2004 Half Year Results

July 21, 2004

Gérard Hauser

Safe Harbor

This presentation contains forward-looking statements relating to the Company's expectations for future financial performance, including sales and profitability.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements to be materially different from those implied in the forward-looking statements.

Such expectations depend amongst others on the following assumptions and associated risks: (1) an increase in demand concomitant worldwide economic growth; (2) recovery in the construction and industrial sectors, as well as the winding wire activity; (3) telecom operators return to normal levels of infrastructure spending, particularly in export markets; (4) successful management of risks associated with sales in project activities; (5) the effect of metal price and currency fluctuations will be neutral; (6) the company will be able to reduce its cost base through realization of restructuring actions in the anticipated time frame; (7) the company will be able to achieve productivity improvements; and (8) the company will successfully integrate acquisitions.

All the figures relating to 2003 have been restated in order to take into account the implementation of the CRC 2002-10 accounting standard, for all periods of such financial year.

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HY1 2004
Marked increase in profitability

OPERATIONAL

- 5.4% organic business growth
- Wide differences between geographic areas
- Q1 undermined by rise in copper prices
- Recovery in all businesses
- Operating profitability up from 1.9% to 2.6%

PERIMETER

- Stronger positions in rapid-growth countries (Lebanon, Egypt, South Korea)
- Disposal of Winding wires underway in North America

FINANCIAL

- Substantial net income
- Debt driven up by the rising cost of copper since January 1st (90 M€)
- Successful launch of the Convertible Bond issue (135 M€)

KEY FACTORS FOR SUCCESS IN HY2 2004

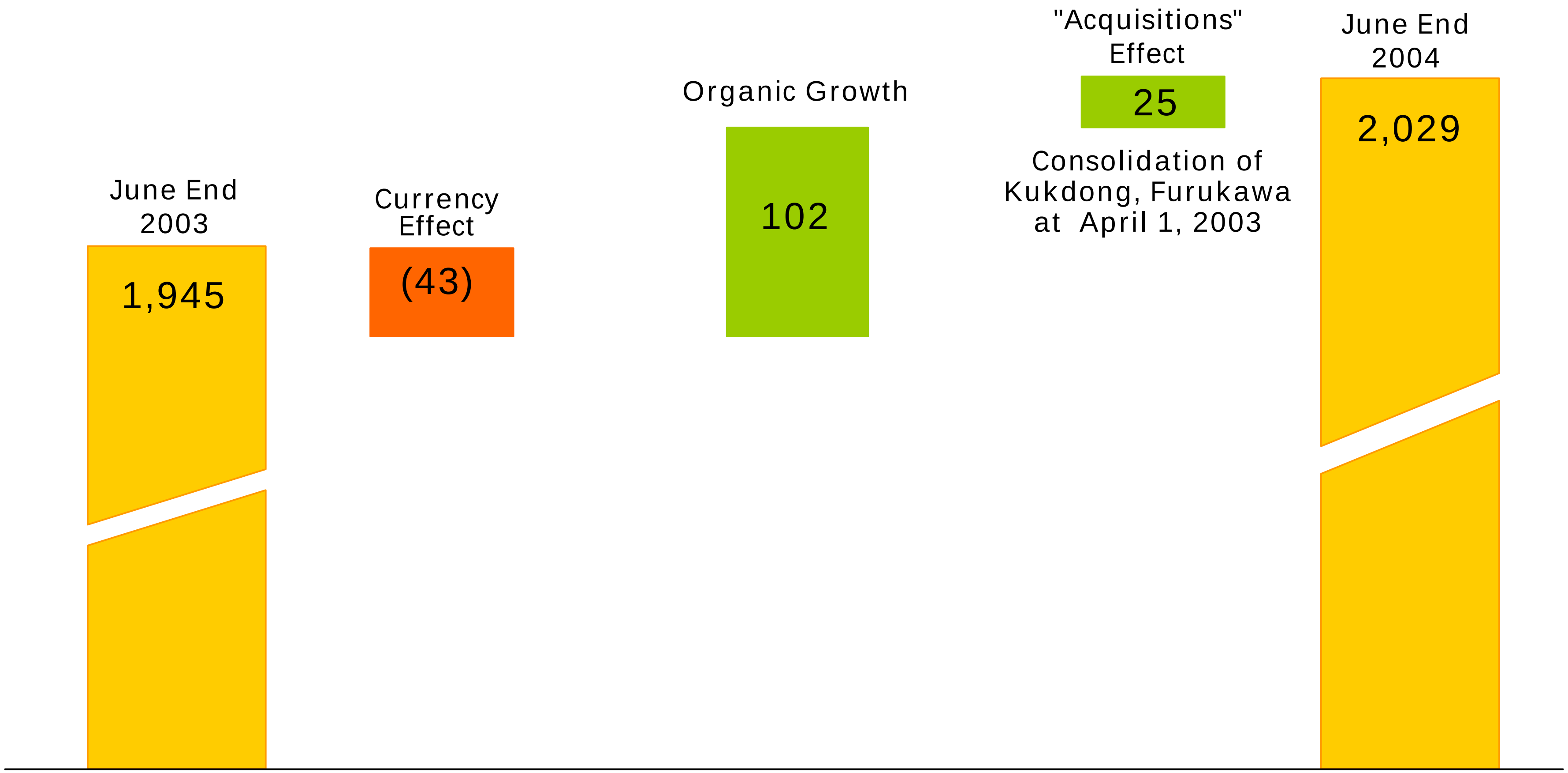
Key Figures

(in Million €)	HY1 03	HY2 03	HY1 04
Sales at current metal prices	1,992	2,054	2,378
Sales at constant metal prices	1,945	1,979	2,029
Sales at constant metal prices and exchange rates	1,902	1,951	2,029
EBITDA	89	101	101
EBITDA Margin	4.6 %	5.2 %	5 %
Operating profit	37	54	54
Operating profit margin	1.9 %	2.8 %	2.6 %
Net income	14	(13)	33
Cash Flow	47	46	48
Earnings per share (€)	0.68	(0.62)	1.57

