



INTERIM FINANCIAL REPORT
Six months ended June 30, 2008



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INTERIM MANAGEMENT REPORT

SIX MONTHS ENDED JUNE 30, 2008

INTERIM MANAGEMENT REPORT

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The purpose of this report is to present an overview of the operations and results of the Nexans Group and its parent company for the first half of fiscal 2008. It is based on the consolidated financial statements for the six months ended June 30, 2008.

Nexans' shares are traded on the Euronext market (Compartment A) of NYSE Euronext, and are included in the CAC Next 20 index. The Company's estimated ownership structure, broken down by shareholder category, was as follows at June 30, 2008: (i) institutional investors - France: 19.1%; the UK and Ireland: 15.5%; other European countries: 13%; USA: 35.5%; other countries: 1.6%; (ii) private investors and employees: 12.8%; and (iii) unidentified shareholders: 2.5%.

1. OPERATIONS DURING FIRST-HALF 2008

1.1 CONSOLIDATED RESULTS OF THE NEXANS GROUP

Net sales for the first half of 2008 decreased 6.3% to 3,554 million euros from 3,792 million euros in first-half 2007.

At constant non-ferrous metal prices, the net sales figure came to 2,419 million euros versus 2,451 million in the first six months of 2007. The main impact of changes in scope of consolidation during the period stemmed from the end-April 2007 sale of Nexans' winding wire operations in Canada (the Simcoe facility) and the divestment of the Group's majority stake in Nexans Tianjin Magnet Wires and Cables in China in late July 2007. Altogether, these operations represented 26 million euros in sales at constant non-ferrous metal prices in the first half of 2007.

Based on constant non-ferrous metal prices and exchange rates as well as a comparable scope of consolidation, sales climbed 2.2%. This overall increase reflects mixed performances across the Group's businesses. Cable operations (Energy and Telecom businesses combined) generated organic sales growth of 7.2%, whereas sales for the Electrical Wires business contracted 36.1% compared to the same year-ago period as the Group continued its measures to focus operations purely on Nexans' internal requirements.

Operating margin amounted to 220 million euros in first-half 2008, or 9.1% of sales at constant non-ferrous metal prices (6.2% at current metal prices), compared with 187 million euros, or 7.6% of sales at constant metal prices (4.9% at current metal prices) in the first six months of 2007. EBITDA (earnings before interest, tax, depreciation and amortization) came to 273 million euros, or 11.3% of sales at constant metal prices, versus the first-half 2007 figure of 240 million euros, or 9.8% of sales at constant metal prices.

At 174 million euros, consolidated income before taxes was on a par with first-half 2007.

After the 56 million euro tax charge, attributable net income totaled 119 million euros in the first six months of 2008, unchanged from the comparable prior-year period.

1.2 ANALYSIS OF THE GROUP'S CONSOLIDATED RESULTS

(sales figures by origin at constant non-ferrous metal prices)

1.2.1 BY BUSINESS

A - ENERGY

Energy business sales amounted to 1,971 million euros (up 4.7% on first-half 2007, and 8.1% like-for-like).

Energy Infrastructure

Energy Infrastructure sales climbed by a significant 19.7% on a like-for-like basis in first-half 2008 compared with an average increase of 10.2% for full-year 2007. This strong growth momentum was due to a steep rise in sales of high-voltage cables, which already drove a sharp increase in Energy Infrastructure sales in the second half of 2007.

Like-for-like sales generated by **high-voltage cables** jumped 42.4%, fuelled by both land-based and submarine operations. As all of the Group's high-voltage manufacturing facilities (in Norway, Belgium and Japan) were running at full capacity, plants in Hanover (Germany), Cortailod (Switzerland), Bourg en Bresse (France) and Tottenham (Australia) were used to manufacture the lowest-voltage terrestrial cables produced by the high-voltage activity, ranging from 132kV to 220kV. In addition, in order to meet growing demand the Group launched capital expenditure plans to raise capacity at its Belgian and Australian plants.

Sales for the period correspond to contracts in the Middle East (Qatar, Abu Dhabi and Kuwait), as well as to an expanding stream of business with Eastern Europe and Russia. At the same time recurring business remained healthy with electricity network operators in France, Belgium and Spain.

Growth in submarine cable sales was also buoyant, led by (i) the Long Island Replacement Cable Contract in the United States (a network upgrading project); (ii) contracts signed to create power links between islands and mainland networks, including between Delma Island and Abu Dhabi, Hainan Island and Guandong province in China, and Sardinia and Italy; (iii) a contract to connect the Horns Rev 2 offshore wind farm to the Danish coast; and (iv) the manufacture of umbilical cables.

Following an excellent order intake in 2007, Nexans won further major contracts during the first half of 2008. These included phase II of the high-voltage underground power cable contract for Libya, phase VIII of the underground powerlink project in Qatar, and the Fenno-skan 2 project which will provide a submarine electricity transmission connection between the south of Finland and Sweden.

Medium-/low-voltage cables reported like-for-like sales growth of 8.4%.

In Europe, business picked up pace in the second quarter following a first quarter that was on a par with 2007. Demand from the major energy operators (France, Sweden and Germany) held firm. The sales growth rate in Germany accelerated to 30.7%, propelled by the development of renewable energy solutions such as wind farms and the manufacture of "low high-voltage" cables for Eastern European infrastructure projects. Southern Europe reported significant sales increases

compared with the modest rises posted for 2007, with Greece reaping the benefits of higher year-on-year export volumes - particularly to the Middle East - and Italy moving back into a healthier position after restructuring operations carried out in 2007. Lastly, the Group consolidated its positions in Spain thanks to the end-2007 acquisition of Multinacional Trade.

North American sales were up 14.6% on first-half 2007, led by a return to operations at the Quebec plant following a strike which lasted several months.

In Asia, overall sales volumes retreated 7.1%, reflecting an adverse operating environment in Australia and Vietnam whose impact could not be offset by higher Korean export volumes.

Sales rose sharply in the Rest of the World area, especially in Egypt as a result of capital expenditure projects undertaken in 2007 to upgrade the Cairo facility.

Power Accessories sales climbed 6.8% on a like-for-like basis compared with first-half 2007 - a period that already saw strong business volumes in France due to the upgrading project for a cold-shrink joint system. In addition, by acquiring Australmold in Australia the Group was able to strengthen its foothold in this major Asia-Pacific market.

Industrial Cables

The Industrial Cables activity posted a 4.8% increase in sales on a like-for-like basis.

Like-for-like sales of special cables for industrial applications advanced 8.1% thanks to strong demand in the Group's priority market segments, including cables for the robotic applications in Germany, for the transport industry (shipbuilding and railway rolling stock) or for the oil and gas industry. Other segments reported a more mixed performance, such as automotive cables in countries with high labor costs (e.g. Sweden and Germany). Lastly, measures rolled out in Europe to optimize the profitability of product portfolios had a detrimental impact on sales growth in some cases.

Sales of electronic cables for industry contracted 4.9%. Although sales in the aeronautical cables market were sustained in both France and the United States, China-based sales of electronic cables for large telecom manufacturers dropped sharply.

Sales of harnesses increased 2.4% however, with the 8.2% rise in sales of products for the German automotive market more than offsetting the decline recorded in the railway sector resulting from the postponement of several major projects. Moreover, the possible sale of the automotive cable harnesses business has been abandoned, considering the level of uncertainty of financial markets and the insufficient level of received offers.

Cables for the building market

Like-for-like sales of cables for the building market edged back 4.2%.

In Europe, sales decreased 6.2% compared with an extremely robust performance in first-half 2007. The decline was particularly pronounced in Spain, the United Kingdom and Ireland due to a substantial slowdown in those countries' real-estate markets. The contraction in volumes only had a limited impact on margins. The Group has adapted its production capacity to market developments. The Athlone plant in Ireland is scheduled to stop production at the end of July and the corresponding markets will instead be served by other Group manufacturing facilities. Similarly, staffing levels at the German plant have been reduced by 25%. These measures gave rise to 16 million euros worth of restructuring costs in the first six months of 2008.

In North America, sales edged down 2.8% like-for-like versus the first half of 2007, reflecting the combined impact of an increase in sales of new low-voltage cables launched in 2007 and a strong

decrease in prices. In Canada, margins were further eroded at the beginning of the year as the Group's competitive edge was reduced by the strong Canadian dollar.

Operating margin for the Energy business overall advanced to 202 million euros in first-half 2008 (representing 10.2% of sales at constant metal prices) from 160 million euros (8.5% of sales at standard metal prices) in the same period of 2007. The main contributors to this rise were (i) Energy Infrastructure operations, thanks to an increased weighting of higher value-added products from the high-voltage activity; and (ii) Industrial Cables, where the focus is increasingly on priority segments. Operating margin for low-voltage cables for the building market was down slightly on the first six months of 2007 as a result of lower sales prices in North America. Nevertheless, overall profitability levels of cables for the building market remained satisfactory in the region and were higher than those recorded in Europe.

B - TELECOM

Sales of Telecom cables came to 267 million euros, down 3.1% or up 0.7% on a like-for-like basis. In view of the lackluster copper telecom infrastructure market, Nexans sold its Santander plant to UK-based B3 Cable Solutions at the end of May 2008. The Group has maintained its market positions for optical fiber and LAN cables, despite contrasting performances across the areas.

Telecom Infrastructure

Like-for-like sales dipped 2.2%, mainly due to the termination at end-June 2007 of the joint venture agreement with a local partner in Vietnam. Excluding this effect, sales would have risen 4.2% in first-half 2008.

Performance was mixed across the various activities:

- Sales of **copper telecom cables** rose 2.6% (excluding the above-mentioned Vietnam effect). This increase reflects the Group's selective approach towards its markets with a focus on the most profitable projects.
- Business in **optical fiber cables** was boosted by the expansion of FTTH connections in Northern Europe (34.4% growth in Norway and 32.2% in Sweden).
- **Accessory** sales were once again buoyant, particularly for optical connectors, with the growth rate coming in at 10.1% on a constant Group structure basis.

Local Area Networks (LAN)

Sales of local area network cables were up 3.2% like-for-like in first-half 2008.

Volumes held firm in Europe and export sales to the Middle East were higher during the period. In the United States, Nexans registered like-for-like sales growth of 7.6% in this segment, spurred by an over 20% increase in sales of optical fiber cables. In the copper LAN cables sector Nexans is continuing to round out its high-end product offering (category 6 and 7 cables), which yield strong profitability levels.

Operating margin for the Telecom business as a whole came in at 24 million euros in the first half of 2008 (8.8% of sales at constant metal prices), compared to the 27 million euros recorded in the same period of 2007 (9.9% of sales at constant metal prices).

C - ELECTRICAL WIRES

Sales in the Electrical Wires business in first-half 2008 were 176 million euros, down 39.0% on the equivalent prior-year period or 36.1% on a like-for-like basis. This decrease reflects changes in scope of consolidation arising from the sale of the Simcoe facility in Canada and the Tianjin facility in China, which reported 26 million euros in sales in the first half of 2007.

Wirerod

On a like-for-like basis, wirerod sales fell 43.3% year-on-year, reflecting the Group's strategy of focusing its continuous casting operations solely on internal requirements. Operations more or less broke even, however, thanks to an increase in the proportion of sales under "tolling" agreement.

