**Press release**

## Estimated 2004 results

- **Solid results and a highly encouraging performance**
- **Memorandum of Understanding to pursue the transfer of a controlling interest in European and Chinese Winding Wires operations**
- **Estimated impact of transition to IFRS standards**

**Paris, February 3, 2005** – The Nexans Board of Directors, chaired by Gérard Hauser, met on February 2, 2005 and reviewed the estimated accounts for 2004.

- *Sales in 2004* totaled 4.9 billion euros.
  *Sales calculated at constant non-ferrous metal prices* were 4.159* billion euros compared to 3.859 billion euros in 2003 (at constant exchange rates), i.e. an increase of 7.8% (+6.6% on a comparable consolidation scope).

- *Operating profit* stood at 135 million euros, an increase of 48% compared with 2003. The *operating margin* was 3.3% compared with 2.3% in the previous year.

- All product lines and all geographic areas were profitable.

- *Net debt* increased from 23 million in 2003 to 188 million euros at December 31, 2004, reflecting the impact of the strong increase in copper prices (+37% in one year) and of acquisitions made during the year.

- *Net income* was 57 million euros, compared with 1 million euros in 2003 and net *income per share* reached 2.38 euros compared with 0.06 euro in 2003. Excluding exceptional items, net income for the year was 36 million euros.

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* 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.

- On a preliminary basis, the Board of Directors is in favor of proposing a *dividend* of 0.50 euro per share, more than double the dividend paid in 2003 (0.20 euro), for decision by the General Shareholders' Meeting.

Pursuing the policy implemented in the US in the first part of the year, and in line with the planned withdrawal from the winding wire sector announced in early 2004, Nexans announces the signature of a non-binding Memorandum of Understanding (MOU) with Superior Essex regarding a joint-venture combining Nexans' European winding wires and enamel businesses with Superior Essex's UK winding wires business. The combined entity would be majority owned and controlled by Superior Essex, with Nexans retaining a significant minority interest.

In addition the MOU includes negotiations for the purchase by Superior Essex of Nexans' 80% interest in Nexans Tianjin, a Chinese winding wires joint-venture.

The transaction is subject to workers consultations, successful due diligence, execution of a definitive binding purchase agreement, approval of certain third parties, regulatory approvals, and other customary conditions.

If closed, the transaction would result in removing these activities from Nexans' consolidation scope (approximately 250 million euros of sales) and a debt reduction of approximately 50 to 60 million euros.

Commenting on these preliminary results, Nexans Chairman and CEO Gérard Hauser said:
*"In 2004 Nexans reaped the fruits of its dedicated drive over the last three years to restructure, reorient its portfolio of businesses, and to develop in growth markets. The increase in sales across all business sectors and geographic areas where the Group operates, was accompanied by a satisfactory increase in profitability. Assuming costs of raw materials and energy stabilize, Nexans is confident that it will be able to pursue its development strategy to build sustainable profitability and develop the growth drivers it has identified in order to further improve its attractiveness. The encouraging results for 2004 mean that we can anticipate growth in our business in 2005 between 3 and 4% at constant exchange rates and metal prices, with further improvement in the operating margin.*
*Such advances will constitute the first step toward achieving our medium-term goals: sales of 4.7 to 4.8 billion euros, assuming equivalent conditions in the economy, in 2007, with an operating margin of 5% and a return on capital employed of 9.5% and higher than the weighted average cost of capital."*

This outlook for the future encouraged the Board of Directors' favorable view on the management's proposal to pay out a *dividend* of 0.50 euros per share. The dividend proposal for the General Shareholders' Meeting will be finalized when the Board meets to approve the definitive financial statements.