2004 First Half Year Sales

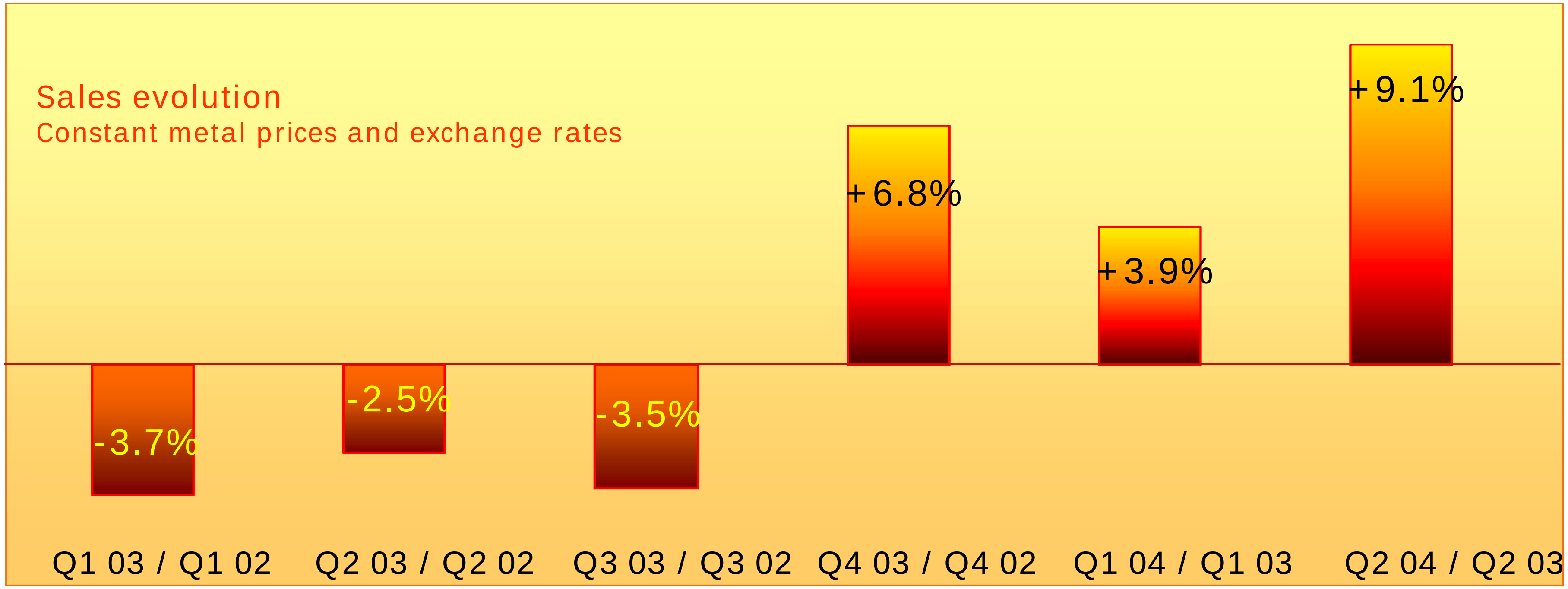
Nexans back to growth

(Figures at constant metal prices)



△ 04/03	- 2.2 %	+5.4 %	+ 1.3 %	+ 4.3 %

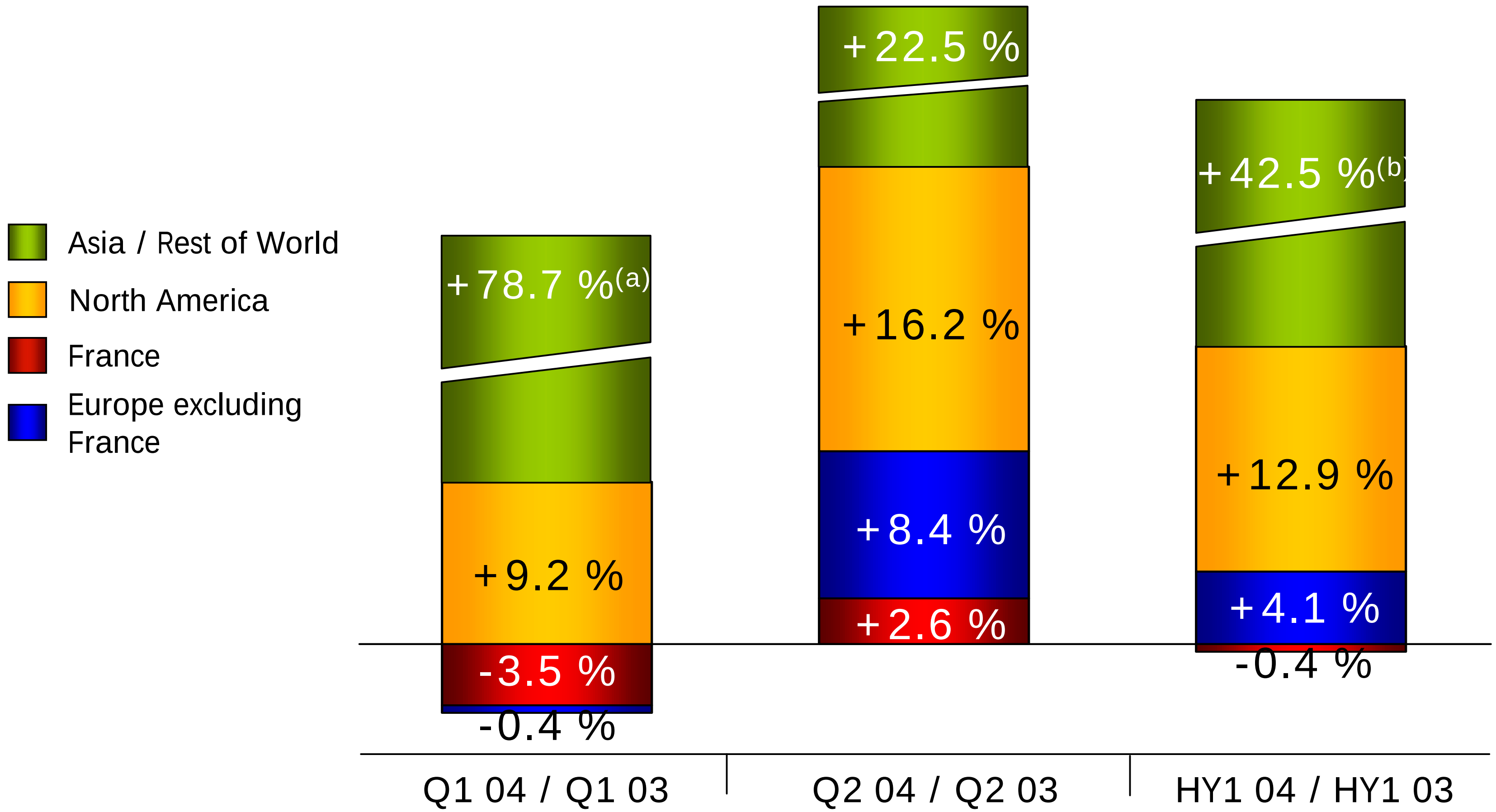
3 Successive Quarters of increase



- HY1 = 5.4 % organic business growth (HY1 04 / HY1 03)
- HY1 = Growth spread over all sectors