Bare wires

Sales of bare wires fell back 6.1% on a like-for-like basis in first-half 2008, with the increase in Germany and the UK - where the Group specializes in special, high value-added products - not being sufficient to offset the decline in France, which is focused on standard products.

Overall, operating margin for the Electrical Wires business contracted from 4 million euros in the first half of 2007 (or 1.4% of sales at standard metal prices) to 2 million euros in first-half 2008 (1.1% of sales at standard metal prices).

D - UNALLOCATED OPERATIONS

A number of Nexans' specific operations give rise to expenses that cannot be allocated to the Group's business lines or geographical areas. These amounts are not material on a consolidated level and represented a negative operating margin impact of 7.2 million euros in the first half of 2008, compared with a negative 4.6 million euros for the first six months of 2007. This rise reflects the fact that during first-half 2008 the Group increased the financing it grants to subsidiaries for joint research and development projects.

1.2.2 BY GEOGRAPHICAL AREA

A - EUROPE

Europe recorded sales of 1,677 million euros in first-half 2008, up 3.9% on the comparable prior-year period, or 4.3% like-for-like. This moderate growth reflects the combined impact of lower sales for the electrical wires business and an 8.8% like-for-like rise in cables and systems sales.

Profitability in the region increased significantly during the period due to the Group's stronger presence in higher growth markets, coupled with ongoing turnaround in businesses that were previously the least profit-making.

The Energy Infrastructure activity registered overall sales growth of 25.4% on a like-for-like basis, mainly due to a rise in sales of high-voltage cables and accessories. This strong momentum was fueled by projects for submarine power links, notably for interconnections of terrestrial networks, as well as for the oil and gas sector and wind farms. At June 30, 2008, Nexans' order book was up 26% on December 31, 2007, reflecting the ramp-up of additional production capacity in Norway and Japan (through a joint venture agreement with the Viscas group), as well as in Charleroi in Belgium.

Sales of medium-voltage cables held firm in most countries apart from Switzerland due to an unfavorable basis of comparison with first-half 2007 when the cabling work undertaken for the Alp-Transit Loetschberg Tunnel was invoiced.

Profitability levels for this activity increased sharply due to the robust performance turned in by high-voltage cable operations, further rises in sales of cables for underwater robots, and higher export sales for "low high-voltage" cables.

The **Industrial Cables activity** posted a moderate 2.6% increase in sales on a like-for-like basis, following the Group's decision to focus on products with higher profit margins.

Volume growth was satisfactory in the priority segments - especially the petrochemical, shipbuilding, railway rolling stock, automation and aeronautical industries - and the contribution of lower value-added segments declined at a faster pace than previously. At the same time, measures were undertaken during the period to streamline products with a view to leveraging available limited capacity.

The following sales patterns were recorded for special cables:

- In France, sales of cables for the oil and gas industry were satisfactory compared with a particularly strong first-half 2007. A surge of smaller orders helped to offset fewer large-scale projects and to keep up good profitability levels. The shipbuilding sector reported strong sales growth.
- In Germany, sales of cables for the robotic and railway rolling stock industries grew significantly, offsetting lower volumes in other segments.
- Sales of cables for the automotive industry were boosted by the ramp-up of the Romanian plant, whose sales surged 47.6% compared with first-half 2007.

Sales edged down 0.7% for electronic and data cables, with growth in sales of cables for the aeronautical industry offsetting a slowdown for data cables, notably in the UK.

Sales of cable harnesses for the automotive industry continued to rise briskly, albeit at a slower pace than in first-half 2007. This enabled the Group to more effectively contain production costs and step up profitability. However, there were also major postponements to large-scale projects for the railway industry.

Thanks to specific training and improvement measures implemented for both sales and manufacturing operations, as well as moves to optimize production capacity, profitability figures for Industrial Cables rose sharply on those recorded for first-half 2007.

Like-for-like sales of **cables for the building market** dropped 6.2% compared with the first six months of 2007, when business was particularly buoyant. Sales levels were solid in most European countries but fell sharply in the United Kingdom, Ireland and Spain. Production was stopped at the Athlone facility in Ireland, in view of the steady erosion in the plant's financial results. In addition, a major staff-reduction plan was carried out at the Vacha plant in Germany.

Despite the drop in sales in the region, profitability levels were only slightly down year-on-year thanks to effective cost-control measures.

The Telecom Infrastructure activity reported a 7.2% upswing in sales, driven by optical fiber cables and connector accessories.

The period was marked by the sale of the Santander plant in Spain to UK-based B3 Cable Solutions at the end of May.

In Northern Europe the activity's sales were boosted by investments in railway infrastructures and a lift in sales of copper telecom cables.

Demand for optical fiber telecom cables continued to grow in Scandinavia, mainly spurred by the expansion of local loop networks.

Sales of connector accessories grew, both with operators - particularly France Telecom - and for export markets (xDSL and FTTX projects).

In the LAN market, sales rose 2.4% with projects in the Middle East offsetting the decline in investments from the finance sector in Western Europe, especially the UK.

Electrical wires saw a sharp 37.6% contraction in sales as a result of Nexans' ongoing strategy to focus this activity solely on the Group's own internal requirements. In tandem, however, sales under "tolling" agreement expanded in France.

In a generally favorable economic environment, profitability in Europe increased significantly again during the period, reflecting continued measures to strengthen the Group's presence in higher growth markets, and a targeted capital expenditure strategy.

Operating margin rose to 169 million euros from 111 million euros in first-half 2007 and represented 10.1% of sales at standard metal prices compared with 6.9% one year earlier.

European business units accounted for 77% of Nexans' total operating margin and 69% of consolidated sales (at constant non-ferrous metal prices).

B - NORTH AMERICA

Nexans generated sales of 283 million euros in North America during the first half of 2008 versus 356 million euros in the same period of 2007, representing a decrease of 20.5% and 9.7% like-for-like. This decline primarily reflects the intentional scaling back of wirerod sales. On a standalone basis, however, like-for-like sales of cables and systems climbed 5.5%.

In the Energy Infrastructure activity, sales advanced 14.6% on a like-for-like basis.

Meaningful year-on-year comparisons are difficult, however, due to the strike at the Quebec plant which continued until April 2007. Tense market conditions brought on by both the fall in the US dollar against the Canadian dollar and the sharp slowdown in North American economic growth adversely impacted investment projects during the year and increased competitive pressure. Consequently, satisfactory output levels could only be achieved by margins being eroded.

In the Industrial Cables activity sales climbed 19.1% on a like-for-like basis, with business volumes and profitability in the aeronautical market once again on an upward trend.

Sales of cables for the building market inched down 2.8% like-for-like.

Sales grew in the United States, propelled by the ramp-up of new products launched in 2007 for the commercial building market. Volumes remained stable in the industrial sector. In Canada, although volumes held firm, the slide in the US dollar against the Canadian dollar throughout 2007 heightened the competitiveness of US producers and put pressure on prices. Consequently, margins were markedly lower than in the first half of 2007.

In Telecom Networks, like-for-like sales of LAN cables were up 7.6% against a stable market backdrop. Sales in areas such as the equipment of data centers were boosted by the continued roll-out of the Group's strategy to focus on top-end, very high speed copper cables (10 Gbit). Meanwhile, sales of optical fiber cables jumped 20%.

Electrical Wires experienced a 34.2% decline in sales on a like-for-like basis. In first-half 2008, Nexans developed a significant stream of sales under "tolling" agreement with a view to achieving an output level enabling the activity to remain profitable. Copper tonnage produced by the Montreal casting facility was 12% less than in the first-half of 2007, reflecting Nexans' decision to focus the

Electrical Wires activity on the Group's internal requirements.

Operating margin in North America decreased to 24 million euros in first-half 2008 from 42 million euros in the same period of 2007, representing 8.3% of sales at standard metal prices, versus 11.7%. This decline mainly reflects the fact that margins for energy cables (notably for the building market) have returned to similar levels as those previously recorded in the North American market. However, the operational structure in this region is lean, which enabled the Group to swiftly adapt to economic conditions.

C - ASIA-PACIFIC

The Group's sales in the Asia-Pacific area decreased to 259 million euros in first-half 2008 from 295 million euros in the first six months of 2007, chiefly reflecting the divestment of Nexans' majority stake in the Chinese company Nexans Tianjin Magnet Wires and Cables which took place at end-July 2007. On a like-for-like basis sales eased back 2.4%.

Operating margin totaled 21 million euros versus 24 million euros for first-half 2007. On a like-for-like basis, it rose from 8.1% to 8.3% despite the strong negative impact arising from the termination of cable production for telecommunication infrastructure networks in Vietnam.

In Korea, like-for-like sales climbed 5.7%, spurred by considerable expansion in the country's shipbuilding market and an increase in production capacity by the main shipbuilders. Throughout the region as a whole (including Korea, Japan, China and Singapore) all shipbuilders' order books are at record levels.

Sales of cables for the automotive industry contracted, however, due to a fiercely competitive environment and the vertical integration of cable production by a major Korean customer. In the Energy Infrastructure activity, the Group's contract with Korea's leading operator was not renewed but the impact of this was largely offset by growth in export sales.

In China, like-for-like sales retreated 5.6% compared with the first half of 2007, reflecting the previous significant weighting of sales of electronic cables to major telecom manufacturers. In addition, customers were behind schedule for large-scale projects in the UK, Australia and India which resulted in delays in their cable orders. Nevertheless, demand within the Chinese market as a whole remained strong, and there are still growth opportunities to be tapped.

The Shanghai plant dedicated to the production of cables for shipbuilding, railways and nuclear power stations continued to gain momentum, registering higher productivity levels and year-on-year sales growth of 39.5%.

Vietnam reported a 64.3% falloff in sales on a like-for-like basis, due to the termination of telecom operations at the Hanoi facility. Sales generated by the Energy Infrastructure activity were also down on first-half 2007, as a result of a deterioration in the country's overall economic situation which made it more difficult to access credit facilities. Against this temporarily unsettled backdrop, public-sector customers have substantially scaled back investments. For the same reasons, telecom activities will be progressively refocused on export to the ASEAN region.

In Australia, sales inched up 2.5% like-for-like, with the strong increase in sales of cables to the mining industry more than offsetting a weak first-half for medium-voltage cables. The operating environment for cables for the building market remained stable and profitability levels were high.

Conversely, Olex's sales during the period were weighed down by lack of capacity. This situation is set to change, however, as measures are being undertaken to considerably increase the company's capacity for producing very high voltage cables for energy infrastructure networks. Set to come on stream by end-2008, this additional capacity is expected to give a fillip to sales.

D - REST OF THE WORLD

Sales for the Rest of the World area grew significantly in first-half 2008, coming in at 199 million euros compared with 184 million euros in the same period of 2007, and representing a like-for-like increase of 9.9%.

First-half 2008 operating margin totaled 18 million euros versus 12 million euros in first-half 2007.

In Morocco, sales for the six months ended June 30, 2008 were 19.2% higher at constant exchange rates than one year earlier, with all of the region's various business lines contributing to year-on-year growth.

The Energy Infrastructure activity recorded an increase in sales despite the completion of the national rural electrification program which had accounted for a substantial level of sales of power distribution cables. Growth during the period was driven by the expansion of exports of medium-voltage cables to West Africa as well as Nexans Morocco's strong positioning with the country's main distributors of cables for the building market. At the same time, the company's historical business of manufacturing transformers and electrical equipment - which in Africa is linked to sales of medium-voltage cables - also reported growth in first-half 2008. Sales of automotive cables jumped 33.7% year on year. Also during the period, Nexans Morocco obtained a number of important certifications allowing the company to produce and sell higher value-added cables equipped with more technical features.

