



Press release

2009 First Half-Year Results

- **Organic decrease of 16.4% in cable businesses in the first half but activity stabilized in the second quarter compared with the first**
- **Operating margin holding up at 5.3%**
- **Resilience of Energy infrastructures confirmed**
- **Faster restructuring efforts in response to the crisis**
- **Group net debt reduced by more than 200 million euros in the first half**
- **Withdrawal from electrical wire business in Canada**

Paris, July 28, 2009 – The Nexans Board of Directors chaired by Frédéric Vincent met on July 27 to examine the Group's consolidated financial statements for the first half of 2009:

- **Sales** for the first half of 2009 amounted to 2,514 million euros, or 2,085 million euros at constant non-ferrous metal prices*. This figure:
 - reflects a 12.1% slide compared with the same period a year earlier at the current consolidation scope, which includes the contribution of companies acquired from Madeco and Intercond;
 - reflects a 16.4%** decrease at a constant scope for the cable businesses alone, as Europe and North America being the areas mainly affected by the crisis;
 - is the result of second quarter 2009 sales being 1.7% higher than in the first quarter, for cable businesses, reflecting a stabilized situation.
- **Operating margin** amounts to 110 million euros compared with 220 million euros in the first half of 2008. Operating margin as a percentage of sales (on constant sales) is 5.3% compared with 9.1% for the same period a year earlier. Operating margin as a percentage of sales for Energy infrastructures is close to that of the first half of 2008.
- **Non-recurrent restructuring costs** amount to 53 million euros. The Group is stepping up the pace at which it is aligning its organization and production plant capacity to the market conditions.

- **The pre-tax loss** for the first half of the year is 36 million euros. It includes 94 million euros for non-recurring expenses. In addition to restructuring, it includes a cost of 41 million euros relating to copper, without any cash effect, resulting, as in 2008, from the drop in the average weighted cost of non-ferrous metals reflected in the accounts.
- **The net loss (Group share)** is 57 million euros given the tax expense of 19 million euros. Excluding the exceptional items mentioned above, the Group would have reported a net profit for the first half.
- **The Group's net financial debt** is down by 224 million euros compared with December 31, 2008, to 312 million euros at June 30, 2009. The ratio of net debt to total shareholders' equity is 18.2%.

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

(**) 2008 sales on the basis of comparable data correspond to constant metal sales, recalculated after adjustments for comparable scope and exchange rates. The exchange effect on sales at constant non-ferrous metal prices amounts to a negative 48 million euros, while the comparable scope effect amounts to a negative 21 million euros.

Key figures for the first half 2009

(in millions of euros)	At constant non-ferrous metal prices	
	H1 2008	H1 2009
Sales	2,419	2,085
Sales at constant exchange rates	2,371	2,085
Operating margin	220	110
Operating margin rate (% of sales)	9.1%	5.3%
Net income (loss) (Group share)	119	(57)

Commenting on the results for the first half of 2009, Frédéric Vincent, Chairman and CEO of Nexans, said: *"In the first half of 2009, marked in particular by the sharp contraction of certain industrial markets, such as automotive, Nexans has demonstrated the resilience of its economic model as illustrated by its operating margin on sales being 5.3%, ahead our projected figures. Our refocusing on Energy infrastructures, and the higher margins in the cable business acquired from Madeco, are all encouraging elements for our future.*

"The Group is also continuing its reconfiguration with the sale of its electrical wire business in Canada, and the restructuring that we wanted to speed up in response to the structural and economic challenges in some of our businesses. As a consequence, Nexans should be committing approximately 100 million euros to restructuring in 2009. "Given these points, the Group is maintaining its target for operating margin on sales at 6% for 2009.

Finally, we are also focusing on the medium term with the creation of a tighter organizational structure that is better adapted to the commercial and industrial challenges Nexans faces, along with the rollout of manufacturing excellence programs and the extension of our product offer. We are also strengthening our financial structure through the issue of a convertible bond and stabilizing our shareholder structure with entry of FSI through its acquisition of 5% of the company's equity".

