



A French corporation (*Société Anonyme*) with share capital of €23,138,472
Corporate headquarters: 16, rue de Monceau - 75008 Paris
Paris Register of Commerce and Companies number 393 525 852

Bonds convertible into and/or exchangeable for new or existing shares in a principal amount of €38 each.

(Obligations à option de conversion et/ou d'échange en actions nouvelles ou existantes)

The bonds convertible into and/or exchangeable for new or existing shares (the "Bonds") of NEXANS are being offered by way of a public offering in France and an offering to institutional investors in and outside of France.

This document should be read in conjunction with (i) the English translation of the French language reference document (*document de référence*) of NEXANS which was registered with the *Autorité des marchés financiers* under number R.04-0064 on April 28, 2004 and which is available on NEXANS' website (www.nexans.com) and (ii) the French language *prospectus* of NEXANS, consisting of an information document (*note d'opération*) relating to the issuance of the Bonds, and the *document de référence* of Nexans, which was registered with the *Autorité des marchés financiers* under number R.04-0064 on April 28, 2004. The French language *prospectus* received visa n° 04-652 dated July 6, 2004 from the *Autorité des marchés financiers*.

THIS DOCUMENT CONTAINS A NON-CERTIFIED TRANSLATION FOR INFORMATION PURPOSES ONLY OF THE FRENCH LANGUAGE INFORMATION DOCUMENT (*NOTE D'OPÉRATION*) RELATING TO THE ISSUANCE OF THE BONDS. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH VERSION OF THE INFORMATION DOCUMENT (*NOTE D'OPÉRATION*) SHALL PREVAIL. NEITHER NEXANS NOR THE MANAGERS ASSUME ANY LIABILITY WITH RESPECT TO THIS NON-CERTIFIED TRANSLATION.

THIS DOCUMENT HAS NOT BEEN AND WILL NOT BE SUBMITTED TO THE CLEARANCE PROCEDURES OF THE *AUTORITÉ DES MARCHÉS FINANCIERS* AND ACCORDINGLY MAY NOT BE USED IN CONNECTION WITH ANY OFFER OR SALE OF THE BONDS TO THE PUBLIC IN FRANCE. THE ONLY DOCUMENT WHICH MAY BE SO USED IS THE FRENCH LANGUAGE *PROSPECTUS* WHICH RECEIVED A VISA FROM THE *AUTORITÉ DES MARCHÉS FINANCIERS*.

Application has been made to list the Bonds on the *Premier marché* of Euronext Paris S.A. with effect from July 15, 2004. The existing shares of NEXANS are listed on the *Premier marché* of Euronext Paris S.A..

BNP PARIBAS

GOLDMAN SACHS INTERNATIONAL

Joint Lead Managers and Joint Bookrunners

LAZARD-IXIS

Co-Lead Manager

The date of this document is July 6, 2004

The distribution of this document and the offer and sale of the Bonds in certain jurisdictions may be restricted by law. Persons receiving this document are required by NEXANS and the managers to inform themselves about, and to observe, any such restrictions. This document constitutes neither an offer of, nor an invitation to purchase the Bonds in any jurisdiction in which such an offer or invitation would be unlawful. No action has been taken in any jurisdiction other than France that could permit a public offering of the Bonds, or the circulation or distribution of this document or any other offering material, where action for such purpose is required.

The delivery of this document, or any sale made in connection with the offering of the Bonds, shall under no circumstances imply that the information contained herein is correct as of any time subsequent to the date hereof or that there has not been any change in the affairs of NEXANS and its consolidated subsidiaries since the date hereof.

The offering is being conducted pursuant to the standards and requirements of French laws and regulations.

Neither the Bonds nor the shares to be issued upon conversion and/or delivered upon exchange of the Bonds have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Bonds are being offered and sold exclusively outside the United States of America in offshore transactions, in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the respective meanings ascribed to such terms in Regulation S. See "United States selling restrictions".

This communication is directed only to persons who (i) are outside the United Kingdom or (ii) fall within the terms of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the "Order") or (iii) are persons falling within the terms of Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons in the course of their business or otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulation 1995 as amended.

No person has been authorized to give any information or to make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized.

In connection with this issuance, Goldman Sachs International, or any person acting for it, on behalf of the managers, may over-allot or effect transactions with a view to supporting the market price of the Bonds and/or the underlying shares at a level higher than that which might otherwise prevail for a limited period after the issuance date. However, there is no obligation on the part of Goldman Sachs International or any of its agents to do this. Such stabilization, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.



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with share capital of €23,138,472**

**Corporate headquarters: 16, rue de Monceau - 75008 Paris
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INFORMATION DOCUMENT (*NOTE D'OPÉRATION*)

MADE AVAILABLE TO THE PUBLIC IN CONNECTION WITH THE ISSUANCE AND ADMISSION TO THE *PREMIER MARCHÉ* OF EURONEXT PARIS S.A. OF A BORROWING IN A PRINCIPAL AMOUNT OF €120,000,010, WHICH MAY BE INCREASED TO €135,000,016, REPRESENTED BY BONDS CONVERTIBLE AND/OR EXCHANGEABLE INTO NEW OR EXISTING SHARES

A legal notice will be published in the *Bulletin des Annonces légales obligatoires* on July 9, 2004.

Visa of the Autorité des marchés financiers

Pursuant to Articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code (*Code monétaire et financier*), the *Autorité des marchés financiers* granted visa n° 04-652 dated July 6, 2004, to this offering circular (*prospectus*), in accordance with the provisions of COB regulation n° 98-01. This offering circular was prepared by the issuer and renders its signatories liable for the contents hereof. A visa does not imply approval of the suitability of the transaction or authentication of the accounting and financial items included herein. It was granted following review of the relevance and consistency of the information given in relation to the transaction offered to investors.

Warning

The *Autorité des marchés financiers* draws the attention of the public to the fact that the financial instruments described in this offering circular are governed by articles L. 228-91 *et seq.* of the French Commercial Code as amended by *Ordonnance* n° 2004-604 dated June 24, 2004 reforming the provisions governing securities issued by commercial firms and do not have all of the characteristics of convertible or exchangeable bonds issued prior to the entry into force of this *Ordonnance*. In particular, in the event of early redemption or redemption at maturity, holders shall only be entitled to exercise their rights to receive shares during the period between the date of the notice announcing such redemption (which must be published at least one month before the redemption date) and the seventh business day preceding the date set for such redemption.

This offering circular consists of:

- the Company's reference document (*document de référence*), which was registered with the *Autorité des marchés financiers* on April 28, 2004 under number R.04-0064; and
- this information document (*note d'opération*).

Copies of this offering circular are available free of charge at the offices of BNP Paribas, Goldman Sachs International and Lazard-Ixis as well as at the registered office of NEXANS, 16, rue de Monceau - 75008 Paris, as well as on the Internet site of the *Autorité des marchés financiers* (www.amf-france.org).

BNP PARIBAS

GOLDMAN SACHS INTERNATIONAL

JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS

LAZARD-IXIS

CO-LEAD MANAGER

NEXANS

PRINCIPAL TERMS AND CONDITIONS OF THE BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW OR EXISTING SHARES

PRINCIPAL AMOUNT OF THE ISSUANCE AND NUMBER OF BONDS ISSUED

NEXANS' 3.125% July 15, 2004/January 1, 2010 borrowing will be in an initial principal amount of €120,000,010 represented by 3,157,895 bonds convertible into and/or exchangeable for new or existing shares (the "Bonds") in a principal amount of €38 each.

In addition, for the sole purpose of covering any over-allotments, NEXANS (the "Company") has granted to the Joint Lead Managers and Joint Bookrunners an over-allotment option which, if exercised in full, would increase the total principal amount of the issuance by approximately 12.50% to a principal amount not exceeding €135,000,016 represented by 3,552,632 Bonds in a principal amount of €38 each. The over-allotment option will be exercisable in whole or part, on a single occasion and at the latest on July 12, 2004.

PRINCIPAL AMOUNT OF EACH BOND

The principal amount of each Bond is €38, representing an issuance premium of 30% over the reference price of the NEXANS shares of €29.2377, such reference price being considered as the weighted average share price by volume of NEXANS' shares traded on the *Premier marché* of Euronext Paris S.A., from the opening of trading on July 6, 2004 until the time of pricing the offering.

ISSUANCE PRICE

The issuance price is equal to par, being €38 per Bond, payable in full on the settlement date of the Bonds.

ISSUANCE DATE AND SETTLEMENT DATE OF THE BONDS

Expected to be July 15, 2004.

ANNUAL INTEREST

The Bonds will bear interest at a rate of 3.125% per annum, or €1.1875 per Bond, payable in arrears on January 1 of each year (or the following business day if such day is not a business day) and for the first time on January 1, 2005 (or the following business day if such day is not a business day) (each such date being an "Interest Payment Date"). By way of exception, interest for the period from July 15, 2004, the settlement date of the Bonds, to December 31, 2004, which is payable on January 1, 2005 (or the following business day if such day is not a business day), will be in an amount of approximately €0.5516 per Bond.

REDEMPTION AT MATURITY

The Bonds will be redeemed in full on January 1, 2010 (or the following business day if such day is not a business day) at par value, being equal to a redemption price of €38 per Bond.

MATURITY OF THE BONDS

5 years and 170 days from the settlement date of the Bonds.

GROSS YIELD TO MATURITY

3.125% at the settlement date of the Bonds (in the absence of conversion and/or exchange into shares and in the absence of early redemption).

EARLY REDEMPTION AT THE OPTION OF NEXANS

Early redemption is possible, at the sole option of NEXANS:

- at any time and without any price limitation, by means of repurchases on the market or over-the-counter or by public tender offer, for all or a portion of the Bonds;
- at any time from January 1, 2008 until the seventh business day preceding the redemption date for all Bonds outstanding, subject to a minimum notice period of at least 30 calendar days;
 - by redemption at par, plus interest accrued from the last Interest Payment Date preceding the early redemption date until the date set for redemption; and
 - if the product of (i) the applicable Conversion/Exchange Ratio and (ii) the average opening price of NEXANS' shares on the *Premier marché* of Euronext Paris S.A. calculated over a period of 20 consecutive trading days during which the shares are listed on such stock exchange, as selected by NEXANS from among the 40 consecutive trading days preceding the date of publication of a notice relating to such early redemption, exceeds 130% of the principal amount of the Bonds;
- at any time for all Bonds outstanding, if less than 10% of the Bonds issued remain outstanding, by redemption at par, plus interest accrued from the last Interest Payment Date preceding the early redemption date until the date set for redemption.

EARLY REDEMPTION UPON AN EVENT OF DEFAULT

The Bonds will become redeemable in accordance with the terms of paragraph 2.3.7.6 ("Early redemption of the Bonds").

LISTING OF THE BONDS

Application has been made to list the Bonds on the *Premier marché* of Euronext Paris S.A. The first listing of the Bonds is expected to occur on July 15, 2004, under ISIN code FR0010101659 and under Euroclear and Clearstream common code 19634086.

RATING OF THE BONDS

The Bonds will not be rated. The rating on the existing indebtedness of NEXANS has been reconfirmed as of the date hereof by Standard & Poor's and is maintained at BBB-/Negative/A-3.

CONVERSION AND/OR EXCHANGE OF THE BONDS FOR SHARES

Holders of Bonds ("Bondholders") may request that the Bonds be converted into and/or exchanged for shares of NEXANS at any time from July 15, 2004, the settlement date of the Bonds, until the seventh business day preceding the date set for early redemption or redemption at maturity at a ratio of ONE share per Bond, subject to the adjustments described in paragraph 2.6.7 ("Maintenance of Bondholders' rights").

NEXANS may at its option deliver new shares and/or existing shares.

DIVIDEND RIGHTS ATTACHED TO NEW SHARES ISSUED UPON CONVERSION

Shares issued upon the conversion of Bonds shall bear dividend rights from the first day of the financial year in which the Bonds are converted.

DIVIDEND RIGHTS ATTACHED TO EXISTING SHARES DELIVERED UPON EXCHANGE

Shares delivered upon the exchange of Bonds shall bear dividend rights from the date of such delivery.

LISTING OF SHARES

Shares delivered upon conversion or exchange are or will be listed on the *Premier marché* of Euronext Paris S.A. The ISIN code of NEXANS' shares is FR0000044448.

PREFERENTIAL SUBSCRIPTION RIGHTS AND PRIORITY SUBSCRIPTION PERIOD

Shareholders have waived their preferential subscription rights relating to the issuance of the Bonds and any shares to be issued. There will not be a priority subscription period.

SUBSCRIPTION PERIOD FOR THE PUBLIC OFFER

The placement of the Bonds with institutional investors, including qualified investors (*investisseurs qualifiés*) in France, took place on July 6, 2004.

Subscription by the public in France will be open from July 7, 2004 to and including July 9, 2004.

INTENTION OF THE PRINCIPAL SHAREHOLDERS

No shareholders have declared to NEXANS their intention to invest in this issuance.

INSTITUTIONS RESPONSIBLE FOR THE PLACEMENT

Subscription orders for the Bonds must be presented to BNP Paribas or Goldman Sachs International, Joint Lead Managers and Joint Bookrunners, or to Lazard-Ixis, Co-Lead Manager, who are underwriting the offering.

USE OF PROCEEDS

The Issuer intends to use the proceeds of the issuance for general financing requirements, in particular for financing its external growth strategy based on targeted acquisitions, and for the extension of the maturity of its existing indebtedness by the repayment of drawdowns under confirmed lines of credit. The issuance will also allow NEXANS to strengthen its shareholders' equity in the event of the conversion of Bonds into new shares. As of today, NEXANS has not determined either the lines of credit or the exact amounts that will be repaid.

SHARE PRICE

Closing price on July 5, 2004: €30.30.

SETTLEMENT

Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking S.A..

APPLICABLE LAW

French law.

CHAPTER 1

PERSONS RESPONSIBLE FOR THE *PROSPECTUS* AND FOR AUDITING THE FINANCIAL STATEMENTS

1.7 PERSON RESPONSIBLE FOR THE *PROSPECTUS*

Mr. Gérard Hauser

Chairman of the Board of Directors and Chief Executive Officer of NEXANS (*Président du Conseil d'administration et Directeur Général*)

1.8 CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE *PROSPECTUS*

To my knowledge, the information in this prospectus is true and accurate. This document contains all the information necessary to enable investors to form an opinion as to the assets, activities, financial position, results and prospects of NEXANS and its subsidiaries as well as with respect to the rights attached to the securities being offered. No information has been omitted that would alter the meaning of the contents of this document.

