Operating profit	91	135	
<i>Operating profit margin (%)</i>	<i>2.3 %</i>	<i>3.3 %</i>	
Financial charge	(31)	(30)	
Restructuring	(41)	(36)	
Other revenue	(2)	9	
<hr/>			
Income before tax	18	78	
Income tax	8	(20)	
Goodwill amortization	(14)	4	
Minority interests	(10)	(5)	
Net income	1	57	

(*) Operating profit before depreciation

(in Million €)	2003	HY1 2004	HY2 2004	2004
Net income (incl. Minority interests)	11	37	25	62
Depreciation and Amortization	113	46	43	89
Other non-cash items	(31)	(35)	1	(33)
Cash Flow	93	48	69	118
Capital expenditure	(67)	(34)	(63)	(97)
Disposals	15	17	2	19
<i>Capital expenditure, net</i>	<i>(52)</i>	<i>(17)</i>	<i>(61)</i>	<i>(78)</i>
Change in Working Capital	47	(226)	125	(102)
Cash impact of (acquisitions)/divestitures	(32)	(4)	(92)	(96)
Share buy-back	(3)	-	-	-
Dividends paid	(8)	(9)	-	(9)
Other	(16)	6	(5)	1
Net (increase)/decrease in Debt	29	(203)	37	(166)

(in Million €)