**Sales 2004**

| Q4.03 | Q4.04 | in millions of euros | 2003 | 2004 |
|---|---|---|---|---|
| 1,089 | 1,336 | Sales | 4,046 | **4,900** |
| 1,035 | 1,124 | Sales (at constant metal prices) | 3,924 | **4,159** |
| **1,026** | **1,124** | **Sales** (at constant metal prices and exchange rates) | **3,859** | **4,159** |
| 644 | 722 | Energy | 2,382 | **2,593** |
| *72* | *78* | *of which Distribution* | *267* | ***286*** |
| 134 | 148 | Telecom | 527 | **570** |
| 246 | 251 | Electrical wires | 945 | **985** |

Following a faster growth in the second half of the year, *full-year sales for 2004, at constant non-ferrous metal prices,* totaled 4,159 million euros, an increase of 7.8% at constant exchange rates compared to 2003. Full year sales include those of the Liban Cables group as from July 1, and reflect the sale of the American Winding Wires business, taken into account as from September 30. Excluding changes in consolidation scope, organic growth for the year was 6.6%.

**Preliminary consolidated income by business sector**

| in millions of euros (at constant metal prices ) | 2003 | 2004 | % change |
|---|---|---|---|
| EBITDA* | 190 | **228** | +20 |
| Operating Profit: | | | |
| Energy | 91 | **116** | +27.5 |
| *of which Distribution* | 13 | **16** | +26.4 |
| Telecom | (1) | **17** | - |
| Electrical wires | 10 | **14** | +40 |
| Other | (9) | **(12)** | n/s |
| **Operating Profit** | 91 | **135** | +48 |
| Net income | 1 | **57** | - |
| Earnings per share (in euros) | 0.06 | **2.38** | - |
| Net debt | 23 | **188** | - |

* Operating Profit before depreciation

*Restructuring costs* were 36 million euros.

*Net income* reached 57 million euros, after the release of a financial provision of 8 million euros and badwill totaling 4 million euros, and other exceptional items of 9 million euros. Net income before exceptional items was therefore 36 million euros.

Taking into account the diluted weighted average number of shares during FY 2004, *net earnings per share* stood at 2.38 euros compared with 0.06 euros in 2003.

## Analysis of sales* and income from operations by business sector

### *Energy cables:*

*Sales* in the Energy sector increased by 8.9% compared with 2003, reaching 2,593 million euros.

*Operating profit* was 116 million euros, an increase of 27.5% compared with 2003. The operating margin improved from 3.8% in 2003 to 4.5% in 2004. High Voltage, accessories and umbilical cables once again recorded impressive results. Cables for the building market were boosted by the buoyancy of the North American market and by the positive effects of price increases and restructuring measures in Europe. Cables for industry achieved a turnaround in operating profitability, although this was offset by a provision for claims.

### *Telecommunications cables:*

*Sales* in the Telecom sector increased by 8.2% to 570 million euros, reflecting an improved performance in the second half of the year.

Following three years of crisis, this business returned to profitability in 2004 (with an operating margin of 3%), recording operational profits of 17 million euros compared with a loss of 1 million euros in 2003. Growth in ADSL in Europe boosted the infrastructure business. Private Local Area Network (LAN) cables continued to perform well in the United States and Brazil, while the first signs of a recovery for these products appeared in Europe.

### *Electrical wires:*

*Sales* in the Electrical Wires sector totaled 985 million euros in 2004 compared to 945 million euros at December 31, 2003, i.e. an increase of 4.2%.

*Operating Profit* stood at 14 million euros, compared to 10 million euros in 2003. In the Wirerod market, the Group was able to maintain its market share despite strong pressure on prices and unfavorable exchange rates between the US and Canadian dollars.

The Winding Wires business returned to profitability following the sale of the American activity and the restructuring programs implemented in Europe.