Mr. Gérard Hauser
Chairman of the Board of Directors and
Chief Executive Officer of NEXANS

1.9 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

1.9.4 Incumbent statutory auditors

- RSM Salustro Reydel
8, avenue Delcassé, 75008 PARIS
Represented by Benoît Lebrun
Date of first and current appointment:
Ordinary General Shareholders' Meeting of June 5, 2003.
Expiry date of current appointment: The general shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.
- Barbier Frinault et Autres
Ernst & Young
41, rue Ybry, 92576 Neuilly-sur-Seine
Represented by Alain Gouverneyre
Date of first appointment:
Ordinary General Shareholders' Meeting of February 21, 2000.
Date of current appointment:
Ordinary General Shareholders' Meeting of May 9, 2000.
Expiry date of current appointment: The general shareholders' meeting convened to approve the financial statements for the year ending December 31, 2005.

1.9.5 Substitute statutory auditors

- François Chevreux
8, avenue Delcassé, 75008 PARIS
Date of first and current appointment:
Combined General Shareholders' Meeting of June 5, 2003.
Expiry date of current appointment: The general shareholders' meeting convened to approve the financial statements for the year ending December 31, 2008.

- Pascal Macioce
41, rue Ybry, 92200 NEUILLY-sur-SEINE
Date of first appointment:
Ordinary General Shareholders' Meeting of February 21, 2000.
Date of current appointment:
Ordinary General Shareholders' Meeting of May 9, 2000.
Expiry date of current appointment: The general shareholders' meeting convened to approve the financial statements for the year ending December 31, 2005.

1.9.6 Report of the Statutory Auditors on the International Offering Circular

Free translation of a French language original for convenience purpose only. Accounting principles and auditing standards and their application in practice vary among nations. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than France. In addition, the procedures and practices utilized by the statutory auditors in France with respect to such financial statements included in a prospectus may differ from those generally accepted and applied by auditors in other countries. Accordingly, the French financial statements and the auditors' report of which a translation for convenience purpose only is presented in this document are for use by those knowledgeable about French accounting procedures, auditing standards and their application in practice.

In our capacity as Statutory Auditor's of Nexans S. A. and in compliance with the Regulation 98-01 of the French Stock Exchange Regulation Body (the "AMF"), we have verified, in accordance with French professional standards, the information in respect of the financial position and the financial statements included in the Note d'Opération prepared in relation with the issuing and quotation on the first market of Euronext Paris S. A. of bonds convertible and/or exchangeable into new or existing shares ('OCEANES') for an amount of Euros 120,000,010, which could be increased to Euros 135,000,016.

This Note d'Opération incorporates by reference the Document de Référence, which has received the visa AMF R.04-0064 on April 28, 2004, on which we issued a report on April 28, 2004, where we concluded that we had nothing to report with respect to the fairness of the information on the financial position and financial statements contained in the Document de Référence.

This Note d'Opération is the responsibility of Mr. Gérard Hauser, Chairman of the Board of Directors of Nexans S. A.. Our responsibility is to issue an opinion on the fairness of the information contained therein with respect to the financial position and financial statements.

We conducted our review in accordance with French professional standards. The review consisted in assessing the fairness of the information on the financial position and financial statements and to verify their consistency with the audited accounts. We also read other financial information contained in the Note d'Opération in order to identify any significant inconsistency with information in respect to the financial position and financial statements and to bring to your attention any obvious misstatements we noted based on our general understanding of the company gained through audit.

Concerning specific prospective data issued from a structured elaboration process, this reading has taken into account the assumptions retained by the management and their correct compilation.

Barbier Frinault & Autres and Ernst & Young Audit issued an unqualified opinion on the individual and consolidated accounts for the year ended December 31, 2001 drawn up by the Board of Directors, in accordance with the French professional standards.

Barbier Frinault & Autres and Ernst & Young Audit issued an unqualified opinion on the individual and consolidated accounts for the year ended December 31, 2002 drawn up by the Board of Directors, in accordance with the French professional standards. In their report on individual

financial statements for the fiscal year 2002, without calling into question their opinion, Barbier Frinault & Autres and Ernst & Young Audit have drawn the attention of the shareholders to note 2 to the financial statements that discloses the change in accounting method corresponding to the first application from January 1, 2002 of the "Règlement CRC 2000-06" on liabilities. In their report on consolidated financial statements for the fiscal year 2002, without calling into question their opinion, Barbier Frinault & Autres and Ernst & Young Audit have drawn the attention of the shareholders to note 1.a to the financial statements that discloses the change in accounting method corresponding to the first application from January 1, 2002 of the "Règlement CRC 2000-06" on liabilities.

We issued an unqualified opinion on the individual and consolidated financial statements for the year ended December 31, 2003 drawn up by the Board of Directors, in accordance with the French professional standards. In our report on consolidated financial statements for the fiscal year 2003, without calling into question our opinion, we have drawn the attention of the shareholders to note 1.a to the financial statements that discloses the change in accounting method corresponding to the early first application from January 1, 2003 of the "Règlement CRC 2002-10" on fixed assets.

On the basis of our work, we have nothing to report with respect to the fairness of the information on the financial position and financial statements contained in the Note d'Opération prepared in relation with the issuing and quotation on the first market of Euronext Paris S. A. of bonds convertible and/or exchangeable into new or existing shares ("OCEANES") for an amount of Euros 120,000,010, which could be increased to Euros 135,000,016.

Neuilly-sur-Seine and Paris, July 6, 2004

The Statutory Auditors

RSM Salustro Reydel

Barbier Frinault et Autres
Ernst & Young

Benoît Lebrun

Alain Gouverneyre

1.10 PERSON RESPONSIBLE FOR INVESTOR RELATIONS

Frédéric Vincent
Chief Financial and Administrative Officer
NEXANS
16, rue de Monceau
75008 PARIS
Phone: (33 1) 56 69 84 56
e-mail: investor.relation@nexans.com

CHAPTER 2

ISSUANCE AND ADMISSION TO THE *PREMIER MARCHÉ* OF EURONEXT PARIS S.A. OF BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW OR EXISTING SHARES OF NEXANS

2.7 INFORMATION RELATING TO THE ISSUANCE

2.7.4 General shareholders' meeting authorizing the issuance

The shareholders' meeting of NEXANS held on June 3, 2004, in accordance with the provisions of Articles L. 225-129-III paragraph 2, L. 228-91 and L. 225-135 of the French Commercial Code, in the 10th resolution:

- delegated the necessary authority to the Board of Directors to increase the share capital, on one or more occasions, in France or abroad, in the amount and as and when it may deem appropriate, either in euros or in any other currency or monetary unit set up by reference to several currencies, by issuance of securities (other than those referred to in the 9th resolution of the shareholders' meeting), issued with or without consideration, giving immediate or future access, at any time or on a fixed date, to shares (new or already issued) in NEXANS through subscription, conversion, exchange, repayment, presentation of a warrant or otherwise (such securities including in particular bonds repayable in shares ("ORA") and bonds convertible and/or exchangeable into new or existing shares ("OCEANES")) (collectively the "Compound Securities"). Compound Securities may be subscribed to either in cash, or by compensation of claims;
- decided to fix as the maximum nominal value of authorized issuances in case of use of this authorization by the Board of Directors, as follows:
 - the overall maximum nominal amount of any capital increases made pursuant to this authorization, immediately or in the future (including as a result of the exercise of subscription rights attached to warrants), is set at 10 million euros; such maximum amount will be reduced by the nominal amount of any capital increases which result or may result from an issuance made pursuant to the 8th and 9th resolutions of this shareholders' meeting;
 - the nominal value of any shares to be issued in accordance with applicable law as a result of any new financial transactions entered into, to preserve the rights of holders of securities granting future access to equity of NEXANS, shall be added to the amount stated above;
 - the overall maximum nominal amount of debt represented by any securities issued pursuant to this resolution, may not exceed 250 million euros or the equivalent on the issuance date of this amount in any other currency or other monetary unit set up by reference to several currencies; which maximum amount shall be reduced by the nominal amount of any debt instruments issued pursuant to the 9th resolution of this shareholders' meeting;
- decided that the authorization given by the present resolution shall expire upon the holding of the ordinary shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2004;
- decided to eliminate the preferential subscription right of the shareholders to the Compound Securities subject to this resolution. However, the Board of Directors shall retain the possibility to grant shareholders, for a period and in accordance with the terms and conditions that it shall determine, for all or part only of any issuance, a preferential but non-negotiable subscription right exercisable pro rata based on the number of shares held by each shareholder, with the possibility to allocate any remaining

unsubscribed securities on a non-pro rata basis through a public offering in France and/or abroad and/or on the international market;

- decided that if the full amount of securities are not subscribed, inclusive of any subscriptions made by shareholders, the board may limit the amount of the transaction to the amount of the subscriptions received, provided that at least three-quarters of the issuance is subscribed to;
- acknowledged and decided, insofar as necessary, that this authorization operates as a waiver, in favor of the holders of issued Compound Securities, of the preferential subscription rights of existing shareholders to the shares to which the Compound Securities entitle their holders;
- decided to eliminate the preferential subscription rights of the shareholders to shares issued upon conversion of bonds or exercise of autonomous warrants;
- decides that the proceeds to be received by NEXANS for each of the shares issued under this authorization will be at least equal to the amount fixed by applicable law in force at the time of issuance of the primary securities;
- decided that the Board of Directors shall have full authority, with the power to sub-delegate subject to applicable law, to implement this authorization, for the purpose, in particular, of:
 - determining the category of Compound Securities to be issued;
 - deciding the amount to be issued, the issuance price as well as the amount of the premium that may be requested upon issuance, as the case may be;
 - determining the dates and terms and conditions of the issuance, the nature and characteristics of the securities to be issued; deciding, furthermore, in case of bonds or other debt instruments, whether they will be subordinated or not (and, if subordinated, their ranking, in accordance with the provisions of Article L.228-97 of the French Commercial Code), fixing the interest rate (in particular fixed or variable interest rate, with coupon zero or index-linked), their term (fixed or unspecified) and the other terms and conditions of issuance (including whether to grant them guarantees or sureties) and of repayment (including repayment by delivery of NEXANS's assets). The securities may be coupled with warrants giving their holders the right to receive, acquire or subscribe to bonds or other debt securities or may be issued as complex bonds as defined by the financial authorities (for example, due to their terms and conditions of repayment or remuneration or other rights such as indexing, granting of options); amending, during the term of such securities, the terms and conditions thereof in accordance with applicable regulations;
 - determining the method of payment of the shares or other securities to be issued immediately or in the future;
 - fixing, if necessary, the terms and conditions of exercise of the rights attached to the Compound Securities to be issued and, in particular, the date, which may be retroactive, from which dividends will be payable on the new shares, determining the terms and conditions of exercise of the rights to conversion, exchange, repayment, if any, including by delivery of assets of NEXANS such as shares or securities already issued by NEXANS, as well as all other terms and conditions relating to the issuance;
 - in case of issuance of securities giving the right to attribution of shares upon presentation of a warrant, purchasing of these warrants on the stock exchange

with the possibility to cancel them, in accordance with applicable law and regulations in force at such time;

- at its sole initiative, charging the costs incurred due to the increase of share capital to the proceeds thereof and deducting from such proceeds any amount necessary to increase the legal reserve to one-tenth of the new capital after each capital increase;
 - proceeding with any adjustments required to take into account the consequences of transactions on NEXANS' capital, and to preserve the rights of the holders of Compound Securities granting access to the equity of NEXANS, in particular in the event of any amendment of the nominal value of the shares, any increase in the share capital through incorporation of reserves, any allocation of free shares, any share splits or consolidation of shares, any distribution of retained earnings or of any other assets or any payment of exceptional dividends, any repayment of the share capital to shareholders, or any other transactions affecting shareholders' equity, and determining the terms and conditions on which the rights of holders of Compound Securities granting access to equity in NEXANS in the future will be protected, if necessary;
 - confirming the completion of each capital increase and amending the bylaws accordingly;
 - in general, entering into any and all agreements to ensure the successful completion of the contemplated issuances, taking all measures and accomplishing all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorization as well as the exercise of the rights attached thereto;
- decided that this authorization cancels, as of June 3, 2004, if applicable, any remaining unused balance under any authorization to increase the share capital previously given to the Board of Directors by the shareholders pursuant to article L. 225-129 II and III of the French Commercial Code and in particular the authorization to increase the share capital up to 25 million euros subject to preferential subscription rights, given on June 5, 2003, in accordance with article L. 225-129 III paragraph 3 of the French Commercial Code, with the exception of (i) the authorization given on June 5, 2003, to issue shares up to a maximum amount of 900,000 euros pursuant to the exercise of stock options given to certain employees and managers ; and (ii) the other authorizations given today by the June 3, 2004 shareholders' meeting;
- acknowledged that, in the event that the Board of Directors uses the authorization given to it in this resolution, the Board of Directors will report on the use made of the authorizations given in this resolution to the following ordinary shareholders' meeting, in accordance with Article L.225-129-V, paragraph 3, of the French Commercial Code.

2.7.5 Decisions of the Board of Directors and of the Chairman of the Board of Directors

By virtue of the delegation conferred by the combined general shareholders' meeting of June 3, 2004, in its tenth resolution, the Board of Directors decided, in its meeting of June 3, 2004, to issue bonds convertible into and/or exchangeable for new or existing shares in a total principal amount not exceeding €150 million and granted to its Chairman, in accordance with the right of sub-delegation provided for by the combined general shareholders' meeting held on June 3, 2004 in its tenth resolution, all the necessary powers required to implement such issuance and, in particular, to set the amount, dates, terms and conditions of such issuance.

The Chairman of the Board of Directors, by a decision dated July 6, 2004, decided to use such delegation granted by the Board of Directors in order to issue the Bonds that are the subject of this

prospectus and determined the terms and conditions of the issuance as set forth in this information document (*note d'opération*).

2.8 INFORMATION RELATING TO THE BONDS

In this information document, the term "Bonds" means the bonds convertible into and/or exchangeable for new or existing shares having the characteristics described in this information document.