HY1 2004 : Two contrasting quarters

Sales annual evolution at constant metal prices and exchange rates



	Q1 04 / Q1 03	Q2 04 / Q2 03	HY1 04 / HY1 03
△ Sales	+ 3.9 %	+ 9.1 %	+ 6.7 %

(a) Including consolidation scope effect = + 55.9 %

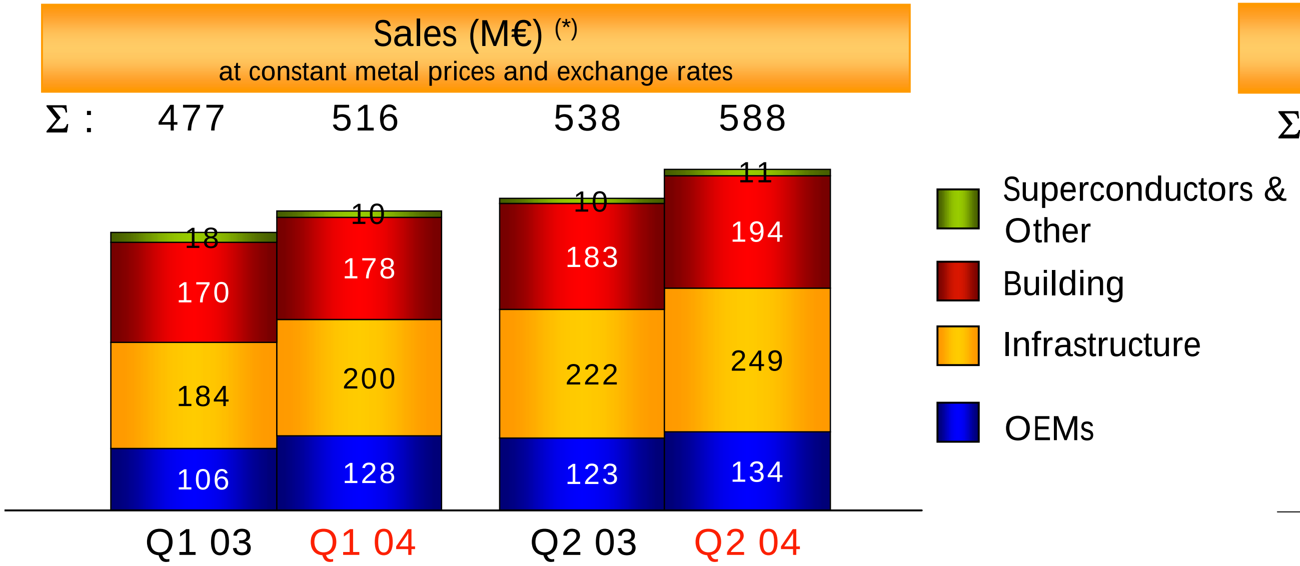
(b) Including consolidation scope effect = + 19.9 %

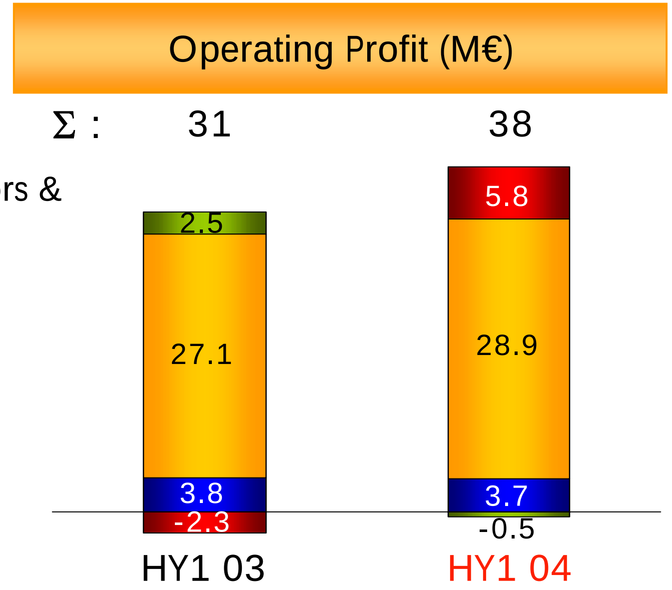
Businesses

Overall Recovery

(in Million €) Sales at constant metal prices and exchange rates	HY1 03			HY2 03			HY1 04		
	Sales	OP	%	Sales	OP	%	Sales	OP	%
Energy	1,016	31	3.1 %	1,096	47	4.3 %	1,104	38	3.4 %
Telecom	267	2	0.7 %	262	(2)	- 0.9 %	279	4	1.5 %
Electrical Wires	488	7	1.4 %	455	3	0.7 %	504	10	2 %
Distribution	130	4	2.8 %	135	9	7 %	137	6	4.5 %
Other	1	(7)	-	3	(3)	-	5	(4)	-
Total	1,902	37	1.9 %	1,951	54	2.8 %	2,029	54	2.6 %

