

LEGAL INFORMATION

Contents :

Other legal information

Shareholders' rights and obligations

General information on the company
and its capital

Information on the company's capital and voting
rights

Auditors of Nexans

Regulated agreements

Statutory auditors' special report

Chairman's report

Statutory auditor's report on the Chairman's report

Person responsible for the registration document

OTHER LEGAL INFORMATION

Disputes

A certain number of contingencies and disputes exist in relation to the Group's business but in view of the provisions already recognized and the insurance coverage in place, as well as the likelihood of judgment being entered against Nexans and the amount of the claims concerned, Management believes that they will not have a significant impact on the Group's earnings. The main disputes involving the Group are described in the Management Report in this registration document.

Trend information/significant change in the Group's financial or trading position

In addition to the seasonal nature of the Group's business, its considerable sensitivity to fluctuations in non-ferrous metals prices and the signing of an agreement for the acquisition of the cable business of Madeco (see section on Material Contracts below), the following events which took place after the close of the financial year 2007 are worthy of mention:

- At its meeting of January 30, 2008, pursuant to the authorization granted by the Shareholders' Meeting of May 10, 2007, the Nexans Board of Directors decided to launch a share buyback program for up to 70 million euros, with the intention to cancel the shares so purchased.
- On February 19, 2008, Nexans announced that it had signed a draft agreement with Polycab, the Indian leader in the cable industry, for the creation of a joint venture majority-held by Nexans and managed in close cooperation with its Indian partner.
- Regarding the dispute described in Note 30 to the consolidated financial statements regarding cables sold to a cable harness maker, Nexans was involved in a preliminary hearing in Germany initiated by the automobile equipment manufacturer against the harness maker. The automobile equipment manufacturer confirmed that its customer, the vehicle manufacturer, is claiming 17 million euros and has launched a recall.

Apart from the above events, Nexans is not aware of any event since December 31, 2007 that is likely to have a material impact on its financial or trading position.

Material contracts

In the two years immediately preceding the publication of this registration document, Nexans entered into two agreements that are outside its normal course of business.

- In 2006, Nexans signed an agreement with the Japanese company Viscas Corporation in order to form a joint venture in Japan for manufacturing high-voltage cables. Cables made by the new company, Nippon High-Voltage Cable Corporation, or NVC, are sold only to its direct and/or indirect shareholders. NVC does not sell to other parties nor carry out any other commercial activities. NVC is 66%-owned by Nexans Participations and 34%-owned by Viscas Corporation. NVC purchased the equipment and machines necessary for its operations from Viscas, and is leasing its plant from Viscas. Neither party may sell its shares in NVC without prior approval from the other party. However, under certain circumstances, Viscas will be entitled, or even required, to sell all its NVC shares to Nexans at a price corresponding to the percentage of NVC's net asset value they represent. These circumstances include a refusal by Viscas to provide additional financing to NVC in a cumulative amount exceeding 3,420 million yen, failure to comply with an essential clause of the agreement, and expiration of the agreement.

- On November 15, 2007, Nexans signed a framework agreement for the acquisition of the cable business of the Chilean company Madeco (see Management Report, page 47 of this registration document). The final agreement was signed on February 21, 2008.

Nexans is not aware of any other contract (other than the contracts entered into in the normal course of business) executed by any member of the Group that include provisions imposing upon any member of the Group a significant obligation or commitment for the entire Group.

Capital expenditure

Nexans' gross capital expenditure over the last three years was as follows: 129 million euros in 2005, 171 million euros in 2006 and 174 million euros in 2007. The amount for 2007 breaks down as follows:

- By market: Energy (42%), Industry (22%), Building (16%), Telecom Infrastructure (3%), Local Area Networks (5%), Electrical Wires (6%) and Other (6%).
- By geographical Area: Europe (67%), North America (6%), Asia-Pacific (10%), Rest of the World (17%).

2007 was marked by increases in the production capacity of high-voltage cables and in the priority segments of the Industry market, as well as by investments in high-growth areas.

- In Europe, investments were focused primarily on increasing production capacity for submarine high-voltage cables, particularly at the plant in Tokyo Bay, Japan, to which high-voltage operations in Europe are sub-contracted; strengthening production and logistics in the area of power accessories; increasing capacity for special cables in the priority segments: petrochemicals, nuclear energy, automobiles; the development and distribution of harnesses in countries with lower employment costs. Again, the Group focused on cutting costs, by continuing to recycle copper waste and to use composites.
- In North America, investments were made to complete the capacity expansion project for US building cables.
- In Asia, investments centered around increasing production capacity for elastomer cables by expanding the Shanghai plant in China and the Kukdong plant in Korea.
- In the Rest of the World, a new plant is being built in Russia, which will produce cables for the Energy Infrastructure and Building markets in 2008. Egypt and Turkey have invested in the production of high and medium-voltage power cables. Brazil has manufactured power cables using its new production lines.

The Group plans to invest just over 500 million euros between 2007 and 2009, most of which will be devoted to Energy Infrastructure and Industry.

The major projects approved in 2007 will have significant results in 2008 and 2009: increase in the production capacity for submarine high-voltage cables in Japan and terrestrial cables in Belgium and Australia; completion of the Russian plant and installation of equipment; expansion of the plant in Shanghai and generally, increased production capacity for specialty cables.

Property, plant, and equipment

The Group's plants and facilities are located in 52 countries around the world, and they represent a wide range of sizes and types of business. None of the Group's items of property, plant and equipment individually represent a material amount for the Group as a whole (i.e., an amount exceeding 5% of the Group's total gross property, plant, and equipment).

As an industrial group, Nexans does not own significant non-operating real estate assets. Property plant and equipment was acquired in 2007 mainly to support increased production capacity for high-voltage cables and in the priority segments of the Industry market, and the Group's expansion into high-growth markets.

The environmental issues raised by the use of intangible assets are addressed in section 16.1 of the Management Report (Environmental consequences of the Group's operations), in this registration document.

SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Shareholders' meetings (Article 20 of the articles of incorporation)

Shareholders' Meetings are convened and vote in accordance with the provisions set forth by law. When the required quorum is reached, the Shareholders' Meeting represents all the shareholders. Its resolutions are binding on all, including absent or dissenting shareholders.

If the Board of Directors so resolves, any shareholder may vote at the Meeting using remote transmission methods (Internet) or any other mean of communication, provided they can provide proof of identity, in accordance with the terms and methods set forth by law.

The Shareholders' Meeting of May 10, 2007 amended Article 20 of the articles of incorporation relating to shareholders' meetings, in order to comply with the rules applicable to methods of participating in shareholders' meetings introduced by decree n°2006-1566 of December 11, 2006, which amends the regulatory section of the French commercial code. Accordingly the following paragraph was added to the articles of incorporation:

"The right to participate in, to a postal vote or to be represented at Shareholders' Meetings is subject to compliance with the following conditions:

- the shares of owners of shares held in registered form must be registered in the name of the owner in the share accounts held by the Company or by the financial intermediary appointed by the Company;
- the owners of bearer shares must have obtained a participation certificate in accordance with applicable law".

The Shareholders' Meeting also approved an addition to Article 20 of the Company's articles of incorporation providing that for postal votes of shareholders to be valid, they must be received at least one business day before the meeting is held (by 3 p.m. Paris time at the latest), unless the applicable law permits a shorter time period. The Shareholders' Meeting also amended Article 20 of the articles of incorporation to take into account the new electronic signature process authorized by the decree of December 11, 2006 for shareholders authorized by the Board of Directors to send their proxy form or vote by remote transmission methods (Internet).

Form of shares and legal disclosure thresholds (Article 7 of the articles of incorporation)

Shares are registered until they are fully paid up.

Fully paid-up shares may be held in either registered or bearer form, at the shareholder's discretion. In addition to the legal obligation of a shareholder to inform the Company when its holdings exceed certain fractions of the Company's share capital, any individual or legal entity and/or any existing shareholder whose interest in the Company attains or exceeds 2% of the share capital or voting rights must notify the Company of the total number of shares held within a period of fifteen days from the time the threshold is crossed; this notification shall be sent by registered letter with return receipt requested. The same disclosure formalities must be carried out each time the threshold of a multiple of 2% of the share capital or voting rights is crossed. To determine the thresholds, all shares held indirectly shall be taken into account as well as all the forms of shareholding covered by articles L.233-7 et seq. of the French Commercial Code.

In each notification filed as set forth above, the person making the notification must certify that all shares held or deemed to be held pursuant to the foregoing paragraph, have been included. He or she must also provide notification of the acquisition date(s).

In the event of non-compliance with the foregoing provisions and subject to applicable law, the shareholder shall forfeit the voting rights corresponding to any shares which exceed the thresholds and which should have been disclosed.

Any shareholder whose stake in the share capital falls below any of the above-mentioned thresholds must also notify the Company within fifteen days, in the same manner as described above.

Ownership of shares is evidenced by an entry in the shareholder's name in the share register held by the issuer or by an accredited intermediary. Transfers of registered shares will be made by transfer from account to account. All share registrations, payments and transfers shall be made in accordance with applicable law. Unless exempted by applicable law, the Company may require that the signatures on disclosures, transaction or payment orders be certified in accordance with prevailing law and regulations.

