

 Nexans

 MADECO

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**A winning partnership in the cable industry**

**Combination of N°1 leading producer in South America  
with the worldwide leader**

November 15, 2007

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

The forward looking statements contained in this presentation are dependent on known and unknown risks, expectations and assumptions, uncertainties and other factors which may cause the Group's actual results, performance and objectives to be materially different from those indicated by the forward looking statements.

These forward looking statements depend, amongst other things, on the following assumptions and risks :

- (1) the rates of economic growth in the areas where the Group operates remaining at current levels;
- (2) the continued strong demand of the energy infrastructure market, in particular in developing countries, and in the Oil & Gas sector;
- (3) the possibility to pass on to final customers increases in the costs of raw materials, energy and transport;
- (4) the management of risks associated with sales in turnkey projects;
- (5) the effect of currency fluctuations being neutral;
- (6) the Company being able to modify customer and supplier payment terms relating to metals;
- (7) the Company being able to reduce its cost base through realization of restructuring actions in the anticipated time frame;
- (8) the Company being able to achieve productivity improvements;
- (9) retention of key customers,
- (10) the absence of substantial capacity increases by competitors in the Group key markets,
- (11) the Company successfully integrating acquisitions;
- and (12) the Company being able to adapt its organization.

- ➔ **I. Nexans + Madeco: a strong strategic fit**
- II. Madeco Wire & Cable: the leader in South America
- III. A future stronger global leader
- IV. Q&A

**Gérard Hauser:** Nexans, Chairman and Chief Executive Officer

**Guillermo Luksic:** Madeco, Chairman of the Board

## Key terms of the transaction

### Structure

- Acquisition by Nexans of Madeco's Wire & Cable division with a mix of cash, debt assumption and Nexans shares (2.5m)

### Consideration

- Enterprise value<sup>1</sup> of US\$822m (based on Nexans share price as of November 14 closing of €101.67)
- 9.5x implied EV/EBITDA 2007<sup>2</sup>

### Lock up

- Full lock-up for the first year following closing<sup>3</sup>
- Then 50% of shares subject to lock-up between 12 and 18 months

### Board representation

- Nexans to propose one representative from Madeco on its board

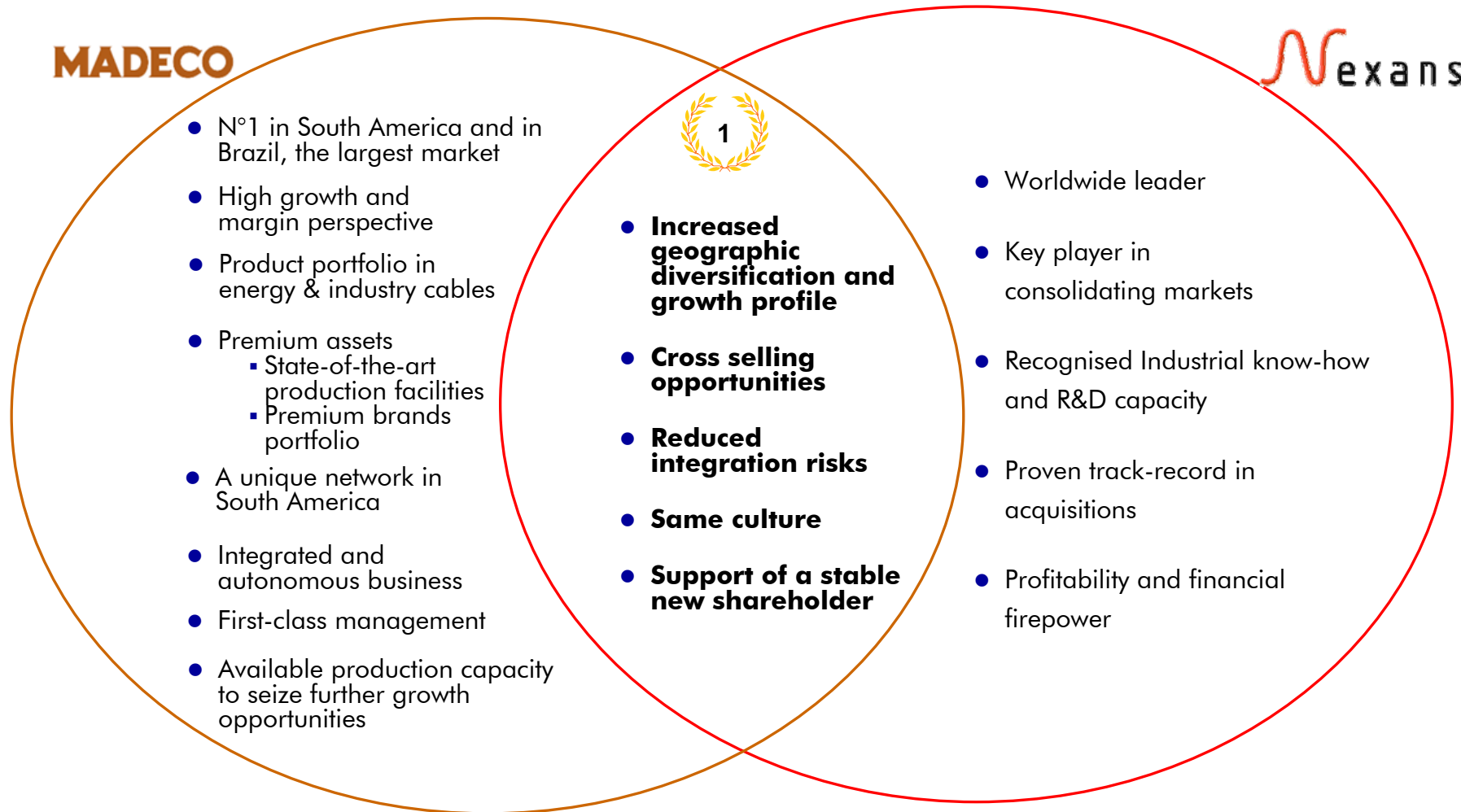
### Next steps

- SPA signing before end of January 2008
- Madeco and Nexans shareholders meetings to approve the transaction
- Filing for regulatory approvals
- Expected closing: mid-year 2008