Energy

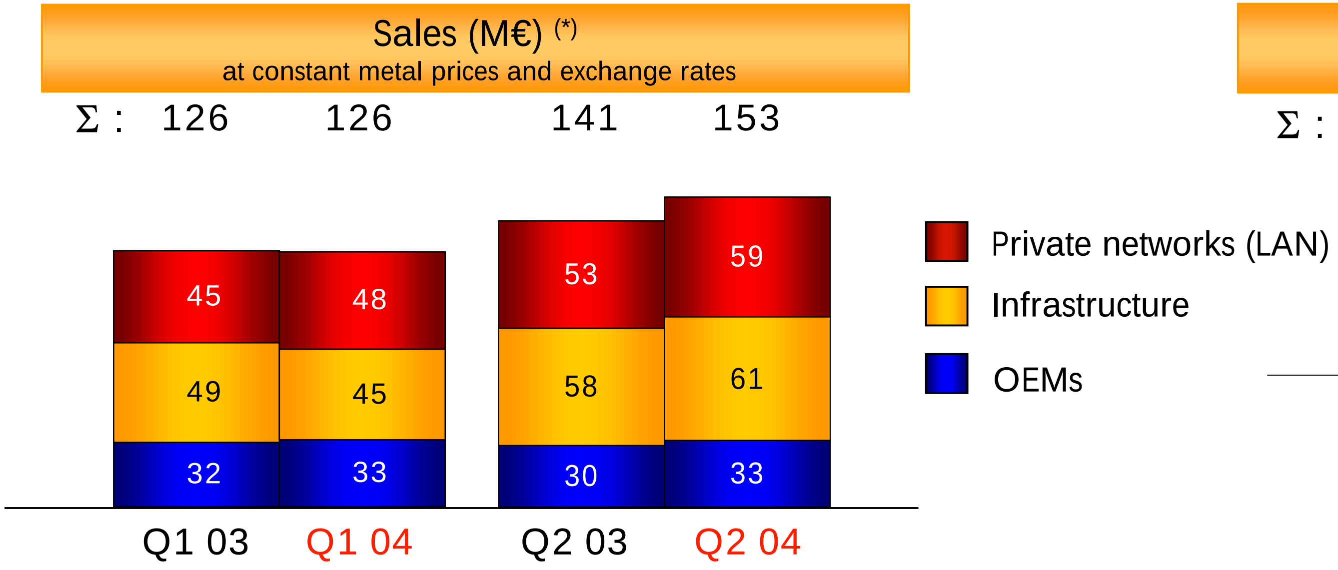


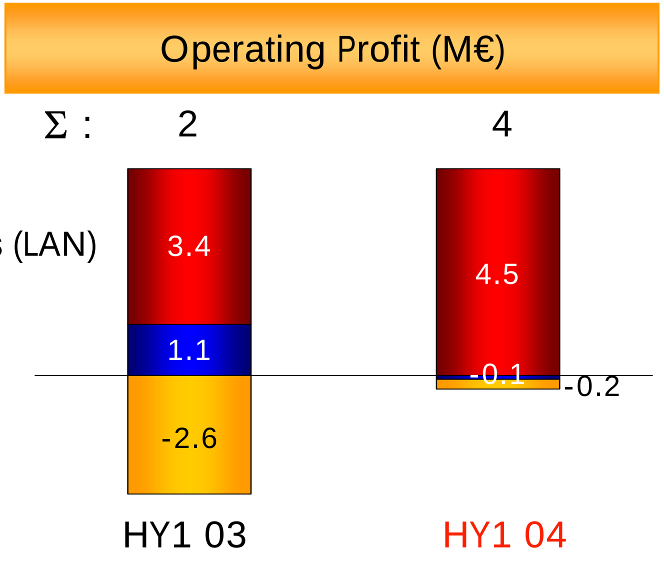


- Infrastructure :
  - Continuing very strong growth in HV cables
  - Varied results for LV and MV cables depending on the country
- OEMs :
  - Low level of investment in Europe offset by strong demand in Asia (Marine cables)
- Building :
  - Satisfactory demand in residential building and low office building demand (Europe)
  - Disruption caused in Q1 by copper price increase
  - Initial positive effects of price rises in Q2

(*) *Annual change in sales = + 6.3 % at constant consolidation scope*

Telecom

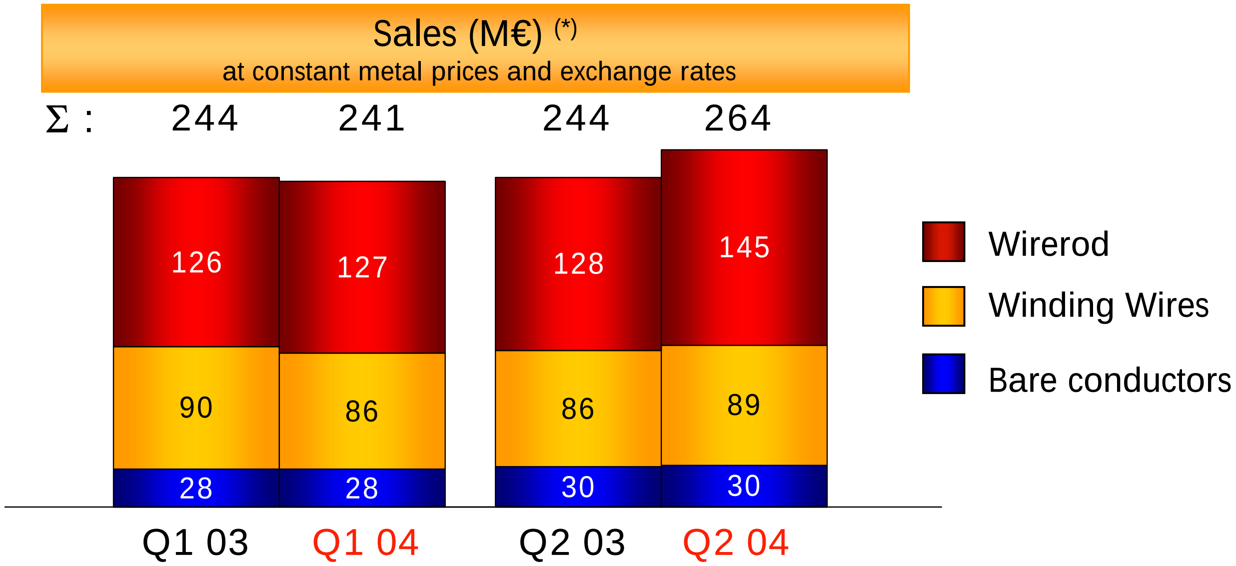


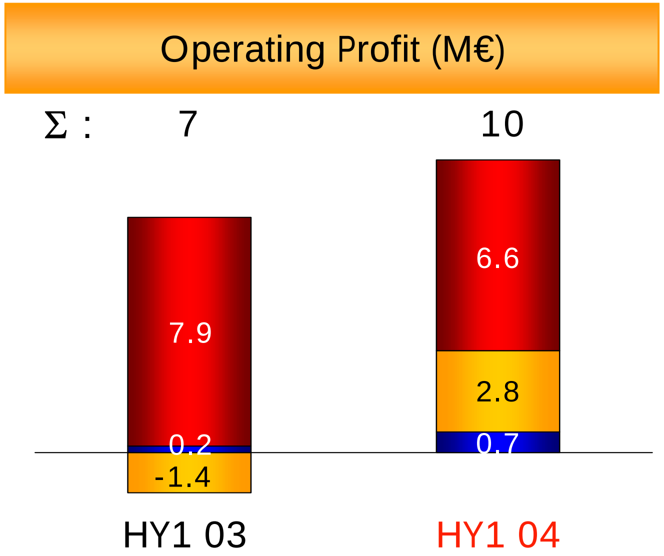


- Good performance for LAN cables driven by volumes and mix in USA
- Infrastructure back at breakeven despite weak exports
- OEMs : Excellent performance of ADSL but unable to offset lackluster OEM market