Lastly, the company carried out a capital expenditure program in first-half 2008 to enable it to manufacture cables for the aeronautical industry by late 2009.

In Brazil, sales were up 3.4% based on constant exchange rates, with the overall growth figure hampered by the country's existing manufacturing capacity (excluding Madeco). The country's traditional markets of power transmission and distribution via overhead lines were once again high-growth areas thanks to the Brazilian government's infrastructure development programs. Manufacturing workload was high during the period despite delays in certain infrastructure projects as a result of pending environmental permits.

Brazil's main growth driver in first-half 2008 was the insulated copper conductor cable activity which started operations in early 2007 and posted a 74.3% surge in sales during the period under review.

In Turkey, like-for-like sales retreated 4.5% but profitability was considerably higher than in first-half 2007. Sales of cables for the building market contracted during the period, reflecting a depressed domestic market and a decline in sales to Europe, particularly the United Kingdom and Ireland.

At the same time, sales of telecom infrastructure cables were lower than in first-half 2007 following a decision to streamline the portfolio in order to remove products with insufficient levels of profitability. However, sales of LAN cables doubled and the Tuzla site is now qualified to deliver to all of Nexans' major international customers. Expansion was stronger than expected in first-half 2008 for high-end products and the country is currently rolling out a capital expenditure program in order to continue developing this market niche where there is less local competition.

Lebanon reported another period of enhanced performance despite the country's unsettled political context, with sales climbing 15.4% year on year at constant exchange rates. The country still represents a growth market and the unit has continued to expand its export sales in the areas of medium-voltage energy infrastructure cables and special cables for both the building and oil industries, with the main export regions being Africa and the Middle East.

At the same time, the unit pursued measures to build its manufacturing capacity for rubber insulation cables for the oil industry although the first sales of these cables are not set to take place until the fourth quarter of 2008.

In Egypt, sales surged 45.3% at constant exchange rates, led by strong demand from the local

infrastructure markets (medium-voltage cables) and the impact of the capacity expansion plan launched in 2006. The equipment required under this plan was successfully brought into service, notably a medium- and high-voltage insulation line. The unit's first samples of high-voltage cables were approved by the Egyptian authorities and it won its first tender process for this business at the end of June 2008.

In Russia, the Group continued to implement its capital expenditure program launched in 2007 to boost its presence in the power cables markets for the building and electricity distribution industries. Construction work is progressing on schedule and production of building industry cables is expected to begin during the second half of 2008.

2. OTHER ITEMS OF FIRST-HALF 2008 CONSOLIDATED RESULTS

2.1 CORE EXPOSURE EFFECT

The core exposure effect amounted to a positive 18 million euros at June 30, 2008 versus a positive 48 million euros one year earlier. This amount corresponds to the change in the value of the Group's core exposure during the period as calculated by the weighted average cost method - an effect that arises from applying the accounting policy described in Note 1.b to the consolidated financial statements at December 31, 2007. It varies in line with metals prices and is not included in operating margin as changes in value of inventories that are included in operating margin are measured based on replacement cost in accordance with the Group's accounting policies.

2.2 NET ASSET IMPAIRMENT

At June 30, 2008 Nexans tested its cash-generating units for impairment. As a result of these tests the Group recorded a 10 million euro impairment loss for the first half of the year.

2.3 RESTRUCTURING COSTS

Restructuring costs came to 17 million euros compared with 12 million euros in first-half 2007. In the first six months of 2008 these expenses related primarily to the restructuring measures implemented in relation to building activities at the Athlone plant in Ireland (13 million euros) and the Vacha site in Germany following reduced business volumes for the markets served by these plants. The restructuring plans involved 160 people and included assistance measures negotiated with the employee representative bodies, aimed at reducing the impact of the plan on the members of staff concerned.

2.4 CHANGES IN FAIR VALUE OF NON-FERROUS METAL DERIVATIVES

Nexans uses futures contracts negotiated primarily on the London Metal Exchange (LME) to reduce its exposure to non-ferrous metal price fluctuations (copper and aluminum).

In first-half 2008 "Changes in fair value of non-ferrous metal derivatives" represented a positive 10 million euros versus a negative 5 million euros in the equivalent prior-year period. This swing notably reflects the hikes in non-ferrous metal prices experienced during the first half of 2008.

2.5 NET GAINS (LOSSES) ON ASSET DISPOSALS

The 2 million euro net loss recorded under this item in first-half 2008 mainly includes the capital loss arising on the sale of the copper telecom cables business based at Santander in Spain, which was partially offset by a 3.3 million gain recorded on buildings sale.

2.6 NET FINANCIAL EXPENSE

The Group recorded net financial expense of 45 million euros in first-half 2008, compared with 37 million euros the previous year. This rise stemmed from an increase in the average cost of financing further to the Group's decision to extend the average maturity of its borrowings from six to eight years by carrying out a ten-year bond issue in April 2007, which full-year impact is felt in 2008.

2.7 INCOME TAXES

In view of the improved earnings performance of the majority of its subsidiaries, Nexans' corporate income tax charge came to 56 million euros in the first half of 2008 against 49 million euros for first-half 2007, representing an effective tax rate of 32.1% versus 28.5%.

2.8 PRINCIPAL CASH FLOWS FOR THE PERIOD

Cash flow from operations came to 194 million euros, compared with 178 million euros in the first six months of 2007. This amount was primarily used to finance (i) a 60 million euro capital expenditure program; (ii) a dividend payout of 52 million euros; and (iii) 29 million euros worth of shares purchased under the share buyback program. The sale of the Santander business resulted in a net cash inflow of 17 million euros.

Working capital requirement rose 321 million euros to 1,556 million euros from 1,235 million euros at December 31, 2007. Out of the total increase 34 million euros reflected the fact that Harness operations have once again been included in the working capital calculation following the Group's decision not to sell the business. In addition, the particularly robust business levels recorded by high-voltage cable operations led to a 65 million increase in items relating to long-term contracts. Lastly, increases in copper prices since the end of 2007 automatically led to a 70 million euro increase in working capital requirement. At June 30, 2008 the Group had scaled back its net debt to 457 million euros from 533 million euros one year earlier.

2.9 BALANCE SHEET

At June 30, 2008 the Group's balance sheet showed:

- 1,770 million euros in equity excluding minority interests.
- A 76 million euros reduction in net debt compared with June 30, 2007. The gearing ratio (net debt/total equity) represented 25.5%.
- Working capital requirement of 1,556 million euros, representing 21.9% of sales at current copper prices for first-half 2008, calculated on an annualized basis.
- Provisions for contingencies and charges - including for pension and other retirement benefit obligations - totaling 448 million euros, on a par with the 434 million euros recorded at December 31, 2007.
- Fixed assets amounting to 1,209 million, compared with 1,179 million at December 31,

2007, including 43 million euros worth of fixed assets from the Harness business which is no longer classified as held for sale.

3. OTHER SIGNIFICANT EVENTS OF FIRST-HALF 2008

3.1 MADECO TRANSACTION: SIGNATURE OF THE DEFINITIVE AGREEMENT

On November 15, 2007 Nexans entered into a framework agreement with Madeco to acquire the group's cable operations. In accordance with this framework agreement, the definitive acquisition agreement was signed with Madeco on February 21, 2008.

The structure of the acquisition is as follows:

- Part of the purchase will take the form of an acquisition of shares in certain Madeco subsidiaries dedicated to the cables business. The sale price - comprising a cash payment and the assumption of liabilities - will total 422 million US dollars (approximately 267 million euros at the June 30, 2008 closing rate).
- The remainder of the transaction will involve Madeco transferring to Nexans shares held by Madeco in the group's other subsidiaries dedicated to the cables business. As consideration for this share transfer Madeco will receive 2.5 million newly-issued Nexans shares, giving it an approximately 9% stake in Nexans' capital (based on a total of 27.9 million shares). Madeco will undertake not to sell these shares for a twelve-month period following completion of the transaction.

Based on Nexans' closing share price of 78.37 euros at June 30, 2008 the transaction represents an enterprise value (including minority interests) of some 758 million US dollars (480 million euros). On this basis it would give rise to goodwill of approximately 220 million euros before adjustments to the provisional fair values assigned to the assets acquired and liabilities assumed.

Madeco's shareholders approved the transfer of its cable operations to Nexans at a General Meeting held on April 25, 2008. At Nexans' Annual General Meeting of April 10, 2008 the Company's shareholders authorized the Board of Directors to issue 2.5 million shares (representing just under 10% of the Company's existing capital) as consideration for part of Madeco's asset transfer as described above. As both Madeco's and Nexans' shareholders have approved the transaction the two groups expect to complete the acquisition in the third quarter of 2008 provided the standard conditions precedent are met, notably with respect to obtaining regulatory approval.

At current metal prices, Madeco's cables business reported sales of 829 million US dollars (542 million euros based on the first-half 2008 average exchange rate). These sales were generated in the three core areas of cables for the infrastructure, industry and building markets, as well as - to a lesser extent - the electrical wires segment.

3.2 ACQUISITION OF INTERCOND

In May 2008, Nexans signed an agreement to acquire the Italian company Intercond, a leading European manufacturer of special cables, mainly for industrial equipment including submarine operations.

The acquisition of Intercond, whose 2007 sales totaled 60 million euros (at current metal prices) and which employs 150 people, will round out the Group's existing presence in Europe, making Nexans a world leader in both of the above-mentioned businesses.

Intercond's enterprise value has been set at 90 million euros and the acquisition is scheduled for completion in the third quarter of 2008.

3.3 SALE OF THE COPPER TELECOM CABLES BUSINESS BASED AT SANTANDER IN SPAIN

When the Group released its financial statements for the year ended December 31, 2007, it disclosed that it had entered into negotiations with a third party to sell its copper telecom cables business in Spain. The sale was completed in late May 2008 to the UK-based B3 Cable Solutions - one of Europe's leading copper cable manufacturers - for an enterprise value of 19.5 million euros.

This business contributed sales of 52 million euros at constant metal prices in 2007 and 24 million euros for the first five months of 2008. The sale will not have a material impact on the Group's operating margin for 2008.

3.4 SHARE BUYBACK PROGRAMS

On January 30, 2008 the Board of Directors decided to implement a share buyback program representing a maximum of 70 million euros. In first-half 2008, a total of 420,777 shares were purchased under this program, for an amount of 29 million euros. All of these shares were cancelled by the Board on June 23, 2008.

On April 22, 2008 the Board of Directors decided to implement a share buyback program representing a maximum of 26 million euros or 257,000 shares. As stated in the notice issued by the Company on May 7, 2008, the purpose of the program is to cancel the purchased shares. At June 30, 2008 no shares had been purchased under this program.

3.5 EMPLOYEE SHARE OWNERSHIP PLAN

In 2007, Nexans announced its intention to carry out an employee rights issue involving the issuance of a maximum of 500,000 shares to members of an employee share ownership plan. This rights issue - which was postponed until the first quarter of 2008 - resulted in the issuance of 91,525 new shares on March 28, 2008. The total expense recorded in first-half 2008 in relation to this plan was 0.3 million euros.