The Company may, in accordance with prevailing laws and regulations, require that information relating to its shareholders or to holders of securities which confer immediate or future voting rights be communicated to it by any authorized intermediary or organization, including their identity, the number of securities they hold, and any restrictions on the securities held.

Voting rights (Article 21 of the articles of incorporation)

Subject to applicable law and the Company's articles of incorporation, each Shareholders' Meeting attendee shall have a number of votes equal to the number of shares that he or she holds or represents. Voting rights are exercisable by the beneficial owner at all Ordinary, Extraordinary and Special Shareholders' Meetings.

Double voting rights (Article 21 of the articles of incorporation)

Double voting rights are attached to all fully paid-up shares that have been registered in the name of the same holder for at least two years.

Any registered shares that are converted to bearer shares or whose ownership is transferred automatically lose their double voting rights. However, registered shares will not lose their double voting rights, and the above-mentioned two-year qualifying period shall continue to run, following the transfer from one registered shareholder to another as part of a transfer of shares included in the estate of a deceased shareholder, or in connection with the settlement of the marital estate or an *inter vivos* donation to a spouse or relative in the direct line of succession.

Limitations on voting rights (Article 21 of the articles of incorporation)

Regardless of the number of shares held directly and/or indirectly, when voting on resolutions at Shareholders' Meetings either in person or by proxy, a shareholder with single voting rights may not exercise a number of voting rights representing more than 8% of the voting rights of all shareholders present or represented at the meeting concerned. If a shareholder is also entitled to double voting rights either when voting in person or by proxy, this limit may be exceeded taking into account only the additional voting rights. However, the total voting rights exercised may not under any circumstances represent more than 16% of the voting rights of all shareholders present or represented. To determine this limitation, all shares held indirectly shall be taken into account, as well as all the forms of shareholding covered by articles L.233-7 et seq. of the Commercial Code. The limitation determined in the foregoing paragraph shall not apply to the Chairman of the Meeting when voting pursuant to proxies received, in accordance with the legal obligations contained in article L.225-106 of the Commercial Code.

Appropriation of income (Article 23 of the articles of incorporation)

The difference between revenue and expenses for the financial year, after provisions, constitutes the net income or loss for the financial year as recorded on the income statement. 5% of the net income, less any losses brought forward from prior years, is transferred to the legal reserve until such time as the legal reserve represents one tenth of the share capital. Further transfers are made on the same basis if the legal reserve falls below one-tenth of share capital, whatever the reason.

Income available for distribution consists of net income for the year less any losses brought forward from prior years and any transfer made to the legal reserve as explained above, plus any profits brought forward from prior years. On the recommendation of the Board of Directors, the Shareholders' Meeting may appropriate all or part of said income to retained earnings or to general or special reserves, or decide to distribute all or part of the amount to shareholders in the form of a dividend.

In addition, the Shareholders' Meeting may resolve to distribute amounts taken from discretionary reserves either to create or supplement a dividend or as an exceptional dividend. In this case, the resolution shall indicate specifically the reserve account from which the distributions are made. However, dividends will first be paid out of distributable income for the financial year.

The Shareholders' Meeting may offer shareholders the option of receiving all or part of the final dividend or any interim dividend in the form of shares instead of cash.

In the event of interim dividends, the Shareholders' Meeting or the Board of Directors shall determine the date on which the dividend is to be paid.

GENERAL INFORMATION ON THE COMPANY

Company profile

Corporate Name and registered office:
Nexans
16, rue de Monceau, 75008 Paris, France

Legal form and governing laws

Nexans is a French *société anonyme*, subject to all the laws governing corporations in France, and in particular the provisions of the French Commercial Code.

Trade Register number

The Company is registered in the Paris Trade Register under number 393 525 852. Its APE code is 6420Z.

Documents available to the public

Nexans' articles of incorporation, financial statements, reports submitted to the Shareholders' Meetings by the Board of Directors and the Statutory Auditors, and all other corporate documents may be viewed at the Company's registered office in accordance with the provisions of applicable laws and regulations, and, in some cases, on Nexans' website at www.nexans.com. The internet site includes the regulated information which must be published in accordance with articles 221-1 *et seq* of the General Regulations of the AMF.

Date of incorporation and term

The Company was incorporated on January 5, 1994, under the name "Atalec" (changed to "Nexans" at the Shareholders' Meeting held on October 17, 2000), for a term of 99 years, which will expire on January 7, 2093.

Nexans was formed from most of Alcatel's cable activities and was floated on the Paris stock market in 2001. Alcatel no longer holds any interest in the capital of Nexans.

Corporate purpose (summary of Article 2 of the articles of incorporation)

The Company's purposes in all countries are the design, manufacture, operation and sale of any and all equipment, materials and software for domestic, industrial, civilian, military or other applications in the field of energy, telecommunications, information technology, electronics, the aerospace industry, nuclear power, and metallurgy, and in general any and all means of production or means of power transmission and communications (cables, batteries and other components), as well as all activities relating to operations and services which are incidental to these purposes. The acquisition of shareholdings in other companies, regardless of their form, associations, French and foreign groups, regardless of their corporate purpose and activity, as well as, in general, any and all industrial, commercial and financial transactions, involving both securities and real estate, related either directly or indirectly, in whole or in part, to any of the purposes of the Company indicated in the articles of incorporation or to any similar or related purposes.

Financial year

The financial year begins on January 1 and ends on December 31.

INFORMATION ON THE COMPANY'S CAPITAL AND VOTING RIGHTS

In accordance with Article L.233-8 II of the Commercial Code and Article 223-16 of the General Regulations of the AMF, each month Nexans publishes on its website (www.nexans.com) and reports to the AMF the total number of voting rights and shares comprising the Company's share capital if they have changed from the last figures published.

Share capital

As indicated in the Board of Directors' Management Report, included in this registration document, at December 31, 2007, the share capital amounted to 25,678,355 euros represented by 25,678,355 shares with a par value of 1 euro each.

Number of voting rights

At December 31, 2007, there were 220,720 shares with double voting rights and the total number of voting rights was therefore 25,899,075.

Changes in Nexans' share capital over the last five years

Date	Transaction	Number of Shares issued/ cancelled	Par value of the shares	Par value of capital increase/ reduction	Total amount of share capital	Total number of shares
December 12, 2003	Capital increase related to the exercise of stock options	1,500	€1	€1,500	€23,122,972	23,122,972
January 30, 2004	Capital increase related to the exercise of stock options	15,500	€1	€15,500	€23,138,472	23,138,472
July 20, 2004	Capital increase related to the exercise of stock options	34,475	€1	€34,475	€23,172,947	23,172,947
February 2, 2005	Capital increase related to the exercise of stock options	17,000	€1	€17,000	€23,189,947	23,189,947
July 20, 2005	Capital increase related to the exercise of stock options	197,275	€1	€197,275	€23,387,222	23,387,222

February 1, 2006	Capital increase related to the exercise of stock options	120,100	€1	€120,100	€23,507,322	23,507,322
March 29, 2006	Capital reduction by canceling treasury shares	2,221,199	€1	€2,221,199	€21,286,123	21,286,123
May 12, 2006	Employee share issue	65,797	€1	€65,797	€21,351,920	21,351,920
June 26, 2006	Capital increase related to the exercise of stock options and conversion of OCEANE bonds	312,825 3,534,160	€1	€3,846,985	€25,198,905	25,198,905
January 30, 2007	Capital increase related to the exercise of stock options	66,050	€1	€66,050	€25,264,955	25,264,955
July 24, 2007	Capital increase related to the exercise of stock options	360,975	€1	€360,975	€25,625,930	25,625,930
January 30, 2008	Capital increase related to the exercise of stock options	52,425	€1	€52,425	€25,678,355	25,678,355

** This amount does not include new shares issued since January 1, 2008, upon exercise of stock options, as the Board of Directors had not formally amended the articles of incorporation as of the publication date of this registration document.*

Ownership structure

The information presented below is dated December 31, 2007, and is, to the best of the Company's knowledge, based on the TPI (identifiable bearer share survey) at December 31, 2007 and declarations submitted to the AMF (the French financial markets authority).

The main shareholders at December 31, 2007 were the following:

- Institutional investors (France)	18.9%
- Institutional investors (United States)	35.1%
- Institutional investors (UK and Ireland)	15.4%
- Institutional investors (Europe)	12.9%
- Institutional investors (Rest of the World)	1.6%
- Individuals	11.3%
- Employees	1.0%
- Treasury stock	0%
- Unidentified	3.8%

The Company estimates the total number of its shareholders to be approximately 50,000.

At December 31, 2007, Board members held 0.1% of the Company's share capital and voting rights and employee shareholders accounted for 1% (of which 91% is held through employee mutual funds (FCPE)).

Estimated breakdown of share capital and voting rights at December 31, 2007

	SHARE CAPITAL		VOTING RIGHTS ⁽¹⁾	
	Number of shares	Percentage	Number of voting rights	Percentage
FMR Corp and Fidelity International Ltd	2,616,254	10.2%	2,616,254	10.1%
Other institutional investors	18,902,944	73.7%	18,902,944	73.0%
Employees	265,185	1.0%	462,705	1.8%
Other individual investors	2,892,310	11.3%	2,915,510	11.3%
Treasury stock	–	–	–	–
Unidentified shareholders	1,001,662	3.8%	1,001,662	3.9%
TOTAL	25,678,355	100%	25,899,075	100%

(1) Shares registered in the name of the same holder for at least two years carry double voting rights. A shareholder's voting rights are limited to 8% (in the case of single voting rights) and 16% (in the case of double voting rights) of the voting rights attached to shares held by shareholders present or represented when voting on resolutions at a Shareholders' Meeting.