(*) *Annual change in sales = + 3.6 % at constant consolidation scope*

Electrical Wires





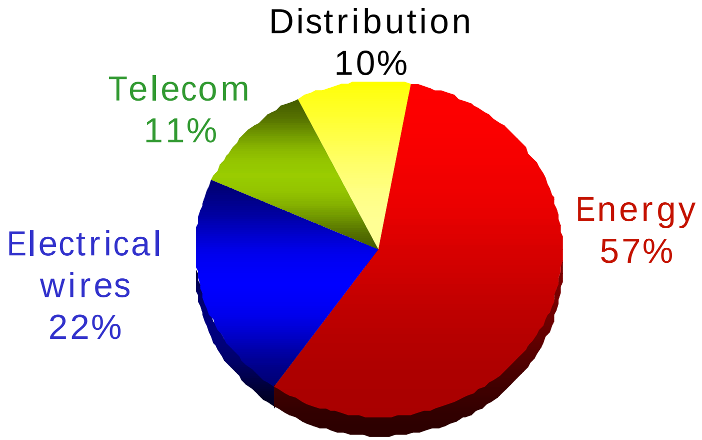
- Wirerod : Market share maintained in a context of pressure on prices
- Winding wires : Positive effect of restructurings without any real upturn in volumes

(*) *Annual change in sales = + 3.4 % at constant consolidation scope*

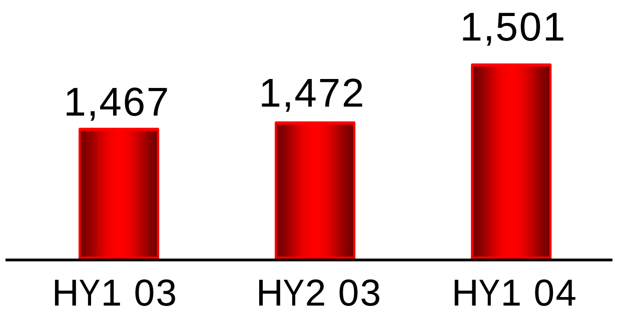
Geographical Areas

Europe

Sales HY1 04 : 1,501 M€[(a)]



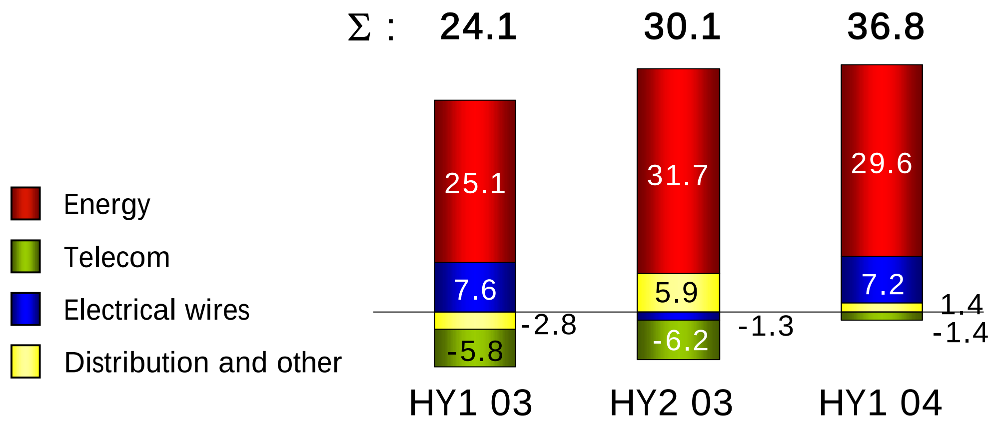
Sales (M€)[(a)]



[(a)] *Sales at constant metal prices and exchange rates*

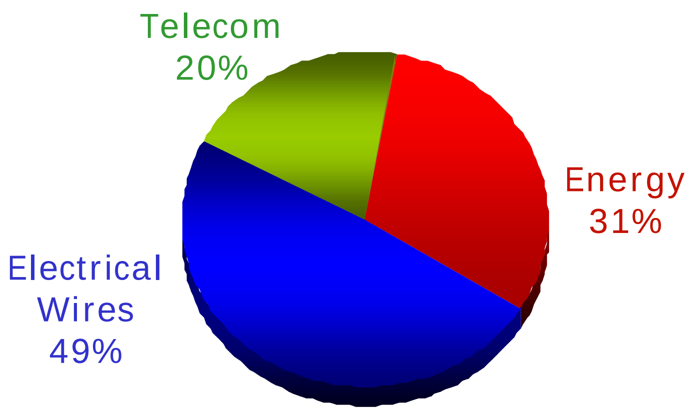
- No fundamental upturn in the European market
- Rising profitability attributable to :
  - Overall drop in employees and indirect costs (approx. -3%)
  - Back to breakeven for energy infrastructure cables in Italy
  - Increase in high value added markets (High Voltage – Automotive)
- Improvement expected in HY2 2004 :
  - Effect of December 2003 restructurings
  - Full effect of increased sale prices in Building

Operating profit (M€)



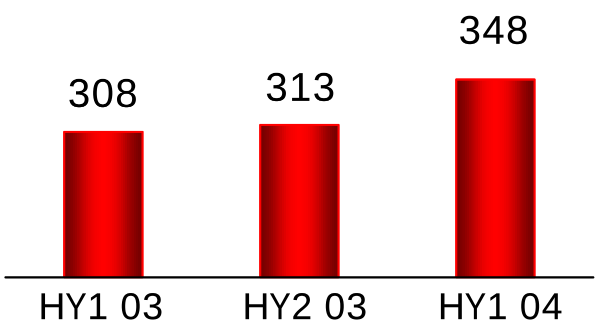
North America

Sales HY1 04 : 348 M€[a]