4. PROGRESS MADE AND DIFFICULTIES ENCOUNTERED IN FIRST-HALF 2008

During the period the Group made strides in the key areas of cost control by leveraging purchases and building up support processes for manufacturing operations.

Cost control

Controlling fixed and variable costs was a main focus for the Group in first-half 2008. Efforts made to

contain variable costs and enhance the product mix led to a considerable improvement in the variable cost margin which increased by over 2% of sales at constant non-ferrous metal prices year on year.

During the period Nexans also continued to strengthen the quantitative and qualitative controls performed by its Purchasing teams for the supplies of products and services used by the Group. The Group continued to take steps to ensure that all of its units continually and systematically renegotiate purchasing conditions and that regular comparisons of prices and suppliers are carried out on a worldwide scale.

Building up support processes

- **Managing major projects:** the Industrial Management Department provides its expertise to the Group's various business units for all major capital expenditure projects, helping them to (i) select machinery and equipment that meet the Group's technological requirements; and (ii) resolve any technical difficulties that may arise during the start-up phase. In first-half 2008 the Department's teams gave their input for (i) the Group's plant in Ouglich, Russia; (ii) the capacity expansion project at the Shanghai plant in China; and (iii) the aeronautical project at Mohammedia in Morocco. They also conducted research concerning a capital expenditure project for industrial rubber cables to be carried out with Nexans' Indian partner Polycab.
- **Monitoring production capacities:** cross-functional projects aimed at optimizing manufacturing capacity were pursued in first-half 2008 in order to fully leverage existing capacity and be able to swiftly meet strong demand while containing capital expenditure. Measures implemented during the period notably concerned industrial cables at the Nuremberg plant in Germany in order to enable the site to meet the strong growth in demand for cables for robotic applications.
- **Tracking the performance of manufacturing plants:** Each plant has a standard management chart that it uses to monitor manufacturing performance. The indicators are regularly analyzed and specific action plans put in place where required. Progress plans implemented at the Group's plants in Italy and Turkey showed that the restructuring measures rolled out in 2007 were successful and improved the results of the sites concerned.

In first-half 2008 an inventory reduction program was launched with a focus on improving inventory flows including intra-Group transactions. The program is geared to plants that are considered to have the highest potential efficiency gains.

- **Training** and sharing best practices: As part of Nexans' training strategy, the Industrial Management Department takes great care to maximize existing technological expertise and ensure that best practices are shared within the Group. The Group's core process of extrusion has been named a priority in this area and specific training courses have been developed. A pilot program has been launched in Australia for 30 engineers and a dozen internal experts will be trained on how to relay Nexans' best know-how in the subject to all of the Group's technical teams.

Business-specific "clubs" have also been set up which organize meetings aimed at communicating the Group's best practices. For example the "Medium- and High-Voltage Cable Club" organized a three-day seminar for 45 technical experts from 17 countries. The event was held at the same time as the Dusseldorf trade fair and involved site visits, conferences and meetings with equipment suppliers.

- **Controlling supply risks:** the Group's policy is to have at least two suppliers for any raw material or component used in manufacturing its products. However, in some cases there may be just one supplier. Nexans' Purchasing Department has launched a program aimed at eliminating this kind of situation by the end of 2009, with the help of the Group's Research and Development teams.

In tandem with diversifying its supply sources, Nexans' aim is to strengthen its contractual relations with certain suppliers as part of its continuous improvement strategy. One of the underlying objectives of this move is for the suppliers concerned to share their innovation capacities with Nexans.

Difficulties encountered in the first six months of 2008 mainly concerned the following:

- High workload periods for certain manufacturing plants in the Industry market, which sometimes resulted in delays in delivery lead times. Corrective measures have been implemented to address these problems.
- The necessity to face the significant growth in the high-voltage sector while bolstering the efficiency of the manufacturing plants within a short timeframe.
- The roll-out of high-voltage contracts - a process that proved complex in some cases.
- Highly volatile commodity prices and exchange rates

5. OUTLOOK FOR THE SECOND HALF OF 2008

Nexans expects to continue down the growth path in the second half of the year with organic growth forecast to top 6% for the Group's Cables operations. Operating margin should also be up on 2007 provided the economic environment remains the same.

(1) Standard copper and aluminum prices of 1,500 euros per tonne and 1,200 euros per tonne, respectively.

6. MAIN RISKS AND UNCERTAINTIES FOR SECOND-HALF 2008

Nexans considers that the main risks to which the Group is exposed are the same as those set out on pages 52 to 57 and 136 to 144 of the Group's 2007 Registration Document filed with the French securities regulator (Autorité des marchés financiers) on March 5, 2008 under number D 08-0090.

The main uncertainties for the second six months of 2008 relate to the following:

- The level of global economic growth, and particularly the impact in Europe of a potential downturn in the building industry that could put pressure on prices and margins.
- Changes in the US dollar exchange rate against the world's other major currencies, notably the euro, which could cause price distortions between competitors in the market.

7. RELATED PARTY TRANSACTIONS

The Company considers that there were no significant changes in its main transactions with related

parties compared with those described on pages 195 to 199 of the 2007 Registration Document and in Note 29 to the consolidated financial statements for the year ended December 31, 2007.

8. TRENDS

In January 2008, Nexans presented the Board of Directors with an update of its 2007-2009 Strategic Plan in order to (i) provide a status report on the implementation of the plan; and (ii) place additional emphasis on certain growth and profitability areas.

The original key objectives of the Plan were to:

- increase profitability;
- reduce exposure to short-term business cycles; and
- focus on a smaller number of market segments that offer effective opportunities to foster synergies.

The main measure for achieving these objectives entailed concentrating Nexans' future business development and leadership within the Energy business on the Infrastructure, Industry and Building sectors.

The overall strategy was broken down based on the Group's business lines and distinguishing between:

- The Group's core activities of Energy Infrastructure, Industrial Cables, and Cables for the building market, for which the following objectives were set:
 - **Energy Infrastructure:** strengthening the Group's leading position in a fast-growing market, with the aim of expanding in a number of high-potential segments.
 - **Industrial Cables:** building up a strong position in certain market segments.
 - **Cables for the building market:** using this core business as a basis for expanding in local markets.
- Activities that need to be strategically rethought: Telecom Infrastructure and Local Area Networks
- Activities earmarked for gradual scale-back: wirerod, electrical wires and winding wires.

The developments in 2007 - an exceptional year for the cable industry - demonstrated the effectiveness of the objectives and priorities set in the Strategic Plan.

The first half of 2008 saw a continued focus on the priorities set in the strategic plan:

- The Energy Infrastructure activity was the Group's main growth driver during the period. As forecast when the strategic plan was drawn up, energy infrastructure markets expanded in order to partner the economic growth of emerging countries. At the same time, infrastructure markets in developed countries were boosted by increased demand for interconnections, as well as by network upgrade programs and the increasing importance of wind power.
- Industrial markets confirmed their growth potential during the period, especially the transport and energy-related sectors, such as oil and gas.
The Group expanded its presence in this segment through the acquisition of the Italian company Intercond, the launch of new developments in the rubber sector and ongoing

capital expenditure at the Shanghai plant in China.

- After a record year in profitability terms in 2007, the building market suffered a slowdown in the first six months of 2008, especially in North America. Although volumes were down in Europe, overall margin levels held firm. However, the market situation led to the closure of the Athlone plant in Ireland and a restructuring plan was implemented at Vacha in Germany.
- The Group sold its copper telecom cables business based at Santander in Spain to the British company B3 Cable Solutions, in line with its strategy for this business line.
- Lastly, the definitive agreement was signed in relation to the acquisition of the Madeco group's cable operations, paving the way for the Group to speed up growth in South America.

9. PARENT COMPANY BUSINESS OVERVIEW

Nexans serves as the Group's holding company, manages its financing, and centralizes its cash holdings.

Nexans also plays a central role in collecting intra-Group royalty fees for R&D, which it then allocates among its subsidiaries according to the R&D programs they carry out for the benefit of the entire Group.

The parent company's sales for the six months ended June 30, 2008 totaled 5,540,366 euros, derived primarily from services billed to its subsidiaries. Net income for the period grew to 101,460,238 euros from 79,204,478 euros in first-half 2007. This increase primarily reflects a rise in the Company's net financial income, which consisted mainly of a dividend paid to Nexans by its subsidiary, Nexans Participations.

The Company's equity at June 30, 2008 was 1,443,459,711 euros, compared with 1,416,217,646 euros at December 31, 2007.

10. CORPORATE GOVERNANCE

At the Annual General Meeting held on April 10, 2008, Nexans' shareholders re-elected Colette Lewiner as a director for a further four-year term.

At the same Meeting, the Company's shareholders elected the following two new directors, also for four-year terms: Frédéric Vincent (Chief Operating Officer) and Guillermo Luksic-Craig (subject to and from the date of the completion of the Madeco business combination).

The terms of office of the members of the Board of Directors expire as follows:

Expiry date	Director
- 2010	G�rard Hauser Fran�ois Polge de Combret
- 2011	Gianpaolo Caccini Jean-Marie Chevalier Georges Chodron de Courcel J�r�me Gallot Jacques Garaialde Jean-Louis G�rondeau Ervin Rosenberg Nicolas de Tavernost
- 2012	Fr�d�ric Vincent Guillermo Luksic-Craig Colette Lewiner

July 23, 2008

The Board of Directors
Represented by G rard Hauser, Chairman and Chief Executive Officer

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2008

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CONSOLIDATED INCOME STATEMENT

<i>in millions of euros</i>	<i>Notes</i>	<i>First-half 2008</i>	<i>First-half 2007</i>
NET SALES		3,554	3,792
<i>Metal price effect*</i>		<i>(1,135)</i>	<i>(1,341)</i>
SALES AT CONSTANT METAL PRICES*		2,419	2,451
Cost of sales		(3,065)	(3,369)
<i>Cost of sales at constant metal prices*</i>		<i>(1,930)</i>	<i>(2,028)</i>
GROSS PROFIT		489	423
Administrative and selling expenses		(237)	(207)
R&D costs		(33)	(29)
OPERATING MARGIN*		220	187
<i>Core exposure effect**</i>		<i>18</i>	<i>48</i>
Net asset impairment	(6)	(10)	(11)
Changes in fair value of non-ferrous metal derivatives		10	(5)
Net gains (losses) on asset disposals	(4)	(2)	4
Restructuring costs	(12)	(17)	(12)
OPERATING INCOME		219	210
Cost of debt (gross)		(33)	(26)
Income from cash and cash equivalents		13	6
Other financial expenses	(5)	(25)	(17)
Share in net income of associates		0	0
INCOME BEFORE TAXES		174	173
Income taxes	(8)	(56)	(49)
NET INCOME FROM CONTINUING OPERATIONS		118	124
Net income from discontinued operations		0	0
NET INCOME		118	124
Attributable to equity holders of the Company		119	119
Attributable to minority interests		(0)	5
ATTRIBUTABLE NET INCOME FROM CONTINUING OPERATIONS PER SHARE (IN EUROS)	(9)		
- basic earnings per share		4.67	4.67
- diluted earnings per share		4.18	4.16
NET INCOME FROM DISCONTINUED OPERATIONS PER SHARE (IN EUROS)	(9)		
- basic earnings per share		-	-
- diluted earnings per share		-	-
NET INCOME PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (IN EUROS)	(9)		
- basic earnings per share		4.67	4.67
- diluted earnings per share		4.18	4.16

* Performance indicators used to measure the Group's operational performance.