Detailed analysis of activity by business segment

CONSOLIDATED SALES BY BUSINESS SEGMENT

	H1 2008	H1 2009		
(In millions of euros)	At constant metal prices (**)	At constant metal prices (**)	Absolute growth at constant exchange rates	Organic growth
Energy business				
- Energy infrastructure	919	918	3.3%	-5.8%
- Industry	482	380	-20.4%	-28.4%
- Building	571	454	-18.6%	-23.1%
Telecom business				
- Telecom infrastructure	118	97	-15.2%	-6.2%
- Private networks (LAN)	149	113	-28.3%	-26.3%
Other	5	11	N/S	N/S
Sub-total: Cable business	2,244	1,973	-10.4%	-16.4%
Electrical wires	175	112	-34.3%	-45.4%
Group total	2,419	2,085	-12.1%	-18.5%

OPERATING MARGIN BY BUSINESS SEGMENT

(In millions of euros)	H1 2008	H1 2009
Energy business		
- Energy infrastructure	106	86
- Industry	41	4
- Building	55	28
Telecom business		
- Telecom infrastructure	8	6
- Private networks (LAN)	15	0
Other	(7)	(12)
Sub-total: Cable business	218	112
Electrical wires	2	(2)
Group total	220	110

ENERGY

Sales for the Energy business amounted to 1,752 million euros for the first half of 2009. At constant exchange rate, this figure is down 9.0% compared with June 30, 2008. The operating margin amounts to 118 million euros, that is, 6.7% of sales at constant non-ferrous metal prices.

- **Energy infrastructures: export market sales and margins holding up well**

Sales are up by 3.3% at a constant exchange rate thanks to the contribution of the cable business acquired from Madeco in South America. At constant scope, sales fell by 5.8%, essentially attributable to the time lag for invoicing high voltage projects, delays that are currently being absorbed, and a decline in accessory sales on the contracting Spanish market.

For low and medium voltage cables, sales were up by 13.6% at a constant exchange rate (but down 4.8% on comparable data). In Asia, the Group is increasing its market share. In the MERA (Middle East, Russia and Africa) area, it has benefited from the flow-on from investments made in the past two years. In South America, the acquisition of Madeco's cable business has enabled the Group to boost its position both for copper and aluminum cables. All this progress combined has more than offset the slowing investment by certain European operators (excluding France), and the effect of redeployment of production related to a factory closure in Canada.

The operating margin is 86 million euros, or 9.3% of sales, which is comparable to the 2008 figure.

- **Industry: high impact of the slowdown in certain manufacturing sectors**

At constant exchange rates, industry cable sales fell 20.4% compared with the first half of 2008 (down 28.4% at a constant exchange rate and scope).

Cables and harnesses business for the automotive industry were particularly hard hit by the poor economic climate affecting this sector (down 43%¹). For harnesses, the fall seems to have bottomed out and the cost-cutting actions immediately implemented by the Group at the end of 2008 enabled Nexans to climb back to breakeven in the second quarter. Approximately 600 employees have left the Group in this sector since January 1st, 2009.

The other areas of Industry cable business have weathered the conditions better in the first half, largely because of the buoyant transportation sector (rail, aeronautical and shipbuilding). Even so, the fall is 21%² at a constant exchange rate and scope. This contraction is largely attributable to delays in "Oil & Gas" projects coming on stream and the weakness of certain manufacturing sectors, especially machine tools in Germany.

¹ Estimated growth for automotive and harness segments.

² Estimated growth for Industry excluding automotive and harness segments.

The decline in volume has directly impacted on these activities' profitability for which the operating margin was only slightly above breakeven at the end of June, despite the losses recorded for automotive cables and harnesses. Following the cost-cutting measures implemented in the first part of the year, the European units most severely affected by the crisis, should gradually return to breakeven.

- **Building: sharp volume decline in Europe and the United States against a backdrop of price resistance**

In the first half of 2009, Building business was down 18.6% at a constant exchange rates (down 23.1% at a comparable scope) compared with the first half a year earlier. Volumes contracted even more rapidly in the first half of 2009, especially in Europe and North America. The declines reported in the other areas were not as sharp. Across all areas, prices remained stable.