In addition to the legal disclosure thresholds crossed as already described in the Board of Directors' Management Report included in this registration document, the management companies Barclays Global Investors Limited, Barclays Global Investors N.A., Barclays Global Fund Advisors, and Barclays Global Investors (Deutschland) AG declared on January 30, 2008 that they had increased their stake in Nexans to over 5% of the capital and voting rights on January 23, 2008 and that they held 5.17% of the capital and 5.13% of the voting rights on that date.

To the best of the Company's knowledge, no legal thresholds other than those mentioned above were crossed between January 30, 2008 and the date of publication of this document.

To the best of the Company's knowledge, no shareholder other than those cited above holds more than 5% of the share capital or voting rights.

Nexans is not aware of the existence of any individual or legal entity that, directly or indirectly, acting alone or in concert, exercises control over Nexans' share capital nor of any agreement that if implemented could subsequently trigger a change of control of the Company.

Changes in Nexans' ownership structure over the last three years

Ownership structure	Estimated situation as of March 31, 2005			Estimated situation as of February 28, 2006			Estimated situation as of December 31, 2007		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Institutional investors	18,736,049	80.3	88.8	18,449,781	77.9	85.5	21,519,198	83.8	83.0
Employees	226,631	1.0	1.1	257,607	1.1	1.6	265,185	1.0	1.8
Members of the Board of Directors	47,044	0.2	0.2	7,153	NM	NM	22,705	0.1	0.1
Other individual investors	1,549,297	6.6	7.3	1,669,521	7.0	7.8	2,869,605	11.2	11.2
Treasury stock	2,221,199	9.5	–	2,221,199	9.4	–	–	–	–
Unidentified	548,727	2.4	2.6	1,088,261	4.6	5.1	1,001,662	3.9	3.9

Share equivalents: OCEANE bonds

On July 7, 2006, Nexans carried out a public issue of 3,794,037 OCEANE bonds each with a nominal value of 73.8 euros, convertible into new shares and/or exchangeable for existing shares, for a total value of approximately 280 million euros. The prospectus for this issue was approved by the AMF on June 29, 2006 under no. 06-242. The term of the bond issue was set at 6 years and 178 days. Unless the Company exercises its early redemption option, the bonds will be redeemed in full on January 1, 2013 at a price of 85.7556 per bond, representing 116% of the total face value.

The bonds carry interest at 1.50% per annum, payable in arrears on January 1 each year and their gross yield-to-maturity is 3.75% (if they are not converted and/or exchanged for shares and if they are not redeemed in advance). The option to convert or exchange the bonds can be exercised by the OCEANE bondholders from July 7, 2006 until the 7th business day preceding the scheduled or early redemption date at the rate of one share per bond (subject to any adjustments required by law).

At December 31, 2007, all the 1.50% July 7, 2006 to January 1, 2013 OCEANE bonds were outstanding.

Share equivalents: Stock options

In 2007, pursuant to the authorization granted by the Ordinary and Extraordinary Shareholders' Meeting of May 15, 2006, the Board of Directors decided to adopt a new stock option plan, to allow executives who had recently joined the Group to share in its development and profitability. Accordingly, 29,000 stock options were granted on February 15, 2007 at an exercise price of 100.94 euros each. These options give their holders the right to subscribe for new Nexans shares to be issued in connection with a capital increase.

At December 31, 2007, 1,070,250 options to subscribe for Nexans shares, representing 4.17% of the share capital, were outstanding. Each option entitles the holder to subscribe for one Nexans share.

Stock Options Allocation Policy

At its meeting of July 24, 2007, the Board of Directors decided to change the Group's Stock Options Allocation Policy.

In order to involve a greater number of key executives in the Group's success and increase the conditionality attached to the variable portion of their compensation, the Board decided to grant stock options on an annual basis in tandem with a long-term incentive plan available to a greater number of managers. This combination of cash and stock options and the introduction of annual grants will make it possible to reduce the number of options granted each year and therefore, to reduce the dilution of the capital.

The new policy was implemented for the stock option plan adopted on February 22, 2008.

Breakdown by category of beneficiary of stock options granted during financial year 2007

	Grant date	Number of beneficiaries	Number of options granted	Unit price	Maturity
Corporate officer					
– Gérard Hauser	–	–	–	–	–
– Frédéric Vincent	–	–	–	–	–

Group employees
 10 largest beneficiaries February 15, 2007 5 29,000 €100.94 February 14, 2015

Breakdown by category of subscriber of shares issued during 2007 upon exercise of stock options

Corporate officer	Number of subscribers	Number of shares issued	Exercise price
– Gérard Hauser (Chairman and CEO)	1	37,500	€11.62 (April 4, 2003 plan)
		12,500	€27.82 (November 16, 2004 plan)
– Frédéric Vincent (Chief Operating Officer)	1	25,000	€11.62 (April 4, 2003 plan)
<hr/>			
Group employees			
10 largest subscribers	10	73,900	€11.62 (April 4, 2003 plan)
	2	5,900	€17.45 (November 16, 2001 plan)
	7	59,500	€27.82 (November 16, 2004 plan)

Record of stock options granted

	Plan n°1	Plan n°2	Plan n°3	Plan n°4	Plan n°5	Plan n°6		
Date of Ordinary and Extraordinary Shareholders' Meeting	April 2, 2001	June 25, 2002	June 5, 2003		May 15, 2006			
Grant date	November 16, 2001	January 18, 2002	March 13, 2002	April 4, 2003	November 16, 2004	November 23, 2005	November 23, 2006	February 15, 2007
Total number of shares: to be issued on exercise of options, of which shares to be issued to the benefit of:	531,500	5,000	8,000	644,500	403,000	344,000	343,000	29,000
– Corporate officers	55,000	0	0	50,000	125,000	0	120,000	0
– Employees 10 largest beneficiaries	181,000	5,000	8,000	204,000	209,000	91,000	166,000	29,000
Start date of exercise period	November 16, 2002	January 18, 2003	March 13, 2003	April 4, 2004	November 16, 2005	November 23, 2006	November 23, 2007	February 15, 2009
Expiration date	November 15, 2009	January 17, 2010	March 12, 2010	April 3, 2011	November 15, 2012	November 22, 2013	November 22, 2014	February 14, 2015
Exercise price (in euros)	17.45	16.70	19.94	11.62	27.82	40.13	76.09	100.94
Exercise terms	One quarter each year		One quarter each year		One quarter each year	One quarter each year	One quarter each year	50% on February 2, 2009 and 25% each year thereafter
Total number of shares subscribed (as of December 31, 2007)	484,250	2,000	8,000	548,950	101,000	33,925	–	–
Total number of options cancelled (as of December 31, 2007)	21,250	3,000	0	27,250	0	8,125	0	0
Total number of outstanding options (as of December 31, 2007)	26,000	0	0	68,300	302,000	301,950	343,000	29,000

On February 22, 2008, the Board of Directors decided to grant 306,650 stock options, allowing corporate officers to subscribe for 65,000 shares (77,500 shares for the 10 largest beneficiaries). The exercise period started on February 22, 2008 and will expire on February 21, 2016. The exercise price is 71.23 euros. Under Plan No. 7, one quarter of the exercisable options granted to corporate officers must be paid up each year and one quarter of the shares issued upon exercise of the options must be held in registered form until the term of office of the holder expires.

Authorizations to be given to the Board of Directors to issue shares and share equivalents

Attached to the Management Report of the Board of Directors included in this registration document is the summary table of the current authorizations in effect granted to the Board of Directors by the Extraordinary Shareholders' Meeting to increase the share capital, and the use of such authorizations during 2007.

As all these authorizations expire at the next Shareholders' Meeting, the Board of Directors intends to seek their renewal by submitting to the Shareholders' Meeting to be held on April 22, 2008 (on second call) several resolutions to grant authorizations to the Board of Directors to issue, with or without preferential subscription rights, shares and share equivalents. The Board of Directors will, as in the past, recommend that the shareholders limit the effective periods of these authorizations to one year (until the end of the Shareholders' Meeting called to approve the 2008 financial statements).

The full text of the proposed resolutions as well as the report by the Board of Directors presenting them is available on the Nexans website at www.nexans.com.

The table below provides a summary of the conditions and limits contained in the resolutions to be submitted to the Shareholders' Meeting on April 22, 2008, to allow the Board of Directors, at its discretion and within the framework set by the Shareholders' Meeting, to issue shares and share equivalents, and delegate the powers to do so subject to the terms and conditions prescribed by law.