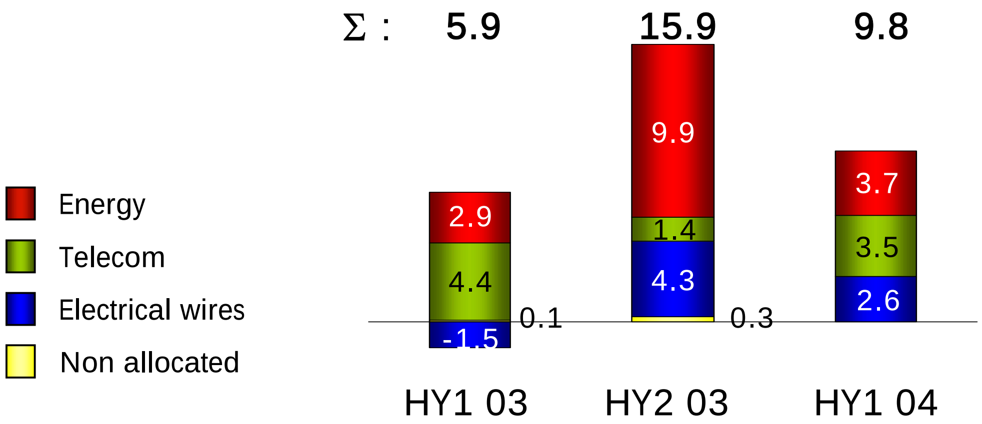


- Marked improvement in volumes, except :
  - Energy networks : unchanged
  - Winding wires (closure of a site)
- Trend for operating profit:
  - Building Energy + +
  - LAN cables +
  - Winding wires + + (2003 restructuring)
  - Telecom specialty cables -

Sales (M€)[a]



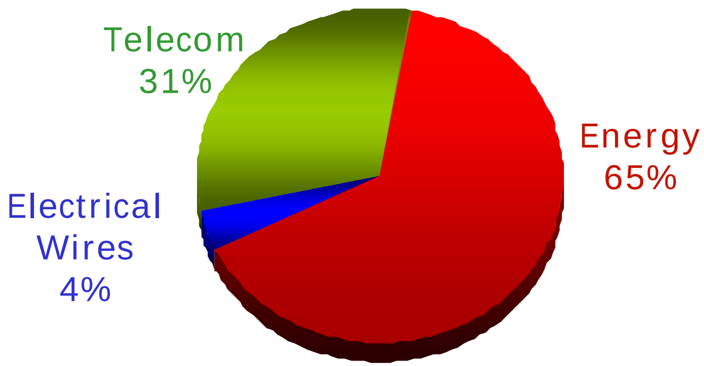
Operating Profit (M€)



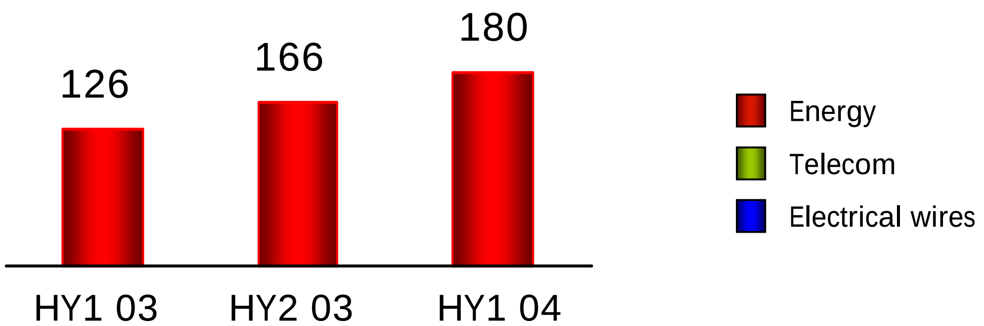
[a] *Sales at constant metal prices and exchange rates*

Asia and Rest of World

Sales HY1 04 : 180 M€[a]



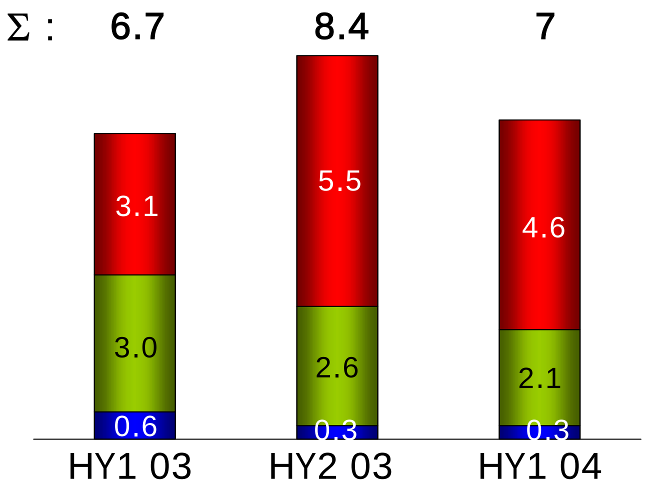
Sales (M€)[a]



[a] *Sales at constant metal prices and exchange rates*

- Asia : HY1 performance down
  - Disruption due to copper
  - Pressure on prices in Marine cables
- Rest of world :
  - Major upturn for Energy infrastructure (Brazil)

Operating Profit (M€)



Financial Results

Frédéric Vincent

Nexans

Review of financial operations

- Acquisition of Cabloswiss (Sales = 12 M€)
- Stronger Group positions in the Middle East
- Increased stake in South Korean subsidiaries
- Refinancing through 135 M€ Convertible Bond

Stronger group position in the Middle East

- Take over of Liban Cables (94 %) and ICC Egypt (85 %)
  - Previously affiliated companies
  - Strong positions on their domestic and export markets
    - Liban Cables: Sales = 40 M€ (56 % Energy / 44 % Telecom)
      Employees = 334
    - ICC Egypt: Sales = 22 M€ (59 % Energy / 41 % Telecom)
      Employees = 519
  - Growth opportunities on these markets
    - Energy Infrastructure
    - Telecom Infrastructure
    - Oil & Gas
- Accretive effect to EPS
- Consolidation starting HY2 2004

Increased stake in South Korean subsidiaries

- Objective : Gain full control of the two South Korean subsidiaries
  - Nexans Korea:

    Sales = 80 M€ (consolidated)

    Telecom & Energy Infrastructure – Automotive cables

  - Kukdong Electrical Wires:

    Sales = 71 M€

    Marine industry cables

- Results
  - Successful on Nexans Korea : 50 % → 82 %
  - Unsuccessful on Kukdong: 50.3 % → 53.5 %