Note:

- 1 Including minority interests of USD 26m
- 2 Illustration on the basis of 2 x H1 2007 figures (source : Madeco Form 6K)
- 3 Madeco has the possibility to hedge up to 5 % of Nexans share capital during this first year period
- 4 Exchange rate USD/EUR:1.47 in all pages of this document

**Combination of the leading cable producer in South America with the worldwide leader in the cable industry...**



**...to build a stronger global cable leader** 5

# A natural outcome of Nexans strategy

## Nexans' objectives

**More profitable growth**

- Enhance position in fast-growing and highly attractive markets
- Favour high value-added products

**Less cyclical**

- Develop a multi-regional strategy
- Increase longer cycle businesses

**Maintain financial flexibility**

- Keep firepower in a consolidating market

## Madeco Wire & Cable contribution

- Attractive growth prospects (>12% organic volume growth over the last two years)
  - strong infrastructure needs
  - large electrical transportation projects
  - growing petrochemical industry
- EBITDA/Sales (H1 2007) = 10.6%



- #1 in South America
  - #1 in Brazil, Chile and Peru
  - Strong market positions in Colombia (#3) and Argentina (#4)
- Strong presence in industry and infrastructure energy cables



- Mix of cash/shares consideration preserving ability to seize other strategic opportunities



## The combination of two key players

	<b>Nexans</b>	<b>Madeco Wire &amp; Cable</b>
<b>Net sales</b>	€7.6 billion	€0.6 billion
<b>EBITDA</b>	€500 million	€59 million
<b>Number of employees</b>	21,150	1,670
<b>Geographic footprint</b>	<div style="border: 2px solid red; width: 100px; height: 100px; margin: 0 auto; transform: rotate(180deg); display: flex; align-items: center; justify-content: center;"> <p><b>A global player</b></p> </div> <p>Europe: 62% North America: 19% Asia Pacific: 12% Africa-Middle East: 5% South America: 2%</p>	<div style="border: 2px solid orange; width: 100px; height: 100px; margin: 0 auto; transform: rotate(180deg); display: flex; align-items: center; justify-content: center;"> <p><b>A regional leader</b></p> </div> <p>Brazil: 43% Chile: 28% Peru: 18% Argentina: 6% Colombia: 5%</p>

Sources :

For net sales and EBITDA : based on 2007 brokers' consensus for Nexans , 2 x H1 2007 for Madeco Wire & Cable

Number of employees as of December 31 ,2006

Sales breakdown by region : H1 2007 for Nexans and Madeco Wire & Cable

I. Nexans + Madeco: a strong strategic fit



**II. Madeco Wire & Cable:  
the leader in South America**

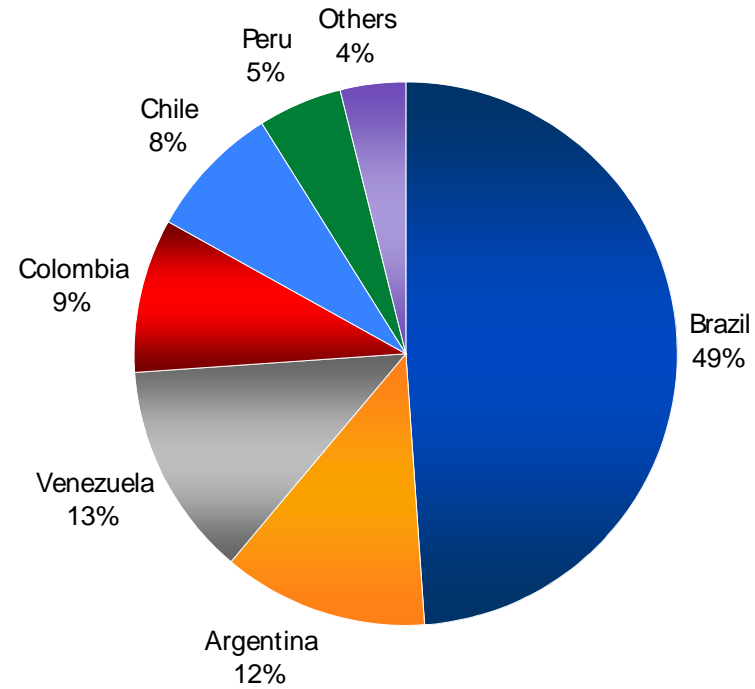
III. A future stronger global leader

IV. Q&A

**Tiberio Dall'Olio** : Madeco, Chief Executive Officer

## Wire and cable industry in South America

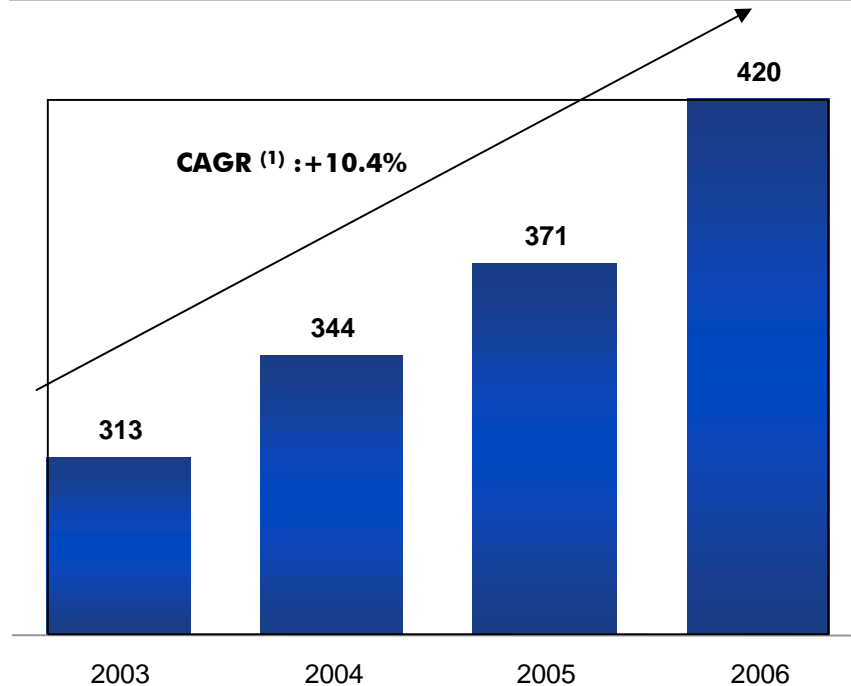
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**A total market of US\$4 billion**