*Sales at constant metal prices and exchange rates

## Analysis of sales and income from operations by geographic area

| Sales at constant metal prices and exchange rates (in m€) | 2003 | | | 2004 | | |
|---|---|---|---|---|---|---|
| | Sales | OP | *OP/Sales* | **Sales** | **OP** | **OP/Sales** |
| Europe | 2,943 | 54 | 1.8% | **3,048** | **84** | **2.8%** |
| North America | 624 | 22 | 3.5% | **697** | **32** | **4.6%** |
| Asia | 163 | 12 | 7.4% | **214** | **10** | **4.7%** |
| Rest of the World | 129 | 3 | 2.3% | **200** | **9** | **4.5%** |
| **TOTAL** | **3,859** | **91** | **2.3%** | **4,159** | **135** | **3.3%** |

### *Europe*

*Sales* totaled 3,048 million euros, an increase of 3.6% compared with 2003, while profits increased by 56%. This improvement primarily reflects the impact of the restructuring programs, especially in France, Spain and Italy, while the economic recovery globally remained stifled. Results in this area were boosted by excellent performances in the Scandinavian markets and in Switzerland, and by good results from High Voltage cables and cables for the automotive sector.

### *North America*

*Sales* reached 697 million euros, compared with 624 million euros in 2003, reflecting improvements across all activity sectors.

*Operating Profit* was 32 million euros compared with 22 million euros in 2003. High value-added products (private Local Area Network (LAN) cables, energy infrastructure cables) recorded especially strong growth.

### *Asia*

*Sales* grew strongly in 2004 (+31%) reaching a total of 214 million euros (+ 18% at constant consolidation scope).

*Operating Profit* for the area remained stable compared with 2003. Good performances by naval industry cables and the Vietnamese activities were not enough to offset the weakness in infrastructure cables and the impact of the price pressure in the Chinese ADSL cable market.

## Impact of IFRS standards

The Group has also undertaken an assessment of the impact of transition to IFRS standards on its financial statements and has outlined the main estimated impacts in a presentation for analysts and the press which is available on its Web site: www.nexans.com

## Financial calendar

March 10, 2005: publication of the definitive financial statements for 2004 on the Nexans Web site at www.nexans.com
April 20, 2005 : Publication of the first quarter sales
April 21, 2005: Individual shareholders' information meeting in Nice
June 2, 2005: Annual Shareholders' Meeting
June 16, 2005: Individual shareholders' information meeting in Toulon
July 21, 2005: Publication of first-half sales and results
November 14, 2005: Individual shareholders' information meeting in Grenoble
December 5, 2005: Individual shareholders' information meeting in Lille

A full set of slides for the presentation of the results as well as a detailed presentation of the accounts are available on the Nexans Web site at www.nexans.com

**About Nexans**
Nexans is the worldwide leader in the cable industry. The Group brings an extensive range of advanced copper and optical fiber cable solutions to the infrastructure, industry and building markets. Nexans cables and cabling systems can be found in every area of people's lives, from telecommunications and energy networks, to aeronautics, aerospace, automobile, railways, building, petrochemical, medical applications, etc. With an industrial presence in 29 countries and commercial activities in 65 countries, Nexans employs 20,000 people and had sales in 2004 of euros 4.9 billion. Nexans is listed on the Paris stock exchange. More information on www.nexans.com

**Contacts:**

Investor relations

Michel Gédéon
Tel : +33 (0)1 56 69 85 31
e-mail : michel.gedeon@nexans.com

Press relations

Véronique Guillot-Pelpel
Tel : + 33 (0)1 56 69 84 44
e-mail : veronique.guillot-pelpel@nexans.com

Pascale Strubel
Tel : + 33 (0)1 56 69 85 28
e-mail. : pascale.strubel@nexans.com

Céline Révillon
Tel : + 33 (0)1 56 69 84 12
e-mail : celine.revillon@nexans.com

*Appendices*

1. Consolidated income statement
2. Consolidated balance sheet
3. Consolidated statement of cash flows
4. Information by sector