Resolutions ⁽¹⁾	Maximum for each resolution ⁽²⁾	Global limit applicable to several resolutions ⁽²⁾
Issue of shares with preferential subscription rights and greenshoe option if oversubscribed (R12 and R14)	€10,000,000	€10,000,000
Issue of convertible/exchangeable bonds, bonds redeemable for shares, bonds with warrants attached without preferential subscription rights and greenshoe option if oversubscribed (R13 and R14)	€3,800,000 (shares) <15% of share capital €400,000,000 (debt securities)	
Share issue in payment of the contribution in kind of securities (R15)	10% of the share capital	
Share issue to be paid up by capitalizing reserves, income or additional paid-in capital (R16)	€10,000,000	
Issue of shares or securities reserved for members of an employee savings plan (R17)	€400,000	

Allocation of stock options (R18)	€400,000	€500,000 approximately 2% of the share capital
Allocation of existing or newly issued shares without consideration to Group employees or certain categories of Group employees (R19)	€250,000	
		Overall limit of €20,900,000

A resolution will also be submitted to the Shareholders' Meeting regarding the approval, under the procedure applicable to related-party agreements, of the payment of a termination benefit to Frédéric Vincent in the event that he is removed from his position as Chief Operating Officer and the signing of an amendment to his employment contract.

(1) The abbreviation "R..." stands for the number of the resolution submitted for approval to the Shareholders' Meeting of April 22, 2008

(2) The maximum par value of the capital increases which could take place corresponds to the maximum number of shares which could be issued as the par value of one Company share is equal to 1 euro.

AUDITORS OF NEXANS

Statutory Auditors

- **Salustro Reydel, member of KPMG International (Compagnie Régionale des Commissaires aux comptes de Paris)**
1, Cours Valmy, 92923 Paris-La Défense cedex, represented by Benoît Lebrun
Appointed on June 5, 2003
Term expires at the 2009 General Shareholders' Meeting

- **PricewaterhouseCoopers Audit (Compagnie Régionale des Commissaires aux comptes de Versailles)**
63, rue de Villiers, 92200 Neuilly-sur-Seine, represented by Dominique Ménard
Appointed on May 15, 2006
Term expires at the 2012 General Shareholder' Meeting

Substitute Auditors

- **François Chevreux**
1, Cours Valmy, 92923 Paris-La Défense cedex
Appointed on June 5, 2003
Term expires at the 2009 General Shareholders' Meeting

- **Étienne Boris**
63, rue de Villiers, 92200 Neuilly-sur-Seine
Appointed on May 15, 2006
Term expires at the 2012 General Shareholders' Meeting

Barbier Frinault & Autres (Ernst & Young) audited the historical financial information related to financial years 2004 and 2005 incorporated by reference in this registration document. The terms of office of Barbier Frinault & Autres (Ernst & Young) and the Substitute Auditor Pascal Macioce expired at the end of the General Shareholders' Meeting of May 15, 2006, and were not renewed.

Fees paid by Nexans to the Auditors

	2007				2006			
	KPMG International		PricewaterhouseCoopers Audit		KPMG International		PricewaterhouseCoopers Audit	
	€'000s	%	€'000s	%	€'000s	%	€'000s	%
1 - Audit services Statutory and contractual audits	1,100	97%	1,625	80%	944	92%	1,495	76%
Other audit-related services	27	2%	294	14%	43	4%	397	20%
Sub-total	1,127	99%	1,919	94%	987	97%	1,892	96%
2 - Other services								
Tax advice	9	1%	68	3%	18	2%	76	4%
IT consulting	0	0%	0	0%	0	0%	0	0%
Other	0	0%	45	2%	16	2%	0	0%
Sub-total	9	1%	113	6%	34	3%	76	4%
Total	1,136	100%	2,032	100%	1,021	100%	1,968	100%

LIST OF REGULATED RELATED-PARTY AGREEMENTS

governed by Article L. 225-38 of the French Commercial Code (Year ended December 31, 2007)

The following is a summary of the regulated related-party agreements that were entered into or remained in force in 2007.

1 Prior agreements remaining in force in 2007

1.1 Corporate officer involved: Georges Chodron de Courcel, Nexans Board Member and Chief Operating Officer of BNP Paribas

• Global underwriting agreement for OCEANE bonds issued in 2004

As part of the issue of Nexans' 3.125% July 15, 2004 / January 1, 2010 OCEANE bonds (bonds convertible into new shares and/or exchangeable for existing shares), a global underwriting agreement authorized by the Board of Directors on July 5, 2004, was executed on July 6, 2004 with a bank syndicate (including BNP Paribas). Pursuant to this agreement, Nexans undertook to issue OCEANE bonds representing a maximum nominal value of 135 million euros, and the bank syndicate undertook to place the bonds or subscribe the bonds itself on the basis of certain representations and warranties given by Nexans and in consideration for payment by Nexans.

The guarantors are BNP Paribas, Goldman Sachs International, and Lazard-IXIS. The fee paid for 2004 and shared among the guarantors was 2,227,000 euros.

• Syndicated loan agreement of December 28, 2004 and the first amendment thereto

The Board of Directors resolved on November 16, 2004 to authorize a syndicated loan, and a syndicated loan agreement was executed on December 28, 2004. This "€450,000,000 multi-currency revolving facility agreement" was executed by Nexans (as borrower) and 14 credit institutions including BNP Paribas (as lender and swingline lender). BNP Paribas was also appointed as the syndicate agent.

The fee paid for 2004 and shared among the banks prorata to their participation in the loan was 780,400 euros. BNP Paribas also receives an annual agency fee of 12,500 euros before tax.

An amendment to the cost and structure of the agreement was authorized by the Board of Directors on September 26, 2005, and executed on October 17, 2005. Under this amendment, the term of the loan agreement was extended to 5 years from the date the amendment was executed, with the possibility of extending it to 7 years; and the spreads and commitment fees payable under the agreement were decreased. The fee paid for 2005 and shared among the banks in proportion to their contributions was 215,000 euros.

• Global underwriting agreement for OCEANE bonds issued in 2006

As part of the issue of Nexans' 1.50% July 7, 2006 / January 1, 2010 OCEANE bonds (bonds convertible into new shares and/or exchangeable for existing shares), a global underwriting agreement authorized by the Board of Directors on June 26, 2006, was executed on June 29, 2006 with two banks (including BNP Paribas). Pursuant to this agreement, Nexans undertook to issue OCEANE bonds representing a maximum nominal value of 280 million euros, and the bank syndicate undertook to place the bonds or subscribe the bonds itself on the basis of certain representations and warranties given by Nexans and in consideration for payment by Nexans.

The guarantors are BNP Paribas and Société Générale Corporate & Investment Banking. The fee paid for 2006 and shared among the guarantors was 4,200,000 euros.

● **Second amendment to the syndicated loan agreement of December 28, 2004**

A second amendment to the syndicated loan agreement was required following the Group's transition to IFRS. This amendment, approved by the Nexans Board of Directors on May 15, 2006 and executed on June 30, 2006, changed the covenant's financial ratios and how they are calculated, and clarified Nexans' reporting obligations to the lenders. The amendment also modified the commission fee schedule.

● **Third amendment to the syndicated loan agreement of December 28, 2004**

A third amendment to the syndicated loan agreement, approved by the Nexans Board of Directors on September 27, 2006 and executed on October 30, 2006, increased the amount available under the credit facility by 130 million euros to a total of 580 million euros. The fee paid for 2006 and shared among the lenders in proportion to their contributions was 405,000 euros.

1.2 Corporate Officer involved: Frédéric Vincent, Nexans Chief Operating Officer since May 15, 2006

● **Amendment to Frédéric Vincent's employment contract**

On May 15, 2006, the Nexans Board of Directors approved and executed an amendment to Frédéric Vincent's employment contract in order to ensure that he is protected under the same conditions during his term of office as Chief Operating Officer. This employment contract is suspended during his term of office but will come back into force by operation of law if his position as Chief Operating Officer is terminated for any reason whatsoever. In addition, if he is dismissed for reasons other than gross negligence or misconduct, he will be entitled to the severance payment due in accordance with the applicable collective agreement plus a severance payment equal to twenty-four times his most recent monthly salary (including bonus) prior to the discontinuance of his service as Chief Operating Officer.

2 Agreement executed in 2007

● **Corporate Officer involved: Georges Chodron de Courcel, Nexans Board Member and Chief Operating Officer of BNP Paribas**

As part of the issue of Nexans 5.75% 2017 bonds, an underwriting agreement authorized by the Board of Directors on March 27, 2007 was executed on April 25, 2007 with a bank syndicate (comprising BNP Paribas as lead bank, participating jointly and for equal amounts with Société Générale and UBS Limited). Pursuant to this agreement, Nexans undertook to issue bonds representing a maximum nominal value of 350 million euros, and the bank syndicate undertook to place the bonds or subscribe the bonds itself on the basis of certain representations and warranties given by Nexans and in consideration for payment by Nexans.

The guarantors are BNP Paribas, Société Générale and UBS. The fee paid for 2007 was 2,450,000 euros.

STATUTORY AUDITORS' SPECIAL REPORT

on regulated, related-party agreements and commitments, year ended
December 31, 2007

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Nexans we hereby present our report on regulated, related-party agreements and commitments.

I. Agreements and commitments authorized in 2007 and until February 22, 2008

In accordance with article L.225-40 of the French Commercial Code (*Code de commerce*), we have been informed of agreements and commitments that were previously authorized by your Board of Directors.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main features and terms and conditions of agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We carried out our work in accordance with the professional standards applicable in France. These standards require that we perform procedures to verify that the information given to us agrees with the underlying documents.