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

CONSOLIDATED BALANCE SHEET

in millions of euros

Notes

June 30, 2008

Dec. 31, 2007

ASSETS

Goodwill	(10)	201	192
Intangible assets		103	101
Property, plant and equipment		876	858
Investments in associates		0	1
Other non-current financial assets		29	28
Deferred tax assets		45	48
Other non-current assets		-	-

NON-CURRENT ASSETS **1,254** **1,227**

Inventories and work in progress		1,244	1,158
Amounts due from customers on construction contracts		228	163
Trade receivables		1,268	1,092
Current income tax receivables		9	11
Other current non-financial assets		64	83
Other current financial assets		202	125
Cash and cash equivalents	(13)	437	622
Assets and groups of assets held for sale	(7)	2	150

CURRENT ASSETS **3,454** **3,403**

TOTAL ASSETS **4,708** **4,630**

EQUITY AND LIABILITIES

Capital stock		25	26
Additional paid-in capital		1,110	1,133
Treasury stock		-	-
Reserves		516	374
Net income attributable to equity holders of the Company		119	189
Equity excluding minority interests		1,770	1,722
Minority interests		31	36

TOTAL EQUITY **(11)** **1,801** **1,758**

Pension and other retirement benefit obligations		322	322
Other long-term employee benefit obligations		15	15
Long-term provisions	(12) & (15)	25	25
Convertible bonds	(13)	264	258
Other long-term debt	(13)	353	353
Deferred tax liabilities		105	85
Other non-current payables		-	-

NON-CURRENT LIABILITIES **1,083** **1,058**

Short-term provisions	(12) & (15)	86	72
Short-term debt	(13)	277	301
Customer deposits and advances		58	59
Amounts due to customers on construction contracts		122	128
Trade payables		856	817
Current income tax payables		47	32
Other current non-financial liabilities		52	47
Other current financial liabilities		326	313
Liabilities related to groups of assets held for sale	(7)	1	45

CURRENT LIABILITIES **1,824** **1,814**

TOTAL EQUITY AND LIABILITIES **4,708** **4,630**

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>in millions of euros</i>	<i>Notes</i>	<i>First-half 2008</i>	<i>First-half 2007</i>
Net income attributable to equity holders of the Company		119	119
Minority interests		0	5
Depreciation, amortization and impairment of assets (including goodwill)		63	63
Cost of debt (gross)		33	26
Core exposure effect*		(18)	(48)
Other restatements**		68	69
CASH FLOW FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX***		264	235
Decrease (increase) in receivables		(252)	(148)
Decrease (increase) in inventories		(58)	(43)
Increase (decrease) in payables and accrued expenses		46	206
Other assets and liabilities		-	-
Income tax paid		(34)	(40)
Impairment of current assets and accrued contract costs		7	(5)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		(291)	(30)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES		(27)	205
Proceeds from disposals of property, plant and equipment and intangible assets		6	4
Capital expenditures		(60)	(69)
Decrease (increase) in loans granted		(1)	8
Purchase of shares in consolidated companies, net of cash acquired		(6)	(29)
Proceeds from sale of shares in consolidated companies, net of cash transferred	(2)	17	48
NET CASH USED IN INVESTING ACTIVITIES		(44)	(38)
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		(71)	166
Proceeds from (repayment of) long-term borrowings	(13)	-	350
- of which proceeds from new borrowings		-	350
- of which repayments		-	(1)
Proceeds from (repayment of) short-term borrowings	(13)	(11)	(388)
Proceeds from issuance of shares paid up in cash		(23)	6
Interest paid		(39)	(26)
Dividends paid		(52)	(32)
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES		(125)	(91)
Net effect of currency translation differences		4	(10)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(192)	66
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		594	288
CASH AND CASH EQUIVALENTS AT PERIOD-END		402	354
<i>Of which cash and cash equivalents recorded as assets in the balance sheet</i>		<i>437</i>	<i>354</i>
<i>Of which short-term bank loans and overdrafts recorded under liabilities (see Note 13)</i>		<i>(35)</i>	

* Effect relating to the revaluation of core exposure at weighted average cost - no cash impact.

** Other restatements for the six months ended June 30, 2008 included 56 million euros relating to offsetting the Group's income tax charge. In first-half 2007, this item primarily related to: the non-cash impact of changes in fair value of derivatives (22 million euros), and offsetting the income tax charge (49 million euros).

*** The Group also uses the "operating cash flow" concept which is calculated after adding back restructuring costs (7 million euros and 9 million euros for the first half of 2008 and 2007 respectively), and deducting the gross cost of debt and current income tax charge.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in millions of euros	Number of shares outstanding	Capital stock	Additional paid-in capital	Treasury stock	Reserves			Net income for the period attributable to equity holders	Equity excluding minority interests	Minority interests	Total equity	
					Consolidated retained earnings	Changes in fair value and other	Cumulative translation adjustments					
January 1, 2007	252,649,955	25	1,127		136	(14)	36	158	241	1,551	38	1,589
Redclassification of prior-period income to retained earnings					24			24	(24)			
Dividends paid					(3)			(3)		(8)	(2)	(8)
Available-for-sale financial assets												
Translation adjustments						10	10	10		10		10
Cash flow hedges - increase (decrease)						24	24	24		24		24
Cash flow hedges - recycling to income						14	14	14		14		14
Income and expenses recognized directly in equity						38	10	49		49		49
Net income for the period								119		119	5	124
Total recognized income and expenses						38	10	49		167	5	173
Capital increases	360,975	0	6							6		6
Share-based payments					3			3		3		3
Other					(4)	4		(0)		(0)		(0)
June 30, 2007	256,259,900	26	1,133		345	28	46	420	119	1,696	42	1,738
January 1, 2006	256,783,355	26	1,133		337	25	12	374	189	1,722	36	1,758
Redclassification of prior-period income to retained earnings					189			189	(189)			
Dividends paid					(5)			(5)		(5)	(0)	(5)
Available-for-sale financial assets												
Translation adjustments							(24)	(24)		(24)	(0)	(27)
Cash flow hedges - increase (decrease)						23	23	23		23		23
Cash flow hedges - recycling to income						6	6	6		6		6
Income and expenses recognized directly in equity						29	(24)	2		2	(0)	2
Net income for the period								119		119	(0)	118
Total recognized income and expenses						29	(24)	2		121	(0)	120
Capital increases (reductions)	(420,777)	(9)	(29)							(29)		(29)
Employee stock option plans*: - Service cost					3			3		3		3
- Proceeds from share issues										6		6
Changes in scope of consolidation (buyout of minority interests)											(3)	(3)
Other					(2)			(2)		(2)		(2)
June 30, 2006	254,017,003	25	1,110		477	54	(15)	516	119	1,770	31	1,801

* Including shares issued under the 2006 A CT plan - see Note 11.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) GENERAL PRINCIPLES

Nexans is a French joint stock corporation (société anonyme) governed by the laws and regulations applicable to commercial companies in France, notably the French Commercial Code (Code de Commerce). The Company was formed on January 7, 1994 (under the name Atalec) and its headquarters are at 16 rue de Monceau, 75008 Paris, France. Nexans is listed on the Euronext market (compartment A) of NYSE Euronext Paris and forms part of the CAC Next 20 index.

The interim consolidated financial statements are presented in euros rounded to the nearest million.

- Compliance with IAS 34

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Those statements do not include the whole information required for annual closing and so should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2007.

They were reviewed by Nexans' Board of Directors on July 23, 2008.

- Basis of preparation

The accounting policies adopted for the financial statements at June 30, 2008 are consistent with those applied in the annual consolidated financial statements for the year ended December 31, 2007, except where specific conditions apply relating to the preparation of interim financial statements (see Note 1.b).

There was no new standard or interpretation whose application was mandatory for the first-half 2008 financial statements.

Application of the following new interpretations will, however, be mandatory in the consolidated financial statements for full-year 2008:

- *IFRIC 11, IFRS 2 - Group and Treasury Share Transactions*. The Group does not expect IFRIC 11 to have a material impact on its consolidated financial statements.
- *IFRIC 12, Service Concession Arrangements*. This interpretation is not relevant to the Group's operations.
- *IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The Group is currently assessing the potential impact of this interpretation

on its consolidated financial statements but its effect is not expected to be material.

The following standards, amendments and interpretations to existing standards - which are not mandatory for 2008 - have not been early adopted by Nexans in its interim financial statements and the Group does not expect to apply them in its annual financial statements for the year ended December 31, 2008:

- *IAS 1 (Revised), Presentation of Financial Statements.*
 - *Amendments to IAS 23, Borrowing Costs.*
 - *IFRS 8, Operating Segments.*
 - *IFRS 3 (Revised), Business Combinations (phase 2).*
 - *IAS 27 (Revised), Consolidated and Separate Financial Statements.*
 - *Amendments to IFRS 2, Share-based Payment - Vesting Conditions and Cancellations.*
 - *Amendments to IAS 32, Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation.*
 - *IFRIC13, Customer Loyalty Programmes.*
- Estimates

The preparation of interim consolidated financial statements requires Management to exercise its judgment and make estimates and assumptions that impact:

- The application of the Group's accounting policies.
- Assets (impairments of goodwill, property, plant and equipment and intangible assets; recognition of deferred tax assets and the measurement of margins on construction contracts).
- Liabilities (including provisions and pension liabilities).
- Income and expenses.

The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for any judgment required for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources. Actual amounts may differ from these estimates.

The critical judgments made by Management in applying the Group's accounting policies within the interim consolidated financial statements as well as the main sources of uncertainty are the same as those described in the annual consolidated financial statements for the year ended December 31, 2007.

During the first six months of 2008, Management reviewed its estimates relating to:

- Deferred tax assets not recognized in prior periods relating to unused tax losses.
- The recoverable amount of certain property, plant and equipment, intangible assets and goodwill.
- Provisions for contingencies, and particularly for accrued contract costs.
- Margins on long-term contracts.

The impact of changes in accounting estimates is recognized over the period of the change if it only affects that period, or over the period of the change and subsequent periods if they are also affected by the change.

B) SPECIFIC ISSUES CONCERNING THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

For the purpose of preparing the Group's interim consolidated financial statements, the following calculations and estimates have been applied in addition to the recognition, measurement and presentation rules described in paragraph a):

- The current and deferred tax charge for the period has been calculated by applying the estimated average annual tax rate for the current fiscal year to the first-half pre-tax income figure for each entity or tax group.
- Expenses relating to pensions and other post-employment benefit obligations have been estimated based on half of the amount expected for the full fiscal year, except in specific cases when adjustments were required.

NOTE 2

SIGNIFICANT EVENTS OF THE PERIOD

A) SIGNATURE OF THE DEFINITIVE AGREEMENT TO ACQUIRE THE MADECO GROUP

On November 15, 2007, Nexans entered into a framework agreement with Madeco to acquire the group's cable operations. In accordance with this framework agreement, the definitive acquisition agreement was signed with Madeco on February 21, 2008.

The structure of the acquisition is as follows:

- Part of the purchase will take the form of an acquisition of shares in certain Madeco subsidiaries dedicated to the cable business. The sale price - comprising a cash payment and the assumption of liabilities - will total 422 million US dollars (approximately 267 million euros at the June 30, 2008 closing rate).
- The remainder of the transaction will involve Madeco transferring to Nexans shares held by Madeco in the group's other subsidiaries dedicated to the cables business. As consideration for this share transfer, Madeco will receive 2.5 million newly-issued Nexans shares, giving it an approximately 9% stake in Nexans' capital (based on a total of 27.9 million shares). Madeco will undertake not to sell these shares for a twelve-month period following completion of the transaction.

