Press release

Strong growth in 2006 first-half results ahead of plan schedule

Strengthening of Nexans' leadership in submarine high voltage cables with the creation of a joint venture in Japan

- **Sales +12%** (organic growth)
- **Operating margin +48%**
- **Active management of capital employed**
- **2006 outlook in line with good first-half performance**

Paris, July 25, 2006 - The Board of Directors of Nexans, which met on July 24, 2006 under the chairmanship of Gérard Hauser, reviewed the Group's consolidated financial statements for the first half-year*.

- First-half ***sales***** reached 3,686 million euros.
  *At constant non-ferrous metal prices****, sales reached 2,273 million euros compared to 2,003 million euros in the first half of 2005. At constant exchange rates and on a comparable consolidation scope, based on a comparable number of working days, growth amounted to 12%.

- ***The operating margin*** totaled 108 million euros over the period, compared to 73 million euros in the first half of 2005, a rise of 48%. Operating margin as a percentage of sales has thus increased from 3.5% to 4.8% in one year. The Group confirmed its strength in markets for infrastructure cables and cables used in construction.

- ***Net income*** for the first half of the year totaled 211 million euros, compared to 16 million euros at June 30, 2005. In addition to the increase in operating margin, this result reflects the capital gain on the disposal of the distribution businesses in Switzerland (148 million euros), costs linked to the restructuring program in progress (36 million euros) and the positive pre-tax change in the fair value of financial instruments relating to non-ferrous metals, in application of IAS 32 and 39 (49 million euros). This last item will result in a non cash expense in a comparable amount in the second half of 2006 at constant metal prices.

* Figures are published in compliance with IFRS.
** At current non-ferrous metal prices, first-half sales for 2005 totaled 2,435 million euros.
*** To neutralize the effect of variations in the purchase price of non-ferrous metals and thus measure the effective underlying sales trend, Nexans also calculates its sales using a constant price for copper and aluminum.

- ***Group net debt*** totaled 431 million euros at June 30, 2006 compared with 374 million euros at December 31, 2005. This increase remains moderate in view of the upward spiral in copper prices, which have risen by more than 56% since the start of 2006.

Faced with this increase, the Group has taken measures to improve its debt structure aimed at:

- strengthening its balance sheet through the disposal of its Swiss distribution activities for 206 million euros in February and a capital increase of 117 million euros, in June, resulting from the conversion of the 2004 bonds (OCEANE);
- extending the maturity of its residual debt through the launch, in July 2006, of a new emission of OCEANE bonds in an amount of 280 million euros due January 1st, 2013.

These measures have been reinforced by the recent launch of a plan to contain the negative impact of rising metal prices. The plan has three parts: the reduction of activities which consume large amounts of copper, the gradual modification of terms of payment with major customers, and the negotiation of supplier credit terms.

As a result of these factors and at stable non-ferrous metal prices, the level of debt at the end of 2006 should not exceed 350 million euros.

External growth transaction (Japan)

(see press release issued today)

The Group is today announcing the signature of agreements with Viscas, a Japanese company which is one of the major worldwide players in the high voltage cable business. The agreement concerns the creation of a production joint venture dedicated to the manufacturing of submarine high voltage cables. Nexans, which will hold a 66% interest in the new entity, will thus increase by a third its potential sales of submarine high voltage cable and services over the next 4 years in a fast-growing market.

"Ahead of schedule in terms of our objectives"

Commenting on the results for the first half of 2006, Gérard Hauser, Nexans Chairman and CEO, said: "*The results of Nexans for the first half of 2006 are good, despite an economic climate marked by a sharp increase in raw materials prices. They bear out our constant strategy aimed at increasing our presence in geographical areas with growth opportunities, and developing high value added specialty products. The continuation of our restructuring program and the active management of our capital employed, together with the financial transactions destined to improve our balance sheet, have contributed to our results. The growth prospects of energy markets, reflected by the creation of a joint venture in Japan, mean that today we can be confident about the Group's overall performance in 2006, and can anticipate sales growth around 10% over the full year, with an operating margin of 5% or more. Halfway through our 3-year strategic plan (2005-2007), our results show we are ahead of schedule in terms of our objectives.*"

This outlook is based on the assumption that worldwide economic context will remain stable and that the crisis in the Middle-East and particularly in Lebanon will have no impact on the Group's activity.