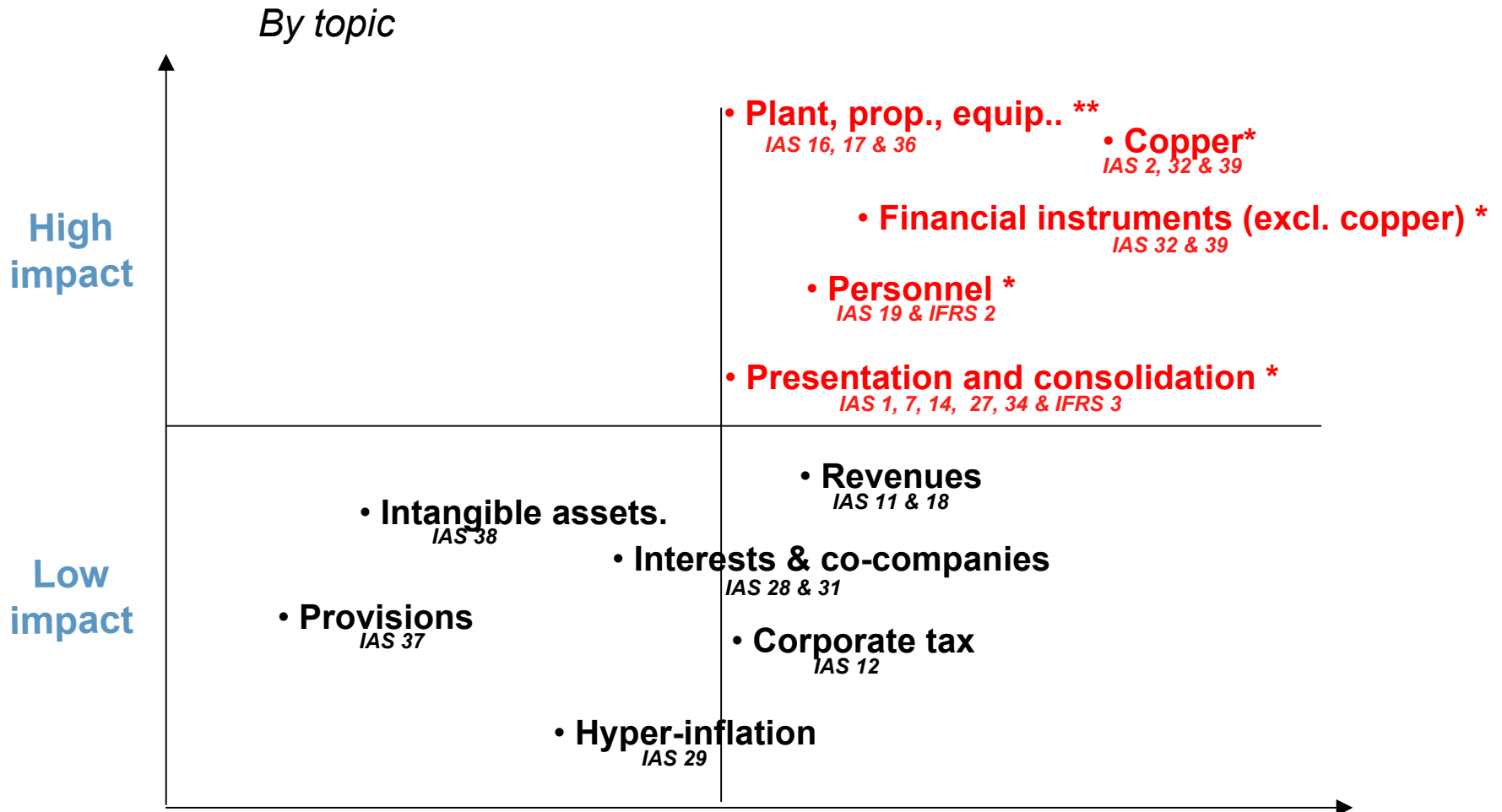




in Million €	Dec. 31, 03	Dec. 31, 04
Intangible assets	27	82
Property, Plant & Equipment	784	796
Investments and other non-current assets	68	60
Total non-current assets	879	937
Working capital	569	677
Total to Finance	1,448	1,614
Net debt ^(*)	23	188
Reserves	380	373
Minority interests	103	71
Shareholders' equity (group share)	942	982
Total Financing	1,448	1,614
(*) After non-recourse sale of receivables : (AMF Recommendation December 2002)	109	130

January 2005

Nexans and the adoption of IFRS standards



* IFRS 1 "First-time adoption" at cross-sector level

** Standards already applied by Nexans

- **The challenge**

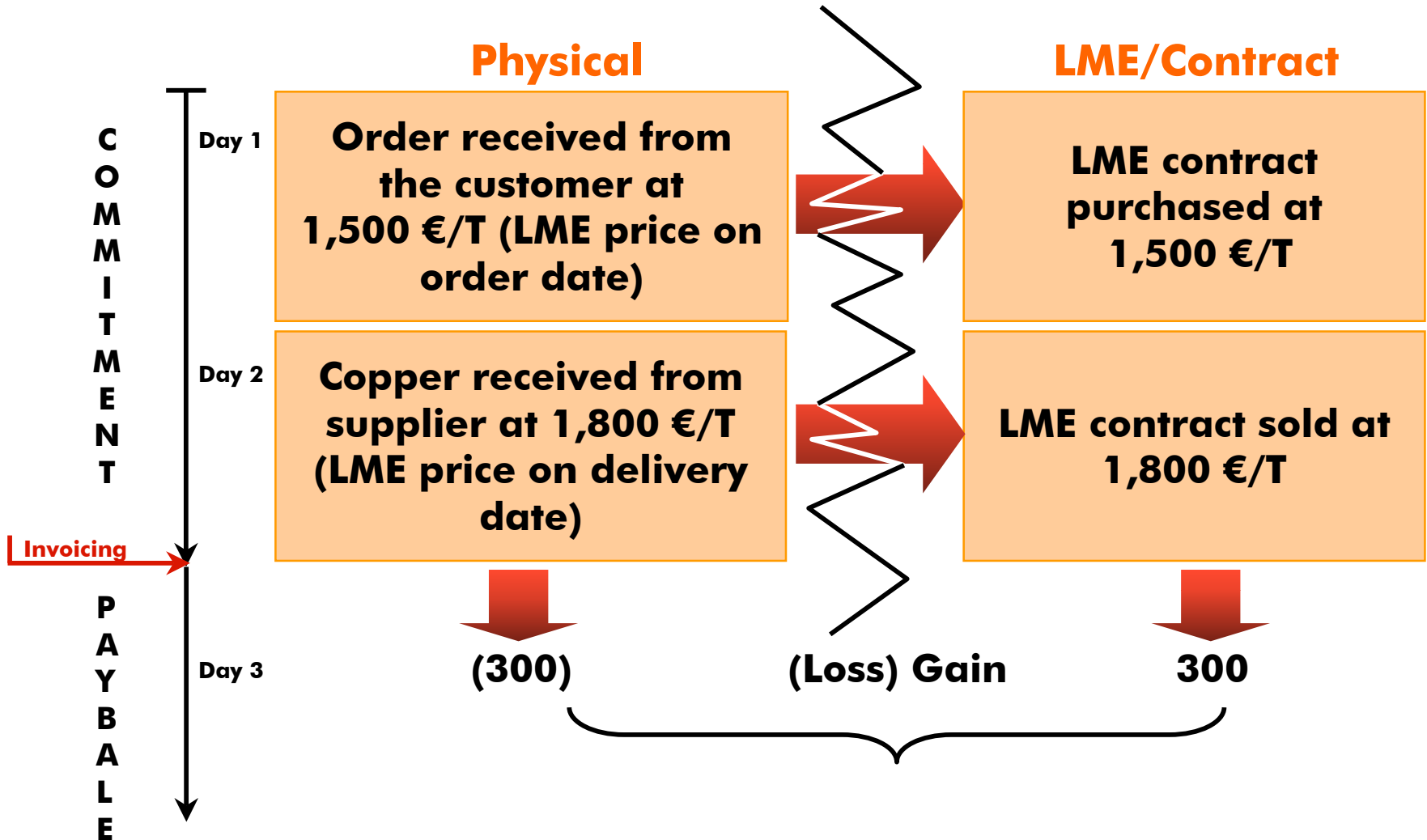
- ▶ Copper : A fundamental financial challenge : 40 % of sales – Volatility (+ 60 % in 1 year)