# A growing market fuelled by energy needs

**Wire and Cable production  
in South America  
(in thousands of tons)**



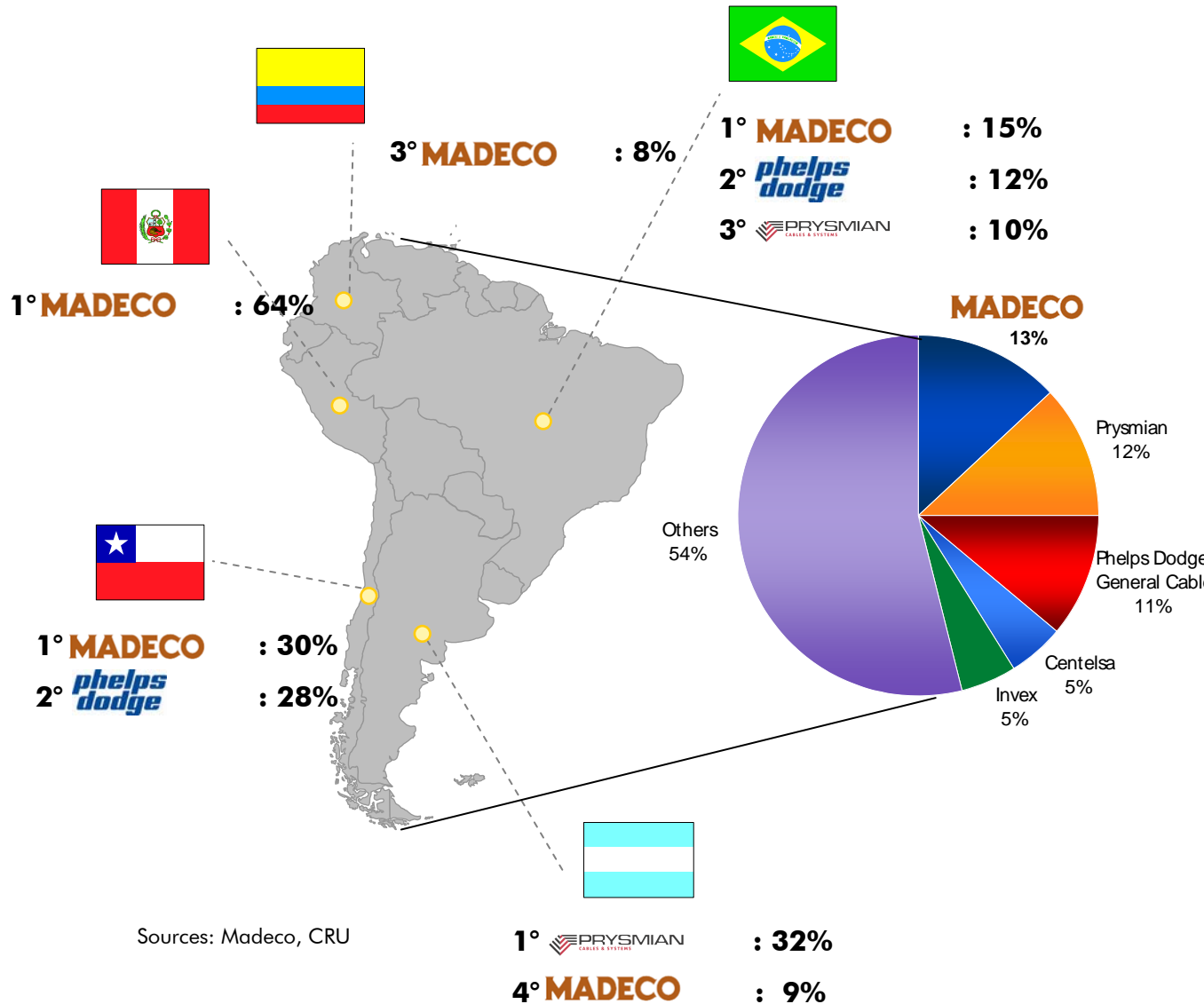
**Growth by country  
CAGR <sup>(1)</sup> 2003-2006**

	<b>CAGR <sup>(1)</sup> 2003-2006</b>
<b>Peru</b>	+8%
<b>Chile</b>	+4%
<b>Colombia</b>	+7%
<b>Argentina</b>	+17%
<b>Brazil</b>	+5%

<sup>(1)</sup> Compound Annual Growth Rate

Source: CRU 2006

# Leading positions in South America key markets

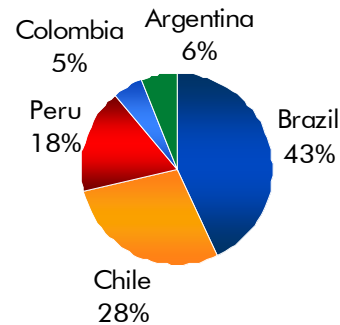


Sources: Madeco, CRU

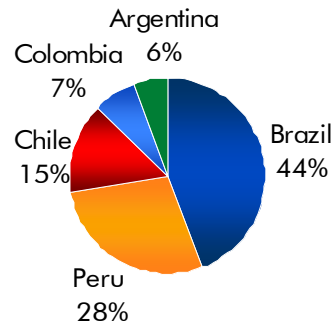
- **#1 ahead of Prysmian and Phelps Dodge**, with an overall market share of 13%
- **#1 in Brazil** (15% market share), the largest country of the area in terms of size and growth
- **Strong foothold in a limited number of countries/factories**, avoiding assets dispersion
- **Full control over its operations** in corresponding countries