2.8.4 Number and principal amount of the Bonds - Proceeds of the issuance

2.8.4.2 Number and principal amount of the Bonds

The loan to NEXANS at 3.125% from July 15, 2004 to January 1, 2010 will have a total principal amount of €120,000,010 represented by 3,157,895 Bonds in a principal amount of €38 each.

In addition, for the sole purpose of covering any over-allotments, NEXANS has granted to the Joint Lead Managers and Joint Bookrunners an over-allotment option which, if exercised in full, would increase the principal amount of the issuance by approximately 12.50%, bringing it to a maximum principal amount of €135,000,016 represented by 3,552,632 Bonds in a principal amount of €38 each. Such over-allotment option is exercisable, in whole or part, on a single occasion, at the latest on July 12, 2004.

2.8.4.3 Proceeds of the issuance

The gross proceeds of the issuance will be €120,000,010 and may be increased up to a maximum amount of €135,000,016 if the over-allotment option mentioned in the preceding paragraph is exercised in full.

The net proceeds of the issuance paid to NEXANS, after deduction from the gross proceeds of the fees due to financial intermediaries and legal and administrative fees, will be approximately €117.8 million and may be increased to approximately €132.56 million if the over-allotment option is exercised in full.

2.8.5 Structure of the issuance

2.8.5.2 Placement

The Bonds are being offered in a global offering:

- in France, to institutional investors and individuals; and
- outside of France by way of a private placement, in accordance with the rules applicable in each country where the placement is being made, with the exception of the United States of America, Canada and Japan, where no placement will be made.

No specific tranche of Bonds is directed at a particular market.

2.8.5.3 Selling restrictions

The distribution of this *prospectus* and the offer or sale of the Bonds may, in certain countries, be subject to specific regulations. Persons in possession of this *prospectus* should inform themselves of and comply with any local restrictions.

The institutions responsible for the placement will comply with the laws and regulations in effect in the countries where the Bonds are offered, and in particular with the selling restrictions set forth below.

United Kingdom selling restrictions

Each institution involved in the offering has made the following representations and undertakings:

- it has not offered or sold, and will not offer or sell, any Bonds for six months following the issuance date to persons in the United Kingdom, except to persons whose ordinary activities consist of acquiring, holding, managing or selling investments (as principal or agent) in the course of their business or otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of Public Offers of Securities Regulations 1995, as amended;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issuance or sale of Bonds under circumstances in which Section 21(1) of the FSMA does not apply to NEXANS; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything it has done or will do in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States selling restrictions

The Bonds and – as the case may be – the new or existing shares of NEXANS to be issued upon conversion and/or to be delivered upon exchange of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “Securities Act”) and may not be offered or sold in the United States of America except pursuant to an exemption from registration.

The Bonds will be offered and sold exclusively outside the United States of America in offshore transactions in accordance with Regulation S under the Securities Act. No directed selling efforts towards the United States of America will be undertaken by NEXANS, any distributor, any of the institutions responsible for the placement, any of their affiliates or any other person acting for any of the above-mentioned persons.

Terms used in the preceding two paragraphs have the meanings given to them in Regulation S under the Securities Act.

Selling restrictions in Italy

Each institution involved in the placement agrees:

- the offering of the Bonds has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation. Accordingly, the Bonds have not been and will not be offered in the Republic of Italy (“Italy”) in a solicitation to the public (*sollecitazione all’investimento*), and the Bonds may only be offered in Italy to “professional investors”, as defined under Article 31, paragraph 2, of CONSOB Regulation No. 11,522 of July 1, 1998, as amended, or pursuant to another exemption from the requirements set forth in Article 100 of Legislative Decree No. 58 of February 24, 1998 (“Legislative Decree No. 58”) and by Article 33, first paragraph of CONSOB Regulation No. 11,971 of May 14, 1999 (“Regulation No. 11,971”);
- the offering of the Bonds must be effected in accordance with all Italian securities and tax regulations and other applicable Italian laws and regulations. Accordingly, the Bonds may not be offered and no offering document or any other material relating to the Bonds may be distributed or made available in Italy, unless such offer of the Bonds or distribution or availability of copies of such offering document or any other material relating to the Bonds in Italy is (i) made by an investment firm, a bank or a financial intermediary permitted to conduct such activities in Italy in accordance with

Legislative Decree No. 385 of September 1, 1993 (the “Banking Law”), Legislative Decree No. 58 and any other applicable Italian laws and regulations; (ii) in compliance with Article 129 of the Banking Law and the implementing instructions of the Bank of Italy, pursuant to which the issuance or offer of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending *inter alia* on the amount of the issuance and the features of the securities, applies; and (iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy;

- the Bonds cannot be offered, sold or delivered on a retail basis, either in the primary or secondary market, to any individuals residing in Italy.

Selling restrictions in Canada and Japan

Each institution involved in the placement represents and warrants that it has not offered or sold, and will not offer or sell, the Bonds in Canada or Japan.

2.8.5.4 Intention of the principal shareholders

No shareholders have declared to NEXANS their intention to invest in this issuance.

2.8.6 Preferential subscription rights, priority subscription period

Shareholders have expressly waived their preferential subscription rights to the Bonds in the tenth resolution of the combined general shareholders’ meeting held on June 3, 2004. This decision includes an express waiver of their preferential subscription rights to new shares to be issued upon conversion of the Bonds.

There is no priority subscription period for the Bonds.

2.8.7 Offer to the public and offer period

The placement of the Bonds to institutional investors (including to qualified investors (*investisseurs qualifiés*) in France) took place on July 6, 2004.

Subscription will be open to the public in France from July 7, 2004 to and including July 9, 2004.

Indicative timetable of the offering:

July 6, 2004 (morning)	Press release for the launch of the offering. Bookbuilding with institutional investors (opening).
July 6, 2004 (evening)	Bookbuilding with institutional investors (closing). Publication of a press release by NEXANS indicating the end of the placement with institutional investors. Determination of the final terms of the issuance and visa of the <i>Autorité des marchés financiers</i> on the <i>prospectus</i> .
July 7, 2004	Commencement of the public subscription period in France.
July 9, 2004	End of the public subscription period in France.
July 12, 2004	Deadline for exercise of the over-allotment option.
July 15, 2004	Settlement and delivery of the Bonds. Admission of the Bonds to trading on the <i>Premier marché</i> of Euronext Paris S.A.

2.8.8 Financial institutions responsible for the placement

Subscription orders for the Bonds must be presented to BNP Paribas or Goldman Sachs International, Joint Lead Managers and Joint Bookrunners, or to Lazard-Ixis, Co-Lead Manager, who are underwriting the offering.

2.9 TERMS AND CONDITIONS OF THE BONDS

2.9.4 Nature, form and delivery of the Bonds

The Bonds to be issued by NEXANS constitute securities giving access to capital within the meaning of Articles L. 228-91 *et seq.* of the French Commercial Code, as amended by the *Ordonnance* n° 2004-604 dated June 24, 2004 reforming the provisions governing securities issued by commercial firms.

The Bonds will be issued pursuant to French law and will be subject to the provisions of Articles L. 228-91 and *seq.* of the French Commercial Code as amended by the *Ordonnance* n° 2004-604 dated June 24, 2004 reforming the provisions governing securities issued by commercial firms.

The Bonds will be in either registered or bearer form, at the option of the holders. They will be held in dematerialized book-entry form by, as the case may be:

- BNP Paribas Securities Services acting on behalf of NEXANS in respect of fully registered Bonds (*nominatifs purs*);
- an authorized financial intermediary of the holder's choice and BNP Paribas Securities Services acting on behalf of NEXANS, in respect of Bonds in administered, registered form (*nominatifs administrés*);
- an authorized financial intermediary of the holders' choice in respect of Bonds in bearer form (*au porteur*).

Settlement and delivery of the issuance will take place through the Euroclear France RELIT-SLAB system of settlement and delivery (ISIN code FR0010101659 and Euroclear and Clearstream common code 19634086).

All of the Bonds will be accepted for clearance through Euroclear France, which will ensure the settlement of Bonds between account holders. The Bonds will also be accepted for clearance through Euroclear Bank S.A./N.V. and Clearstream Banking S.A.

The Bonds will be held in dematerialized book-entry form and negotiable starting from July 15, 2004, the settlement date of the Bonds.

2.9.5 Principal amount of each Bond - Issuance Price

The principal amount of each Bond has been set at €38 with an issuance premium of 30% over the reference price of €29.2377 for NEXANS shares, such reference price being considered as the weighted average share price by volume of NEXANS' shares traded on the *Premier marché* of Euronext Paris S.A., from the opening of trading on July 6, 2004 until the time of pricing the offering.

The Bonds will be issued at par, being €38 per Bond, payable in full on the settlement date of the Bonds.

2.9.6 Issuance date

Expected to be July 15, 2004.

2.9.7 Settlement date

Expected to be July 15, 2004.

2.9.8 Nominal annual interest rate

3.125%.

2.9.9 Annual interest

The Bonds will bear interest at an annual rate of 3.125% of their principal amount, or €1.1875 per Bond, payable in arrears on January 1 of each year (or the following business day if that day is not a business day) and for the first time on January 1, 2005 (or the following business day if such day is not a business day) (each such date being an "Interest Payment Date"). By way of exception, interest for the period from July 15, 2004, the settlement date of the Bonds, to December 31, 2004, which is payable on January 1, 2005 (or the following business day if such day is not a business day), will be in an amount of approximately €0.5516 per Bond, calculated as described below.

All interest payments relating to an interest period of less than one full year will be calculated on the basis of the above-mentioned annual interest rate multiplied by the number of days elapsed in the relevant period on the basis of a 365-day year (or a 366-day year for a leap year).

Subject to the provisions of paragraph 2.6.5 below ("Rights of Bondholders to interest on the Bonds and to dividends with respect to shares delivered"), interest will cease to accrue from the redemption date of the Bonds.

Claims in respect of interest will become void after a period of five years from the due date of payment.

2.9.10 Redemption, early redemption

2.9.10.2 Redemption at maturity

Unless the Bonds have been subject to early redemption, exchange or conversion under the conditions set out below, they will be redeemed in full on January 1, 2010 (or the following business day) at par, being €38 per Bond.

Claims in respect of principal will become void after a period of 30 years from the date of redemption.

2.9.10.3 Early redemption by repurchase or public tender offers

NEXANS reserves the right to redeem the Bonds at any time, without limitations as to price or quantity, through purchases on the market or over-the-counter or by means of public tender offers or exchange offers. Any such transactions shall not affect the maturity date for the redemption of any Bonds remaining outstanding. Any Bonds so acquired will be cancelled.

2.9.10.4 Early redemption at NEXANS' option

1. NEXANS may, at its sole option, at any time from January 1, 2008 until the seventh business day preceding the redemption date, i.e. December 23, 2009, redeem all of the Bonds outstanding under the following conditions:
 - (i) by redemption at par, plus interest accrued from the last Interest Payment Date preceding the early redemption date until the effective date of redemption;

- (ii) such early redemption will be permitted only if the product of:
- the applicable Conversion/Exchange Ratio (as defined in paragraph 2.6.3 (“Exercise Period and Conversion/Exchange Ratio”)); and
 - the average opening price of NEXANS’ shares on the *Premier marché* of Euronext Paris S.A. calculated over a period of 20 consecutive trading days during which the shares are listed, as selected by NEXANS from among the 40 consecutive trading days preceding the date of publication of a notice relating to such early redemption (as described in paragraph 2.3.7.4 (“Publication of information in the event of redemption at maturity or early redemption of Bonds”))

exceeds 130% of the principal amount of the Bonds.

A “trading day” shall mean any business day on which Euronext Paris S.A. quotes shares, other than a day on which such quotes cease prior to the usual closing time.

A “business day” shall mean any day (other than a Saturday or Sunday) on which banks are open in Paris and on which Euroclear France operates.

For informational purposes, the table below sets forth, for the Interest Payment Dates included in the optional early redemption period, the early redemption price of each Bond in the event of redemption, the minimum price of NEXANS shares required in order to allow for early redemption, the implied average annual growth rate for the shares to reach such minimum price and the yield to maturity for such minimum price in the event of exercise of the conversion/exchange right:

Early redemption date	Early redemption price	Minimum share price required to allow early redemption	Implied annual growth rate for the shares ⁽¹⁾	Yield to maturity in the event of exercise of conversion/exchange rights
January 1, 2008	€38.00	€49.40	16.35%	10.01%
January 1, 2009	€38.00	€49.40	12.46%	8.35%

⁽¹⁾ Without taking into account dividends, compared to the market price of €29.2377 as of the calculation date of July 6, 2004

2. NEXANS may, at its sole option, redeem at any time all of the Bonds outstanding at a price equal par plus interest accrued from the last Interest Payment Date preceding the early redemption date until the effective date of the redemption, if less than 10% of the Bonds issued remain outstanding.
3. In each of the cases specified in paragraphs (1) and (2) above, the Bondholders shall remain entitled to exercise their right to convert/exchange Bonds for shares in accordance with the provisions of paragraph 2.6.3 (“Exercise period and conversion/exchange ratio”).
4. In each case specified in paragraphs (1) and (2) above, interest shall cease to accrue from the effective date of redemption of the Bonds by NEXANS.

2.9.10.5 Publication of information in the event of redemption at maturity or early redemption of Bonds

Information relating to the number of Bonds redeemed, converted or exchanged and to the number of Bonds remaining outstanding shall be provided each year to Euronext Paris S.A. for publication and may be obtained from NEXANS or from the paying agent referred to in paragraph 2.5.1 (“Paying agent”).

In the event that NEXANS decides to redeem all the Bonds upon or prior to maturity, a notice to that effect shall be published in the *Journal Officiel* (for so long as required by French regulations), in a financial newspaper with general distribution in France and in a notice issued by Euronext Paris S.A., no later than 30 calendar days before the effective or possible redemption date.

2.9.10.6 Cancellation of Bonds

Bonds redeemed at or prior to maturity, Bonds repurchased on the market or over-the-counter or by way of public tender offers, as well as converted or exchanged Bonds, shall cease to be considered outstanding and shall be cancelled in accordance with French law.