Agreement entered into with BNP Paribas; Georges Chodron de Courcel serving as a Nexans Board Member and Chief Operating Officer of BNP Paribas

Global underwriting agreement

Nature and purpose

On March 27, 2007, as part of the issuance of Nexans 5.75% bonds maturing in 2017, the Nexans Board of Directors approved a global underwriting agreement with a bank syndicate (comprising BNP Paribas as lead manager, participating jointly and for equal amounts with Société Générale and UBS Limited).

Terms and conditions

Pursuant to the agreement executed on April 25, 2007, Nexans undertook to issue bonds representing a maximum nominal value of 350 million euros, and the bank syndicate undertook to place the bonds or subscribe the bonds itself on the basis of certain representations and warranties given by Nexans and in consideration for payment by Nexans. The guarantors are BNP Paribas, Société Générale and UBS. The fee paid for 2007 was 2,450,000 euros.

Agreement entered into with the Chief Operating Officer, Frédéric Vincent

Allocation of a termination benefit to Frédéric Vincent, in the event that he is removed from his position as Chief Operating Officer, and execution of an amendment to his employment contract.

Nature and purpose

Following a recommendation by the Appointments and Compensation Committee, on February 22, 2008 the Nexans Board of Directors approved the allocation of a termination benefit to Frédéric Vincent, in the event that he is removed from his position as Chief Operating Officer, and the execution of a new amendment to his employment contract.

Terms and conditions

1- The termination benefit payable to Frédéric Vincent in the event that he is removed from his position as Chief Operating Officer, will be equal to twenty-four times his most recent gross monthly salary (defined as his most recent fixed monthly salary plus the percentage of said salary representing his bonus) prior to the termination of his term of office as Chief Operating Officer. This termination benefit will be paid to Frédéric Vincent in accordance with the conditions set by the Board of Directors and published by the Company and will be subject to Nexans Group financial and share price performance conditions.

2- The second amendment to Frédéric Vincent's employment contract provides, in particular, that if he is dismissed for reasons other than gross negligence or misconduct during the performance of his employment contract or his term of office as Chief Operating Officer, the contractual severance payment to which he is entitled (in the same amount as the termination benefit payable to him in the event of the termination of his term of office as Chief Operating Officer) will be subject to the same Group performance conditions as those referred to in paragraph 1 above. Frédéric Vincent will not be entitled to the contractual severance payment if he receives the termination benefit.

II. Prior agreements and commitments remaining in force in 2007

In accordance with the provisions of the French Commercial Code, we were advised that the following agreements and commitments authorized in prior years remained in force in 2007.

Agreements entered into with BNP Paribas; Georges Chodron de Courcel serving as a Nexans Board Member and Chief Operating Officer of BNP Paribas

Global underwriting agreement for OCEANE bonds issued in 2004

Nature and purpose

On July 5, 2004, the Nexans Board of Directors approved a global underwriting agreement with a bank syndicate (of which BNP Paribas is a member) in connection with the issuance of bonds convertible into new shares and/or exchangeable for existing shares (OCEANE bonds).

Terms and conditions

Pursuant to the agreement executed on July 6, 2004, Nexans undertook to issue OCEANE bonds, and the bank syndicate undertook to place the bonds or subscribe the bonds itself on the basis of certain representations and warranties given by Nexans and in consideration for payment by Nexans. The guarantors are BNP Paribas, Goldman Sachs International, and Lazard-IXIS. The fee paid in respect of 2004 and shared among the guarantors was 2,227,000 euros. No fee was paid in respect of 2007.

Amendment to the medium-term syndicated loan agreement

Nature and purpose

On September 26, 2005, the Nexans Board of Directors approved an amendment to the medium-term syndicated loan agreement for 450 million euros executed on December 28, 2004. This amendment extended the term of the loan to five years from the date it was signed, with the option of a further extension to seven years, and decreased the spreads and commitment fees payable under the agreement.

Terms and conditions

The amendment was executed on October 17, 2005. The fee paid in respect of 2005 and shared among the lenders in proportion to their contributions was 215,000 euros. No fees were paid under this agreement in respect of 2007, except an annual administrative agent fee paid to BNP Paribas in the amount of 12,500 euros before tax.

Global underwriting agreement for OCEANE bonds issued in 2006

Nature and purpose

On June 26, 2006, the Nexans Board of Directors approved a global underwriting agreement with two financial institutions, including BNP Paribas, for the issuance of OCEANE bonds in 2006.

Terms and conditions

Pursuant to the agreement executed on June 29, 2006, Nexans undertook to issue OCEANE bonds representing a maximum nominal value of 280 million euros, and the bank syndicate undertook to place the bonds or subscribe the bonds itself on the basis of certain representations and warranties given by Nexans and in consideration for payment by Nexans. The guarantors are BNP Paribas and Société Générale Corporate & Investment Banking. The fee paid for 2006 and shared among the guarantors was 4,200,000 euros. No fee was paid in respect of 2007.

Second amendment to the medium-term syndicated loan agreement

Nature and purpose

On May 15, 2006, the Nexans Board of Directors approved an amendment to the medium-term syndicated loan agreement for 450 million euros signed on December 28, 2004. The amendment, required following the Group's transition to IFRS, changed the method and basis used to calculate the covenants and commitment fees, and clarified Nexans' reporting obligations to the lenders.

Terms and conditions

The amendment was executed on June 30, 2006.

Third amendment to the medium-term syndicated loan agreement

Nature and purpose

On September 27, 2006, the Nexans Board of Directors approved an amendment to the medium-term syndicated loan agreement for 450 million euros signed on December 28, 2004. The amendment increased the amount available under the credit facility by 130 million euros to a total of 580 million euros.

Terms and conditions

The amendment was executed on October 30, 2006. The fee paid in respect of 2006 and shared among the lenders in proportion to their contributions was 405,000 euros. No fee was paid in respect of 2007.

Agreement with Frédéric Vincent, Chief Operating Officer of Nexans since May 15, 2006

Amendment to Frédéric Vincent's employment contract

Nature and purpose

On May 15, 2006, the Nexans Board of Directors approved an amendment to the employment contract between Nexans and Frédéric Vincent. The amendment was executed on the same day.

Terms and conditions

Frédéric Vincent's employment contract is suspended during his term of office as Chief Operating Officer of Nexans, but will come back into force by operation of law if his position as Chief Operating Officer is terminated for any reason whatsoever. In addition, if he is dismissed for reasons other than gross negligence or misconduct, he will be entitled to the severance payment provided for in the collective bargaining agreement plus an additional amount equal to twenty-four times his most recent monthly salary (including bonus) prior to the termination of his term of office as Chief Operating Officer.

Neuilly-sur-Seine and Paris La Défense, February 29, 2008.

The Statutory Auditors

PricewaterhouseCoopers Audit

Salustro Reydel
Member of KPMG International

Dominique Ménard
Partner

Benoît Lebrun
Partner

**CHAIRMAN'S REPORT
ON THE BOARD OF DIRECTORS' OPERATIONS AND THE COMPANY'S
INTERNAL CONTROL PROCEDURES
(Year ended December 31, 2007)**

In accordance with article L.225-37 of the French Commercial Code (*Code de commerce*), Gérard Hauser, Chairman and Chief Executive Officer of Nexans, a holding company and parent of the Group, reports on the manner in which the work of the Board is prepared and organized, as well as the internal control procedures implemented by the Company and any restrictions placed on the powers of the CEO by the Board of Directors. The report also discusses the rules established by the Board of Directors for setting the compensation and benefits paid to Nexans corporate officers.

This report concerns the parent Company and all Group companies included in the scope of consolidation.

1. Preparation and organization of the work of the Board of Directors of Nexans, a holding company and parent of the Group

1.1. Organization of the work of the Board of Directors

The Board of Directors met eight times in 2007 and more than two-thirds of its members were present at each of its meetings.

The Chairman and CEO notifies the members of the Board at least one week before each meeting.

Several days before each meeting, the Directors are provided with supporting documentation relating to all major items on the agenda.

The Board of Directors is kept informed of the business trends, financial and debt positions of the Company and the Group. It approves the parent Company and consolidated financial statements and management planning documentation, and reviews the budget. It takes decisions on matters affecting the strategy and running of the Company.

All these issues were addressed by the Board during 2007. In particular, the Board reviewed and approved the 2007-2009 strategic plan during a special meeting held in January on this matter. The Board also came to a decision on various financial transactions (a bond issue and an employee share plan involving an increase in the Company's share capital reserved for Group employees).

Presentations are made on a regular basis to the Board of Directors by functional department or Area managers to familiarize the Directors with Nexans' core businesses and provide a more precise picture of the Group's internal operations. In the second half of 2007, Board Members visited the Nexans Deutschland plant in Hanover to enhance their understanding of the business. During this visit, they were given a detailed presentation on Nexans' strategy in Germany and the site's operations.

Pursuant to its internal rules, the Board was also consulted throughout 2007 on various planned acquisitions and significant divestitures, and was kept constantly informed of the progress made on these projects. The most significant of these in 2007 was the planned acquisition of the cable business of Madeco, the cable industry leader in South America, for which a framework agreement was signed on November 15, 2007.

The rules established by the Board of Directors for setting the compensation and benefits paid to Nexans' corporate officers are described in the Board of Directors' Management Report. In 2007, the Board set the variable portion of the compensation of the Chairman and CEO and the Chief Operating Officer for 2006.