Based on Nexans' closing share price of 78.37 euros at June 30, 2008 the transaction represents an enterprise value (including minority interests) of some 758 million US dollars (480 million euros). On this basis it would give rise to a goodwill of approximately 220 million euros before adjustments to the provisional fair values assigned to the assets acquired and liabilities assumed.

Madeco's shareholders approved the transfer of its cable operations to Nexans at a General Meeting held on April 25, 2008. At Nexans' Annual General Meeting of April 10, 2008 the Company's shareholders authorized the Board of Directors to issue 2.5 million shares (within 10% of the Company's existing capital) as consideration for part of Madeco's asset transfer as described above. As both Madeco's and Nexans' shareholders have approved the transaction, the two groups expect to complete the acquisition in the third quarter of 2008 provided the standard conditions precedent are met, notably with respect to obtaining regulatory approval.

At current metal prices, Madeco's cable business reported sales of 829 million US dollars in 2007 (542 million euros based on the first-half 2008 average exchange rate). These sales were generated in the three core areas of cables for the infrastructure, industry and building markets, as well as - to a lesser extent - the electrical wires segment.

B) AGREEMENT TO ACQUISITION OF INTERCOND

In May 2008, Nexans signed an agreement to acquire the Italian company Intercond, a leading European manufacturer of special cables, mainly for industrial equipment including submarine operations.

The acquisition of Intercond, whose 2007 sales totaled 60 million euros (at current metal prices) and which employs 150 people, will round out the Group's existing presence in Europe, making Nexans

a world leader in both of the above-mentioned businesses.

Intercond's enterprise value has been set at 90 million euros and the acquisition is scheduled for completion in the third quarter of 2008.

C) CHANGES IN SCOPE OF CONSOLIDATION

When the Group released its financial statements for the year ended December 31, 2007, it disclosed that it had entered into negotiations with a third party to sell its copper telecom cables business in Spain. The sale was completed in late May 2008 to the UK-based B3 Cable Solutions - one of Europe's leading copper cable manufacturers - for an enterprise value of 19.5 million euros.

This business contributed sales of 61 million euros at current metal prices in 2007 and 29 million euros for the first five months of 2008. The sale will not have a material impact on the Group's operating margin for 2008. The 5.8 million euro loss arising on the transaction was recorded under "Net gains (losses) on asset disposals" in the consolidated income statement.

The main changes in scope of consolidation in 2007 were as follows:

- On November 30, 2007 Nexans acquired 70% of the shares in Multinacional Trade - a Spanish electrical equipment distributor - for 7.4 million euros. At the same time, the companies entered into a three-year put/call agreement in relation to the residual 30% of Multinacional Trade's capital. Multinacional Trade generated sales of 32 million euros in 2007. Its principal supplier during the year was Nexans (which accounted for some 70% of the company's total purchases).

Multinacional Trade has only been consolidated since December 31, 2007 as the impact of this acquisition on Nexans' consolidated net sales, operating margin and net income figures for 2007 was not material. Total goodwill arising on the transaction (taking into account the minority put) amounted to 6.2 million euros at December 31, 2007, before the assignment of fair values.

- At December 31, 2006, the Group had entered into negotiations to sell its remaining winding wires business in Canada and China, and at that date the balance sheet items of the entities concerned were classified under assets held for sale in accordance with IFRS 5.

In late April 2007, the Group completed the sale of its Simcoe facility in Canada to the US Group Superior Essex for 9.8 million euros (not including the positive impact resulting from subsequent recoveries of working capital items that were excluded from the transaction). The sale gave rise to a 0.2 million euro capital gain, which was recognized in the income statement under "Net gains (losses) on asset disposals". The Group also received 7 million euros in proceeds from the recovery of working capital items excluded from the transaction. For the first four months of 2007, the Simcoe facility reported 33 million euros in sales at current metal prices and an operating margin of 2 million euros.

The sale of Nexans Tianjin Magnet Wires and Cables was completed in July 2007. The transaction gave rise to a capital loss of 1.5 million euros which was recorded under "Net gains (losses) on asset disposals", and reduced net debt by 11.2 million euros. In first-half 2007, Nexans Tianjin Magnet Wires and Cables reported sales at current metal prices and operating margin of 19 million euros and 1 million euros respectively.

- In first-half 2007, Superior Essex exercised its option to purchase the 40% minority interest held by Nexans in Essex Nexans - a joint venture set up in 2005 to combine the European winding wire operations of Superior Essex and Nexans. The sale of this 40% stake was completed on June 28, 2007 for 22.4 million euros and gave rise to a 0.2 million euro gain (recognized in the income statement under "Net gains (losses) on asset disposals"). In addition, Essex Nexans repaid 11.3 million euros to Nexans, corresponding to financing granted to the joint venture.

In accordance with the applicable contractual provisions, and in view of Essex Nexans' EBITDA for the 2006 fiscal year, Nexans also received 3 million euros in additional purchase consideration in first-half 2007 relating to the 60% stake in the winding wires business that was transferred when the Essex Nexans joint venture was originally formed. This consideration was also included in the income statement under "Net gains (losses) on asset disposals".

D) OTHER SIGNIFICANT EVENTS

- Share buyback programs:
 - o On January 30, 2008 the Board of Directors decided to implement a share buyback program representing a maximum of 70 million euros. In first-half 2008, a total of 420,777 shares were purchased under this program, all of which were cancelled by the Board on June 23, 2008.
 - o On April 22, 2008 the Board of Directors decided to implement a share buyback program representing a maximum of 26 million euros or 257,000 shares. As stated in the notice issued by the Company on May 7, 2008, the purpose of the program is to cancel the purchased shares. At June 30, 2008 no shares had been purchased under this program.
- Employee share ownership plan:
 - o In 2007, Nexans announced its intention to carry out an employee rights issue involving the issuance of a maximum of 500,000 shares to members of an employee share ownership plan. This rights issue - which was postponed until the first quarter of 2008 - resulted in the issuance of 91,525 new shares on March 28, 2008.
 - o The total expense recorded in first-half 2008 in relation to the plan was not material. The plan includes a non-leveraged element, whereby employees subscribe for Nexans shares at a per-share price based on a 20% discount to the market price. In accordance with the recommendations of the French Accounting Board (CNC) this part of the plan was recognized based on interest rates applicable in the personal investment market, corresponding to 6.36%.

The plan also includes a "leveraged" element, whereby employees are provided with a capital guarantee plus a multiple based on share performance. The expense relating to this portion of the plan was measured by simulating the gain that an employee would make by immediately selling on the open market the various underlying financial instruments. The assumptions used for this measurement were based on conditions applicable in the personal investment market (including a 6.36% discount rate). For information purposes, if the full amount of the 20% discount provided to employees was recorded as an expense, this would only have a 0.3 million euro impact on the Group's operating margin.

NOTE 3

INFORMATION BY BUSINESS LINE AND GEOGRAPHIC AREA

Segment information is presented as follows:

- By business line - the Group's primary reporting format - as risks and rates of return are mainly affected by differences between the products offered ; and
- By geographic area.

Transfer prices between the various businesses are generally the same as those applied for transactions with parties outside the Group.

The segment information presented is based on the same accounting policies as those used for the consolidated financial statements, as described in the notes to the financial statements. The performance of each segment is measured based on operating margin.

Nexans did not have any discontinued operations within the meaning of IFRS 5 in either first-half 2008 or first-half 2007.

The tables below relate to the following business lines:

- Electrical wires - comprising wirerods, electrical wires and the winding wires production operations that are not in the process of being sold.
- Energy - comprising power cables for energy infrastructures (low-, medium- and high-voltage cables and related accessories), special cables for industry (including special cables for electronic applications) and equipment cables for the building market.
- Telecom - which includes cables for private telecommunications networks, junction components for telecommunications network cables, and copper and optical fiber cables for public telecommunications networks.
- Other - mainly comprising certain specific or centralized activities carried out for the Group as a whole that give rise to expenses not allocated to the business lines - as well as eliminations of inter-segment transactions.

A) INFORMATION BY BUSINESS LINE

<i>in millions of euros</i>	<i>Electrical Wires</i>	<i>Energy</i>	<i>Telecom</i>	<i>Other (or not allocated)</i>	<i>Inter-segment eliminations*</i>	GROUP TOTAL
FIRST-HALF 2008						
Sales at current metal prices	1,128	2,706	318	5	(602)	3,554
Sales at constant metal prices	359	1,971	267	5	(183)	2,419
Operating margin	2	202	24	(8)	-	220
FIRST-HALF 2007						
Sales at current metal prices	1,437	2,598	334	5	(582)	3,792
Sales at constant metal prices	470	1,883	276	5	(182)	2,451
Sales at constant metal prices and first-half 2008 exchange rates	464	1,849	261	5	(182)	2,397
Operating margin	4	160	27	(4)	-	187

* *Inter-segment eliminations mostly stem from the upstream Electrical Wires business.*

B) INFORMATION BY GEOGRAPHIC AREA

<i>in millions of euros</i>	<i>France*</i>	<i>Germany</i>	<i>Other European countries</i>	<i>North America</i>	<i>Asia-Pacific</i>	<i>Rest of the World</i>	GROUP TOTAL
FIRST-HALF 2008							
Sales at current metal prices (before inter-area eliminations)	1,363	467	1,291	581	408	318	4,428
Inter-area sales at current metal prices	(542)	(38)	(253)	(1)	(16)	(24)	(874)
Sales at current metal prices	821	429	1,038	580	392	294	3,554
Sales at constant metal prices	560	320	797	283	259	199	2,419
Operating margin	35	26	96	24	21	18	220
FIRST-HALF 2007							
Sales at current metal prices (before inter-area eliminations)	1,485	459	1,187	736	444	289	4,600
Inter-area sales at current metal prices	(538)	(44)	(206)	-	(5)	(15)	(808)
Sales at current metal prices	947	415	981	736	439	274	3,792
Sales at constant metal prices	559	299	757	357	295	184	2,451
Sales at constant metal prices and first-half 2008 exchange rates	559	299	755	330	273	181	2,397
Operating margin	32	26	52	42	24	11	187

* *Including Corporate activities.*

C) SALES AT CURRENT METAL PRICES BY GEOGRAPHIC MARKET

<i>in millions of euros</i>	<i>France</i>	<i>Germany</i>	<i>Other European countries</i>	<i>North America</i>	<i>Asia-Pacific</i>	<i>Rest of the World</i>	GROUP TOTAL
First-half 2008	454	343	1,095	597	438	627	3,554
First-half 2007	529	371	1,178	753	494	467	3,792

NOTE 4

NET GAINS (LOSSES) ON ASSET DISPOSALS

<i>in millions of euros</i>	<i>First-half 2008</i>	<i>First-half 2007</i>
Net gains on disposal of non-current assets	4	-
Net gains (losses) on disposal of investments	(6)	4
Other	-	-
NET GAINS (LOSSES) ON ASSET DISPOSALS	(2)	4

Net losses on asset disposals in the first half of 2008 primarily corresponded to the sale of the copper telecom cables business in Spain (see Note 2 c). Besides, a 3.3 million euro gain was recorded on the sale of buildings that formed part of the Opglabbeek plant in Belgium, where production ceased in 2006.