2.9.10.7 Early redemption of the Bonds upon an event of default

The representatives of the group of Bondholders may, pursuant to a decision of the general Bondholders' meeting in accordance with the applicable quorum and majority requirements, by joint written notice sent to NEXANS, with a copy to the paying agent, require that all the Bonds be redeemed at a price equal to par plus interest accrued from the last Interest Payment Date preceding the early redemption date until the effective date of redemption if any of the following events occurs:

(aa) NEXANS defaults in the payment of interest due in respect of any Bond and such default continues for a period of 7 business days from the due date;

(bb) NEXANS fails to perform or observe any of its other obligations under the terms of the Bonds and such failure is not remedied within 30 days following receipt by NEXANS of written notice of such default from the representatives of the Bondholders;

(cc) NEXANS or any Principal Subsidiary (as defined hereinafter) defaults in the payment of any financial indebtedness or guarantee of financial indebtedness, after the expiry of any applicable grace period, of a total amount of at least €20 million, unless NEXANS or the Principal Subsidiary has, by means of any competent court, disputed in good faith its alleged payment obligation under the relevant indebtedness, in which case, a required early redemption of the Bonds may not be declared unless the relevant court renders a decision finding that a payment default has occurred and that NEXANS has not performed in accordance with the terms of such judicial decision;

(dd) in the event of early redemption following default by NEXANS or one of the Principal Subsidiaries (as defined hereinafter) relating to another financial indebtedness of at least €20 million (including breach of financial ratios if provided for by the agreements relating to such indebtedness) unless NEXANS or the Principal Subsidiary has, by means of any competent court disputed in good faith its alleged payment obligations under the relevant Indebtedness, in which case, a required early redemption of the Bonds may not be declared unless the relevant court renders a decision finding that a default triggering the early redemption of such debt has occurred and that NEXANS has not performed in accordance with the terms of such judicial decision;

(ee) in the event that NEXANS or the Principal Subsidiaries (as defined hereinafter) requests the appointment of an administrative receiver (*concliateur*), makes a settlement (*accord amiable*) with its principal creditors, becomes unable to make payment or becomes subject to a judicial liquidation or ceases to carry on business or any other equivalent measure or procedure;

(ff) in the event that the shares of NEXANS cease to be listed either on Euronext Paris S.A. or in any case, on a regulated market (or equivalent) within the European Union.

“Principal Subsidiary” means a company of which NEXANS holds, either directly or indirectly, more than 50% of the capital or the rights to vote and which represents more than 5% (i) of NEXANS consolidated accounts or (ii) of NEXANS consolidated assets, calculated on the basis of NEXANS last consolidated and audited accounts.

2.9.11 Annual gross yield to maturity

3.125% at the settlement date of the Bonds (in the absence of conversion into and/or exchange for shares and in the absence of early redemption).

In the French bond market, the yield to maturity of a bond is the annual rate which, at a given date, at such rate and on a compound interest basis, equals the present values of all amounts payable and all amounts receivable under the Bonds (as defined by the Bond Standardization Committee (*Comité de normalisation obligataire*)).

For informational purposes, the table below sets forth the prices which a NEXANS share would need to reach on the maturity date of the Bonds in order to provide, following conversion into and/or exchange of the Bonds for shares, different yield spreads as compared with the reference French treasury bonds (*obligations assimilables au Trésor*, or OAT) and the necessary average annual growth rate of the shares:

Yield to maturity at settlement date ⁽¹⁾	Share price at maturity	Implied average annual growth rate of the shares ⁽²⁾⁽³⁾
OAT – 0.505 = 3.125%	€38.00	4.91%
OAT = 3.63%	€39.13	5.48%
OAT + 1% = 4.63%	€41.46	6.60%
OAT + 2% = 5.63%	€43.89	7.72%

⁽¹⁾ Yield to maturity extrapolated from French treasury bonds with the same maturity: 3.63% as of July 6, 2004.

⁽²⁾ Without taking into account dividends.

⁽³⁾ Compared to the reference price of €29.2377 and with a calculation date of July 6, 2004.

2.9.12 Term and average life

5 years and 170 days from the settlement date of the Bonds to the date of redemption at maturity (the average life is identical to the term of the Bonds in the absence of conversion and/or exchange and in the absence of early redemption).

2.9.13 Subsequent issuances of fungible bonds

If NEXANS subsequently issues new bonds which have the same rights as the Bonds in all respects, NEXANS may, without the consent of Bondholders and provided that the terms and conditions of such bonds so permit, consolidate the Bonds with the bonds of any such subsequent issuances, thereby treating such bonds as the same issuance for the purposes of trading and agency services.

2.9.14 Rank and negative pledge

2.9.14.2 Rank

The Bonds and the interest thereon constitute direct, general, unconditional, unsubordinated and unsecured obligations of NEXANS, and rank equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debts and guarantees of NEXANS, present and future (except for those which have a preference provided by law).

2.9.14.3 Negative pledge

So long as any of the Bonds remain outstanding, NEXANS shall not grant any lien (*hypothèque*) over its present or future assets or real property interests, nor any pledge (*nantissement*) on its assets or any other security (*sûreté réelle*) on its income, present or future, in each case for the benefit of other bonds issued or guaranteed by NEXANS, listed or capable of being listed on a

regulated market without granting prior or concurrent similar security to the Bondholders and ensuring that the Bonds have the same ranking. This undertaking is given only in relation to security interests granted in favour of holders of other bonds (*obligations*) issued by NEXANS that are listed or capable or being listed on a regulated market and does not affect in any way the right of NEXANS to otherwise dispose of its assets or to grant any security in respect of such assets in any other circumstances.

2.9.15 Guarantee

Payment of interest, redemptions, principal, taxes, expenses and ancillary amounts due have not been guaranteed.

2.9.16 Underwriting

BNP Paribas, Goldman Sachs International and Lazard-Ixis will underwrite the issuance of the Bonds pursuant to the terms of an underwriting agreement (*contrat de garantie*) which will be entered into with NEXANS on July 6, 2004. In accordance with customary market practice, in the event of the occurrence of a major event (such as a conflict, state of emergency, catastrophe, crisis, or financial or economic event) whose significance made it impossible to carry out or seriously jeopardized the transaction, the underwriting agreement may be terminated at any time until the settlement date.

2.9.17 Rating

The Bonds will not be rated. The rating on the existing indebtedness of NEXANS has been reconfirmed as of the date hereof by Standard & Poor's and is maintained at BBB-/Negative/A-3.

2.9.18 Representation of Bondholders

In accordance with Article L. 228-46 of the French Commercial Code, Bondholders will be grouped together in a collective group (the "Group"), which shall have legal personality. A general Bondholders' meeting shall be called to authorize all modifications of the terms and conditions of the Bonds and to vote on all the decisions legally submitted to its authorization.

(aa) Representatives of the Group.

In accordance with Article L. 228-47 of the French Commercial Code, the representatives of the Group will be Mr. Christian Vallet, residing at 28, avenue Charles Floquet, 75007 Paris, France, and Mr. Michel Jacques, residing at 2, rue Felix Faure, 94300 Vincennes, France.

The representatives will have the power, without restriction or reservation, acting together or separately, to carry out, on behalf of the Group, all actions of an administrative nature that may be necessary to protect the common interests of the Bondholders.

They will exercise their duties until their death, resignation, termination of their duties by a general meeting of Bondholders or until they become incapable of acting or unable to act. Their appointment shall automatically cease on the date of final or total redemption of the Bonds, whether at or prior to maturity. Their appointment will be automatically extended, where applicable, until the final resolution of any legal proceedings in which the representatives are involved and the enforcement of any judgments rendered or settlements made pursuant thereto.

Each such representative of the Group shall be entitled to remuneration of €400 per year, payable by NEXANS on December 31 of each year (or the following business day if such day is not a business day) for each of the years from 2004 to 2009 inclusive, and for the first time on December 31, 2004 (or the following business day if such day is not a business day), insofar as there are still Bonds outstanding at such dates.

(bb) Substitute representatives of the Group.

The substitute representatives of the Group will be Mr. Philippe Quinard, residing at 5 bis, rue Bouquet, 77300 Fontainebleau, France, and Mr. Jean-Marcel François, residing at La Thibaudière, 4, rue des Cures, 77400 Thorigny-sur-Marne, France.

These substitute representatives can be called upon to replace one or more of the incumbent representatives if the latter are unable to act. The date on which the appointment of the substitute representative takes effect shall be the date of receipt of a letter by registered mail in which the remaining incumbent representative, NEXANS or any other interested party shall have notified such substitute representative of the incumbent representative's inability to act, be it temporary or permanent. Where applicable, the same notification will also be given to NEXANS in the same manner. In the event of temporary or permanent replacement, the substitute representatives shall have the same powers as the incumbent representatives. They will only become entitled to the annual remuneration of €400 if they exercise the duties of a representative on a permanent basis. Such remuneration will begin to accrue from the day on which they assume such duties on a permanent basis.

(cc) General information

NEXANS will bear the cost of remuneration of the representatives of the Group and the expenses of calling and holding general meetings of Bondholders, publishing the decisions thereof, any fees related to the appointment of the representatives of the Group under Article L. 228-50 of the French Commercial Code and, more generally, all duly incurred and documented costs of the administration and management of the Group.

General Bondholders' meetings shall be held at the registered office of NEXANS or such other place as shall be specified in the notice convening the meeting. Each Bondholder shall have the right, during the period of 15 days preceding the general meeting of the Group, to examine or to make copies of the text of the resolutions to be proposed, as well as any reports to be presented to the meeting, at the registered office or administrative headquarters of NEXANS or at such other place as may be specified in the notice convening such meeting, or to cause an agent to do the foregoing on its behalf.

In the event that future issuances of bonds give purchasers identical rights to those under the Bonds and if the terms and conditions of such future bonds so permit, the holders of all of such bonds shall be grouped together in a single Group.

2.9.19 Transactions undertaken by NEXANS

NEXANS may not modify its corporate form or purpose without consulting the general Bondholders' meeting. In the event of a negative vote of the general Bondholders' meeting, NEXANS may not proceed without offering to redeem the Bonds in accordance with the provisions of article L.228-72 of the French Commercial Code at a redemption price equal to par plus interest accrued from the last Interest Payment Date preceding the effective date of redemption.

In accordance with article L.228-98 of the French Commercial Code as amended by *Ordonnance* n° 2004-604 dated June 24, 2004 reforming the provisions governing securities issued by commercial firms, NEXANS may also, without consulting the general Bondholders' meeting, redeem its share capital, alter the allocation of profits or create preferred shares subject to adjustment of the Conversion/Exchange Ratio in order to maintain the rights of the Bondholders.

2.9.20 Tax regime of the Bonds

Payments of interest and redemption of Bonds may be subject to deduction of withholding tax and such taxes as the law imposes or may impose on the Bondholders.

On the basis of current legislation, the following summary sets out the tax regime applicable to Bondholders. However, individuals or corporate entities, whether or not resident in France for tax

purposes, should nevertheless consult their usual tax advisers for details of the tax regime which applies to their particular case.

On June 3, 2003, the Council of the European Union adopted a new directive relating to the taxation of savings income (the "Directive"). Provided that specified conditions are fulfilled, as of January 1, 2005, a Member State will have to provide the tax authorities of another Member State with detailed information relating to any interest payments, as defined by the Directive (interests, proceeds, premiums or other debt related incomes), made by a paying agent pursuant to its competent authority, to an individual resident of the latter Member State (the "Information System").

For purposes of the Directive, the term "paying agent" would be broadly defined and would notably include any economic operator responsible for interest payment, as defined by the Directive, for the immediate benefit of individual beneficiaries.

Payments of interest to Bondholders who are non-residents of France for tax purposes will be exempt from withholding tax under the conditions described in paragraph 2.3.17.2 ("Non-residents of France for tax purposes").

Non-residents of France for tax purposes should comply with the tax laws applicable in the jurisdiction or state in which they are resident.

2.9.20.2 Residents of France for tax purposes

1. Individuals holding bonds as part of their private assets

(aa) Interest

Income from the Bonds received by individuals holding the Bonds as part of their private assets are:

- either included in the total income which shall be subject to:
 - income tax calculated on a progressive scale,
 - a general social contribution of 7.5%, of which 5.1% is deductible from taxable income in the year it is paid (Articles 1600-0 C and 1600-0 E of the French General Tax Code (*Code général des impôts* or "CGI"));
 - a social levy of 2% (Article 1600-0 F *bis* III 1 of the CGI) plus a newly-created, additional contribution of 0.3% (0.15% for revenues earned in 2003) imposed by the law relating to solidarity for the autonomy of the elderly and handicapped;
 - a contribution to the repayment of social debt of 0.5% (Articles 1600-0 G and 1600-0 L of the CGI).
- or, at the taxpayer's option, subject to a total tax rate of 26%, composed of:
 - final withholding tax at the rate of 16% (Article 125-A of the CGI);
 - a general social contribution of 7.5%;
 - a social levy of 2% plus a newly-created, additional contribution of 0.3% imposed by the law relating to solidarity for the autonomy of the elderly and handicapped;
 - a contribution to the repayment of social debt of 0.5%.

(bb) Capital gains

Pursuant to Article 150-A of the CGI, capital gains on the sale of Bonds are taxable from the first euro at the current rate of 26%, if aggregate disposals of securities in the household in the relevant calendar year exceed €15,000. This rate includes:

- income tax at the rate of 16% (Article 200 A-2 of the CGI);
- a general social contribution of 7.5%;
- a social levy of 2% plus a newly-created, additional contribution of 0.3% imposed by the law relating to solidarity for the autonomy of the elderly and handicapped;
- a contribution to the repayment of social debt of 0.5%.

Capital losses incurred in one year may be used against capital gains of the same type for the current year and, if applicable, for the following ten years, provided that the above-mentioned threshold of €15,000 is met in each of these years.

(cc) Conversion or exchange of the Bonds into shares

See paragraph 2.6.6. ("Tax regime relating to conversion or exchange")

(dd) Solidarity wealth tax

Bonds held by individuals will be considered part of their personal assets and, if applicable, subject to the solidarity wealth tax.

(ee) Inheritance and gift taxes

Bonds that are inherited or received as gifts by a Bondholder who is a resident of France for tax purposes at the time of the inheritance or gift will, generally, be subject to inheritance and gift taxes in France.