- Immediate accretive effect for a cost of approximately 20 M€

Refinancing with a Convertible Bond of 135 M€ - Fundamentals

- A marked increase in debt

	in Million €
Debt at December 31, 2003 :	23
Seasonal factor :	0 – 100
Impact of activity on working capital :	35
Copper effect on working capital :	90
Acquisition :	90
Potential debt :	238 – 338

- Unbalanced structure of available lines
  - 43 % confirmed – 57 % non-confirmed
  - 80 % short term – 20 % long term
- Risk of rates increase

Refinancing with a Convertible Bond of 135 M€ - Effects

- Successful operation : Oversubscribed by > 17 x
- Main characteristics
  - Amount : 135 M€ (3.55 million bonds at 38 €)
  - High conversion premium (30 %) resulting in
  - Lower potential dilution (16.5 % of shares in circulation)
  - Low coupon (3.125 %) below bottom of initial range (3.375 % – 3.875 %)
  - Maturity : 5.5 years (January 2010)
- Advantages
  - Extension of maturity
  - Limited coupon
  - Dilution effect offset by contribution of acquisitions

Profit & Loss Account

(in Million €)	HY1 2003	2003	HY1 2004	
Sales at constant metal	1,945	3,924	2,029	
Margin on variable costs	515	1,021	509	Q1 = 24.3 %
Margin on variable costs (%)	*26.5 %*	*26 %*	*25.1 %*	
Indirect costs	(426)	(831)	(408)	Q2 = 25.8 %
EBITDA(*)	89	190	101	
EBITDA Margin (%)	*4.6 %*	*4.8 %*	*5 %*	
Depreciation	(52)	(99)	(47)	
Operating profit	37	91	54	
Operating profit margin (%)	*1.9 %*	*2.3 %*	*2.6 %*	
Financial charge	(15)	(31)	(6)	
Restructuring	(9)	(41)	(11)	
Other revenues	1	(2)	8	
Income before tax	14	18	45	
Income Tax	4	8	(9)	
Goodwill amortization	(1)	(14)	1	
Minority interests	(3)	(10)	(4)	
Net Income	**14**	**1**	**33**	

(*) Operating profit before depreciation

Indirect Costs
Continued effort for reduction

Indirect Costs(*) (in Million €)
(Comparable consolidation scope & exchange rates)

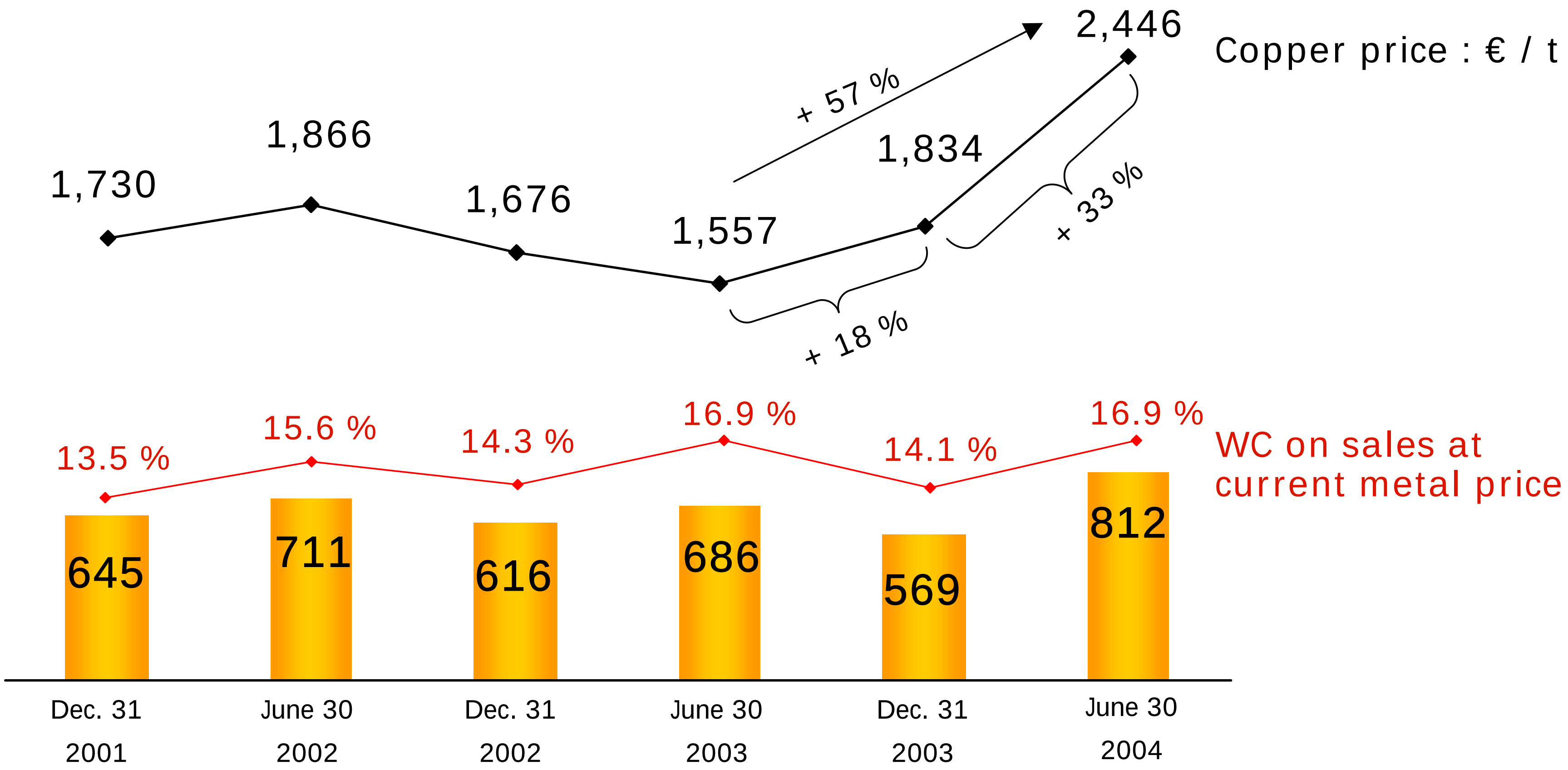
	HY1 03	HY1 04	Reduction in absolute value	Indirect costs as percentage of sales HY1 03	Indirect costs as percentage of sales HY1 04
Energy	239	231	- 3.3 %	23.5 %	20.9 %
Telecom	81	78	- 3.7 %	30.3 %	28 %
Electrical Wires	63	59	- 6.3 %	12.9 %	11.7 %
Distribution & Other	33	32	- 3 %	25 %	22.5 %
TOTAL comparable	416	400	- 3.8 %	21.9 %	19.7 %
Adjustment Consol. Scope / Currency :	10	8			
TOTAL	426	408	- 4.2 %		