In Europe, the general contraction in volumes was in excess of 25% from one year to the next. European countries were affected to varying degrees: the Spanish, British and German markets being the most severely impacted. This situation required the Group to continue in 2009 the streamlining actions implemented in 2008. This led to the decision being taken to close the Vacha (Germany) site, after closing Athlone (Ireland) in 2008.

In North America, sales were down by about 20%.

The operating margin is 6.2% of sales at constant non-ferrous metal prices.

TELECOM

Telecom business sales climbed to 210 million euros in the first half of 2009. At a constant scope and exchange rate, the figure was down 18.6% compared with the first half of 2008.

The operating margin amounts to 6 million euros, or 2.9% of sales.

- **Telecom infrastructures: business holding up well at a constant scope**

At constant non-ferrous metal prices, sales came to 118 million euros in the first half of 2008, compared with 97 million euros for the same period in 2009. This decline is largely attributable to the disposal of the Telecom copper cable business in Santander (Spain).

- **Private Networks (LAN): strong reduction in customer investments**

At comparable parameters, LAN cable business fell by about 26% in the first half of 2009 compared with the same period a year earlier.

This decline in activity affected both Europe and North America to the same extent. It reflects a drop in data network investment by the financial sector, and a significant

decline in new property projects requiring new cabling system installations. The rate of decline rose steadily in the first five months of the year, reflecting inventory reduction by distributors.

The operating margin is at breakeven.

ELECTRICAL WIRES: further refocusing

As part of the Group's refocusing on its cable businesses, the Electrical wire business saw a further drop in sales of 45.4% (at comparable scope and exchange rate). This business now only accounts for 5% of the Group's sales at constant non-ferrous metal prices.

Furthermore, Nexans is today announcing the signature of an agreement to sell its Rod Mill business in Montreal (Canada). This transaction, for which closing is expected in the third quarter of 2009, is subject to a certain number of conditions and the approval of the relevant regulatory authorities.

OUTLOOK

The first half was notable for the resistance of energy infrastructure cables and the low volume of activity in Building, Industry and Private Networks in Europe and North America. In these areas, the steep drop in volumes was compounded by inventory reductions and particularly unfavorable seasonal factors the effects of which gradually lessened in the second quarter. As a result, the Group is expecting negative organic growth of 10 to 15% at the end of the year.

Given both the combined effects of an increased rate of high voltage invoicing and the initial effects flowing from cost-cutting measures, the Group remains focused on its target of an operating margin rate of 6% for 2009, providing the economic context remains similar to the first half of the year. The net income should become positive again despite restructuring charges amounting to 100 million euros by year-end. The Group's net financial debt at December 31, 2009 should be between 300 and 400 million euros.

2009 financial calendar

September 30, 2009: Individual shareholder information meeting in Paris*

October 22, 2009: Third quarter 2009 financial information

November 10, 2009: Individual shareholder information meeting in Lyon*

(*Approximate date to be confirmed)

The complete set of slides for the presentation of the half-yearly results, including the breakdown by business, is available from the following link:

<http://www.nexans.com/eservice/navigation/NavigationPublication.nx?publicationId=-3506>.

The detailed presentation of the financial statements, the interim activity report and the full interim financial report will be available from the end of August on the Nexans Web site: www.nexans.com.

About Nexans

With energy as the basis of its development, Nexans, the worldwide leader in the cable industry, offers an extensive range of cables and cabling systems. The Group is a global player in the infrastructure, industry, building and Local Area Network markets. Nexans addresses a series of market segments from energy, transport and telecom networks to shipbuilding, oil and gas, nuclear power, automotive, electronics, aeronautics, handling and automation. With an industrial presence in 39 countries and commercial activities worldwide, Nexans employs 22,400 people and had sales in 2008 of 6.8 billion euros. Nexans is listed on NYSE Euronext Paris, compartment A. More information on www.nexans.com

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Appendices

1. Consolidated income statements under IFRS
2. Consolidated statement of financial position
3. Consolidated statement of cash flows
4. Segment information