# Madeco Wire & Cable: a fast growing and highly profitable business

## Turnover H1 2007 by country



## EBITDA H1 2007 by country



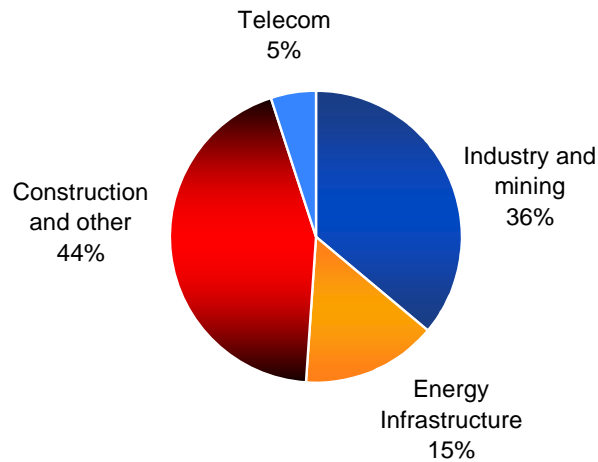
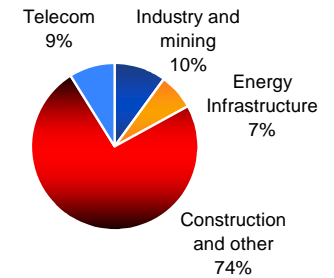
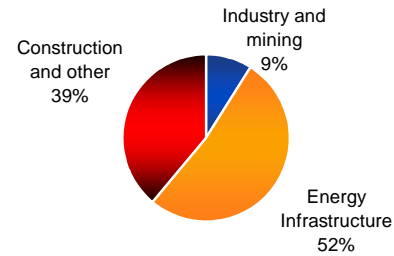
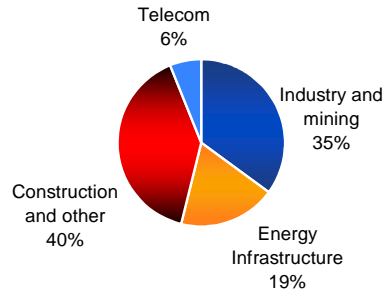
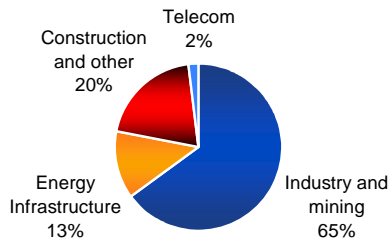
## Strong growth perspective

- Fast growing markets driven by:
  - Need for infrastructure coming from country development (electrification, networks)
  - Growing part of industry requirements (oil & gas, mining, transport)

## High profitability

- High EBITDA margin (10.6% in H1 2007)
  - Focus on high-margin products
  - Leverage on its recognised premium brands
  - Quality of industrial facilities
  - First class management team

# Strong presence in industry and infrastructure segments



**TOTAL 2006**

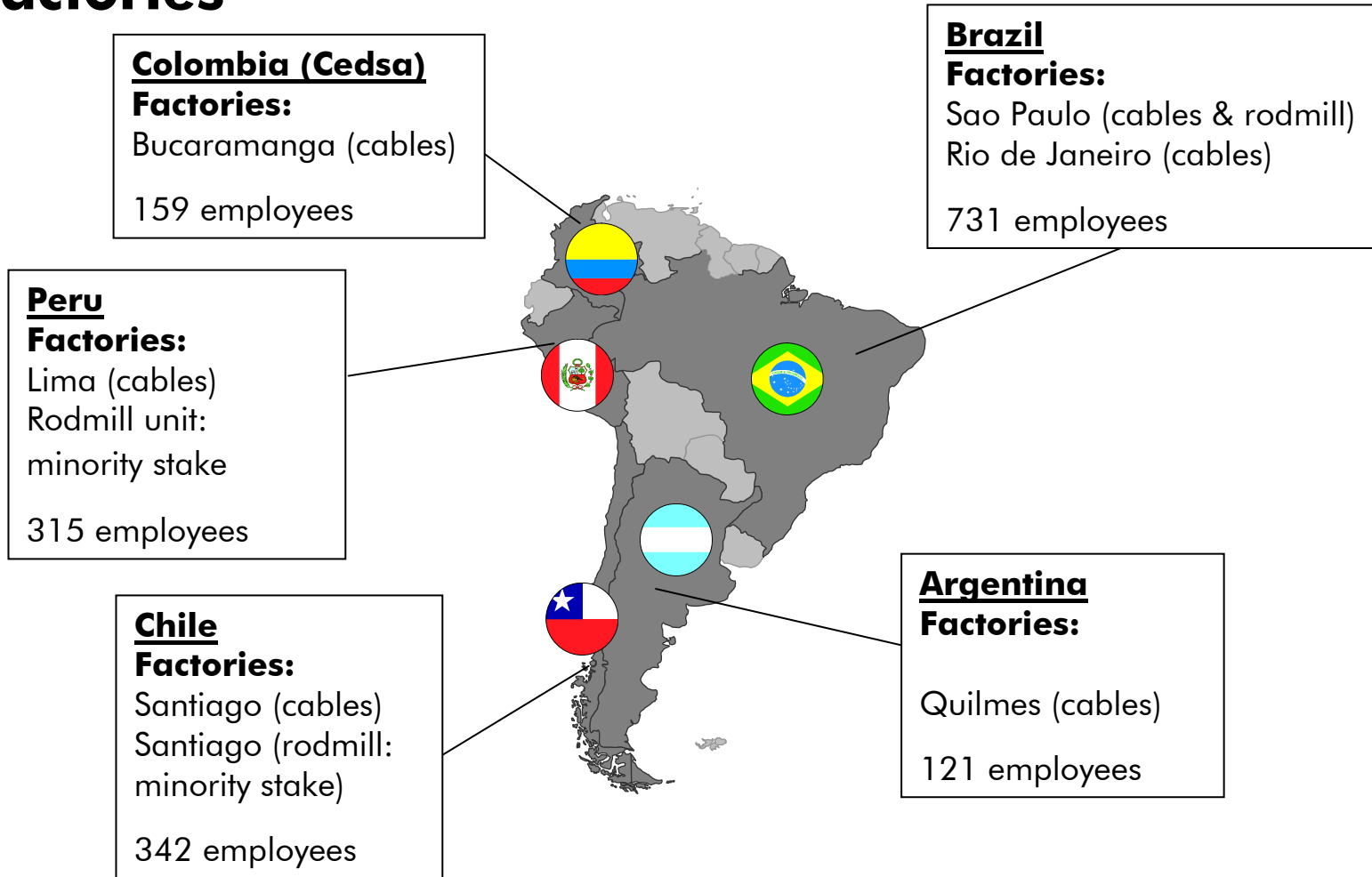
Source: Madeco (20F)