(*) Indirect production costs, R&D and SG&A without depreciation

Cash Flow statement

(in Million €)	HY1 2003	2003	HY1 2004
Net Income (including Minority interests)	1	11	37
Depreciation and Amortization	70	113	46
Other non cash items	(24)	(31)	(35)
Cash Flow	**47**	**93**	**48**
Capital expenditure	(25)	(67)	(34)
Disposals	3	15	17
Capital expenditure, net	*(21)*	*(52)*	*(17)*
Change in Working Capital	(65)	47	(226)
Cash impact of (acquisition)/divestiture	(31)	(32)	(4)
Share Buy-Back	(3)	(3)	-
Dividends paid	(8)	(8)	(9)
Other	(8)	(16)	6
Net (increase)/decrease in Debt	**(90)**	**29**	**(203)**

Working Capital



Summary Balance Sheet

in Million €	June 30, 03	Dec 31, 03	June 30, 04
Intangible assets	43	27	27
Property, Plant & Equipment	813	784	776
Investments & other non-current assets	67	68	63
Total non-current assets	923	879	866
Working capital	686	569	811
Total to Finance	**1,609**	**1,448**	**1,677**
Net debt(*)	142	23	226
Reserves	384	380	369
Minority interests	106	103	105
Shareholder's equity	977	942	977
Total Financing	**1,609**	**1,448**	**1,677**
(*) after non-recourse sale of receivables : (AMF Recommendation, December 02)	108	109	128

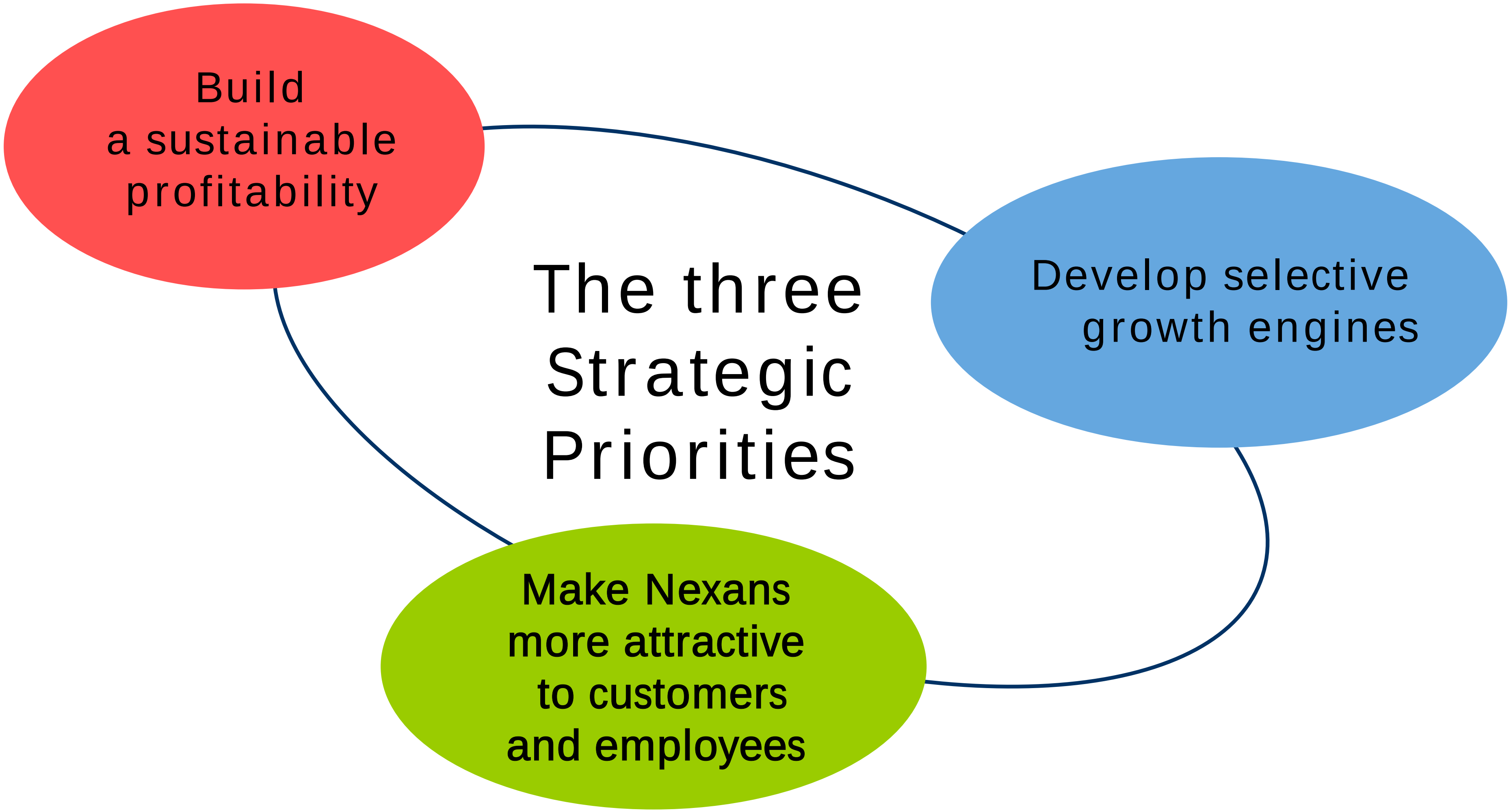
2004 Perspectives

- Organic growth of sales $\geq$ 5%
- Stabilization in prices in Building
- HY2 structural seasonal factor
- Entries in consolidation scope

  - HY2 OP > HY1 OP
  - 2004 Operating Margin from 2.8 % to 3%

- CAPEX of around 80 to 90 M€
- Restructuring : approximately 30 M€
- Cash Flow generation at constant consolidation perimeter depends upon decrease in copper price
- HY2 net income lower than HY1

Conclusion


Build
a sustainable
profitability
The three
Strategic
Priorities
Develop selective
growth engines
Make Nexans
more attractive
to customers
and employees

Nexans