## Consolidated income statement

| *at December 31, in millions of euros* | **2004** | **2003** | **2002** |
|---|---|---|---|
| **Net sales** | **4,900** | **4,046** | **4,302** |
| Metal price effect | (740) | (123) | (206) |
| **Net sales at constant metal price** | **4,159** | **3,924** | **4,096** |
| Cost of sales | (3,584) | (3,383) | (3,571) |
| **Gross profit** | **576** | **541** | **525** |
| Administrative and selling expenses | (394) | (402) | (421) |
| R&D costs | (47) | (47) | (48) |
| **Income from operations** | **135** | **91** | **56** |
| Financial income (loss) | (30) | (31) | (31) |
| Restructuring costs | (36) | (41) | (90) |
| Other revenues (expenses) | 9 | (2) | 23 |
| **Income before taxes** | **78** | **18** | **(43)** |
| Income tax | (20) | 8 | 10 |
| Share in net income of equity affiliates | 0 | (1) | - |
| **Consolidated net income before amortization of goodwill** | **58** | **25** | **(33)** |
| Amortization and depreciation of goodwill | 4 | (14) | (2) |
| Minority interests | (5) | (10) | (5) |
| **Net income (Group share)** | **57** | **1** | **(40)** |

| | | | |
|---|---|---|---|
| Earnings per share (in euros) | 2.71 | 0.06 | (1.78) |
| Diluted earnings per share (in euros) | 2.39 | 0.06 | (1.74) |

## Consolidated balance sheet

**ASSETS**

| *at December 31, in millions of euros* | **2004** | **2003** | **2002** |
|---|---|---|---|
| Goodwill, net | 74 | 23 | 39 |
| Other intangible assets, net | 7 | 4 | 7 |
| **Intangible assets, net** | **82** | **27** | **45** |
| Property, plant and equipment | 2,843 | 2,843 | 2,870 |
| Amortization and depreciation | (2,047) | (2,059) | (2,071) |
| **Property, plant and equipment, net** | **796** | **784** | **799** |
| Share in net assets of equity affiliates | 1 | 3 | 4 |
| Other investments and miscellaneous, net | 59 | 65 | 63 |
| **Investments and other non-current assets** | **60** | **68** | **67** |
| **TOTAL NON-CURRENT ASSETS, NET** | **937** | **879** | **911** |
| **Inventories and work in progress, net** | **678** | **556** | **628** |
| Trade receivables and related accounts, net | 798 | 744 | 761 |
| Other accounts receivable, net | 213 | 170 | 133 |
| **Accounts receivable, net** | **1,011** | **914** | **894** |
| **Cash and cash equivalents** | **121** | **104** | **167** |
| **TOTAL CURRENT ASSETS** | **1,811** | **1,574** | **1,689** |
| **TOTAL ASSETS** | **2,748** | **2,453** | **2,600** |

**LIABILITIES AND EQUITY**

| *at December 31, in millions of euros* | **2 004** | **2 003** | **2 002** |
|---|---|---|---|
| Capital Stock<br>(EUR 1 nominal value; 23,189,947 shares issued at December 31, 2004) | 23 | 23 | 23 |
| Additional paid-in capital | 1,014 | 1,014 | 1,014 |
| Retained earnings | (52) | (40) | (7) |
| Cumulative translation adjustments | (32) | (28) | 26 |
| Net income | 57 | 1 | (40) |
| Treasury stock | (28) | (28) | (25) |
| **SHAREHOLDERS' EQUITY** | **982** | **942** | **991** |
| **MINORITY INTERESTS** | **71** | **103** | **88** |
| Accrued pension and retirement obligations | 266 | 260 | 253 |
| Accrued contract costs and other reserves | 108 | 120 | 143 |
| **TOTAL RESERVES FOR LIABILITIES AND CHARGES** | **373** | **380** | **396** |
| **TOTAL FINANCIAL DEBT** | **310** | **126** | **219** |
| Customers' deposits and advances | 46 | 51 | 37 |
| Trade payables and related accounts | 549 | 463 | 485 |
| Other payables | 417 | 387 | 384 |
| **TOTAL OTHER PAYABLES** | **1,012** | **901** | **905** |
| **TOTAL LIABILITIES AND EQUITY** | **2,748** | **2,453** | **2,600** |