Note:

1 Excludes Colombia, as Cedsa acquired in 2007

# A streamlined production footprint


## Main factories



Source: Madeco

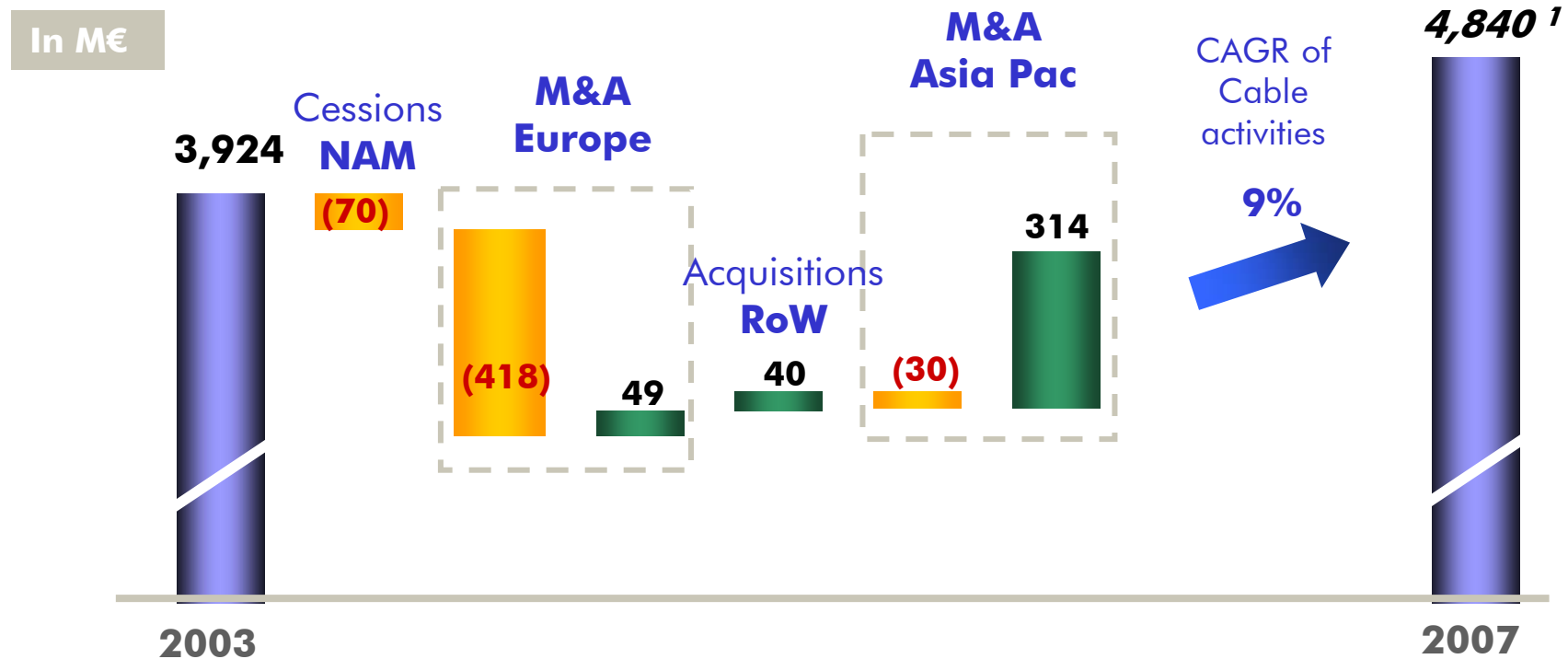
Note:

1 Data 2006

- I. Nexans + Madeco: a strong strategic fit
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**Frédéric Vincent:** Nexans, Chief Operating Officer

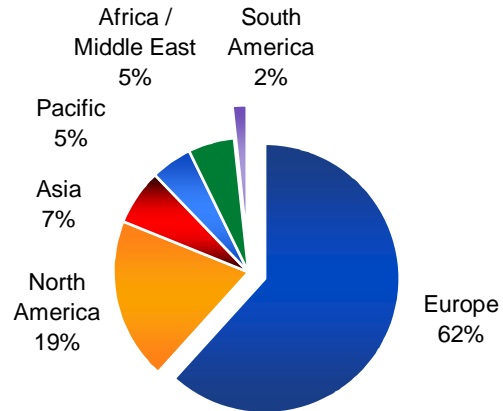
*Evolution of Nexans sales at constant metal prices*



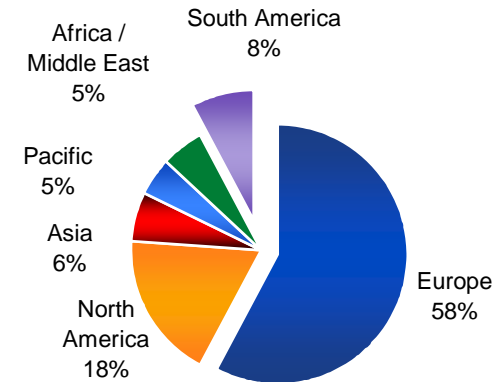
Note:  
1 Analysts' consensus

# A unique combination

**Nexans Group - €7.6bn sales<sup>1</sup>**

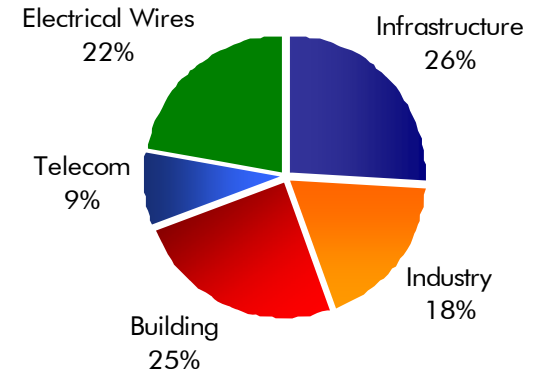
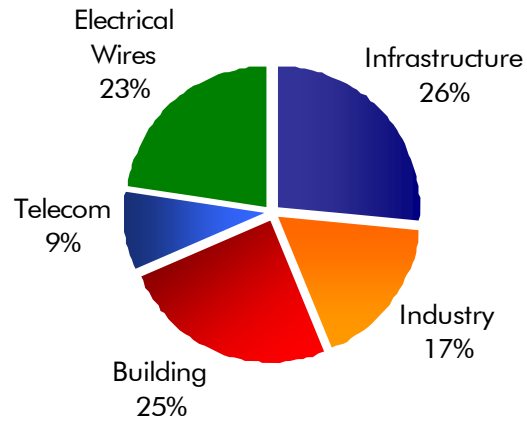