2. Legal entities subject to French corporate income tax

(a) Interest

Interest accrued on Bonds over the financial year is included in taxable income subject to corporate tax at the rate of 33.33%. In addition, interest is subject to a surcharge equal to 3% of the corporate income tax (Article 235 *ter* ZA of the CGI).

A social contribution of 3.3% (Article 235 *ter* ZC of the CGI) also applies. This contribution is calculated on the amount of corporate tax (not taking into account any *avoirs fiscaux* or any tax credits) exceeding €763,000 for each 12-month period. However, companies with an annual turnover of less than €7,630,000 and at least 75% of their share capital fully paid and held in a continuous manner for the relevant financial year, by private individuals or by a company that itself satisfies all such requirements, benefit from a reduced corporate tax rate equal to 15% within the limit of €38,120 of taxable profit for a given period of twelve months.

(b) Capital gains

Gains or losses resulting from the disposal of Bonds are included in the holder's taxable result.

The amount of the gain or loss is equal to the difference between the disposal price and the acquisition price of the Bonds, increased, as the case may be, by the amount of redemption premium already taxed and not yet received, and is included in the results subject to corporate tax, at the rate of 33.33% (or, as the case may be, at the rate of 15% within the limit of €38,120 for each 12-month period) plus the contribution of 3% mentioned above (Article 235 *ter* ZA of the CGI) and, as the case may be, the social contribution of 3.3% (Article 235 *ter* ZC of the CGI).

(c) Conversion and/or exchange of the Bonds into shares

See Paragraph 2.6.6. ("Tax regime relating to conversion or exchange").

2.9.20.3 Non-residents of France for tax purposes

(aa) Income tax (interest)

Bonds issued by French legal entities and denominated in Euros are deemed to be issued outside of the Republic of France for the purpose of Article 131 *quater* of the CGI (*Bulletin Officiel des Impôts 5 I-11-98*, Instruction dated September 30, 1998). As a result, interest on the Bonds which is paid to persons who are not resident in France for tax purposes, or who have their registered office outside the Republic of France, is exempt from the withholding tax provided for in Article 125-A-III of the CGI. Interest on the Bonds is also exempt from social contributions pursuant to Articles 1600-0 C *et seq.* of the CGI.

(bb) Capital gains

Persons who are not domiciled in France for tax purposes within the meaning of Article 4 B of the CGI, or whose registered office is located outside France, are not subject to capital gains upon disposal of securities, provided that these securities are not held through a permanent establishment or a fixed base located in France.

(cc) Conversion or exchange of the Bonds into shares

See paragraph 2.6.6. ("Tax Regime relating to conversion or exchange").

(dd) Solidarity wealth tax

The solidarity wealth tax does not apply, in general, to bonds issued by French Companies and held by individuals domiciled outside of France (as defined in Article 4B of the French General Tax Code).

(ee) Inheritance and gift taxes

Bonds of French companies acquired by non-residents of France through inheritance or as gifts are subject to inheritance and gift taxes in France. France has entered into treaties with certain countries in order to avoid double taxation of inheritances and gifts. Subject to certain conditions, residents of a country that has entered into such a treaty with France may be exempt from inheritance and gift taxes or may receive a tax credit.

Investors are urged to consult with counsel regarding their inheritance and gift tax liability with respect to the Bonds and the circumstances in which they may obtain an exemption from such taxes under applicable tax treaties concluded with France.

2.10 ADMISSION TO LISTING AND TRADING OF THE BONDS

2.10.4 Listing

Application has been made to list the Bonds on the *Premier marché* of Euronext Paris S.A. Listing is expected to take place on July 15, 2004 under ISIN code FR0010101659 and Euroclear and Clearstream common code 19634086. No application for listing on another market is envisaged.

2.10.5 Restrictions on the transferability of the securities

No restrictions are imposed by the conditions of the issuance on the transferability of the Bonds.

2.10.6 Listing of similar securities

As of today, NEXANS has issued no similar bonds as the Bonds.

2.11 GENERAL INFORMATION CONCERNING THE BONDS

2.11.4 Paying agent

BNP Paribas Securities Services will coordinate the fiscal and paying agent services of the issuance (payment of interest, redemption of matured Bonds, etc.).

Administrative services for the Bonds shall be carried out by BNP Paribas Securities Services.

2.11.5 Jurisdiction

The Court of Appeals of Paris will have jurisdiction in any dispute where NEXANS is the defendant, and, in the other cases, competent courts will be determined by the type of litigation to be considered, unless otherwise provided by the French Code of Civil Procedure (*Nouveau Code de Procédure Civile*).

2.11.6 Use of proceeds

The Issuer intends to use the proceeds of the issuance for general financing requirements, in particular for financing its external growth strategy based on targeted acquisitions, and for the extension of the maturity of its existing indebtedness by the repayment of drawdowns under confirmed lines of credit. The issuance will also allow NEXANS to strengthen its shareholders' equity in the event of the conversion of Bonds into new shares. As of today, NEXANS has not determined either the lines of credit or the exact amounts that will be repaid.

2.12 CONVERSION INTO AND/OR EXCHANGE OF BONDS FOR SHARES

2.12.4 Nature of conversion and/or exchange rights

Bondholders shall have the right, at any time from July 15, 2004, the settlement date of the Bonds, until the seventh business day preceding the redemption date, i.e., in principle, until a date expected to be December 23, 2009 to receive, at the option of NEXANS, new and/or existing shares of NEXANS (the "conversion/exchange right"), which will be delivered by way of set-off against amounts owed under the Bonds, subject to the provisions of paragraph 2.6.8 ("Treatment of Fractional Entitlement"), under the below-described terms and conditions.

NEXANS may, at its option, deliver new and/or existing shares.

By a decision of the general shareholders' meeting held on June 3, 2004, NEXANS was authorized, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, and for a period up to 18 months from June 3, 2004, to purchase its own shares in an amount of up to 10% of its share capital. This share repurchase program was described in a *Note d'Information* granted a *visa* by the *Autorité des marchés financiers* on May 3, 2004 under number 04-0358.

As of June 3, 2004, NEXANS held a total of 2,221,199 of its own shares, representing 9.6% of NEXANS' share capital. As a result, the maximum number of shares that could be acquired by NEXANS as of that date, under the authority of the June 3, 2004 general shareholders' meeting, is equal to 95,870 shares.

2.12.5 Suspension of conversion/exchange rights

In the event of an increase in share capital, an issuance of new capital stock or securities conferring rights to receive shares of NEXANS, a merger (*fusion*) or spin-off (*scission*) or another financial transaction conferring preferential subscription rights or reserving a priority subscription period for the benefit of shareholders of NEXANS, NEXANS shall be entitled to suspend the

Conversion/Exchange Right for a period not exceeding three months or such other period of time as may be set by applicable regulations. Such entitlement may not affect the Conversion/Exchange Right of holders of Bonds which are called for redemption or the exercise period outlined in paragraph 2.6.3 (“Exercise Period and Conversion/Exchange Ratio”).

NEXANS’ decision to suspend the Conversion/Exchange Right will be published in a notice in the *Bulletin des Annonces légales obligatoires*. This notice will be published at least 15 days before the date on which such suspension comes into effect and will mention both the date on which the suspension comes into effect and the date the suspension will end. This information will also be published in a financial newspaper with general distribution in France and in a notice issued by Euronext Paris S.A.

2.12.6 Exercise Period and Conversion/Exchange Ratio

The Bondholders may request the conversion and/or exchange of the Bonds for shares at any time from July 15, 2004, in accordance with the indicative calendar, until the seventh business day preceding the redemption date, i.e., in principle, until a date expected to be December 23, 2009, at a ratio of ONE NEXANS share for ONE Bond (“Conversion/Exchange Ratio”), subject to the provisions of paragraph 2.6.7 (“Maintenance of Bondholders’ rights”).

With respect to Bonds redeemed at or prior to maturity, the Conversion/Exchange Right shall expire at the end of the seventh business day prior to the date of redemption.

Any Bondholder who has not exercised its Conversion/Exchange Right prior to such date will receive an amount equal to the redemption price calculated in accordance with the provisions of paragraph 2.3.7.1 (“Redemption at maturity”) or paragraph 2.3.7.3 (“Early redemption at NEXANS’ option”).

2.12.7 Terms of exercise of the Conversion/Exchange Right

To exercise the Conversion/Exchange Right, Bondholders must make a request to the intermediary with whom their Bonds are registered. BNP Paribas Securities Services will coordinate all such requests.

Any request for exercise of the Conversion/Exchange Right received by BNP Paribas Securities Services in its capacity as paying agent during a calendar month (an “Exercise Period”) will take effect on the earlier of the following two dates (each an “Exercise Date”):

- (i) the last business day of such calendar month; and
- (ii) the seventh business day preceding the date set for redemption.

With respect to Bonds having the same Exercise Date, NEXANS shall be entitled, at its option, to choose between:

- the conversion of Bonds into new shares;
- the exchange of Bonds for existing shares; or
- the delivery of a combination of new shares and existing shares.

All Bondholders having the same Exercise Date will be treated equally and will have their Bonds converted and/or exchanged, as applicable, in the same proportion, subject to rounding.

Bondholders will receive delivery of shares on the seventh business day following the Exercise Date.

2.12.8 Rights of Bondholders to interest on the Bonds and to dividends with respect to shares delivered

In the event of exercise of the Conversion/Exchange Right, no interest will be payable to Bondholders in respect of the period from the last Interest Payment Date preceding the Exercise Date to the date on which the shares are delivered.

The rights attached to new shares issued upon conversion of the Bonds are set out in paragraph 2.7.1.1 below ("New shares issued upon conversion").

The rights attached to existing shares delivered upon exchange of the Bonds are set out in paragraph 2.7.1.2 below ("Existing shares delivered upon exchange").

2.12.9 Tax regime relating to conversion or exchange

On the basis of current legislation, the following sets out the tax consequences that may be applicable to investors. However, individuals or corporate entities should consult their usual tax advisers for details of the tax regime which applies to their particular case.

Non-residents of France for tax purposes should comply with the tax laws applicable in the country in which they are resident.

2.12.9.2 Residents of France for tax purposes

2.12.9.2.1 Individuals holding securities as part of their private assets

Any conversion of the Bonds into new shares, or exchange of the Bonds against existing shares, is not considered a sale for purposes of taxation of capital gains. Any capital gain resulting from such conversion or exchange has the benefit, within the limit of the exchange parity, of the tax deferral provided by Article 150-0 B of the CGI.

In the event of a subsequent transfer of shares, the net capital gain, calculated on the basis of the acquisition price or acquisition value of the Bonds (Article 150-0 D 9 of the CGI), is subject to the tax regime for capital gains on the transfer of securities (see paragraph 2.3.17.1 ("Residents of France for tax purposes")).

Where they are subject to tax, these capital gains are taxed at a rate of 26% (being 16% for income tax, 7.5% for the general social contribution, 2% for the social levy plus a newly-created, additional contribution of 0.3% imposed by the law relating to solidarity for the autonomy of the elderly and handicapped and 0.5% for the contribution to the repayment of social debt).

2.12.9.2.2 Legal entities subject to corporate tax

3. Regime applicable to the conversion of Bonds into new shares

Capital gains made or capital losses incurred by French resident legal entities subject to corporate tax upon the conversion of the Bonds into new shares will have the benefit of the tax deferral provided for in Article 38-7 of the CGI.

Capital gains or losses made upon a subsequent disposal of the shares received from conversion will thus be calculated based on the value of the converted Bonds from a tax point of view for the transferor.

Subject to a penalty equal to 5% of the sums deferred, legal entities making use of the tax deferral must fulfill the annual disclosure requirements provided for by Article 54 *septies* I and II of the CGI until the expiry date of such deferral.

4. Regime applicable to the exchange of Bonds for existing shares

This tax deferral regime does not apply to the exchange of Bonds for existing shares. In this case, the profit or loss resulting from an exchange will be subject to corporate tax under the conditions described in paragraph 2.3.17.1.2 (“Residents of France for tax purposes – Legal entities subject to French corporate income tax”).

The same will apply in the event of delivery of both new and existing shares against surrender of a Bond.

2.12.9.3 Non-residents of France for tax purposes

Capital gains realized upon the conversion of Bonds into new shares and/or the exchange of Bonds for existing shares by persons who are non-residents of France for tax purposes or who do not have their registered office located in France (and do not have a permanent establishment or fixed base in France through which they hold the Bonds) are not subject to tax in France.

2.12.10 Maintenance of Bondholders’ rights

2.12.10.2 Undertakings of NEXANS

In accordance with article L.228-98 of the French Commercial Code as amended by *Ordonnance* n° 2004-604 dated June 24, 2004, reforming the provisions governing securities issued by commercial firms, NEXANS undertakes, for as long as any Bonds are outstanding, not to redeem its share capital or to alter the manner in which it allocates profits or to create preferred shares without adjusting the Conversion/Exchange Ratio in order to maintain the rights of Bondholders.

2.12.10.3 In the event of a reduction in share capital resulting from losses

In the event of a reduction in share capital resulting from losses, whether by way of reduction in the par value or the number of shares, the rights of Bondholders to receive shares will be reduced accordingly as if such Bondholders had been shareholders as of the date of issuance of the Bonds.

2.12.10.4 Adjustments to the Conversion/Exchange Ratio in the event of financial transactions

As a result of the following transactions:

- an issuance of securities with listed preferential subscription rights;
- an increase in share capital by capitalization of reserves, profits or share premiums and distribution of free shares, or the subdivision or consolidation of shares;
- the capitalization of reserves, profits or share premiums by increasing the nominal value of the shares;
- the distribution of reserves in cash or in securities;
- the free distribution to shareholders of NEXANS of any financial instruments other than the shares of NEXANS;
- takeover, merger or spin-off;
- the repurchase by NEXANS of its own shares at a price higher than the market price; or
- the distribution of an exceptional dividend,

which NEXANS may carry out after the issuance of the Bonds, the maintenance of the rights of Bondholders will be ensured by means of an adjustment of the Conversion/Exchange Ratio, up to the redemption date or early redemption date, in accordance with the provisions set out below.