## Consolidated statement of cash flows

| *in millions of euros* | 2004 | 2003 | 2002 |
|---|---|---|---|
| Net income | 57 | 1 | (40) |
| Minority interests | 5 | 10 | 6 |
| Depreciation and amortization | 87 | 113 | 148 |
| Changes in reserves and deferred taxes | (25) | (33) | (4) |
| Net (gain) loss on disposal of non-current assets | (7) | 2 | (23) |
| Share in net income of equity affiliates (net of dividends received) | 0 | 1 | - |
| Other non-cash items | 1 | - | - |
| **Cash flow provided by operations** | **118** | **93** | **87** |
| Decrease (increase) in accounts receivable | (64) | 17 | 112 |
| Decrease (increase) in inventories | (117) | 69 | 1 |
| Increase (decrease) in accounts payable and accrued expenses | 75 | (15) | (60) |
| Changes in reserves on current assets (including accrued contract costs) | 3 | (24) | (14) |
| **Net change in current assets and liabilities** | **(103)** | **47** | **39** |
| **Net cash provided (used) by operating activities** | **15** | **140** | **126** |
| Proceeds from disposal of fixed assets | 19 | 15 | 12 |
| Capital expenditure | (97) | (67) | (96) |
| Decrease (increase) in loans | (0) | (3) | (1) |
| Cash expenditures for acquisition of consolidated companies, net of cash acquired, and for acquisition of unconsolidated companies | (113) | (35) | (64) |
| Cash proceeds from sale of previously consolidated companies, net of cash sold, and from sale of unconsolidated companies | 16 | - | 41 |
| **Net cash provided (used) by investing activities** | **(175)** | **(90)** | **(108)** |
| **Net cash flow after investment** | **(160)** | **50** | **18** |
| Proceeds from issuance of shares | 1 | - | 1 |
| Dividends paid | (9) | (8) | (15) |
| **Net cash provided (used) by financing activities** | **(8)** | **(8)** | **(15)** |
| Net effect of currency translation differences | 2 | (13) | 16 |
| **Net increase (decrease) in net debt/cash** | **(165)** | **29** | **20** |
| **Net (debt)/cash at beginning of year** | **(23)** | **(52)** | **(71)** |
| **Net (debt)/cash at end of year** | **(188)** | **(23)** | **(52)** |

## Information by sector

**By geographical areas**

| **2004** *in millions of euros* | Europe | North America | Asia | Rest of the World | **Total Group** |
|---|---|---|---|---|---|
| Sales at current metal prices | 3,483 | 956 | 239 | 222 | **4,900** |
| Sales at constant metal prices | 3,048 | 697 | 214 | 200 | **4,159** |
| Sales at constant metal prices and 2004 exchange rates | 3,048 | 697 | 214 | 200 | **4,159** |

| **2003** *in millions of euros* | Europe | North America | Asia | Rest of the World | **Total Group** |
|---|---|---|---|---|---|
| Sales at current metal prices | 3,015 | 715 | 185 | 131 | **4,046** |
| Sales at constant metal prices | 2,959 | 658 | 175 | 132 | **3,924** |
| Sales at constant metal prices and 2004 exchange rates | 2,943 | 624 | 163 | 129 | **3,859** |

**By business**

| **2004** *in millions of euros* | Electrical wires | Energy | Telecom | Distribution | Other | **Total Group** |
|---|---|---|---|---|---|---|
| Sales at current metal prices | 1,429 | 2,585 | 588 | 286 | 11 | **4,900** |
| Sales at constant metal prices | 985 | 2,307 | 570 | 286 | 11 | **4,159** |
| Sales at constant metal prices and 2004 exchange rates | 985 | 2,307 | 570 | 286 | 11 | **4,159** |

| **2003** *in millions of euros* | Electrical wires | Energy | Telecom | Distribution | Other | **Total Group** |
|---|---|---|---|---|---|---|
| Sales at current metal prices | 1,029 | 2,189 | 549 | 274 | 5 | **4,046** |
| Sales at constant metal prices | 956 | 2,143 | 546 | 274 | 5 | **3,924** |
| Sales at constant metal prices and 2004 exchange rates | 945 | 2,115 | 527 | 267 | 5 | **3,859** |