- **Current arrangements**

- ▶ Rigorous and proven management
 - 15 dedicated professionals
 - One book per subsidiary
 - Net firm flow and “adjusted” estimated flow positions hedged through forward Purchases and Sales of paper on the LME (and COMEX)
 - No open positions
- ▶ Historically proven that OP not affected by changes in copper prices.

- **IFRS and Copper**

- ▶ IAS 2 inventory:
 - Switch from LIFO to WAP (Weighted Average Price)
 - Core exposure (Part of inventory owned by Nexans and not hedged) ⇒ Transferred to fixed Assets
- ▶ IAS 32-39 Financial Instruments :
 - Nexans’s arrangement based on “Trading” and not “Fair Value Hedge”
 - ✓ Macro-hedge versus micro-hedge,
 - ✓ Integration of estimated flows
 - Need to book derivatives at fair value (LME price as of closing) whereas the physical counterpart thereof is not booked (be it positive or negative)



- **The consequences**

- ▶ Keep the current hedging arrangements
- ▶ Reclassify core exposure as fixed assets : 150 M€ reduction in WC
- ▶ Switch from LIFO to WAP : Very little impact
- ▶ Financial instruments : Booking at fair value of the hedging instruments leads to the Operating Income before Tax (timing differences that reverse when the price of copper stabilizes)

In comparison to the current method (in M€)

	HY 1	HY 2	Full Year
2002	- 6	+ 6	-
2003	+ 4	- 1	+ 3
2004	- 17	+ 2	- 15

- **Relevant standards**

- IAS 32 and 39 (Application effective January 1, 2005)

- **Stated principles**

- Include the non-recourse sales of receivables in working capital with its counterpart in financial debt
- Split the convertible bond in a debt component and a shareholders' equity component (value of the option)

- **Main consequences for Nexans at January 1, 2005 (M€)**

- Inclusion of the non-recourse sale of receivables
 - WC = + 130 M€
 - Financial debt = + 130 M€
- Split of the convertible bond (135 M€)
 - Financial debt = - 18 M€
 - Shareholders' equity (after deferred tax) = + 12 M€
 - Deferred Tax liability = + 6 M€
 - Additional interest expense of around 2 M€ after tax

- **Relevant standards**

- IAS 19 and IFRS 2

- **Stated principles**

- Book all actuarial differences in retirement commitments (as per the IFRS 1 option) as well as assimilated benefits by deduction from shareholders' equity at January 1, 2004 (net of deferred tax)
- Book stock option charges as payroll costs (April 2003 and November 2004 plans)

- **Main consequences for Nexans at January 1, 2004 (M€)**

- Pensions
 - Shareholders' equity (after deferred tax) = around - 85 M€
 - Reserves = around + 110 M€
 - Deferred Tax Assets = around + 25 M€
- Stock options
 - Annual charge at between 1 M€ and 2 M€ for the restated plans

- **Relevant standards**

- ▶ IAS 16 and 36

- **Stated principles**

- ▶ Depreciation period specific to each asset component
- ▶ Impairment test applied to Property, Plant & Equipment and Intangible Assets

- **Main consequences for Nexans (already booked since 1/1/03)**

- ▶ Effect on shareholders' equity after tax = + 9 M€
 - Of which group share = + 10 M€
- ▶ Effect on operating profit = + 33 M€ (2003 and beyond)

- **Relevant standards**

- IAS 1 and IAS 27

- **Stated principles**

- Suppression of the notion of exceptional or non-recurring income
- More precise definition of the scope of consolidation
- Current and non-current presentation of the balance sheet

- **Main consequences for Nexans**

- **The “Autoelectric” business comes within the scope of consolidation**
(Harnesses assembly business in Czech Republic, Romania, ...)