In the event of adjustments carried out in accordance with paragraphs 1 to 8 below, the new Conversion/Exchange Ratio will be rounded up to the nearest one-thousandth (with 0.0005 being rounded up to the nearest one-thousandth, i.e. 0.001). Any subsequent adjustments will be carried out on the basis of such new Conversion/Exchange Ratio as adjusted and rounded up. However, because only whole numbers of shares may be delivered upon conversion or exchange, fractional entitlement will be settled as specified below (see paragraph 2.6.8 (“Treatment of fractional entitlements”)).

In case of several of the below-described events occurring successively, the Conversion/Exchange Ratio would be successively adjusted for each transaction.

1. In the event of a financial transaction with listed preferential subscription rights, the new Conversion/Exchange Ratio applicable to the shares will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Price of share ex-subscription right} + \text{value of the subscription right}}{\text{Price of share ex-subscription right}}$$

For the purposes of calculating this formula, the price of the shares ex-subscription right and the value of the subscription right will be determined on the basis of the average of the opening prices quoted on Euronext Paris S.A. (or, if the shares and the rights are not listed on Euronext Paris S.A., on any other regulated or similar market on which the share and right to subscription are both listed) on each stock exchange trading day falling in the subscription period during which the shares ex-subscription rights and the subscription right are simultaneously quoted.

2. If NEXANS increases its share capital by capitalization of reserves, profits or share premiums and distributes free shares, or subdivides or consolidates its shares, the new Conversion/Exchange Ratio applicable to the shares will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Number of shares existing after the transaction}}{\text{Number of shares existing before the transaction}}$$

3. If NEXANS increases its share capital by means of a capitalization of reserves, profits or share premiums by increasing the nominal value of the shares, the Conversion/Exchange Ratio will not be adjusted but the nominal value of the shares which may be delivered to Bondholders upon exercise of Conversion/Exchange Right will be increased accordingly.
4. If NEXANS distributes reserves or premiums in the form of cash or securities, the new Conversion/Exchange Ratio applicable to the shares will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Price of share before distribution}}{\text{Price of share before distribution less the cash amount distributed per share or the value of the securities distributed in relation to each share}}$$

For the purposes of calculating this formula:

- the price of the share before the distribution will be calculated on the basis of the average of the opening prices quoted on Euronext Paris S.A. (or, if the share is not listed on

Euronext Paris S.A., on any other regulated or similar market on which the share is listed) for 20 consecutive stock exchange trading days on which the share is quoted chosen by NEXANS from the 40 stock exchange trading days preceding the date of distribution;

- the value of securities distributed will be calculated as above if the securities are quoted on a regulated or similar market;
 - if the securities are not quoted on a regulated or similar market before the date of distribution, such value will be determined according to the average of the opening prices quoted on a regulated or similar market for 20 consecutive stock exchange trading days on which the security is quoted, chosen from 40 stock exchange trading days following the date of distribution if the securities were to be quoted within 40 stock exchange trading days following the distribution, and in any other case, as determined by an independent expert of international reputation chosen by NEXANS.
5. If NEXANS carries out a free distribution of financial instruments other than shares, the new Conversion/Exchange Ratio applicable to the shares will be determined as follows:
- (a) if the right to receive distribution of financial instruments is listed on Euronext Paris S.A., the Conversion/Exchange Ratio in effect prior to the relevant transaction will be multiplied by the following formula:

$$\frac{\text{Price of the share ex-right} + \text{price of the distribution right}}{\text{Price of the share ex-right}}$$

For the purposes of calculating this formula, the prices of the share ex-right and of the right to the free distribution will be determined on the basis of the average of the opening prices quoted on Euronext Paris S.A. (or, if the shares and the rights are not listed on Euronext Paris S.A., on any other regulated or similar market on which the share and right to the free distribution are both listed) of the share and the right to the free distribution on the first 10 stock exchange trading days on which the share and the right to the free distribution are simultaneously quoted. In the event that this average is calculated on the basis of less than five separate quoted prices, the calculation must be validated or made by an independent expert of international reputation chosen by NEXANS;

- (b) if the right to receive the distribution of financial instruments is not listed on Euronext Paris S.A., the Conversion/Exchange Ratio in effect prior to the relevant transaction will be multiplied by the following formula:

$$\frac{\text{Price of the share ex-right} + \text{value of the financial instruments allotted with respect to each share}}{\text{Price of the share ex-right}}$$

For the purposes of calculating this formula, the prices of the shares ex-right and of the financial instruments allotted with respect to each share, if the latter are quoted on a regulated or similar market, will be determined on the basis of the average of the opening prices quoted during 10 consecutive stock exchange trading days following the date of distribution of such financial instruments during which the shares and the allotted financial instruments are simultaneously listed. If the financial instruments are not listed on a regulated or similar market, their value will be determined by an independent expert of international reputation chosen by NEXANS.

6. In the event that NEXANS is taken over by another company (*absorption*) or merges with one or more companies to form a new company (*fusion*) or in the event of a spin-off (*scission*), the Bonds will be convertible and/or exchangeable for shares of the acquiring or new company or of the companies benefiting from the spin-off.

The new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the commencement of the relevant transaction by the ratio of exchange of shares of NEXANS against the shares of the acquiring or new company or the companies benefiting from the spin-off. Such companies will be substituted respectively for NEXANS in applying the provisions set out above designed to maintain the rights of Bondholders, where applicable, in the case of financial or securities transactions so as to ensure generally that the legal, regulatory and contractual rights of Bondholders are protected.

7. In the event of a purchase by NEXANS of its own shares at a price higher than the market price, the new Conversion/Exchange Ratio shall be determined by multiplying the Conversion/Exchange Ratio in effect before the commencement of such purchase by the following ratio, calculated to the nearest hundredth of a share:

$$\frac{\text{Price of the share} + \text{Pc \%} \times (\text{Purchase price} - \text{Price of the shares})}{\text{Price of the share}}$$

Where:

“Price of the Share” means the arithmetic average of the quoted prices of the share on the *Premier Marché* of Euronext Paris S.A. over at least 10 consecutive stock exchange trading days chosen from the 20 stock exchange trading days preceding the purchase (or the possibility to purchase);

“Pc %” means the percentage of capital purchased;

“Purchase price” means the price at which the share is effectively purchased (which, by definition, will be higher than the Price of the Share as defined above).

8. If NEXANS pays an Exceptional Dividend (as defined below), the new Conversion/Exchange Ratio will be calculated as set out below.

For the purpose of this paragraph 8, the term “Exceptional Dividend” means any dividend paid in cash or in kind to shareholders, where the total amount of such dividend (tax withholding without taking into account any tax credit (*avoir fiscal*)) (the “Relevant Dividend”) and of all other cash dividends or dividends in kind paid to shareholders during the same fiscal year of NEXANS (without taking into account possible connected tax credits) (the “Previous Dividends”) results to a Ratio of Distributed Dividends (as defined below) of more than 4%.

For purposes of the preceding paragraph, the term “Ratio of Distributed Dividends” means the sum of the ratios obtained by dividing the Relevant Dividend and each Previous Dividend by NEXANS’ market capitalization on the trading day preceding the corresponding distribution date. The market capitalization to be taken into account for calculating each of the ratios is equal to (x) the closing price of the share of NEXANS on Euronext Paris S.A. on the trading day preceding the date of distribution of the Relevant Dividend or of each Previous Dividend multiplied by (y) the respective number of shares existing on that date. Any dividends or fractions of dividends leading to an adjustment of the Conversion/Exchange Ratio by virtue of paragraphs 1 to 7 above shall not be taken into account for the purpose of this provision.

The formula to be used to calculate the new Conversion/Exchange Ratio in the event of payment of an Exceptional Dividend is as follows:

$$\text{NRAA} = \text{RAA} \times (1 + \text{RDD} - 3\%)$$

where:

- “NRAA” means the new Conversion/Exchange Ratio;

- “RAA” means the last Conversion/Exchange Ratio in effect before the distribution of the Relevant Dividend; and
- “RDD” means the Ratio of Distributed Dividends as defined above;

it being understood that any dividend –excluding, as the case may be, any portion of such dividend giving rise to the calculation of a new Conversion/Exchange Ratio pursuant to paragraphs 1 to 7 above– paid between the payment date of a Relevant Dividend and the end of the same fiscal year of NEXANS (an “Additional Dividend”) will lead to an adjustment using the following formula:

$$\text{NRAA} = \text{RAA} \times (1 + \text{RDS}).$$

where:

- NRAA means the new Conversion/Exchange Ratio;
 - RAA means the last Conversion/Exchange Ratio in effect before the distribution of the Additional Dividend; and
 - RDS means the ratio obtained by dividing (i) the Additional Dividend (excluding any portion of such dividend giving rise to the calculation of a new Conversion/Exchange Ratio pursuant to paragraphs 1 to 7 above), excluding any related tax credit (*avoir fiscal*), by the market capitalization of NEXANS, defined as (x) the price of the NEXANS share on Euronext Paris S.A. on the trading day before the date of distribution of the Additional Dividend multiplied by (y) the number of NEXANS’ shares outstanding on such date.
9. If NEXANS carries out transactions in respect of which an adjustment under paragraphs 1 to 8 above has not been provided for and where subsequent French law or regulations would require an adjustment, NEXANS will carry out such adjustment in accordance with the applicable laws and regulations and relevant French market practices in effect in France at such time. Any such adjustments shall be carried out such that the share to be delivered upon exercise of the Conversion/Exchange Right following such transaction shall have the same value as the share that would have been delivered upon exercise of the Conversion/Exchange Right prior to such transaction.

NEXANS’ Board of Directors shall report on the components of the calculation and on the results of any adjustment in the annual report following any adjustment.

2.12.10.5 Notice to Bondholders in the event of adjustments

In the event of an adjustment, Bondholders will be notified of the new Conversion/Exchange Ratio by a notice published in the *Bulletin des Annonces légales obligatoires*, in a financial newspaper with general distribution in France and in a notice issued by Euronext Paris S.A.

2.12.11 Treatment of fractional entitlements

Each Bondholder exercising its Conversion/Exchange Right under the Bonds will have the right to receive a number of NEXANS shares calculated by multiplying the total number of Bonds presented on a given Exercise Date by the Conversion/Exchange Ratio then in effect.

If the number of shares thus calculated is not a whole number, the Bondholder may request delivery of either:

- the next lower whole number of shares, in which case the Bondholder will receive a cash payment equal to the value of the remaining fractional share, calculated on the basis of

the opening share price on Euronext Paris S.A. on the last trading day of the Exercise Period during which NEXANS shares were listed; or

- the next greater whole number of shares, provided that in such case the Bondholder pays to NEXANS an amount equal to the value of the additional fraction of a share requested, calculated on the basis set out in the preceding paragraph.

If the Bondholder does not state which choice it wishes to make, it shall receive a number of NEXANS shares rounded down to the nearest whole number, and the remainder in cash as described above.

2.12.12 Notice to Bondholders

In the event of a transaction conferring preferential subscription rights to existing shareholders, Bondholders will be notified prior to the commencement of such transaction by a notice published in the *Bulletin des Annonces légales obligatoires*, in a financial newspaper with general distribution in France and in a notice issued by Euronext Paris S.A.

2.12.13 Effect of conversion and/or exchange on existing shareholders

The information provided below, together with the terms and conditions of the transaction, will be included in the additional report prepared in accordance with Articles 155-2 and 155-3 of decree n° 67-236 of March 23, 1967. This additional report, together with the additional report of the statutory auditors, will be made available to shareholders at the registered office of NEXANS during the periods applicable under French law and will be brought to their attention at the next general shareholders' meeting.

For informational purposes, assuming that all the Bonds issued are converted into new NEXANS shares, the effect of such issuance and conversion would be as follows:

5. The effect of the issuance and conversion of the Bonds into new NEXANS shares on the holding of a shareholder with a 1% interest in NEXANS' share capital prior to the issuance and who does not subscribe to the Bonds issuance (such calculation being made on the basis of the number of shares comprising the share capital as of December 31, 2003) would be as follows:

	Shareholding
Before issuance of the Bonds	1%
After issuance and conversion of 3,157,895 Bonds	0.88%
After issuance and conversion of 3,552,632 Bonds ⁽¹⁾	0.87%

⁽¹⁾ If the number of Bonds is increased pursuant to paragraph 2.2.1.1 ("Number and principal amount of the Bonds") above.

6. The effect of the issuance and conversion of the Bonds issued on the portion of consolidated shareholders' equity as of December 31, 2003 for the holder of one NEXANS share who does not subscribe to the Bonds issuance would be as follows:

	Portion of shareholders' equity ⁽¹⁾
Before issuance of the Bonds	€40.74
After issuance and conversion of 3,157,895 Bonds	€40.41
After issuance and conversion of 3,552,632 Bonds ⁽²⁾	€40.38

⁽¹⁾ Excluding minority interests.

⁽²⁾ If the number of Bonds is increased pursuant to paragraph 2.2.1.1 ("Number and principal amount of the Bonds") above.

2.13 SHARES DELIVERED UPON EXERCISE OF THE CONVERSION/EXCHANGE RIGHT

2.13.4 Rights attached to the shares to be delivered

2.13.4.2 New shares to be issued upon conversion

New shares issued upon conversion of Bonds shall be subject to all provisions of NEXANS' by-laws (*statuts*) and will carry dividend rights as from the first day of the financial year in which the Exercise Date falls. Such shares will give holders the right, in respect of such financial year and subsequent financial years, to the same dividend (on the basis of the same par value) as that paid in respect of other shares with equivalent dividend rights. As a result, they will be fully assimilated with such shares from the date of payment of the dividend relating to the preceding financial year, or if no dividend was paid, following the annual shareholders' meeting convened to approve the financial statements for that year.

2.13.4.3 Existing shares delivered upon exchange

Existing shares delivered upon exchange of Bonds shall be existing ordinary shares carrying dividend rights and conferring upon their holders, from the date of delivery, all the rights attached to ordinary shares, provided that in the event that rights to a dividend are detached from the shares between the Exercise Date and the delivery date, Bondholders shall not be entitled to the dividend nor to any compensation therefore.

2.13.4.4 General provisions

Each new or existing share gives the right to an interest in NEXANS' assets and in the distribution of NEXANS' profits and liquidation surplus in proportion to the portion of share capital represented by such share, taking into account whether any share capital has been redeemed or not, whether or not the shares have been fully paid up, the par value of the shares and the rights of different classes of shares.