Net gains on asset disposals in the first half of 2007 mainly concerned the additional purchase consideration received relating to the Nexans' sale of its 60% stake in the winding wires business in Europe (see Note 2 c).

NOTE 5

OTHER FINANCIAL EXPENSES

<i>in millions of euros</i>	<i>First-half 2008</i>	<i>First-half 2007</i>
Dividends received from non-consolidated companies	-	-
Provisions	(1)	-
Net foreign exchange loss	(15)	(9)
Discounting impact on employee benefit obligations	(18)	(16)
Expected return on employee benefit plan assets	10	9
Other	(1)	(1)
OTHER FINANCIAL EXPENSES	(25)	(17)

NOTE 6

NET ASSET IMPAIRMENT

In the fourth quarter of each year, the Group carries out impairment tests on goodwill, property, plant and equipment and intangible assets, based on estimated medium-term data provided by its business units.

At June 30, 2008, Nexans carried out a review of the principal information used for the purposes of impairment testing by combining actual figures for the first six months of 2008 with the estimated data used at the previous period-end and adjusting the estimates to a limited extent where required.

The main assumptions used for this review are presented below.

<i>Impairment assumptions</i>	<i>Discount rate (before tax) applied to future cash flows</i>	<i>Discount rate (after tax) applied to future cash flows</i>	<i>Perpetuity growth rate</i>
FIRST-HALF 2008			
Europe (euro zone)	13.5 %	9.0 %	0.5 % - 2.0 %
United States	12.9 %	9.0 %	2.0 %
Canada	12.9 %	9.0 %	0.5 % - 2.0 %
Australia	14.1 %	11.0 %	3.0 %
China	12.5 %	11.5 %	4.0 %
Korea	13.3 %	10.0 %	2.0 % - 4.0 %
Brazil	16.9 %	12.0 %	4.0 %
Turkey	17.3 %	14.0 %	3.0 %
Lebanon	20.2 %	18.0 %	5.0 %
Vietnam	17.4 %	13.0 %	2.0 %
2007			
Europe (euro zone)	13.5 %	9.0 %	0.5 % - 2.0 %
United States	12.9 %	9.0 %	2.0 %
Canada	12.9 %	9.0 %	0.5 % - 2.0 %
Australia	12.8 %	10.0 %	3.0 %
China	12.0 %	11.0 %	4.0 %
Korea	13.3 %	10.0 %	2.0 % - 4.0 %
Brazil	16.2 %	11.5 %	4.0 %
Turkey	16.7 %	13.5 %	3.0 %
Lebanon	20.2 %	18.0 %	5.0 %

The estimated cash flows used for the Group's impairment tests at June 30, 2008 were based on 5-year metal price trends as at end-May 2008. The terminal value applied is equivalent to the latest available market forecast value. The aluminum and copper price forecasts used were as follows (3-month average prices):

EURO/TONNE	COPPER	ALUMINUM
2009	5,077	1,956
2010	4,973	2,011
2011	4,842	2,033
2012	4,691	2,033
2013	4,556	2,029
Terminal value	4,556	2,029

The review conducted for first-half 2008 resulted in the recognition of a 9.8 million euro impairment loss, primarily corresponding to the full write-down of the property, plant and equipment of the "Vietnam" cash-generating unit. This was due to (i) the fact that the legal reorganization of Nexans' operations in Vietnam, which is being carried out in conjunction with the Group's local partners, is proving more complex than originally anticipated; and (ii) a deterioration in Vietnam's main economic indicators.

A net impairment loss of 11 million euros was recognized for the first six months of 2007, mainly relating to two business units whose recoverable amount was deemed to be lower than their carrying amount.

Sensitivity analysis

In addition to the information disclosed in Note 7 to the consolidated financial statements for the year ended December 31, 2007, the Group's main sensitivity identified during the impairment tests performed at June 30, 2008 was related to the "Australia" cash-generating unit. Taking into account the 100 basis-point increase in the after-tax discount rate at June 30, 2008 compared with December 31, 2007, a further 50 basis-point increase in this rate would result in an additional impairment loss of approximately 20 million euros.

NOTE 7

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

At December 31, 2007 (see Note 8 to the full-year 2007 consolidated financial statements), discontinued operations and assets held for sale primarily corresponded to the assets and liabilities of the following businesses which were classified under "Assets and groups of assets held for sale" and "Liabilities related to groups of assets held for sale".

- The Harnesses business, for which the Group had launched a sale consultation process with a financial intermediary. At June 30, 2008 the Harnesses business was no longer considered to be a group of assets held for sale as negotiations with the third parties concerned were terminated as no agreement could be reached on the business's recoverable value.
- The copper telecom cables business in Spain, which was sold during the first half of 2008 (see Note 2 c).

As the above operations do not fulfill the criteria defined in IFRS 5 for separate presentation in the income statement, the related income and expense items have been included line by line in the corresponding income statement headings for continuing operations in the Group's consolidated income statement for the periods ended June 30, 2007 and June 30, 2008.

NOTE 8

INCOME TAX

A) ANALYSIS OF THE INCOME TAX CHARGE

<i>in millions of euros</i>	<i>First-half 2008</i>	<i>First-half 2007</i>
Current income tax charge	(43)	(40)
Net deferred income tax charge	(13)	(9)
INCOME TAX CHARGE	(56)	(49)

B) EFFECTIVE INCOME TAX RATE

The effective income tax rate was as follows:

<i>in millions of euros</i>	<i>First-half 2008</i>	<i>First-half 2007</i>
INCOME BEFORE TAXES	174	173
Standard tax rate applicable in France (in %)	34.43 %	34.43 %
THEORETICAL INCOME TAX EXPENSE	(60)	(60)
Effect of:		
- Differences in current tax rates of foreign countries	3	5
- Expenses not deductible for tax purposes	(1)	-
- Unused tax losses and other deductible temporary differences for the period not recognized as deferred tax assets	(8)	-
- Utilization during the period of unused tax losses and other deductible temporary differences not previously recognized as deferred tax assets	8	-
- Previously unrecognized and unused tax losses and other deductible temporary differences now recognized as deferred tax assets (changes in applicable tax caps)	1	9
- Income not subject to tax or taxed at a reduced rate (primarily gains on disposals of securities)	0	(1)
- Impact of changes in tax rates	0	-
- Tax credits	1	-
- Other	0	(3)
ACTUAL INCOME TAX EXPENSE	(56)	(49)
EFFECTIVE TAX RATE (IN %)	32.10 %	28.54 %

The theoretical income tax expense is calculated by applying the parent company's tax rate to pre-tax consolidated income.

NOTE 9

EARNINGS PER SHARE

Basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period, after deducting the weighted average number of any Nexans shares held by consolidated companies.

Diluted earnings per share take into account share equivalents that have a dilutive effect. Net income is adjusted for after-tax interest expense relating to convertible or exchangeable bonds.

The dilutive impact of stock options is calculated using the "treasury stock method", which assumes that the proceeds received at the time of exercise or purchase will be used first and foremost to purchase shares at market price. The dilutive effects of OCEANE bonds that are convertible into new shares and/or exchangeable for existing shares are calculated assuming that the bonds will be systematically converted or exchanged for shares (the "if converted method").

The following table presents a reconciliation of basic earnings per share and diluted earnings per share:

	<i>First-half 2008</i>	<i>First-half 2007</i>
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (IN MILLIONS OF EUROS)	119	119
Impact of interest expense (OCEANE convertible/ exchangeable bonds)	8	8
Net tax benefit	5	5
ADJUSTED NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (IN MILLIONS OF EUROS)	124	124
NET INCOME FROM DISCONTINUED OPERATIONS	-	-
Average number of shares outstanding	25,431,978	25,456,076
Average number of OCEANE bonds	3,794,037	3,794,037
Average number of stock options	394,155	542,840
Average number of diluted shares	29,620,170	29,792,953
ATTRIBUTABLE NET INCOME FROM CONTINUING OPERATIONS PER SHARE (IN EUROS)		
- basic earnings per share	4.67	4.67
- diluted earnings per share	4.18	4.16
NET INCOME FROM DISCONTINUED OPERATIONS PER SHARE (IN EUROS)		
- basic earnings per share	-	-
- diluted earnings per share	-	-
NET INCOME PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (IN EUROS)		
- basic earnings per share	4.67	4.67
- diluted earnings per share	4.18	4.16

NOTE 10

GOODWILL

The main movements in goodwill during the first half of 2008 were as follows:

- 8 million euros relating to the reintegration of the Harnesses business, which at December 31, 2007 was categorized as a group of assets held for sale (see Note 7).
- 2.6 million euros arising on the buyout of minority interests in the Belgian company Opticable.
- A slightly unfavorable currency impacts.

The increase in goodwill in the first six months of 2007 primarily stemmed from (i) the approximately 26 million euro additional purchase consideration paid for the acquisition of the Olex Group and (ii) a 10 million euro favorable currency impact (mainly relating to Australia).

Goodwill is tested for impairment at least once a year and whenever there is an indication that it may be impaired, using the methods and assumptions described in Notes 1.l, 1.o, 7 and 11 to the full-year 2007 consolidated financial statements. No goodwill impairment losses were recorded for the first half of 2008. In the first six months of 2007, a 4 million euro goodwill impairment loss was recognized in relation to Liban Câbles as a result of an adverse change in the discount rate applied due to heightened geopolitical pressure in Lebanon.

NOTE 11

EQUITY

A) COMPOSITION OF CAPITAL STOCK

At June 30, 2008 Nexans' capital stock comprised 25,401,703 fully paid-up shares with a par value of 1 euro each (25,678,355 at December 31, 2007).

Changes in capital stock during the first half of 2008 can be analyzed as follows:

- the cancellation of 420,777 treasury shares purchased under the share buyback program described in Note 2d;
- the issuance of 91,525 shares under an employee rights issue in accordance with the 2008 ACT plan (see Note 2d); and
- the issuance of shares following the exercise of 52,600 stock options.

The only changes in capital stock during the first six months of 2007 resulted from the issuance of shares following the exercise of 360,975 stock options.

B) DIVIDENDS

At the Annual General Meeting held on April 10, 2008 to approve the financial statements for the year ended December 31, 2007, the Company's shareholders authorized the payment of a dividend of 2.0 euros per share - representing a total amount of 50.7 million euros - which was paid out on April 29, 2008.

At the Annual General Meeting held on May 10, 2007 to approve the financial statements for the year ended December 31, 2006, the Company's shareholders authorized the payment of a dividend of 1.2 euros per share, which was paid out on May 15, 2007.

C) TREASURY STOCK

Nexans did not hold any treasury shares at June 30, 2008, following the cancellation on June 23, 2008 of the 420,777 Nexans shares purchased by the Group in the first half of the year (see Note 2 d).

D) STOCK OPTIONS

In first-half 2008, the Group issued a new stock option plan (306,650 options attributed by the Board of Directors on February 22, 2008). The main characteristics of the plan were as follows:

- Vesting period: 4 years – vesting at 25% per year
- Options life: 8 years
- Exercise price: 71.23 euros.