- No impact on sales and profit (100 % intra-group flows)
- Impacts on the Balance Sheet (low capital intensive business)
 - ✓ Property, Plant & Equipment = + 12 M€
 - ✓ Investments and other non-current assets = - 14 M€
 - ✓ WC = + 7 M€
 - ✓ Financial debt = + 5 M€
- Headcount = + 2,909

- **Creation of an intermediate aggregate :**

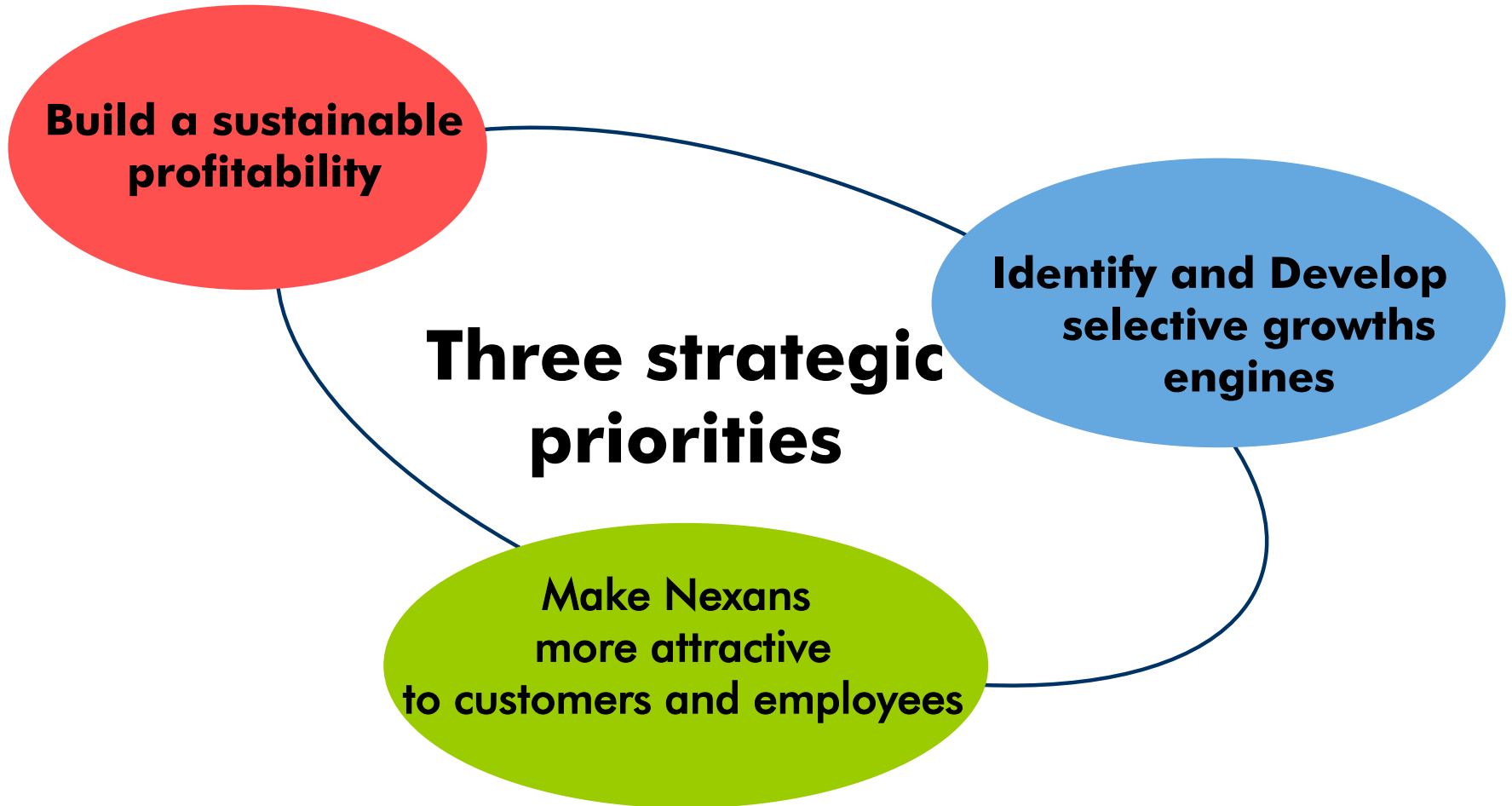
Operating Income before Impairment, Restructuring and Copper instruments mark to market