Such shares are also subject to the provisions of the by-laws.

Dividends which have not been claimed five years after their payment are forfeited and become the property of the French State.

2.13.5 Transferability of the shares

No provision in the by-laws limits the transferability of the shares comprising NEXANS' share capital.

2.13.6 Nature and form of the shares

The shares shall be either in registered or bearer form, at the option of the shareholder.

Shares held in either form are required to be inscribed in book-entry form in accounts (*inscrites en compte*) maintained by NEXANS or its agent and/or an authorized intermediary, as the case may be. The shares are required to be inscribed in book-entry form in accounts held, as the case may be:

- by Société Générale acting on behalf of NEXANS, in respect of fully registered shares (*nominatifs purs*);
- by an authorized financial intermediary selected by the shareholder, and by Société Générale acting on behalf of NEXANS, in respect of shares in administered, registered form (*nominatifs administrés*); and
- by an authorized financial intermediary selected by the shareholder in respect of shares in bearer form (*au porteur*).

2.13.7 Taxation of delivered shares

The following provisions summarize the tax consequences which may apply to investors under current legislation. Individuals and corporate entities should nevertheless consult their usual tax advisers for details of the tax regime which applies to their particular case.

Non-residents of France for tax purposes should comply with the tax laws applicable in the country and State in which they are resident.

Investors are directed towards the provisions of Articles 93 and 95 of the French Budget Law for 2004, which amend the tax regime for distributions carried out as from January 1, 2005, in particular, by abolishing the *avoir fiscal*.

2.13.7.2 Residents of France for tax purposes

7. Individuals holding French shares as part of their private assets

(aa) Dividends

Dividends paid by French companies – including *avoir fiscal* which is equal to 50% of the dividend paid – are taken into account for the calculation of total income within the category “income from securities”; they benefit from a global annual allowance of €2,440 for married couples who file jointly, as well as domestic partners who file joint income tax returns as of the third year following the registration of their domestic partnership agreement as defined in Article 515-1 of the French Civil Code, and €1,220 for single persons, widowers, divorced persons or married couples who file separate tax returns.

Dividends, as well as any related *avoir fiscaux* (tax credit), are included in the aggregate income subject to income tax on a progressive scale, to which is added without any allowance:

- a general social contribution of 7.5%, of which 5.1% is deductible from the taxable income (Articles 1600-0C and 1600-0E of the CGI);
- a social levy of 2% (Article 1600-0 F bis III 1 of the CGI) plus a newly-created, additional contribution of 0.3% imposed by the law relating to solidarity for the autonomy of the elderly and handicapped;
- a contribution to the repayment of social debt of 0.5% (Articles 1600-0 G and 1600-0 L of the CGI).

The *avoir fiscal* is deductible from French income tax and, to the extent of any excess, refundable.

The *avoir fiscal* has been cancelled for dividends paid as from January 1, 2005; it has been replaced by a 50% allowance over the amount of dividends (before the allowance of €1,220 or €2,440 as indicated above) for the calculation of the income tax and by a tax credit equal to 50% of the amount of the income distributed by the companies whose registered office is located in France or within the European Union, within an annual limit of €115 for single persons, widowers and divorced persons and €230 for taxpayers subject to joint tax assessment.

(bb) Capital gains

Pursuant to Article 150-0 A of the CGI, capital gains on the sale of shares by individuals are taxable from the first euro, if aggregate disposals of securities in the household in the relevant calendar year exceed €15,000. This rate includes:

- income tax at the rate of 16% (Article 200 A-2 of the CGI);
- a general social contribution of 7.5%;
- a social levy of 2% plus a newly-created, additional contribution of 0.3% imposed by the law relating to solidarity for the autonomy of the elderly and handicapped;
- a contribution to the repayment of social debt of 0.5%.

Capital losses incurred in one year may be used against capital gains of the same type for the current year and, if applicable, for the following ten years, provided that the above-mentioned threshold of €15,000 is met in each of these years.

(cc) Special regime for share savings plans (*Plan d'épargne en Actions*)

Shares issued by French companies and by companies established in another member state of the European Community and subject to French corporate tax or to an equivalent tax, are eligible to be held as assets in a share savings plan (*Plan d'épargne en Actions* or "PEA"), established by law no. 92-666 of July 16, 1992.

Subject to certain conditions, dividends received and capital gains realized from shares held in a PEA are exempt from income tax, but are subject to the general social contribution, the social levy, and the contribution to the repayment of social debt.

The table below summarizes the different taxes applicable as of January 1, 2004 with respect to the term of the PEA:

Term of the share savings plan	Social levy⁽²⁾	General social contribution	Contribution to repayment of social debt	Income tax	Total
Less than 2 years	2.0%	7.5%	0.5%	22.5%	32.5% ⁽¹⁾
Between 2 and 5 years	2.0%	7.5%	0.5%	16.0%	26.0% ⁽¹⁾
More than 5 years	2.0%	7.5%	0.5%	0.0%	10.0%

⁽¹⁾ On the aggregate proceeds in the event that the threshold for sales is exceeded.

⁽²⁾ Plus a newly-created, additional contribution of 0.3% (0.15% on revenues earned in 2003) imposed by the law relating to solidarity for the autonomy of the elderly and handicapped.

Dividends paid from January 1, 2005, in respect of shares held in a PEA, give rise to the *avoir fiscal* mentioned in paragraph 2.7.4.1(1)(a).

As the Bonds are not eligible to be held as assets in a PEA plan, the shares to be delivered to Bondholders would not benefit from PEA-related dispositions.

However the PEA-related dispositions would apply to shares to be acquired after the conversion or the exchange.

(dd) Solidarity wealth tax

Shares held by individuals will be considered part of their personal assets and, if applicable, subject to the solidarity wealth tax.

(ee) Inheritance and gift taxes

Shares that are inherited or received as gifts from a shareholder resident in France at the time of the bequest or gift will be subject to inheritance and gift taxes in France.

(ff) Registration duties

Registration duties do not apply to transfers of shares in listed companies that are not evidenced by a written agreement executed in France.

If a written agreement is executed in France, a registration duty applies, in an amount equal to 1% of the transfer price (or, if higher, the market value) of the shares, subject to a maximum of €3,049 per transfer.

8. Legal entities subject to French corporate income tax

For legal entities, the *avoir fiscal* is cancelled for tax credits to be used as from January 1, 2005. In addition, the *précompte mobilier* is cancelled for distributions paid as from January 1, 2005.

(gg) Dividends

Dividends received by legal entities subject to corporate income tax, together with the *avoir fiscal*, if applicable, are included in taxable income subject to corporate tax at the rate of 33.33%, plus a surcharge equal to 3% of the corporate income tax (Article 235 *ter* ZA of the CGI). The *avoir fiscal* may be increased by an amount equal to 80% of the French equalization tax (*précompte*) paid in cash by NEXANS distributing the dividends, other than any equalization tax due by reason of a distribution paid out from the long-term capital gains reserve.

A social contribution of 3.3% (Article 235 *ter* ZC of the CGI) also applies. This contribution is calculated on the amount of corporate tax (not taking into account any *avoirs fiscaux* or any tax credits) exceeding €763,000 for each 12-month period. However, companies with an annual turnover of less than €7,630,000 and at least 75% of their share capital fully paid and held in a continuous manner for the relevant financial year, by private individuals or by a company that itself satisfies all such requirements, benefit from a reduced corporate tax rate equal to 15% within the limit of €38,120 of taxable profit for a given period of twelve months.

The *avoir fiscal*, equal to 10% of the dividend received, may be deducted from the corporation tax until December 31, 2004, but may not, in the event of surplus, be carried forward or refunded.

Where NEXANS fulfils certain conditions and has opted for the parent company tax regime pursuant to Articles 145 and 216 of the CGI, the dividends received are not taxed (except for an amount equal to 5% of the dividend amount, including the *avoir fiscal* and other tax credits, capped at the total amount of all costs and charges incurred by NEXANS during the tax period). In this case, the *avoir fiscal*, which amounts to 50% of the dividend paid, will not be deducted from the corporate income tax with respect to the dividends received. The *avoir fiscal* may, subject to a five-year time limit, be used against any *précompte*.

The *avoir fiscal* will no longer apply starting from January 1, 2005. The *précompte* is cancelled for distributions paid as from the same date.

(hh)Capital gains

Capital gains from the sale of portfolio securities are subject to the corporation tax at the normal rate of 33.33% (or, as the case may be, at the rate of 15%, increased by the additional contribution of 3% (Article 235 *ter* ZA of the CGI) and, as the case may be, by the above-described social contribution of 3.3% (Article 235 *ter* ZC of the CGI).

In accordance with the provisions of Articles 19-I-b and 235, *ter* ZC of CGI, some legal entities are likely to benefit from a discounted corporate tax rate at 15% within the limit of €38,120 of their taxable income for each twelve-month period, and from an exemption from the social contribution of 3.3%.

However, capital gains resulting from the sale of “*titres de participations*” (as defined below) that have been held for more than two years at the time of the sale are subject, provided that a special reserve of long-term capital gains has been maintained, to a reduced tax rate equal to 19% (or, as may be the case, 15% within the limit of €38,120 for a period of twelve months for companies satisfying the conditions set out above), increased by the additional contribution of 3% (Article 235 *ter* ZA of the CGI) and, if applicable, the social contribution of 3.3% (Article 235 *ter* ZC of the CGI).

The following are considered to be “*titres de participations*”: shares of companies considered “*participations*” for accounting purposes, and under certain conditions, shares acquired through a public offer/exchange offer, shares subject to the French parent subsidiaries regime, as well as securities with an acquisition price of at least €22.8 million.

2.13.7.3 Non-residents of France for tax purposes

(aa)Dividends

According to French domestic tax law, dividends of a French company are subject to a 25% withholding tax if the recipient has its tax residence or head office outside France.

In certain circumstances, the withholding tax may be reduced or even eliminated in accordance with the provisions of international tax treaties or if the conditions set forth in Article 119 *ter* of the CGI are met. In addition, the *avoir fiscal* may be transferred or the *précompte mobilier* can be reimbursed to shareholders in accordance with such treaties, provided that dispositions of French law relating to the implementation of those mechanisms are abided by, under the above-mentioned conditions.

The abolition of the *avoir fiscal* applies to individuals not resident in France for dividends paid as from January 1, 2005, and legal entities not resident in France will not be entitled to any refund in respect of any *avoir fiscal* which can be used after January 1, 2005. Persons residing in a State that has entered into a treaty with France relating to transfer of the *avoir fiscal* may benefit from transfer of the tax credit equal to 50% of taxable income, up to an annual limit of €115 for single persons, widowers and divorced persons, and €230 for persons subject to joint taxation.

By way of exception, dividends resulting from ownership of French shares – distributed or allocated in 2004 and given to recipients that have their tax residence or head office outside of France – and giving access to the transfer of *avoir fiscal* by virtue of a treaty adopted in order to avoid double taxation, at the date of their payment, are only subject to withholding tax to be applied at the discounted rate set by the treaty, provided that considered recipients justify that, before the date of payment, they are resident of the State party to the treaty agreed with France, under the terms of the latter treaty. The terms and conditions relating to that capacity for the following years shall be fixed subsequently by French tax authorities. Investors are urged to consult with counsel regarding the conditions under which they could possibly benefit from the withholding tax at the discounted rate set by the relevant treaty. (*Bulletin Officiel des Impôts* 4-J-1-94, May 13, 1994 instruction, and 4-J-1-04, April 5, 2004)

(bb) Capital gains

Capital gains resulting from sales of shares by individuals or corporations who do not have their tax residence in France within the meaning of Article 4B of the CGI or whose registered office is located outside of France (and who do not have a permanent establishment or fixed base in France and whose assets include the shares being sold) are not taxable in France provided that the vendor and his family group have not, directly or indirectly, held more than 25% of the dividend rights of NEXANS at any time during the five years preceding the sale (Articles 244 *bis* B and 244 *bis* C of the CGI).

(cc) Solidarity wealth tax

The solidarity wealth tax does not apply, in general, to individuals domiciled outside France (as defined in Article 4B of the CGI), and who hold, directly or indirectly, less than 10% of NEXANS' shares.

(dd) Inheritance and gift taxes

In France, shares of French companies acquired by non-residents of France through inheritance or as gifts are subject to inheritance and gift taxes. France has entered into treaties with certain countries in order to avoid double taxation of inheritances and gifts. Subject to certain conditions, residents of a country that has entered into such a treaty with France may, under certain conditions, be exempt from inheritance and gift taxes or may receive a tax credit in such instances.

Investors are urged to consult with counsel regarding their inheritance and gift tax liability with respect to their shareholding in NEXANS and the circumstances in which they may obtain an exemption from such taxes under applicable tax treaties thus concluded with France.

(ee) Registration duties

Registration duties do not apply to transfers of shares in listed companies evidenced by a written agreement executed outside France.

If a written agreement is executed in France, a registration duty applies, in an amount equal to 1% of the transfer price (or, if higher, the market value of the shares), subject to a maximum of €3,049 per transfer.

2.13.8 Listing of new shares

Application will be made periodically to list new shares issued as a result of conversion of the Bonds on the *Premier marché* of Euronext Paris S.A. Existing shares that are delivered upon exchange will be tradable immediately.

2.13.8.2 Fungibility of new shares

Application shall be made to list new shares resulting from conversion on the *Premier marché* of Euronext Paris S.A. based on the date from which they carry dividend rights, either directly on the same line with existing shares, or initially on a second line. NEXANS' shares are listed on the *Premier marché* of Euronext Paris S.A. (ISIN Code: FR0000044448).

The shares of NEXANS are admitted to the Deferred Settlement System (*Système de Règlement Différé (SRD)*).

CHAPTER 3

GENERAL INFORMATION CONCERNING NEXANS AND ITS SHARE CAPITAL

The information relating to this chapter is provided in the *Document de Référence* registered on April 28, 2004 by the *Autorité des Marchés Financiers* under the number R.04-0064.

The information contained in the *Document de Référence* remains accurate at the date of this *Note d'Opération*, except for the following elements.

3.1 GENERAL INFORMATION RELATING TO NEXANS

The Annual Shareholders' Meeting of NEXANS, held on June 3, 2004, approved the payment of a dividend of €0.20 per share. The dividend was paid on June 7, 2004.