1.2. Corporate governance: internal rules for the Board of Directors and Director's Charter

In 2003, Nexans formally adopted the internal rules for the Board of Directors and a Director's Charter.

Nexans complies with and applies the corporate governance principles set out in the Bouton and Viénot-Bouton reports.

The internal rules and the Director's Charter are given to each new member of the Board upon taking office.

The internal rules set forth the areas of authority of the Board of Directors, how it operates and the ethical principles to be followed.

In accordance with the Bouton report, the internal rules determine which capital expenditure or significant restructuring plans, such as mergers, acquisitions, divestitures, or proposed financing projects will require the prior approval of the Board of Directors, based on their nature or the amounts involved. The internal rules also define the roles of the various Committees created by the Board and the criteria for Director independence.

The Director's Charter sets forth the rights and obligations of Board Members, including the obligation to disclose transactions carried out in relation to Nexans' securities, and to comply with mandatory lock-out periods on any such transactions.

1.3. Appraisal of the Board of Directors

An annual procedure to appraise the Board of Directors with regard to its organization and operations was implemented in 2003 to check that material issues are properly reported, dealt with and discussed at its meetings. This appraisal procedure was conducted each year on the basis of a detailed questionnaire sent to each Director. In 2006, the specialized consulting firm Spencer Stuart was hired to carry out a formal appraisal procedure using individual meetings. Spencer Stuart confirmed that the Directors were satisfied with the Board's organization and operations.

The appraisal was carried out again in 2007 on the basis of an improved version of the questionnaire (e.g. including multiple choice questions) sent to the Directors. The results of the appraisal showed that the Board has confidence in the Chairman and CEO and Group Management, and that it is satisfied with the Board's organization and operations. The Board Members did not request any changes.

1.4. Committees created by the Board of Directors

The Accounts and Audit Committee

Composition and role of the Accounts and Audit Committee

The Accounts and Audit Committee comprises three members: Georges Chodron de Courcel, Jean-Louis Gerondeau, and Jérôme Gallot. Jean-Louis Gerondeau and Jérôme Gallot were appointed during the Board Meeting held on May 10, 2007, following the resignation of Yves Lyon-Caen and the end of the term of office of Jean-Louis Vinciguerra. Jérôme Gallot chairs the Committee.

The responsibilities of the Accounts and Audit Committee include:

- examining the draft accounts to be submitted to the Board, checking the methods used to prepare them and ensuring that the accounting principles and methods used are both relevant and consistent;
- examining the Group's scope of consolidation;
- ensuring that the Committee is made aware of the internal procedures for identifying off-balance sheet commitments and risks, and checking that such procedures are sufficient to ensure the reliability of the information resulting from them;
- monitoring sensitive issues;
- examining the work of Internal Audit, giving its opinion and reviewing the main conclusions of the audits conducted;
- participating in the Auditors' selection process and giving its opinion to the Board of Directors on their appointment or renewal;
- defining the rules for using the Auditor networks for assignments other than auditing, in accordance with applicable regulations;

- carrying out any specific reviews it deems necessary, after having informed the Chairman and CEO, and, as appropriate, contacting key management personnel of the Company, and reporting back to the Board.

In the course of its work, the Accounts and Audit Committee may request to meet with any member of the Finance Department and the Statutory Auditors, including without the presence of Group Management.

During 2007, the Accounts and Audit Committee met on three occasions in the presence in particular of the Chief Operating Officer, Chief Financial Officer, Internal Audit Director and Statutory Auditors. It reviewed Nexans' consolidated financial statements, paying special attention to the change relating to the recognition of non-ferrous metal inventories ("core exposure"), and examined the provisions for litigation in progress. It was briefed on the status of the 2006-2007 internal audit plan and the monitoring of the initiatives undertaken, as well as the 2007-2012 audit plan. It also reviewed the Group's insurance program and received an update on the proposed creation of a captive insurance company.

The Appointments and Compensation Committee

Composition and role of the Appointments and Compensation Committee

The Appointments and Compensation Committee comprises three members: Gianpaolo Caccini, François Polge de Combret, and Ervin Rosenberg, who chairs the Committee.

The responsibilities of the Appointments and Compensation Committee include:

- examining and making suggestions regarding the assessment of Directors' independence, prior to a final decision by the Board of Directors;
- proposing to the Board new Directors and officers to be co-opted or proposed at the Annual Shareholders' Meeting;
- proposing to the Board criteria for determining the fixed and variable portions of corporate officers' compensation in line with the Group's annual performance, executives' performance appraisals, the Group's medium-term strategy and market practices;
- helping define the Group's policy relating to stock option plans (frequency, individuals concerned, total amount) that it proposes to the Board of Directors, and giving the Board its opinion on plan proposals drawn up by Management.

The Appointments and Compensation Committee met three times during 2007. It set the variable portion of the compensation of the Chairman and CEO and Chief Operating Officer for 2006. It also approved the idea of expanding the number of beneficiaries of the stock option plan. In addition, the Committee met at the end of the year to review the proposed compensation of the Chief Operating Officer that was presented at the Board Meeting held on January 16, 2008.

1.5. Restrictions placed on the powers of the Chairman and CEO

The Board of Directors has decided not to separate the positions of Chairman of the Board of Directors and of the Chief Executive Officer. Other than the applicable legal restrictions and those relating to transactions or decisions that require the prior approval of the Board of Directors as defined in the internal rules – such as mergers, acquisitions, or financing proposals – neither the Board of Directors, nor the Company’s bylaws have placed any restrictions on the powers of the Chairman and CEO.

2. Internal control procedures implemented at Nexans

2.1 Definitions, scope, objectives, and restrictions of internal control

Nexans’ internal control consists of implementing a set of rules throughout the Group with a view to obtaining reasonable assurance that all transactions comply with applicable laws and regulations and are consistent with the values, policies, and objectives defined by the Group.

Nexans takes a pragmatic approach to internal control. Its internal control procedures take into account the specific aspects of its business and are geared to the risks identified with its activities. Nexans has designed its internal control procedures in line with the management of its potential risks.

All Nexans Group procedures, whether or not they relate to financial information, have been established centrally at the level of the parent Company. They are then implemented in each country and at each entity, and periodic reports are sent to the functional department in charge, which monitors and controls the procedures.

2.2 Internal control procedures used by Nexans

Nexans currently uses its own body of internal control procedures.

Following the publication in January 2007 of the Reference Framework for internal control by the AMF (the French financial markets authority), Nexans began in Spring 2007 preparing the progressive compliance of Nexans’ procedures with the AMF’s recommendations by 2008.

2.3 General organization and description of the internal control procedures implemented

The organization established by Nexans makes it possible to define responsibilities clearly and ensure that it has adequate means and skills and uses appropriate procedures and systems.

2.3.1 Parties involved and structures in place: organization of the Group

In 2007, the Nexans Group was organized as follows:

Countries are responsible for operating income. Their performance continues to be monitored by market and by product under a full monthly financial reporting procedure.

The countries are grouped into **four geographic Areas** – Europe, North America, Asia-Pacific, and the Rest of the World – which are responsible for managing, coordinating, and supervising both operations and the implementation of the Group’s strategy in accordance with the regulations in force in each country.

Each Area is led by a Regional Manager assisted by a financial control team. An Area Sales Manager, who reports directly to the Area Executive Vice President, was also appointed for each Area starting in 2007. The Area Sales Manager is responsible for sales within his or her Area, except for sales of domestic products made locally, as well as inter-Area sales. The Area Sales Manager works with the Infrastructure and Building Market Managers to develop a marketing strategy, and provides the Industry Market Manager with the information needed to develop a marketing strategy for the relevant segments.

The Chief Operating Officer is responsible for overseeing operations in the Europe, North America, Asia-Pacific, and Rest of World Areas.

The **Group-level functional departments** are also involved in internal control.

- **The Strategic Operations Department** is responsible for the strategic development of the entire Group. It includes:
 - **The Industry, Infrastructure, and Building Markets Department**, a specific organization for each of the industry, infrastructure, and building markets was created at the beginning of 2007 within the Strategic Operations Department, in order to better coordinate Nexans' product lines. This replaces the Marketing Department.
 - **The Development and Economic Intelligence Department**, whose mission is to monitor the Group's competition, participate in developing the Group's external growth strategy, and contribute to creating and implementing the Group's strategic plans.
 - **The Industrial Management Department** assists the Areas in industrial matters and oversees the industrial strategy, the capital expenditure budgets, and the Area and country-level Industrial Management Departments, which are responsible for the performance of Nexans' manufacturing plants. The Industrial Management Department is also very involved in managing Nexans' industrial equipment, managing and monitoring capital expenditures and industrial projects, and assessing any new manufacturing tools and processes. It proposes an industrial and environmental risk prevention policy to Group Management. Once the policy has been validated by the Executive Committee, the Industrial Management Department establishes the procedures to be implemented and ensures that they are applied with the help of a specialized external service provider.
 - **The Technical Management Department** manages all the Group's research and development efforts, in particular through its Competence Centers and the Research Center.
 - **The Information Systems Department** develops the Group's IT systems policy and oversees its implementation. Due to the importance of information systems as a factor in Nexans' competitiveness, a Group-level Steering Committee has been formed within the Information Systems Department to assist the Executive Committee when deciding on budgetary priorities and Group Information System strategy.
 - **The Purchasing Department** is responsible for defining and overseeing the implementation of the Group's procedures for the purchase of goods and services in order to optimize cost, quality, timeframes, and technology.