Excluding impact of IAS 16 and 36 already booked at end 2003

(in M€)

	January 1, 2004				January 1, 2005		
	Reported 12/31/2003	Core exposure	Autoelektrik Consolidation	Pension	IFRS restated 01/01/2004	Convertible Bond	Non-recourse sale of receivables
Intangible assets and Property, Plant & Equipment	811	150	12	-	973	-	-
Investments and other non-current assets	68	-	-14	-	54	-	-
Current Asset (excl. cash)	1,471	-150	7	25	1,353	-	130
	2,350	0	5	25	2,380	0	130
Shareholder's equity (incl. Minority interests)	1,045	-	-	- 85	960	12	-
Reserves	380	-	-	110	490	-	-
Net financial debts	23	-	5	-	28	-18	130
Other debts	902	-	-	-	902	6	-
	2,350	0	5	25	2,380	0	130

**Medium-Term
Outlook**



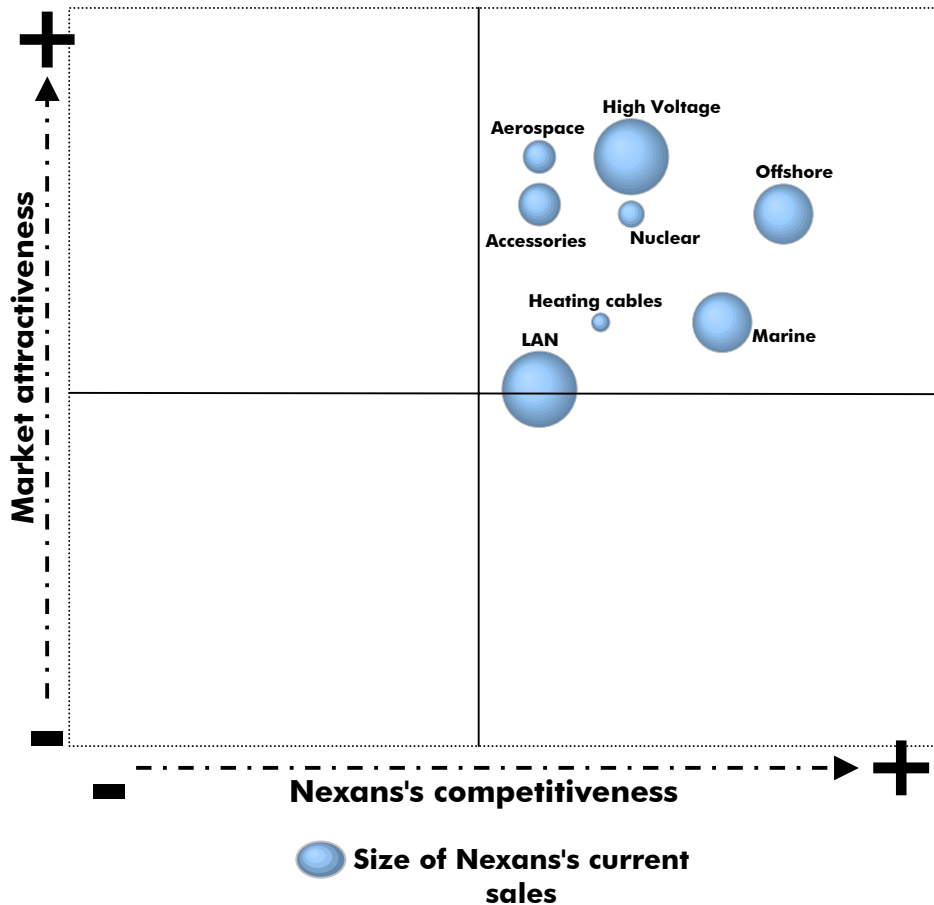
In a European market in moderate growth :

- Continue Restructuring / Rationalization efforts
 - Rationalize production facilities (number and specialization of plants)
 - Reduce fixed costs (especially non-manufacturing structural costs)
- Develop a more aggressive Procurement strategy
 - Leverage sustainable competitive advantage on volumes purchased
 - Climb back the value added chain
 - Systematic procurement synergies for all companies acquired

... by improving our cost-competitiveness

A large, thick, red curved arrow pointing from the left towards the text below.