The main assumptions used to value the options issued under this new plan were as follows:

- Share price at grant date (in euros): 71.71 euros
- Nexans share price volatility: 33%
- Average estimated life of the options: from 4.5 years to 6 years, depending on the employee categories concerned
- Risk-free interest rate: from 3.34% to 3.46% depending on the tranche concerned
- Divided rate: 3.13%
- Staff turnover rate: 2%

The average fair value of the options issued under this new plan is 18.0 euros, representing an expense of 1.6 million euros for first-half 2008, including for the French entities the full amount of the new employers' tax introduced in France. The expense recognized in the first six months of 2008 for previous Nexans stock option plans totaled 1.5 million euros.

At June 30, 2008, there were 1,324,300 stock options outstanding, each exercisable for one newly-issued share, i.e. 5.2% of the Company's capital stock (1,070,250 options at December 31, 2007, exercisable for 4.2% of capital stock).

NOTE 12

PROVISIONS

Analysis by nature

<i>in millions of euros</i>	<i>June 30, 2008</i>	<i>Dec. 31, 2007</i>
Accrued contract costs	55	51
Restructuring provisions	43	32
Other provisions	13	14
TOTAL	111	97
Of which short-term	86	72
Of which long-term	25	25

Movements in these provisions were as follows during the period:

<i>in millions of euros</i>	TOTAL	<i>Accrued contract costs</i>	<i>Restructuring provisions</i>	<i>Other provisions*</i>	<i>Impact on the income statement (net of incurred expenses)</i>		
					Op. margin	Financial	Other
JANUARY 1, 2007	117	57	44	16			
Additions	29	17	12	-	(17)		(12)
Reversals (provisions used)	(23)	(12)	(9)	(2)			
Reversals (surplus provisions)	(13)	(12)	(1)	-	12		1
Business combinations	-	-	-	-			
Other	2	-	2	-			
JUNE 30, 2007	112	50	48	14	(5)		(11)
JANUARY 1, 2008	97	51	32	14			
Additions	31	11	17	3	(13)	(1)	(17)
Reversals (provisions used)	(13)	(4)	(7)	(2)			
Reversals (surplus provisions)	(6)	(3)	-	(3)	6	-	-
Business combinations	-	-	-	-			
Other	3	1	1	1			
JUNE 30, 2008	111	55	43	13	(7)	(1)	(17)

* Excluding provisions for other long-term employee benefits, which have been recorded on a separate line of the consolidated balance sheet since the second half of 2007.

Provisions for accrued contract costs are primarily set up by the Group as a result of its contractual responsibilities, and in particular warranties granted to customers, contract losses and penalties relating to commercial contracts (see Note 15 on contingent liabilities and disputes). They do not include provisions for losses on construction contracts in progress, which are accounted for in accordance with the method described in Note 1.h. to the consolidated financial statements for the year ended December 31, 2007.

Surplus provisions are reversed when the related contingency no longer exists or has been settled for a lower amount than the estimate based on information available at the prior balance sheet date (including provisions for expired customer warranties).

In first-half 2008, a 13.1 million euro restructuring provision was recorded in connection with the restructuring of the Athlone site in Ireland. This amount primarily corresponds to redundancy costs (95 employees are affected by the restructuring plan).

During the first half of 2007, a 12 million euro restructuring provision was set aside, primarily to cover the reorganization of the Harnesses business in Belgium. The 11 million euro provision recorded in prior periods to cover the Meko legal dispute was reversed as it was no longer required (see Note 15).

NOTE 13

NET DEBT

A) ANALYSIS BY NATURE

<i>in millions of euros</i>	<i>June 30, 2008</i>	<i>Dec. 31, 2007</i>
Bonds redeemable in 2017*	349	359
OCEANE convertible/exchangeable bonds*	266	262
Other borrowings	7	8
Short-term borrowings*	236	256
Short-term bank loans and overdrafts	35	28
GROSS DEBT	893	912
Cash and cash equivalents	437	622
NET DEBT	457	290

* Including accrued interest.

B) CHANGE IN NET DEBT

<i>in millions of euros</i>	<i>First-half 2008</i>	<i>First-half 2007</i>
NET DEBT AT BEGINNING OF PERIOD	(290)	(632)
Net (increase) decrease in net debt	(168)	101
Impact of assets held for sale (IFRS 5)	1	(2)
NET DEBT AT PERIOD-END	(457)	(533)

C) ORDINARY BONDS

On May 2, 2007 Nexans carried out its first ordinary bond issue representing an aggregate nominal amount of 350 million euros. The main characteristics of this bond issue are as follows:

- Amount: 350 million euros
- Coupon: 5.75%
- Settlement date: May 2, 2007
- Maturity: May 2, 2017
- Issue price: 99.266%
- Spread: 140 basis points above the 10-year swap rate
- Issue rating: BB (Standard & Poor's).

On July 7, 2006, Nexans carried out an issue of OCEANE convertible/exchangeable bonds representing an aggregate nominal amount of 280 million euros. The issue comprised 3,794,037 bonds, each with a nominal value of 73.8 euros, with a coupon of 1.5% and redeemable at a price of 85.76 euros per bond on January 1, 2013. In accordance with IAS 32, the portion of the OCEANE bonds corresponding to the value of the option is included in equity, in an amount of 34 million euros.

NOTE 14

DERIVATIVE INSTRUMENTS

The fair value of derivative instruments used by the Group to hedge foreign exchange rate risk and the risk associated with fluctuations in non-ferrous metal prices is presented in the following table:

<i>in millions of euros</i>	<i>June 30, 2008</i>	<i>Dec. 31, 2007</i>
ASSETS		
Foreign exchange derivatives - Cash flow hedges*	34	21
Metal derivatives - Cash flow hedges*	14	2
Foreign exchange derivatives - Held for trading*	11	7
Metal derivatives - Held for trading*	23	8
SUB-TOTAL - ASSETS	83	38
LIABILITIES		
Foreign exchange derivatives - Cash flow hedges*	15	1
Metal derivatives - Cash flow hedges*	0	15
Foreign exchange derivatives - Held for trading*	8	4
Metal derivatives - Held for trading*	10	6
SUB-TOTAL - LIABILITIES	33	26

* Within the meaning of IAS 39

These amounts are included in "Other current financial assets" and "Other current financial liabilities" in the consolidated balance sheet.

Foreign exchange risk related to the acquisition of Madeco

Part of the acquisition price for Madeco is payable in dollars, thus exposing the Group to a foreign exchange risk. As Group Management considered this acquisition to be highly probable but not yet certain at June 30, 2008 a portion of the cash purchase price was hedged at that date through forward purchases of 300 million US dollars at rates reflecting those prevailing when the framework agreement was signed on November 15, 2007 (at December 31, 2007 the hedged amounted totaled 100 million US dollars). These derivatives were accounted for as cash flow hedges at December 31, 2007 and June 30, 2008.

NOTE 15

CONTINGENT LIABILITIES AND DISPUTES

A certain number of contingencies and disputes have arisen in relation to the Group's operations. Although it is not yet possible to ascertain the outcome of the disputes and proceedings in process, Nexans considers at this stage that they will not have a material impact on its consolidated financial position at June 30, 2008 but such a possibility cannot be totally ruled out. This assessment takes into account the Group's insurance coverage, evaluations of the probability of judgment being entered against Nexans and the amounts of the claims concerned.

- **DISPUTES AND PROCEEDINGS GIVING RISE TO THE RECORDING OF PROVISIONS**

The most significant dispute for which provisions were recognized involved cables supplied by Nexans for corvettes for the South African navy (the Meko case). The supply of certain of these cables was subcontracted to a South African manufacturer. After the cables were installed on the first two corvettes, it was discovered that the cables supplied by the subcontractor were non-compliant. All the cables already installed were therefore removed and replaced. The customer then claimed damages amounting to approximately 36 million euros, which was contested by Nexans. This dispute was resolved during the second quarter of 2007. Consequently, the 11 million euro provision recorded at December 31, 2006 was reversed as it was no longer required.

When it submits tender offers, the Group may be subject to governmental investigations which require provisions to be set up to cover the potential risk of the Group being ordered to pay fines. In the last quarter of 2007, Nexans paid 9.5 million euros under a settlement agreement entered into in relation to proceedings brought before the French Competition Council (*Conseil de la Concurrence*) in 2003.

- **CONTINGENT LIABILITIES RELATING TO DISPUTES AND PROCEEDINGS**

The Group has not recorded a provision in relation to the following case in which it is involved as the recognition criteria were not satisfied. This case concerned cables manufactured by one of the Group's European subsidiaries and sold to a harnesses manufacturer. The manufacturer then sold the cables to another equipment manufacturer, which in turn sold them to a European automaker. Nexans' subsidiary was not informed of the end customer's specifications. The end customer used Nexans' cables along with switches in its wiper systems, and some of the cables allegedly broke. The subsidiary considers that the cables sold met the specifications agreed with its customer, the harnesses manufacturer.

The harnesses manufacturer notified the subsidiary that it reserved the right to join the subsidiary as a third party to the case if a claim is made against it by its customer, the automobile equipment manufacturer, but did not specify on what basis Nexans' subsidiary could be held liable. The equipment manufacturer has now filed a claim against the harnesses manufacturer and Nexans attended a preliminary hearing in Germany relating to the case. At this hearing, the equipment manufacturer confirmed that its customer - the automaker - had filed a 17 million euro claim against it and had launched a recall program to change the faulty parts that could concern up to 350,000 installed switches.

- **CONTINGENT LIABILITIES RELATING TO CONTRACTUAL GUARANTEES AND WARRANTIES**

Group companies have made commitments to banks and other third parties, in particular financial institutions, who have issued guarantees or performance bonds in favor of customers and guarantees to secure advances received from customers (485 million euros and 423 million euros at June 30, 2008 and December 31, 2007 respectively). Group companies generally give customers warranties relating to the quality of the products sold, as well as sellers' warranties given to purchasers of businesses that are sold, without taking out bank guarantees or bonds. In the event that it seems probable that Nexans will be liable for such warranties, due to issues such as delivery delays or disputes arising from the performance of a contract, the estimated risk is provided for (see Note 12).

Lastly, under the framework agreement signed with Madeco on November 15, 2007 and the definitive agreement signed on February 21, 2008 relating to the purchase of the Madeco group's cable operations (see Note 2 a), Nexans undertook to pay Madeco a fixed sum of 21 million US dollars if Madeco terminates the agreement on account of Nexans breaching one of its main

contractual obligations. This commitment is expected to last until the scheduled completion date of the acquisition in the third quarter of 2008.

NOTE 16

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred since the balance sheet date for which disclosure is required in this report.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2008 INTERIM FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' review 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.

Nexans

16, rue de Monceau
75008 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings and in accordance with the requirements of articles L. 232-7 of the French Commercial Code (*Code de commerce*) and L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Nexans for the six months ended June 30, 2008;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”, as adopted by the European Union.

II – SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, July 25, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit

Salustro Reydel

Member of KPMG International

Dominique Ménard
Associée

Benoît Lebrun
Associé

STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2008 INTERIM FINANCIAL REPORT

I hereby declare that to the best of my knowledge, the condensed interim consolidated financial statements contained in this interim financial report 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 Nexans consolidated group of companies, and that the interim management report provided on page 4 gives a fair description of the material events that occurred during the first six months of this financial year as well as their impact on the financial statements, the principal risks and uncertainties for the remaining six months of the year, and the main related party transactions.

Gérard Hauser
Chairman and Chief Executive Officer



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