



Press release

## 2005 first quarter sales:

### Continued increase in sales on a comparable scope of consolidation

**Paris, April 20, 2005** - Nexans announces sales of 1,166 million euros (at current metal prices\*) for the first quarter of 2005.

This figure complies with IFRS 5 (*on discontinued operations*) and therefore does not include the sales of the European and Chinese winding wire businesses, which are the subject of a planned joint venture/sale to Superior Essex announced in February 2005 and due to be completed within the first half of the year.

At constant non-ferrous metal prices\*\* first quarter sales totaled 958 million euros, an increase of 3.5% compared with the first quarter of 2004, restated at comparable accounting methods and exchange rates (+2.5% on a comparable scope of consolidation). Based on an identical number of working days, these percentages would be respectively +5.2% and +4.1%.

Within an unsteady European economy, this growth demonstrates the Group's ability to significantly build on its positions in high added-value sectors which are less susceptible to economic fluctuations (copper telecom infrastructure cables, high-voltage and umbilical cables, automotive cables and harnesses, distribution) and to profit from its strengthened presence in higher-growth areas - North America and the Rest of the World.

The first quarter of 2005 also saw an improvement in margins – reflecting a reduction in fixed costs and a stabilization of raw materials prices following the disruption in the first quarter of 2004 caused by the substantial increases in non-ferrous metals and plastic prices.

### Consolidated sales by business sector

(in m€)	At constant metal prices			At constant metal prices and exchange rates		
	Q <sub>1</sub> 04 published	Q <sub>1</sub> 04 /IFRS 5	Q <sub>1</sub> 05	Q <sub>1</sub> 04	Q <sub>1</sub> 04 /IFRS 5	Q <sub>1</sub> 05
Energy	582	582	632	589	589	632
Telecom	126	126	134	125	125	134
Electrical Wires	241	209	190	242	210	190
Other	2	2	2	2	2	2
<b>Total</b>	<b>951</b>	<b>919</b>	<b>958</b>	<b>958</b>	<b>926</b>	<b>958</b>

\* At current metal prices, first-quarter sales for 2004 totaled 1,091 million euros (published) and 1,062 million euros (IFRS5, see Annex).

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

- **Energy:** growth of +4.5% at constant consolidation scope  
(main activities – at constant metal prices and exchange rates)

in millions of euros	<b>Q1.04</b>	<b>Q1.05</b>
Infrastructure	203	232
Building	247	250
Industry	130	139

The strong growth in sales of Energy cables for infrastructure was driven by energy equipment demand in North America and Brazil and by replacement orders following the winter storms in northern European countries.

Building cables held up well, reflecting stable sales in Europe, declining sales in the North American market, and very significant growth in Distribution sales in Europe.

The special cables business remains problematic, especially in Germany and France, while sales of automotive harnesses performed remain strong.

- **Telecom:** growth of +6.1% at comparable consolidation scope  
(at constant metal prices and exchange rates)

in millions of euros	<b>Q1.04</b>	<b>Q1.05</b>
Infrastructure	45	54
Private Local Area Networks (LAN)	47	51
Industry	32	29

The Telecom activity continues its recovery, with a strong increase in sales driven by growth in copper infrastructure cables and related accessories.

Sales of cables for private Local Area Networks continue to progress in North America, with evidence of a slight recovery in Europe.

Cables for industry have suffered from increasingly tough competition between telecom equipment manufacturers.

- **Electrical Wires:** down -5.7% at comparable consolidation scope  
(at constant metal prices and exchange rates)

in millions of euros	<b>Q1.04</b>	<b>Q1.05</b>
Wirerod	136	128
Bare wires	50	45
Winding Wires (excl. transaction with Superior Essex)	23	17

Sales in the Electrical Wires sector fell back, reflecting the impact of the slowdown in industrial investment in Europe, which in turn depressed this sector's end markets (wirerod and bare wires for other cable suppliers and the automotive industry; winding wires for engine manufacturers, the multimedia industry, household appliances, etc.).

More specifically, the decline in the Winding Wires activity which is currently the subject of negotiations with Superior Essex (and therefore not consolidated) has led the Group to anticipate a capital loss on disposal of around 20 million euros as well as a lower than anticipated reduction in debt levels (45 million euros, rather than the 50 to 60 million euros initially forecast). This capital loss has no effect on the Group's operating margin.

### Consolidated sales by geographic area

(in millions of euros)	At constant metal prices			At constant metal prices and exchange rates		
	Q <sub>1</sub> 04 published	Q <sub>1</sub> 04 /IFRS 5	Q <sub>1</sub> 05	Q <sub>1</sub> 04	Q <sub>1</sub> 04 /IFRS 5	Q <sub>1</sub> 05
Europe	710	680	701	715	685	701
North America	161	161	156	160	160	156
Asia	47	45	47	50	48	47
Rest of the World	33	33	54	33	33	54
<b>Total</b>	<b>951</b>	<b>919</b>	<b>958</b>	<b>958</b>	<b>926</b>	<b>958</b>

The progress in sales in Europe (+2.3%) is satisfactory despite stagnant German and French markets.

The 2.5% increase in North American sales, at comparable consolidation scope, was driven by growth in the energy infrastructure and private telecom Local Area Network businesses, offsetting a slight slowdown in cables for the building industry and wirerod sales.

Sales in Asia remained stable at comparable consolidation scope: buoyant growth in cables for shipbuilding was offset by the effect of competitive pressures in the telecom sector.

The Rest of the World area was boosted by very significant investments undertaken by energy suppliers, especially in Brazil.

## **Financial Calendar**

### **June 2, 2005 : Annual Shareholders' Meeting**

June 16, 2005 : Individual shareholders' information meeting in Toulon

### **July 21, 2005 : Publication of 2005 first-half sales and results**

### **October 18, 2005 : Publication of 2005 third quarter sales**

November 14, 2005 : Individual shareholders' information meeting in Grenoble

December 5, 2005 : Individual shareholders' information meeting in Lille

### **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](http://www.nexans.com)

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## **Annex**

### **Consolidated sales by business sector at current metal prices**

(in million of euros)	At current metal prices		
	Q <sub>1</sub> 04 published	Q <sub>1</sub> 04 /IFRS 5	Q <sub>1</sub> 05
Energy	626	626	710
Telecom	130	130	142
Electrical Wires	333	304	312
Other	2	2	2
<b>Total</b>	<b>1,091</b>	<b>1,062</b>	<b>1,166</b>