Eradication of areas of loss (25 M€) by 2007

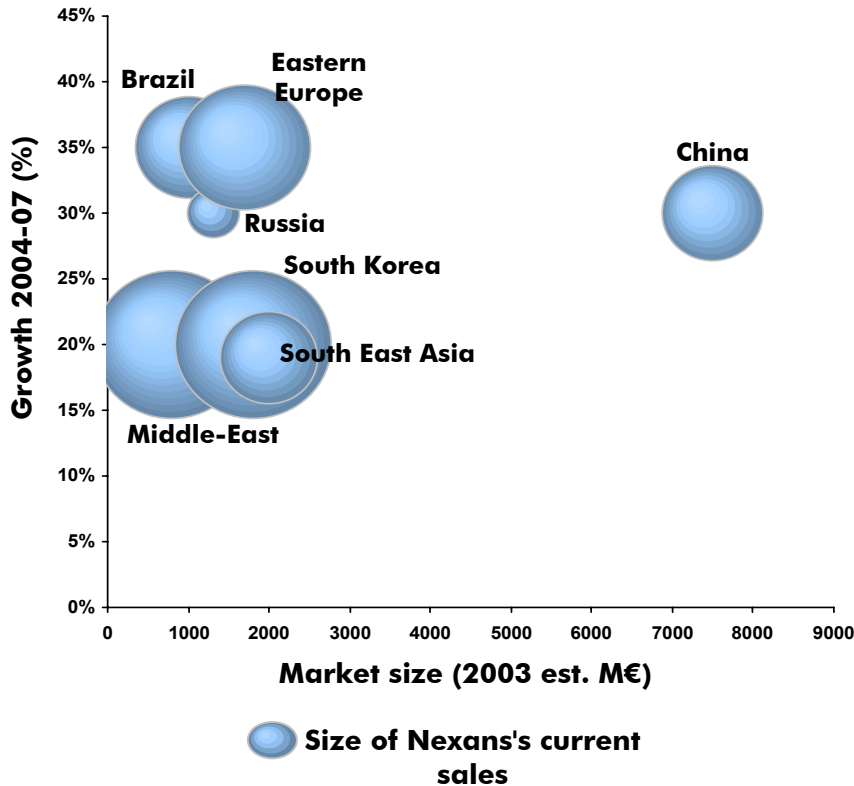


- **Capitalize on priority market segments**
 - Infrastructure (HV, XDSL, Railway)
 - Special cables for OEMs (marine, offshore, automotive)
 - LAN Cat 6 + products

- **Secure market leadership and price levels**

- **Evolution of consolidation scope**

- **Development of new products (weight gains, fire resistance, insulation quality)**



- **Priority geographical areas**

- Asia
- Middle East
- Eastern Europe

- **Expand group product offer**

- **Acquisitions**

... by extending our market shares

- **Improve sales & marketing efficiency**
 - Specialize sales teams
 - Strengthen sales & marketing organization

- **Improve human resources management**
 - Lower age pyramid
 - Renew key resources

... for its Customers and Employees

(in Million €)

2001

2004

2007

	2001	2004	2007
Sales at constant metal	4,467	4,159	4,700 to 4,800
OP/Sales (%)	3.9 %	3.3 %	5 %
ROCE ^(a) after tax	7.4 %	5.9 %	9.5 %

Manage the downturn

Catch the rebound

Means for the 3 years

- CAPEX \cong DEPRECIATION
- RESTRUCTURING \leq 40 M€/yr
- CONSTANT DEBT
- WACC^(b) = 7.5 %

^(a) Return on capital employed

^(b) Weighted Average Cost of Capital

Assuming a stabilization in raw material and energy costs

- Growth of activity between 3 % and 4 % at constant exchange rates
- Increase in operating profitability
- Restructuring ≤ 40 M€ (effort mainly targeted to Europe)
- 2004 Dividend foreseen : 0.50 €/share to be proposed at the Shareholder's meeting.
- Investments (capex) of around 135 M€
- Unchanged Debt at constant consolidation scope and copper price

Mexans