- **The Group's Human Resources and Communications Department** is in charge of defining and coordinating the Group's human resources policies, including establishing joint policies, managing the careers of top international managers (recruitment, career development, succession plans) and international transfers, international training programs and compensation policies for top managers. It handles relations with employee representatives at the European level, and is also in charge of coordinating the international network of Human Resources Directors. The Communications Department handles all the Group's communications – commercial, institutional, internal, press, and new media – in collaboration with the relevant functional departments.
- **The Group's Finance Department (see Section 2.3.3)**

The **Executive Committee** comprises the Chairman and CEO and eight other members:

- The Chief Operating Officer,
- The four Area Executive Vice Presidents,
- The Senior Corporate Vice President of Strategic Operations,
- The Chief Financial Officer,
- The Senior Corporate Vice President of Human Resources and Communications.

The role of the Executive Committee is to define and manage Group strategy, allocate the necessary resources to implement it, set objectives for the entities that comprise the Group, and monitor the achievement of such objectives.

A **Management Council** has been created in order to more closely involve the Group's entities in its overall management. This Council meets at least quarterly and is led jointly by the Chief Operating Officer, Senior Corporate Vice President of Strategic Operations, and Executive Vice President of Europe. Other people who may take part in this Council include members of Nexans' Executive Committee (apart from the Chairman and CEO), Area Sales Managers, the Industry Market Manager, and certain Country Managers.

Lastly, the **Board of Directors** provides assistance in monitoring internal control, primarily through the work of the Committees and the Committee reports, as described below.

2.3.2 Parties involved and structures dedicated to internal control

a) The Accounts and Audit Committee

As a result of the above-mentioned powers conferred upon it by the Board of Directors and the internal rules, the Accounts and Audit Committee is involved in monitoring the implementation of internal control processes, exercising such control, and monitoring the procedures in place. Each year, the internal audit plan is submitted to the Accounts and Audit Committee for approval, and the main conclusions from the previous year are also presented to the Committee.

b) The Internal Audit Department

The Internal Audit Department was created on January 1, 2002, and in July 2005 was one of the first internal audit departments to be certified by the *Institut Français de l'Audit et du Contrôle Internes* (the French Audit and Internal Control Institute) (IFACI). This certification was renewed by IFACI in July 2006 and September 2007 after follow-up audits.

Although organizationally it reports to the Finance Department, functionally the Internal Audit Department reports directly to the Chairman and CEO. Its work is approved and monitored by the Accounts and Audit Committee.

The Internal Audit Department helps the Group to attain its objectives by systematically and methodically assessing the suitability of management processes in terms of risks, control, and corporate governance, monitoring these processes, and making recommendations to strengthen them.

The Group has set up an audit charter – approved by the Accounts and Audit Committee – which sets out the responsibilities of the Internal Audit Department.

The ongoing responsibilities of the Internal Audit Department, covering financial and administrative as well as operational matters, are to:

- identify, analyze, and measure risks;
- ensure that internal control mechanisms are in place and functioning, and ensure compliance with internal control procedures;
- conduct internal financial audits;
- conduct operational audits in cooperation with the departments concerned;
- propose corrective actions and methods of implementation;
- identify and promote best practices.

To achieve these goals, the Internal Audit Department conducts audits to verify that the measures that have been implemented are appropriate and are effective for the Group's potential risks.

A five-year audit plan was drawn up on the basis of the risk map (see Section 2.5.2 for a description of the process), covering a broad spectrum of issues, including:

- Cash management and exchange rate risks,
- Non-ferrous metal hedging risk,
- Purchasing process,
- Inventories process,
- Sales process,
- Management of major turnkey projects,
- Legal, insurance, safety and environmental issues,
- Information systems,
- Human resources, etc.

The Executive and Accounts and Audit Committees review and update this audit plan annually.

After each audit is conducted, the Internal Audit Department issues a report that contains recommendations which are subject to a formal monitoring procedure. Each report is sent to the Chairman and CEO, the Chief Operating Officer, the Chief Financial Officer, the appropriate

member(s) of the Executive Committee, the Head of the Risk Management Department, and the entity audited and relevant functional managers.

In addition, a biannual report on the work carried out by the Internal Audit Department is submitted to the Board of Directors, the Accounts and Audit Committee, and the Executive Committee.

During 2007, compliance audits were conducted in certain subsidiaries in France and abroad. Specific audits were also conducted, particularly in regard to monitoring risk and managing non-ferrous metals in certain subsidiaries or businesses, capital expenditures and monitoring measures taken to reduce the Group's working capital requirements.

c) The Risk Management Department

The Risk Management Department reports to the Corporate Counsel, who in turn reports to the Chief Operating Officer.

The role of the Risk Management Department was expanded and detailed in 2007. It is in charge of monitoring insurance coverage, coordinating real estate sale transactions, and risk management in general.

The role of Risk Management is to:

- propose a strategy for managing operating, commercial, industrial, and financial risks by seeking the optimum balance between:
 - (a) insurance coverage,
 - (b) prevention and other measures, and
 - (c) the acceptance of certain risks;
- propose and monitor the introduction of measures other than insurance for risk prevention and management purposes, including proposing or validating the appointment of risk managers at the level of another corporate function, a geographic Area or certain countries or specific business that require dedicated resources, on a temporary or permanent basis, to develop risk management or ensure that it complies with the Group's directives;
- establish indicators for the risks associated with the long-term development of Nexans' activities as regards their economic, social, and environmental impact (i.e. sustainable development indicators).

In view of the broad scope of these responsibilities, close cooperation is required with the functional departments at the corporate level, operations management at the Area level, and the Group's legal entities, in order to define and implement financially viable solutions in line with the directives defined at the Group level.

The priority measures in terms of Risk Management are established every year by the Head of the Risk Management Department with the Strategic Operations Department, the Area Executive Vice Presidents and/or the Finance Department. These priorities are defined based on a review of the "risk map" established every year at the corporate level by the Internal Audit Department and based on the level of risk control that exists for the main risks, and which is assessed in an annual risk report. This annual report covering the main risks compiles the assessments carried out by the working groups; the purpose

(analyzing a specific risk) and composition of these working groups are defined by the relevant departments together with the Risk Management Department.

As part of the effort to improve risk control, the Risk Management Department is in charge of proposing an implementation methodology for the "risk map" tool at the country and business group levels, and once the method has been validated, it is responsible for ensuring that the tool is set up and used efficiently in each country and each business group.

The "risk map" makes it possible to allocate resources better and plan and organize efforts to reduce the most critical risks that could have an impact on Nexans' profitability.

The Risk Management Department also works closely with the Internal Audit Department.

2.3.3 Organization pertaining to the preparation and processing of published financial and accounting information

The Corporate Finance Department includes six functional departments:

- The Management Control Department,
- The Consolidation Department,
- The Treasury and Non-Ferrous Metals Department,
- The Internal Audit Department,
- The Tax Department,
- The Financial Operations Department (which includes the Mergers and Acquisitions Department and the Financial Communications Department).

All these departments report to the Chief Financial Officer, who in turn reports to the Chief Operating Officer.

In addition, the Finance departments in each country report to both the Country Manager and functionally to the Corporate Finance Department.

This structure ensures coordinated, consistent processing of financial information.

2.4 Internal information sharing

The Group has set up a monthly reporting system covering all the activities of the operating entities (including commercial, financial and accounting, industrial, environmental, and other information) that gives operations and functional management access to relevant and reliable information in a timely manner to allow them to perform their duties.

2.5 Systems designed to identify and analyze the main risks and ensure that risk management procedures are in place

2.5.1 The risk mapping process

A risk mapping process is performed on the Group every year by the Internal Audit Department. The aim of this process is to identify risks and areas of risk including all risks identified by Management as well as their concerns with respect to controls, and to evaluate their impact on the Nexans Group's financial position.

The risk map is updated every year, focusing in particular on controlling and monitoring issues identified as sensitive, as well as following up on recommendations made in the context of internal audits. It is used to prepare the Group's annual internal audit plan.

Risks were identified in 2007 through interviews with Executive Committee members, the Managers of Corporate Functions, Product Line Managers and Country Managers.

Risks were evaluated according to the frequency with which they are likely to occur and the gravity of the consequences that may result from the occurrence of the risk.

In 2007, a risk mapping exercise was also carried out on a test country by the Risk Management Department with the assistance of external consultants and the support of the Internal Audit Department. This risk mapping exercise will be rolled out over the coming years to include other countries.

2.5.2 Monitoring major risks

Workshops were launched in 2007, bringing together operational staff and members of functional management to work on the main risks identified for the Group by using the risk mapping process. These risks are presented in the "Risk factors" section of the Nexans annual report-registration document. The purpose of these workshops is to propose solutions to remedy these risks or limit their impact.

2.5.3 The Group has set up a number of Committees to analyze and monitor the main risks:

- **The Disclosure Committee**

This Committee comprises the Chief Operating Officer, Chief Financial Officer, Head of the Management Control, Head of the Consolidation Department, General Counsel, Corporate and Securities Counsel, the Internal Audit Director, the Risk Manager, and three Area Controllers.