APPENDICE 1 - Consolidated income statement

<i>(in millions of euros)</i>	1st Half 2009	1st Half 2008
Net sales	2 514	3 554
<i>Metal price effect*</i>	(430)	(1 135)
<i>Sales at constant metal prices*</i>	2 085	2 419
Cost of sales	(2 134)	(3 065)
<i>Cost of sales at constant metal prices*</i>	(1 704)	(1 930)
Gross profit	380	489
Administrative and selling expenses	(237)	(237)
R&D costs	(33)	(33)
<i>Operating margin*</i>	110	220
<i>Core exposure effect**</i>	(41)	18
Net asset impairment	(9)	(10)
Changes in fair value of non-ferrous metal derivatives	3	10
Net gains on asset disposals	2	(2)
Restructuring costs	(53)	(17)
Operating income	12	219
Cost of debt (gross)	(33)	(33)
Income from cash and cash equivalents	5	13
Other financial expenses	(20)	(25)
Share in net income of associates	0	0
Income / (loss) before taxes	(36)	174
Income taxes	(19)	(56)
Net income / (loss) from continuing operations	(55)	118
Net loss from discontinued operations	-	-
Net income / (loss)	(55)	118
Attributable to equity holders of the Company	(57)	119
Attributable to minority interests	2	(0)
Attributable net income / (loss) from continuing operations per share (in euros)		
- basic earnings / (losses) per share	(2,04)	4,67
- diluted earnings / (losses) per share	(1,60)	4,18
Attributable net income from discontinued operations per share (in euros)		
- basic earnings per share	-	-
- diluted earnings per share	-	-
Attributable net income / (loss) per share (in euros)		
- basic earnings / (losses) per share	(2,04)	4,67
- diluted earnings / (losses) per share	(1,60)	4,18

* Performance indicators used to measure the Group's operating performance

** Effect relating to the revaluation of core exposure at weighted average cost

APPENDICE 2 - Consolidated statement of financial position

<i>in millions of euros</i>	June 30, 2009	December 31, 2008
ASSETS		
Goodwill	426	400
Other intangible assets	93	85
Property, plant and equipment	1 021	997
Investments in associates	5	4
Other non-current financial assets	39	35
Deferred tax assets	52	91
Other non-current assets	4	4
NON-CURRENT ASSETS	1 640	1 616
Inventories and work in progress	799	922
Amounts due from customers on construction contracts	207	195
Trade receivables	986	1 110
Other current financial assets	135	320
Current income tax receivables	29	26
Other current non-financial assets	79	84
Cash and cash equivalents	643	398
Assets and groups of assets held for sale	36	1
CURRENT ASSETS	2 914	3 055
TOTAL ASSETS	4 554	4 671
EQUITY AND LIABILITIES		
Capital stock	28	28
Additional paid-in capital	1 257	1 256
Retained Earnings	471	554
Other components of equity	(77)	(260)
Equity excluding minority interests	1 679	1 578
Minority interests	42	39
TOTAL EQUITY	1 721	1 617
Pension and other retirement benefit obligations	317	317
Other long-term employee benefit obligations	13	13
Long-term provisions	28	27
Convertible bonds	449	271
Other long-term debt	361	389
Deferred tax liabilities	67	45
NON-CURRENT LIABILITIES	1 235	1 062
Short-term provisions	105	65
Short-term debt	145	274
Liabilities related to construction contracts	125	111
Trade payables	791	908
Other current financial liabilities	181	376
Accrued payroll costs	162	160
Current income tax payables	26	43
Other current non-financial liabilities	34	54
Liabilities related to groups of assets held for sale	29	1
CURRENT LIABILITIES	1 598	1 992
TOTAL EQUITY AND LIABILITIES	4 554	4 671