**Pro forma - €8.2bn sales<sup>1</sup>**



**Increase exposure to high growth regions**

**Consolidation in high value added segments**

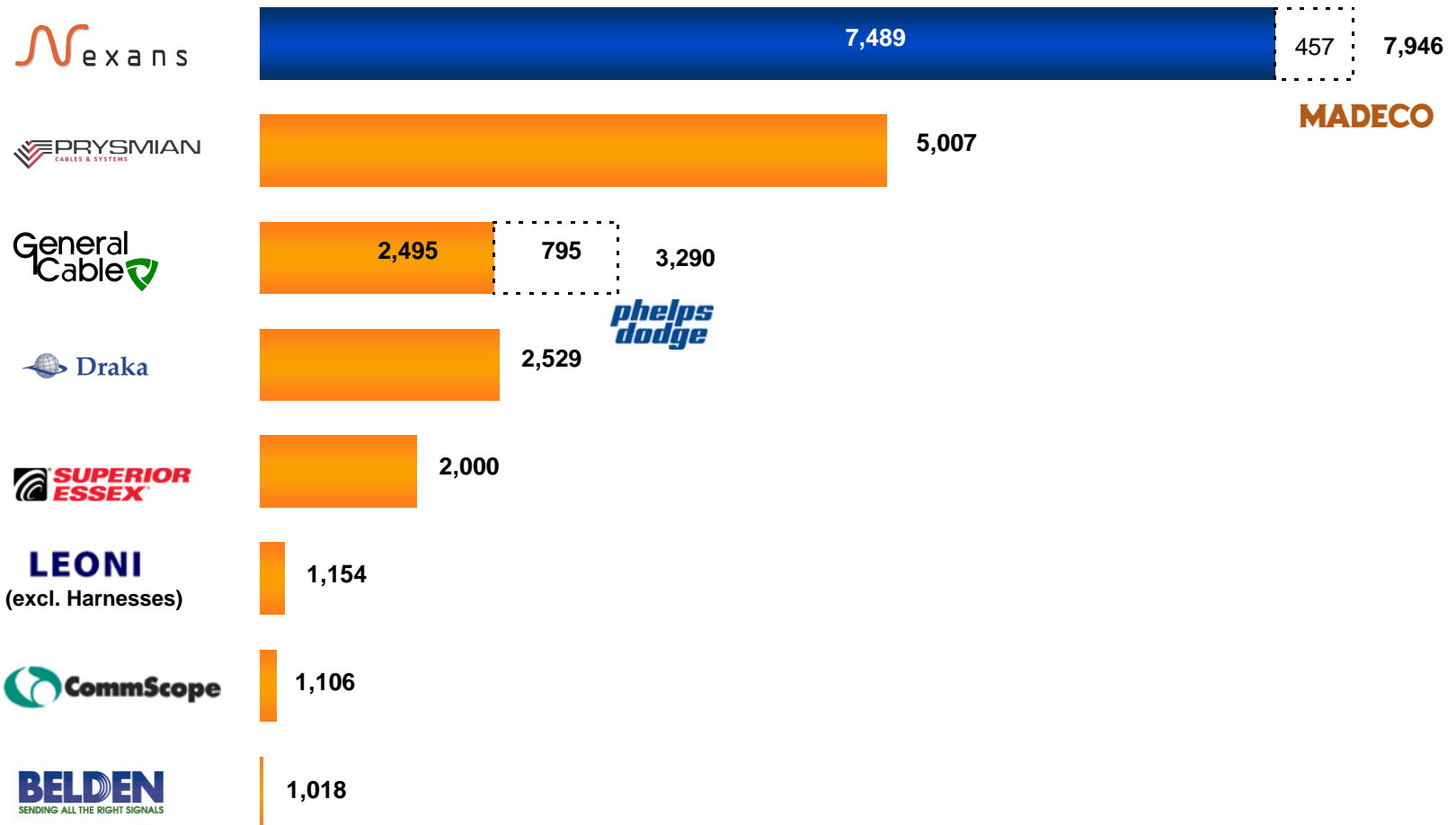


Note:

<sup>1</sup> Based on H1 2007 x 2

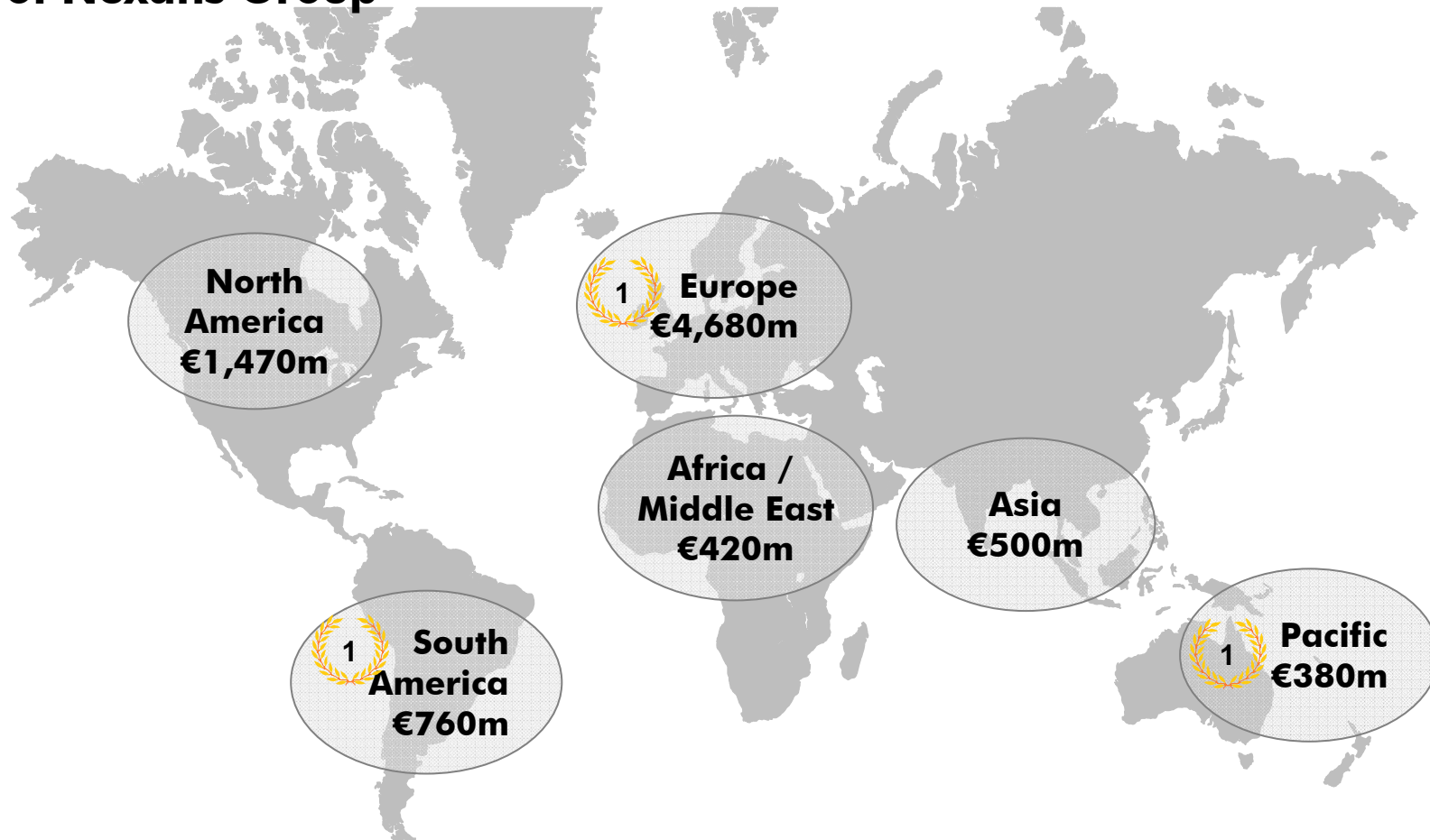
# The undisputed global leader in the cable industry

Pro forma sales 2006 (€m) – Main US & European players



Sources : Financial communication of corresponding companies, Nexans estimates  
Note : Actual metal prices

## Combined 2007 Sales<sup>1</sup> clearly demonstrate future global leadership of Nexans Group



Note

<sup>1</sup> Based on H1 2007 x 2

## The estimated pro forma profile

	<b>Nexans</b>	<b>Madeco Wire &amp; Cable</b>	<b>Transaction impact</b>	<b>Combined</b>
<b>Net sales</b>	€7.6 billion	€0.6 billion	-	€8.2 billion
<b>EBITDA</b>	€500 million (6.6%)	€59 million (10.6%)	-	€559 million (6.8%)
<b>Employees</b>	21,150	1,670	-	22,820
<b>Financial Debt</b>	€533 million	n.a.	€287 million	€820 million
<b>Shareholder Equity including minority interests</b>	€1.7 billion	n.a.	€257 million <sup>1</sup>	€2.0 billion <sup>1</sup>
<b>Debt / EBITDA</b>	1.1x	n.a.	n.m.	1.5x
<b>Gearing</b>	31%	n.a.	n.m.	41%

Source:

For Net sales & EBITDA : 2007 consensus for Nexans and H1 2007 x 2 for Madeco W&C

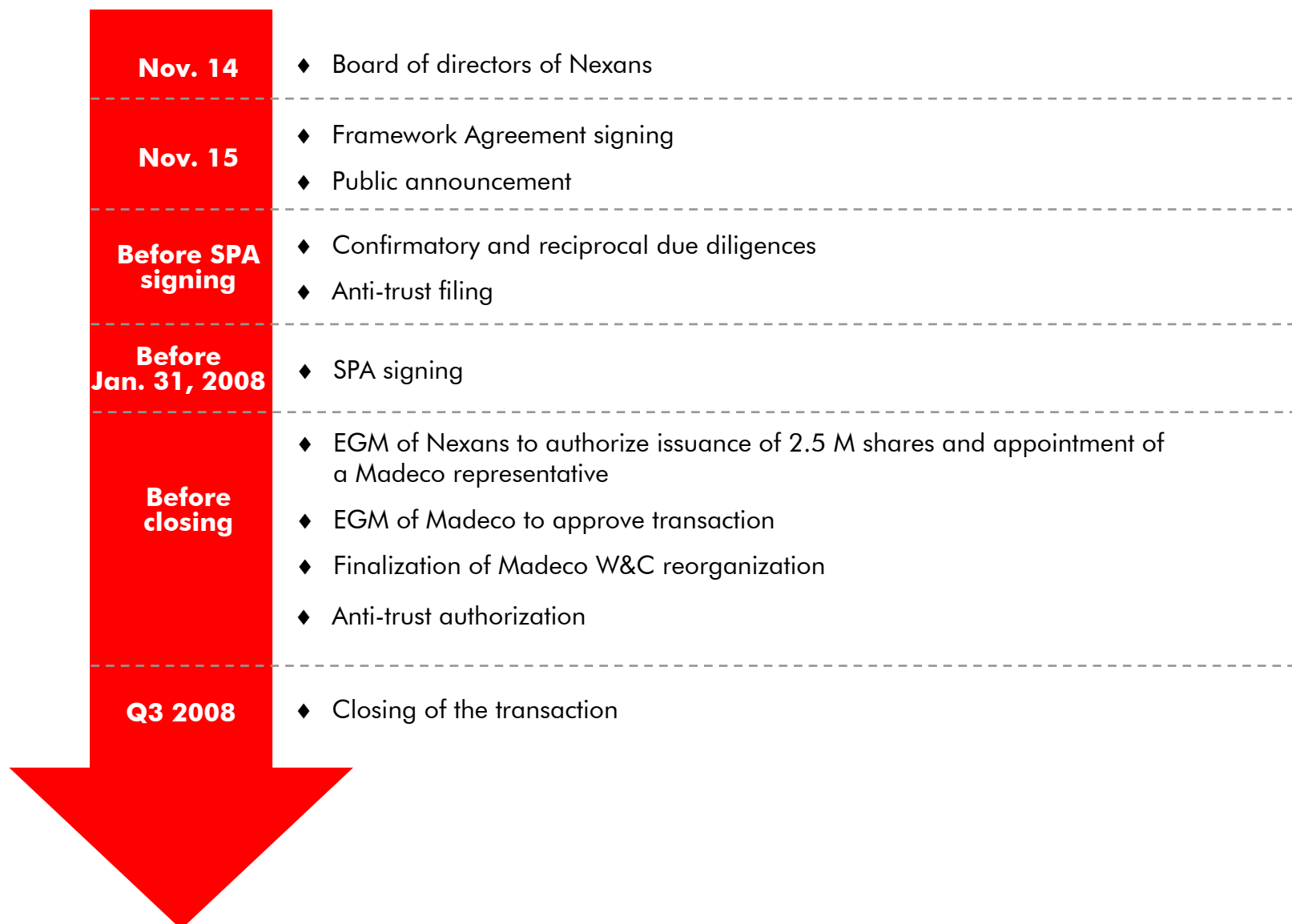
Number of employees as of December 31, 2006