Consolidated results – first-half 2006:

in millions of euros	**H1 2005***	**H1 2006**	**Change**
Sales (at constant metal prices)	2,003	2,273	+13.5%
Sales (at constant metal prices and exchange rates)	**2,058**	**2,273**	**+10.4%** **+12% organic**
EBITDA ** *(as % of sales)*	*122* *6%*	*155* *6.8%*	+27%
Operating margin (OM) *(as % of sales)*	*73* *3.5%*	*108* *4.8%*	+48%
Net income (Group share)	16	211	n / s

** Operating margin before depreciation

Sales and operating margin by business sector

in millions of euros	**H1 2005***		**H1 2006**	
	Sales *(1)*	Operating margin	Sales *(1)*	Operating margin
Energy	1,371	63	1,491	97
Telecom	299	10	327	15
Electrical Wires	384	4	450	2
Other	4	(4)	5	(6)
Total	**2,058**	**73**	**2,273**	**108**

** Differences compared to the figures published in July 2005 are mainly due to the retroactive application of IFRS 5 related to discontinued activities.*
(1) Sales at constant metal prices and exchange rates

Energy: high growth in sales of infrastructure cables

Sales at constant non-ferrous metal prices totaled 1,491 million euros, reflecting a 13.9% increase on a comparable consolidation scope, at constant exchange rates and based on a comparable number of working days with the first half of 2005.

The operating margin reached 97 million euros at June 30, 2006 compared with 63 million euros for the first half of 2005.

Growth was particularly significant (organic growth of +18.1%) in the infrastructure business, supported in Europe by a number of programs (interconnection, maintenance, cable burying programs and wind turbine farm development), and in the United States by upgrading of the low and medium voltage networks.

The profitability of industrial cables increased noticeably, with the combined effect of the restructuring measures implemented in 2005 and of better positioning in higher value added markets (oil & gas, shipbuilding, automatic control).

There was high growth in low voltage cables for construction markets, with a clear improvement in profitability.

Telecom: clear rebound in operating margin

The sales of the Telecom activity totaled 327 million euros at constant non-ferrous metal prices, representing a 2.9% increase on a comparable consolidation scope, at constant exchange rates and based on a comparable number of working days.

There was a noticeable improvement in operating margin, which increased from 10 million euros in the first half of 2005 to 15 millions euros at June 30, 2006, reflecting a much more favorable product mix. Nexans was thus able to take advantage of growing data transfer needs (optical fiber cables, high capacity LAN cables) and the ongoing restructuring of its industrial facilities.

Electrical Wires: lower profitability despite higher volumes

The sales of the Electrical Wires businesses totaled 450 million euros in the first half of 2006, compared with 384 million euros at June 30, 2005. This growth stems mainly from the wirerod businesses.

Operating margin at June 30, 2006 amounted to 2 million euros, lower than the first half of 2005. This can be attributed in particular to the strong increase in energy and transport costs which is difficult to pass on to customers in an extremely competitive environment.

Analysis of sales and operating margin by geographical areas

in millions of euros	**H1 2005***			**H1 2006**		
	Sales (1)	OM	*OM/sales*	Sales (1)	OM	*OM/sales*
Europe	1,441	43.5	*3%*	1,542	59.6	*3.9%*
North America	359	14.9	*4.2%*	453	31.4	*6.9%*
Asia Pacific	122	3.2	*2.6%*	126	5.8	*4.6%*
Rest of the World	136	11.3	*8.3%*	152	11.3	*7.4%*
Total	**2,058**	**73**	***3.5%***	**2,273**	**108**	***4.8%***

** Differences compared to the figures published in July 2005 are mainly due to the retroactive application of IFRS 5 related to discontinued activities.*
(1) Sales at constant metal prices and exchange rates

Europe: strong increase in profitability

Sales totaled 1,542 million euros, representing 11% organic growth compared to 2005; the operating margin increased by 37% in the first half of 2006.

In addition to investment in energy network infrastructure and the strong demand for building cables (particularly in France and Spain), Nexans is also today reaping the benefits of its commercial initiatives taken to expand priority market segments (shipbuilding, robotics, mechanical handling, automotive, etc.).

North America: +22% organic growth

Sales totaled 453 million euros, compared with 359 million euros for the same period in 2005.

Organic growth (+22%) reflects the extremely robust trends in the industrial and residential building markets. Furthermore, demand for medium voltage cables for energy infrastructure is being supported by major network upgrading programs in the United States.

Operating margin thus increased from 14.9 million euros at June 30, 2005 to 31.4 million euros in the first half of 2006.

Asia-Pacific: selective approach in high value added segments

Subjected to strong price pressure, Nexans has adopted a selective approach to higher value added market segments such as shipbuilding, automotive, rail transport and telecommunications, particularly in China.

This explains the growth in operating margin from 2.6% at June 30, 2005 to 4.6% at June 30, 2006 on near-stable sales of 126 million euros.

Rest of the World: very encouraging outlook

Sales totaled 152 million euros in the first half of 2006 compared with 136 million euros at June 30, 2005, representing 8% organic growth. This stems from the excellent performances in their home markets by countries such as Morocco, Turkey (where the residential market has been particularly strong), Lebanon and Brazil.