APPENDICE 3 - Consolidated statement of cash flows

<i>(in millions of euros)</i>	1st Half 2009	1st Half 2008
Net income attributable to equity holders of the Company	(57)	119
Minority interests	2	0
Depreciation, amortization and impairment of assets (including goodwill)	72	63
Cost of debt (gross)	33	33
Core exposure impact*	41	(18)
Other restatements**	46	68
Cash flow from operations before gross cost of debt and tax***	137	264
Decrease (increase) in receivables	124	(252)
Decrease (increase) in inventories	98	(58)
Increase (decrease) in payables and accrued expenses	(109)	46
Income tax paid	(37)	(34)
Impairment of current assets and accrued contract costs	(5)	7
Net change in current assets and liabilities	71	(291)
Net cash generated from (used in) operating activities	208	(27)
Proceeds from disposals of property, plant and equipment and intangible assets	1	6
Capital expenditures	(85)	(60)
Decrease (increase) in loans granted	177	(1)
- of which margin calls on metal derivatives	138	-
Purchase of shares in consolidated companies, net of cash acquired	(0)	(6)
Proceeds from sale of shares in consolidated companies, net of cash transferred	9	17
Net cash used in investing activities	102	(44)
Net change in cash and cash equivalents after investing activities	310	(71)
Proceeds from (repayment of) long-term borrowings	135	-
- of which proceeds from new borrowings	172	-
- of which repayments	(36)	-
Proceeds from (repayment of) short-term borrowings	(148)	(11)
Cash capital increases (reductions)	38	(23)
Interest paid	(39)	(39)
Dividends paid	(56)	(52)
Net cash (used in) generated from financing activities	(70)	(125)
Net effect of currency translation differences	5	4
Net increase (decrease) in cash and cash equivalents	245	(192)
Cash and cash equivalents at beginning of period	388	594
Cash and cash equivalents at period-end	633	402
<i>Of which cash and cash equivalents recorded under assets</i>	643	437
<i>Of which short-term bank loans and overdrafts recorded under liabilities</i>	(9)	(35)

* Impact relating to the revaluation of core exposure at weighted average cost – no cash impact

** 1st Half 2009: of which neutralization of income tax charge for 19 million euros on the one hand, and net change in operating reserves for 25 millions on the other hand.

1st Half 2008: of which neutralization of income tax charge for 56 million euros

*** The Group also uses the "operating cash flow" concept which is calculated after adding back restructuring costs paid (11 million euros and 7 million euros at first half 2009 and first half 2008), and deducting gross cost of debt and income tax paid over the period.

APPENDICE 4 - Information by operating segment

1st Half 2009 (in millions of euros)	Electrical wires	Energy	Telecom	Other	Group total
Contribution to net sales at current metal prices	204	2 073	225	12	2 514
Contribution to net sales at constant metal prices	112	1 752	210	11	2 085
Operating margin	(2)	118	6	(12)	110
Depreciation, amortization and impairment of assets (including goodwill)	(3)	(61)	(7)	(1)	(72)
1st Half 2008 (in millions of euros)	Electrical wires	Energy	Telecom	Other	Group total
Contribution to net sales at current metal prices	525	2 706	318	5	3 554
Contribution to net sales at constant metal prices	175	1 972	267	5	2 419
Contribution to net sales at constant metal prices and 2009 exchange rates	171	1 924	271	5	2 371
Operating margin	2	202	23	(7)	220
Depreciation, amortization and impairment of assets (including goodwill)	(2)	(55)	(6)	0	(63)

Information about geographical areas

1st Half 2009 (in millions of euros)	France	Germany	Norway	Other	Group total
Contribution to net sales at current metal prices*	487	274	261	1 492	2 514
Contribution to net sales at constant metal prices*	422	237	245	1 181	2 085
Non-current assets (excluding deferred tax)	145	131	108	1 203	1 588
Deferred tax assets	6	16	0	30	52

* by origin of sales

1st Half 2008 (in millions of euros)	France	Germany	Norway	Other	Group total
Contribution to net sales at current metal prices*	821	429	283	2 021	3 554
Contribution to net sales at constant metal prices*	560	320	259	1 280	2 419
Contribution to net sales at constant metal prices and 2009 exchange rates*	560	320	232	1 259	2 371
Non-current assets (excluding deferred tax)	146	142	108	813	1 209
Deferred tax assets	0	30	0	15	45

* by origin of sales

Information about major customers

The Group did not have one single customer representing more than 10% of net sales neither over half-year 2009 nor over half-year 2008.