For other information : H1 2007 balance sheet for Nexans and Madeco W&C

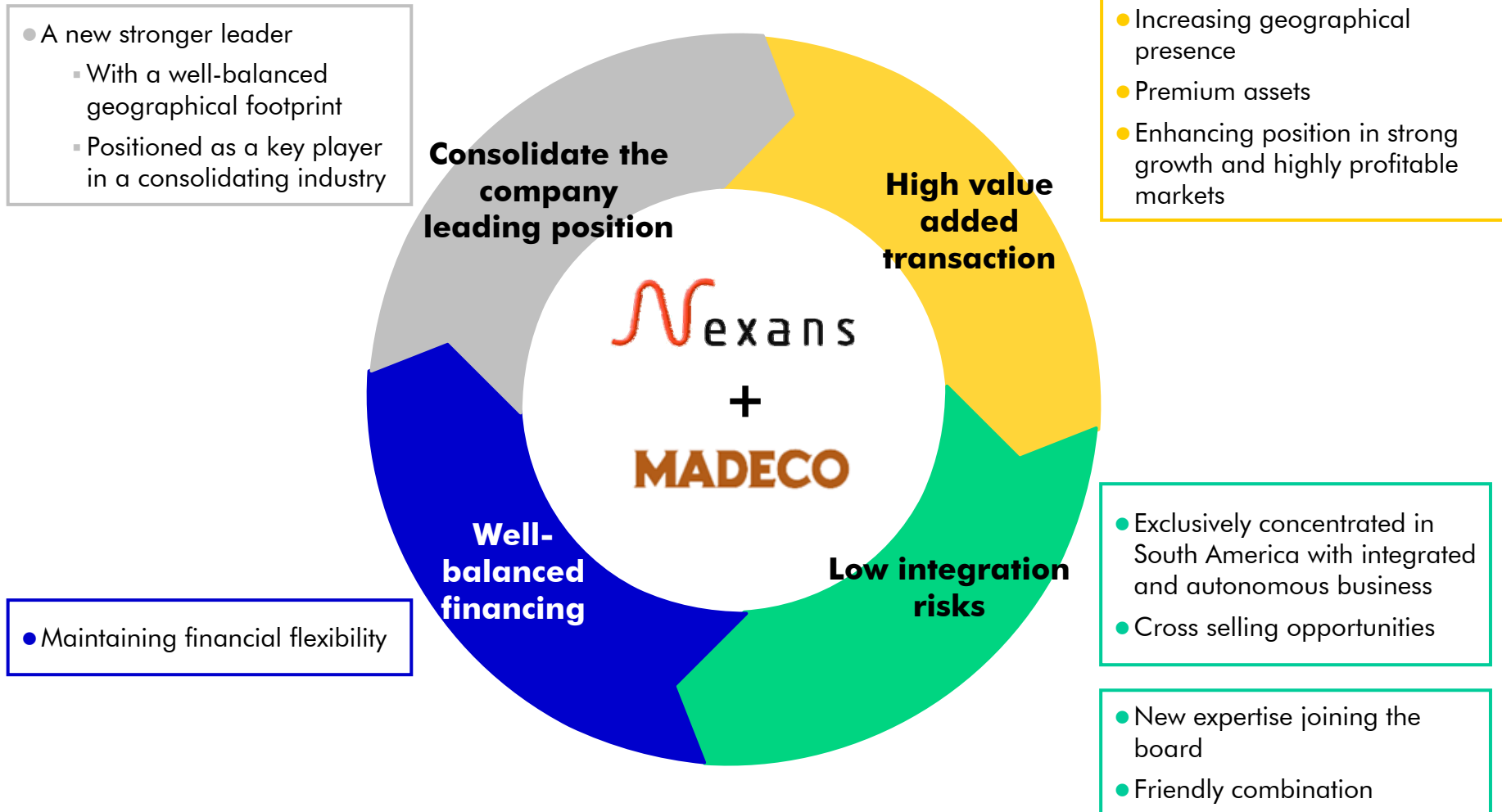
Notes:

<sup>1</sup> Impact of 2.5 million shares capital increase (assuming €101.67 p.s.)

# Indicative timetable



# A "win-win" partnership



- I. Nexans + Madeco: A strong strategic fit
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- III. A future stronger global leader



**IV. Q&A**

Nexans

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