Operating margin remained stable at 11.3 million euros in the first half of 2006, and should improve in the second half.

Financial calendar
25 October 2006 : publication of the 2006 third quarter sales
31 January 2007 : publication of 2006 estimated annual consolidated financial statements

A full set of the results presentation slides, including the results by business, a detailed presentation of the financial statements and half-year activity report, are available on the Nexans Internet site at www.nexans.com

About Nexans
Nexans is the worldwide leader in the cable industry. The Group brings an extensive range of advanced copper and optical fiber cable solutions to the infrastructure, industry and building markets. Nexans cables and cabling systems can be found in every area of people's lives, from telecommunications and energy networks, to aeronautics, aerospace, automobile, railways, building, petrochemical, medical applications, etc. With an industrial presence in 29 countries and commercial activities throughout the world, Nexans employs 20,000 people and had sales in 2005 of 5.4 billion euros. Nexans is listed on the Paris stock exchange. More information available on: www.nexans.com

Additional information:

Financial communication

Michel Gédéon
Tel : +33 (0)1 56 69 85 31
e-mail : michel.gedeon@nexans.com

Angéline Afanoukoe
Tél : + 33 (0)1 56 69 84 56
e-mail : angeline.afanoukoe@nexans.com

Corporate Communication

Jean-Claude Nicolas
Tel : + 33 (0)1 56 69 84 51
e-mail : jean-claude.nicolas@nexans.com

Pascale Strubel
Tel : + 33 (0)1 56 69 85 28
e-mail. : pascale.strubel@nexans.com

Céline Révillon
Tel : + 33 (0)1 56 69 84 12
e-mail : celine.revillon@nexans.com

Appendices
1. Consolidated income statement under IFRS
2. Consolidated balance sheet under IFRS
3. Consolidated statement of cash flows under IFRS
4. Information by business sector

Consolidated income statement under IFRS

in millions of euros	**1st Half-year 2006**	**1st Half-year 2005**
Net sales	**3,686**	**2,435**
*Metal price effect **	*(1,413)*	*(432)*
Net sales at constant metal price *	***2,273***	***2,003***
Cost of sales	(3,364)	(2,147)
*Cost of sales at constant metal price **	*(1,951)*	*(1,715)*
Gross profit	**322**	**288**
Administrative and selling expenses	(186)	(192)
R&D costs	(28)	(24)
Operating margin *	***108***	***73***
Fair value change on non ferrous metal derivatives	49	0
Gains or losses on disposal of assets	148	1
Restructuring costs	(36)	(4)
Asset impairment losses and reversal for negative goodwill	0	2
Operating income	**269**	**72**
Cost of financial debt (gross)	(25)	(13)
Income from cash and cash equivalents	8	3
Other financial expenses	(21)	(7)
Share in net income of associates	1	(0)
Income before taxes	**233**	**55**
Income taxes	(15)	(12)
Net income from continuing operations	**218**	**43**
Net income from discontinued operations	(3)	(24)
Consolidated net income	**215**	**19**
Of which Group share	211	16
Of which minority interests	4	4

Net income from continuing operations per share (in euros)		
- Basic earnings per share	9.78	1.64
- Diluted earnings per share	8.35	1.62
Net income from discontinued operations (in euros)		
- Basic earnings per share	(0.12)	(0.90)
- Diluted earnings per share	(0.10)	(0.89)
Net income, Group share (in euros)		
- Basic earnings per share	9.66	0.74
- Diluted earnings per share	8.25	0.73

* Business management indicator used to measure the Group's operating performance

Consolidated balance-sheet under IFRS

in millions of euros

ASSETS	June 30, 2006	December 31, 2005
Goodwill	93	88
Intangible assets	15	14
Property, plant and equipment	968	942
Investment in associates	19	18
Other investments	52	56
Deferred tax assets	95	76
Other non-current assets	-	-
NON-CURRENT ASSETS	**1,242**	**1,194**
Inventories and work in progress	740	563
Amounts due from customers on construction contracts	52	47
Trade receivables and related accounts	1,438	1,105
Current tax receivables	85	63
Other financial current assets	198	155
Cash and cash equivalents	154	117
CURRENT ASSETS	**2,667**	**2,049**
Assets and group of assets held for sale	9	81
TOTAL ASSETS	**3,918**	**3,324**
LIABILITIES		
Capital stock	25	24
Additional paid-in capital	1,126	1,019
Treasury stock	-	(28)
Retained earnings	42	(40)
Net income, Group share	211	108
Equity – Group share	**1,404**	**1,083**
Minority interests	76	77
TOTAL EQUITY	**1,480**	**1,160**
Accrued pension and retirement obligations	347	353
Provisions	14	14
Convertible bonds	-	117
Other long-term financial debt	8	5
Deferred tax liabilities	34	33
Other non-current payables	-	-
NON-CURRENT LIABILITIES	**403**	**522**
Provisions	100	83
Other current financial debt	577	369
Customers' deposits and advances	21	18
Amounts due to customers on construction contracts	70	70
Trade payables and related accounts	875	692
Current tax payables	99	64
Other current financial liabilities	291	308
CURRENT LIABILITIES	**2,033**	**1,603**
Liabilities related to group of assets held for sale	1	39
TOTAL LIABILITIES AND EQUITY	**3,918**	**3,324**