The Committee's objective is to identify all risks of any nature to which the subsidiaries are exposed, assess their materiality, and ensure their due representation in the financial statements and their disclosure in the various external reports.

Its responsibilities include the following:

- identifying and assessing any material non-financial information;
 - designing a survey to be sent to the subsidiaries to identify risks and evaluating the methods implemented to submit information to the parent Company;
 - compiling significant information; and
 - identifying and defining issues that merit investigation by the internal audit team in order to assess or improve the reliability of the procedures in place and the information submitted to the parent Company.
- In addition, all bids in excess of 25 million euros are subject to a review of the applicable contract terms (commercial, legal, financial, and technical). This review is performed by the **Group Tender Review Committee**. This Committee is chaired by the Chief Operating Officer and is comprised of the Executive Vice President for the Area involved, Chief Financial Officer, Head of the Treasury and Non-Ferrous Metals Department, General Counsel, Head of the Risk Management Department, Regional Management Controller, and operating managers appointed by the Executive Vice President for the Area involved.

European bids for amounts between 5 and 25 million euros (which comprise the vast majority of bids) are also reviewed by this committee (without the Chief Operating Officer).

- Any potential business or company acquisitions or sales, or possible strategic alliances or partnerships, are reviewed by Nexans' **Merger and Acquisitions Committee**. This Committee is chaired by the Chief Operating Officer, and its other members are the Chief Financial Officer, General Counsel, Head of the Financial Operations Department, Head of the Mergers and Acquisitions Department, Executive Vice President of Strategic Operations and the Executive Vice Presidents of the Areas concerned.
- An **Environmental Committee** oversees programs aimed at continuously improving the environmental performance of Nexans' production sites. This Committee is made up of representatives from the Strategic Operations, Industrial Management and Technical, Purchasing, Legal, Risk Management, Human Resources, and Communications Departments.

2.6 Control operations

The Group's control operations are based on a financial and accounting reporting system and a set of internal control procedures.

2.6.1 Preparation of financial and accounting information

Financial and accounting information is generated in consolidated form as follows:

All information is obtained from the accounting systems of the legal entities, whose accounts are kept according to local accounting principles and then restated in accordance with the accounting principles and methods applied by Nexans to prepare the consolidated financial statements, which are drawn up in

accordance with IFRS pursuant to EC regulation 1606/2002. All of the Group's financial and accounting reporting is organized using the Hyperion System.

The breakdown by business segment and product line is based on the legal entities' financial statements. These statements are prepared according to standard accounting principles defined in numerous procedures. In particular, to ensure the consistency of the information produced, Nexans has an accounting manual which is used by all Group units and defines each line in the operating income statement analyzed by function for the unit as a whole and for their product lines.

Based on the Group's Medium-term Plan (covering three years), which sets out the main strategic and financial policies, each unit establishes an annual budget by product line in the last quarter of every year. The budget is discussed by the local and Area Management and is submitted to Nexans' executive management team for final approval. The Group's budget is submitted to the Board of Directors. It is then included in a monthly report.

Each month, the units prepare a report broken down by product line, the results of which are analyzed by Management as part of the business review. The figures are compared with the budget and with the previous year's results. The consolidated results by Area and by product line are analyzed by Group Management at Area meetings.

A consolidated accounts closing procedure is carried out on a quarterly basis, with a specific procedure applicable at the year-end. This specific year-end procedure involves Balance Sheet Committee meetings which are attended by Country Managers and where key decisions are made relating to the year-end accounts closing.

Off-balance sheet commitments are reviewed by the Consolidation Department based on information provided by the units, the Treasury and Non-Ferrous Metals Department, and the Legal Department.

2.6.2 Main financial and accounting internal control procedures implemented by the Company

Over seventy procedures relating to financial and accounting information, and more generally the areas within the responsibility of the Finance Department, are currently applicable within the Nexans Group.

In addition to the financial and accounting rules implemented by the Group, these procedures also deal with sensitive issues or risk factors identified that are specific to Nexans' business and could have an impact on its assets or earnings.

This is the case, for example, with the management of risks associated with exchange rates, interest rates, and the fluctuation of non-ferrous metal prices that are monitored by the Treasury and Non-Ferrous Metals Department, which reports regularly to the Corporate Finance Department.

The Internal Audit Department performs controls to ensure that internal control procedures are working properly and that they are complied with.

2.6.3 Specific procedures

- **Rules specific to the management of risks related to non-ferrous metals**

In view of the importance of non-ferrous metals (copper, aluminum) to Nexans' various businesses and the risks associated with price fluctuations, Nexans has implemented a specific procedure for managing non-ferrous metals, led since January 2004 by a team reporting to the Group Financing Department.

The basic rules are as follows:

- the principle is the systematic hedging of risks relating to metal prices and structure as soon as the risk arises;
- this principle is applied by each legal entity for which position limits are set. These limits are reviewed regularly based on the development of each unit's business. Monitoring adherence to the limits is part of Internal Audit's responsibilities;
- this principle is reflected in the consolidated financial statements by the recognition of outstanding commitments.

Non-ferrous metal price risks are identified by the Group's operating subsidiaries. They are hedged through the physical purchase and sale of metal inventory or transactions on commodities exchanges such as the London Metal Exchange (LME) or the New York Commodities Exchange (COMEX). Commodities exchange transactions are managed by the Financing Department apart from those carried out on the Shanghai Metal Exchange (SHFE), which are organized by the Group's Chinese subsidiaries.

Trading on these markets is executed through first-rate brokers whose financial soundness is reviewed regularly to minimize counterparty risks.

- **Centralized Cash Management**

Nexans has implemented a centralized system for its principal subsidiaries to manage cash flow, which is organized around the following:

- international cash pooling;
- centralized banking commitments;
- centralized management of exchange rate risk.

2.6.4 Information on other internal control procedures

There are approximately sixty such internal control procedures within the Group covering areas such as:

- ethics: the Group has established a code of ethics entitled "Nexans Business Ethics and Conduct" which specifies certain principles and rules of conduct;
- human resources: a procedure relating to personal safety in at-risk geographic areas has been implemented;
- communications;
- purchasing;
- information systems;
- quality;
- intellectual property;
- insurance;
- legal issues;
- industrial and environmental issues: a charter has been drawn up relating to the management of industrial risks covering the protection of property, accident prevention, personal safety, security and environmental protection. The purposes of this charter are to:
 - identify and quantify the risks to which Nexans is exposed;
 - define priorities and recommend prevention and control measures to reduce the frequency and magnitude of such risks;
 - organize Nexans' insurance program accordingly;
 - organize crisis management plans.

The implementation of the above is managed by the Industrial Management Department in liaison with the Finance Department, the Risk Management Department, and the Legal Department for insurance matters, with extensive interaction between the corporate departments and designated managers at various levels of the organization.

Nexans' policies and procedures regarding the environment are described in the Board of Directors' Management Report.

2.7 Monitoring operations

The Board of Directors monitors the internal control procedures primarily through its Accounts and Audit Committee (see Section 2.3.2) whose role is to ensure that the procedures used are both relevant and suitable in light of the Group's objectives.

The Internal Audit Department is also involved in monitoring these procedures; it carries out assignments, drafts reports, and monitors the implementation of the recommendations issued.

January 30, 2008

G rard Hauser

Chairman and CEO

STATUTORY AUDITORS' REPORT

prepared in accordance with article L.225-235 of the French Commercial Code (*Code de commerce*) on the report by the Chairman of the Board of Directors of Nexans S.A. on internal control procedures relating to the preparation and processing of financial and accounting information

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as the Statutory Auditors of Nexans S.A., and in accordance with the provisions of article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with the provisions of article L.225-37 of the French Commercial Code, for the year ended December 31, 2007.

It is the Chairman's responsibility to give an account, in his report, notably of the conditions in which the duties of the Board of Directors are prepared and organized and the internal control procedures in place within the Company. It is our responsibility to report to you on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

We performed our procedures in accordance with professional standards applicable in France. These standards require that we perform procedures to assess the fairness of the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information. These procedures mainly consisted of:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report and existing documentation are based;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control procedures relating to the preparation and processing of financial and accounting information set out in the Chairman of the Board's report, prepared in accordance with article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, February 29, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit

Dominique Ménard

Partner

Salustro Reydel,

Member of KPMG International

Benoît Lebrun

Partner

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Paris, March 5, 2008

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings in the consolidation taken as a whole, and the Management Report presented in this document includes a fair review of the development and performance of the business, profit or loss and financial position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the principal risks and contingencies that they face.

I obtained a letter from the Statutory Auditors, PricewaterhouseCoopers Audit and Salustro Reydel at the end of their assignment, in which they confirm that they have reviewed all information relating to the financial position and the financial statements contained in this registration document and have read the document as a whole.

The Statutory Auditors' report on financial information relating to 2006, presented on pages 124 and 125 of registration document No. D.07.251 filed with the AMF, contains one observation concerning the change relating to the recognition of non-ferrous metal inventories.

The Statutory Auditors' report on financial information relating to 2007, presented in this registration document, contains one observation relating to the change in the method used to account for share acquisition costs.

Gérard Hauser
Chairman and CEO