All the resolutions submitted for vote at the meeting were approved and in particular, the individual resolutions authorizing the Board of Directors to issue securities, with or without preferential subscription rights, giving immediate or future access to the share capital of NEXANS (which are set forth on page 101 of the *Document de Référence*).

3.2 GENERAL INFORMATION RELATING TO THE SHARE CAPITAL AND THE VOTING RIGHTS OF NEXANS

- ***Share capital and stock options***

On March 31, 2004, there were 23,152,472 shares in circulation with a nominal value of one (1) euro each. The exercise of stock options since this date has increased the number of shares to 23,170,697 as of June 3, 2004.

On June 3, 2004, 1,114,775 stock options, representing 4.8% of the share capital, existed. Each option, if exercised, grants the right to subscribe to one NEXANS share.

- ***Number of voting rights***

In accordance with article L. 233-8 of the Commercial code, NEXANS informed the *Autorité des Marchés Financiers* and its shareholders that at the date the Annual Shareholders' Meeting was held on June 3, 2004, the number of voting rights attached to the 23,170,697 shares in circulation, was equal to 24,324,418, based on the existence of shares carrying double voting rights and treasury stock which does not carry voting rights (notice published in the *Bulletin des Annonces légales obligatoires* dated June 16, 2004).

- ***Buyback of NEXANS shares***

The Annual Shareholders' Meeting of NEXANS, held on June 3, 2004, granted the Board of Directors a new authorization to launch a share buyback program by NEXANS. The prospectus (*note d'information*) established in connection with this new buyback program was registered with the *Autorité des Marchés Financiers* on May 3, 2004, under N° 04-358.

CHAPTER 4

INFORMATION CONCERNING NEXANS' BUSINESS

The information relating to this chapter is provided in the *Document de Référence* registered on April 28, 2004 by the *Autorité des Marchés Financiers* under the number R.04-0064.

The information contained in the *Document de Référence* remains accurate at the date of this *Note d'Opération*, except for the following elements relating to risks, non-recurring events and disputes.

4.1 RISKS LINKED TO ENVIRONMENTAL REGULATIONS

In relation to environmental matters, as set forth on page 92 of NEXANS' *Document de Référence*, NEXANS is obliged to close the industrial waste disposal area on its site, as a result of local changes in Sweden. The estimated cost of the closure, net of provisions already made in respect thereof, is approximately 1 million euros.

4.2 NEXANS' POSITION ON ASBESTOS

8 more people, in addition to the 18 people already mentioned on page 92 of NEXANS' *Document de Référence*, have been granted professional sick leave, and have a functional impairment coefficient generally equal to or less than 10%.

Additionally, with respect to the ongoing TLM lawsuit as set forth on page 92 of NEXANS' *Document de Référence*, an additional employee has joined the lawsuit of the seven TLM employees that have commenced an action for professional sick leave tied to asbestos.

As set forth on page 92 of NEXANS' *Document de Référence*, NEXANS has made a provision, in accordance with accounting standards currently in force, in its financial statements for the year ending December 31, 2003, principally for the removal of asbestos from ovens. Since NEXANS' management does not consider the risk tied to asbestos to have evolved in any significant manner, NEXANS does not intend to increase this provision for its financial statements ending June 30, 2004.

4.3 DISPUTES – CORVETTES SOUTH AFRICA

The damages claimed by the customer further to this dispute, details of which are set forth on page 93 of the *Document de Référence*, now amount to 28 million euros.

NEXANS has already booked a €5 million charge related to this matter in its financial statements for the year ending December 31, 2003, and does not intend to increase this charge for its financial statements ending June 30, 2004.

CHAPTER 5

ASSETS, FINANCIAL CONDITION, FINANCIAL RESULTS

The information relating to this chapter is provided in the *Document de Référence* registered on April 28, 2004 by the *Autorité des Marchés Financiers* under the number R.04-0064.

The information contained in the *Document de Référence* remains accurate at the date of this *Note d'Opération*.

CHAPTER 6

CORPORATE GOVERNANCE

The information relating to this chapter is provided in the *Document de Référence* registered on April 28, 2004 by the *Autorité des Marchés Financiers* under the number R.04-0064.

The information contained in the *Document de Référence* remains accurate at the date of this *Note d'Opération*, except for the following elements.

6.1 THE BOARD OF DIRECTORS

The Board of Directors currently has ten members, after the ratification of the appointment of Mr. Jean-Marie Chevalier and the election of Mrs. Colette Lewiner and Mr. Yves Lyon-Caen by the Annual Shareholders' Meeting of NEXANS held on June 3, 2004. These new directors are independent from NEXANS.

- **New composition of the Board of Directors**

Number of Nexans shares held	Date of appointment and term expiration	Other directorships and equivalents
G�rard Hauser , 62 years old CEO <i>16 rue de Monceau, 75008 Paris, France</i>	3668 October 17, 2000 (date first appointed) / 2007 AGM *	Member of the Board of Directors of Alstom, Faurecia, Aplix and Electro Banque
Gianpaolo Caccini , 65 years old Senior Vice-President of Saint-Gobain Corporation (USA)	25 June 15, 2001 / 2007 AGM *	Member of the Board of Directors of JM Huber Corporation (USA)
Georges Chodron de Courcel , 53 years old Chief Operating Officer of BNP Paribas, member of the Executive Committee <i>3 rue d'Antin, 75002 Paris, France</i>	29 June 15, 2001 / 2007 AGM *	Member of the Board of Directors of Bouygues and Alstom, Member of the Supervisory Board of Lagard�re SA and Sagem SA, Observer of Scor
Jacques Garaialde , 47 years old Managing Director of Kohlberg Kravis Roberts & Co. Ltd. (KKR) <i>Stirling Square, 7 Carlton Gardens, London SW1Y 5AD, United Kingdom</i>	500 June 15, 2001 / 2007 AGM *	Member of the Board of Directors of Legrand
Patrick Puy , 48 years old Managing Director of Alvarez & Marsal, <i>10 place Vend�me, 75001 Paris, France</i>	61 June 15, 2001 / 2007 AGM *	Chairman & CEO of the Italian company Ocean S.p.A.
Ervin Rosenberg , 68 years old Advisor to the President of Compagnie Financiere Edmond de Rothschild Banque, member of the Supervisory Board <i>47 rue du Faubourg Saint Honor�, 75008 Paris, France</i>	110 June 15, 2001 / 2007 AGM *	Chairman of Compagnie Financiere Savoissienne, Member of the Board of Directors of Compagnie Financiere Rothschild Financial Services
Jean-Louis Vinciguerra , 60 years old Director of Aga Khan Fund for Economic Development (AKFED)	50 June 15, 2001 / 2007 AGM *	Member of the Board of Directors of Orange, Wanadoo and Equant
Jean-Marie Chevalier , 62 years old Professor of Economics at the University of Paris IX- Dauphine and Director of	20 June 15, 2001 / 2007 AGM *	

Number of Nexans shares held	Date of appointment and term expiration	Other directorships and equivalents
Cambridge Energy Research Associates (CERA) <i>Place du Maréchal de Lattre de Tassigny, 75116 Paris, France</i>		
Colette Lewiner , 58 years old Executive Vice-President of the Energy, Utilities and Chemicals GSA (Global Sector and Accounts) of Cap Gemini Ernst & Young <i>Cœur Défense, Tour A, La Défense 4, 110 esplanade du Général de Gaulle, 92931 Paris La Défense, France</i>	46 June 3, 2004 / 2008 AGM **	
Yves Lyon-Caen , 54 years old Member of the Board of Directors and Chief Operating Officer of Béri 21 (Holding company of Bénéteau SA), <i>20 rue de la Ville l'Evêque, 75008 Paris, France</i>	0 June 3, 2004 / 2008 AGM **	Chairman of the Supervisory Board of Sucres & Denrées

* At the close of the Annual Shareholders' Meeting convened to consider the financial statements for the financial year ending December 31, 2006.

** At the close of the Annual Shareholders' Meeting convened to consider the financial statements for the financial year ending December 31, 2007.

• **Term of office of Directors**

The Annual Shareholders' Meeting of NEXANS, held on June 3, 2004 decided to amend NEXANS' articles of association to reduce the term of office of all directors appointed after January 1, 2004, from 6 years to 4 years.

6.2 THE ACCOUNTS COMMITTEE

The NEXANS Board of Directors meeting held on June 3, 2004, decided to change the Accounts Committee's composition in order to replace Mr. Ervin Rosenberg by Mr. Yves Lyon-Caen.

CHAPTER 7

INFORMATION CONCERNING RECENT DEVELOPMENTS AND FUTURE PROSPECTS

The information relating to this chapter is provided in the *Document de Référence* registered on April 28, 2004 by the *Autorité des Marchés Financiers* under the number R.04-0064.

The information contained in the *Document de Référence* remains accurate at the date of this *Note d'Opération*, except for the following elements which have been published in press releases made by NEXANS.

- ***NEXANS wins a 100 hundred million euros contract in Libya to supply several high-voltage links***

Paris, April 28, 2004 - NEXANS, the worldwide leader in the cable industry, has just signed a contract in Libya worth some 100 million euros with the General Electric Company of Libya (GECOL) to provide high-voltage underground power transmission links in the country's two main cities, Tripoli and Benghazi.

The system will connect electricity substations, either existing or under construction, that will provide power to the "Suk el Juma", "Ainzarra" and "National" districts of Tripoli and the "North" and "Central" districts of Benghazi. The new underground links will raise the power transmission capabilities of these two cities, where demand for electricity is growing rapidly.

These infrastructure and projects, financed entirely by Libya, are scheduled for completion within a 30-month period. NEXANS will make use of its European production facilities in France, Belgium and Switzerland, as well as its Libyan branch, Nexans Libya, created specifically for this project.

"This success was achieved thanks to the competitiveness of our Group, the acknowledged quality and performance of our products and a long-standing relationship based on mutual respect and trust in all circumstances with an extremely demanding and highly professional customer," said Patrick Barth, Managing Director of NEXANS' High Voltage activity.

For this new challenge, NEXANS will engineer, supply and install 190 km of extra-high-voltage (275kV) cables, 750 connection accessories, 60 km of civil engineering infrastructure and 60 km of telecommunications and remote control cables. Some parts of the project will be carried out by reputable Libyan or international subcontractors under NEXANS supervision.

NEXANS has in recent months won a number of major high-voltage cable contracts in North Africa (50 million euros in Tunisia for the interconnection of 220kV and 90kV stations nationwide, 55 million euros for the doubling of the extra-high-voltage (400kV) submarine link between Morocco and Spain, and several contracts in Algeria). The group has thus consolidated its leadership position in the design, manufacture and installation of high-voltage links worldwide, in this area in particular.

- ***Outlook for 2004 (extract of the press release relating to the Annual Shareholders' Meeting, held on June 3, 2004)***

Paris, June 3, 2004 – (...) Commenting on the outlook for the Group in 2004, Gérard Hauser said: "We confirm the outlook announced in February for 2004. We expect our first semester sales, on a comparable consolidation scope and at constant exchange rates, to increase by 4 to 5% and the operating margin to be close to 2.6% compared to 1.9%, calculated using comparable accounting methods for first semester 2003. As announced in connection with our first quarter sales, the debt could increase by 70 to 100 million euros relative to June 30, 2003, as result of the substantial increase in copper prices. The generation of cash for the full year will depend on whether or not copper prices return to levels seen in of the last quarter of 2003." (...)

- **NEXANS makes Tender Offers for shares in its two Korean subsidiaries**
NEXANS Announces Tender Offers and Plans for Voluntary Delisting

Paris, June 16, 2004 – NEXANS, the largest shareholder of NEXANS Korea and Kukdong Electric Wire, announced today that it will make two separate tender offers for the shares of these companies which it does not currently own. The Offer Price per share is KRW 2,000 for NEXANS Korea and KRW 25,000 for Kukdong Electric Wire, which respectively represent a premium of 33.8% and 34.4% over June 15, 2004 closing prices. The Offer Prices represent a premium over average closing prices for the last 12 months of 57.7% for NEXANS Korea and 46.6% for Kukdong Electric Wire. NEXANS will purchase all tendered shares without a minimum acceptance requirement¹.

NEXANS, a French based company and the world's largest producer of cable and wire products, already owns just over 50% of the total outstanding voting shares of NEXANS Korea and 50.3% of the total outstanding voting shares of Kukdong Electric Wire through its 100% subsidiary NEXANS Participations.

“NEXANS made the tender offers to secure stronger management control and ownership in the subsidiary companies. This will permit further integration into the group in order to actively cope with the fast changing business environment. Once the appropriate levels of shares are purchased through the tender offers, we will apply for voluntary delisting of the two companies”, said NEXANS.

The period for tendering shares of NEXANS Korea and Kukdong Electric Wire is scheduled for June 22 to July 12. Goodmorning Shinhan Securities is the tender offer subscription agent and ABN AMRO is financial advisor to NEXANS.

- **NEXANS: actualization of the outlook for the first semester 2004**

Paris, July 6, 2004 – NEXANS takes the opportunity of the capital market transaction announced today to confirm its outlook for the first semester as announced at the Annual Shareholders' Meeting held on June 3, 2004. On June 30, 2004, on a comparable consolidation scope and at constant exchange rates, sales should increase by 4% to 5% and the operating margin should be approximately 2.6% compared to 1.9% calculated using comparable accounting methods for first semester 2003. Following the steep increase in copper prices, group debt should be between 205 million to 245 million euros at June 30, 2004 (after sales of receivables on a non-recourse basis for an amount of 128 million euros), as compared to 142 million euros at June 30, 2003 (after sales of receivables on a non-recourse basis in an amount of 108 million euros). Cash generation (excluding acquisitions) for the full year will be a function of whether copper prices return close to the levels experienced during the last quarter of 2003. NEXANS will announce its full first half year figures on July 21, 2004.

Further to its policy of external growth through targeted acquisitions and in addition to the Korean tender offers that have already been announced, NEXANS is currently finalizing negotiations on two transactions, which if closed as expected this summer, would increase group debt by between 60 million and 70 million euros.

¹ Supplementary information provided by NEXANS for the needs of this *Note d'Opération*: €44 million is the maximum amount related to the acquisition of shares under these two public tender offers, if taken together.