.

Consolidated statement of cash flows under IFRS

in millions of euros	1st Half-year 2006	1st Half-year 2005
Net income, Group share	211	16
Minority interests	4	4
Depreciation and amortization	47	47
Interest expense	16	15
Other restatements	(165)	13
Cash flow from operations before interests and taxes	**113**	**94**
Decrease (increase) in accounts receivable	(346)	(242)
Decrease (increase) in inventories	(191)	(59)
Increase (decrease) in accounts payable and accrued expenses	196	88
Other assets and liabilities	3	(6)
Income tax paid	(37)	(26)
Changes in depreciation on current assets and accrued contract costs	(3)	(6)
Net change in current assets and liabilities	**(379)**	**(252)**
Net cash from operating activities	**(265)**	**(158)**
Proceeds from disposals of tangible and intangible fixed assets	3	6
Capital expenditures	(62)	(57)
Decrease (increase) in loans	(8)	3
Cash expenditures for acquisitions of consolidated companies, net of cash acquired	(19)	(8)
Cash proceeds from sale of previously consolidated companies, net of cash sold	184	2
Net cash used from investing activities	**99**	**(54)**
Net cash flow change after investing activities	**(167)**	**(212)**
Proceeds from / (repayment of) long-term borrowings	-	4
Proceeds from / (repayment of) short-term borrowings	232	191
Proceeds from issue of shares	7	4
Financial interest paid	(16)	(13)
Dividends paid	(23)	(10)
Net cash from financing activities	**200**	**177**
Net effect of currency translation differences	1	3
Impact of change in scope of discontinued activities	3	(1)
Net increase (decrease) in cash and cash equivalents	**37**	**(33)**
Cash and cash equivalents at the beginning of period	**117**	**121**
Cash and cash equivalents at the end of period	**154**	**88**

Information by business segment

in millions of euros	Electrical wires	Energy	Telecom	Others (or non-allocated)	Inter-business elimination *	**Total Group**
1st Half-year 2006						
Net sales at current metal prices	1,936	2,056	381	4	(691)	**3,686**
Net sales at constant metal prices	803	1,491	327	4	(352)	**2,273**
Operating margin	2	97	15	(6)	-	**108**
1st Half-year 2005						
Net sales at current metal prices	874	1,517	315	5	(276)	**2,435**
Net sales at constant metal prices	527	1,342	292	5	(163)	**2,003**
Net sales at constant metal prices and 2006 exchange rates	547	1,371	299	5	(164)	**2,058**
Operating margin	4	63	10	(4)	-	**73**

** Inter-business eliminations come for the most part from the upstream Electrical Wires sector*

Information by geographical area

in millions of euros	France	Germany	Other Europe	North America	Asia	Rest of the world	**Total Group**
1st Half-year 2006							
Net sales at current metal prices (before inter-segment eliminations)	1,529	419	1,071	938	190	233	**4,380**
Inter-segment sales	(470)	(24)	(173)	-	(1)	(26)	**(694)**
Net sales at current metal prices	1,059	395	898	938	189	207	**3,686**
Net sales at constant metal prices	540	284	718	453	126	152	**2,273**
Operating margin	12	12	34	32	6	12	**108**
1st Half-year 2005							
Net sales at current metal prices (before inter-segment eliminations)	932	391	859	467	134	156	**2,939**
Inter-segment sales	(279)	(78)	(133)	-	(2)	(12)	**(503)**
Net sales at current metal prices	653	313	726	467	132	144	**2,435**
Net sales at constant metal prices	499	269	671	326	112	126	**2,003**
Net sales at constant metal prices and 2006 exchange rates	499	269	673	358	122	137	**2,058**
Operating margin	4	4	34	15	3	13	**73**

Net sales at current metal prices by geographical market

in millions of euros	France	Germany	Other Europe	North America	Asia	Rest of the world	**Total Group**
1st Half-year 2006	486	394	1,212	939	234	421	**3,686**
1st Half-year 2005	355	301	871	459	178	271	**2,435**