



Annual Shareholders' Meeting

May 10th 2007



Notice

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Notice of this Annual Shareholders’ Meeting, as well as the agenda, the text of the proposed resolutions and the main conditions to participate and vote at this Meeting, were published in the Bulletin des Annonces Légales Obligatoires (“BALO”) on March 28, 2007. A copy of the notice of the meeting, together with the report made by the Board of Directors about the proposed resolutions are available online on the website www.nexans.com.

The 2006 Annual report can be consulted on the website www.nexans.com or may be obtained free of charge upon request from the Financial Communications Department, 16, rue de Monceau, 75008 Paris (FRANCE)

Tel number: 00 33 (0)1 56 69 84 56

Fax number: 00 33 (0)1 56 69 86 40

Email: investor.relation@nexans.com

Dear Shareholder,

I would be very pleased if you could participate in the:

ANNUAL GENERAL SHAREHOLDERS' MEETING

which will be held on second call*, on:

Thursday 10 May 2007 at 4.30 pm at

The Auditorium du Musée du Louvre

75001 Paris

(access by the pyramid of the Musée du Louvre entry)

You will find attached hereto information relating to the holding and the business of this Shareholders' Meeting as well as to the conditions for participation and methods of participation.

If you are unable to attend the Shareholders' Meeting personally, you may either:

- vote by post; or
- appoint either your spouse or another shareholder as your proxy, to attend and vote on your behalf; or
- authorize the President of the meeting to vote on your behalf.

Yours faithfully,



Gérard Hauser
Chairman and Chief Executive Officer

* In accordance with applicable law, the shareholders' meeting is convened to be held on Thursday 3 May 2007 at 8:30 am at 16, rue de Monceau, 75008, Paris. However, in the likely event that the quorum requirements for this meeting are not met, the shareholders' meeting will be adjourned and re-convened for Thursday 10 May 2007.

PARTICIPATING IN THE ANNUAL SHAREHOLDERS' MEETING

GENERAL CONDITIONS

Shareholders' meetings

Shareholders' meetings are convened and deliberate in accordance with applicable law. The Shareholders' meeting, provided it has been properly convened and conducted, represents all the shareholders of the company. Its decisions bind all the shareholders, including absent or dissenting shareholders.

Voting rights

Subject to applicable law and the articles of incorporation of Nexans, each person attending the shareholders' meeting has the number of voting rights corresponding to the number of shares that he/she holds or represents. However a double voting right is attributed to all registered, fully paid up shares which have been held in registered form in the name of the same holder for at least two years.

Limitations on voting rights

Regardless of the number of shares held directly and/or indirectly, when voting on resolutions at Shareholders' Meetings either in person or by proxy, a shareholder's voting rights are limited to 8%, or 16% in the case of double voting rights, of the voting rights attached to shares held by all shareholders present or represented at the Shareholders' Meeting.

RIGHT TO ATTEND SHAREHOLDERS' MEETINGS

All shareholders are entitled to attend shareholders' meetings provided that they can provide proof of their identity and of their ownership of shares at the record date (J-3 defined below).

FORMALITIES

Shareholders no longer need to block their shares from being traded in order to vote or attend the shareholders' meeting.

Pursuant to article 136 of Decree n° 67-236 of 23 March 1967 as amended by Decree n° 2006-1566 of 11 December 2006, shareholders whose shares are registered in a share account in their name or in the name of their financial intermediary at least 3 business days prior to the Shareholders' Meeting, namely by Monday 7 May 2007 at 00H00 Paris time (hereafter referred to as J-3), will be allowed to vote in and/or attend the Shareholders' Meeting due to be held on second call. Shares must either be registered in a registered shareholders' account or a bearer shareholders' account maintained by an authorised financial intermediary.

For shareholders holding their shares in registered form, to gain admission to the Shareholders' Meeting that their shares be registered in a share account by J-3.

For shareholders who hold their shares in bearer form, they must request the financial intermediary who maintains the bearer shareholders' account to indicate directly to the Société Générale (the bank appointed by Nexans responsible for the organisation of the Shareholders' Meeting) that its customer is a shareholder of Nexans, by issuing a certificate of

participation that will be attached to the postal voting form or the proxy form or the admission card issued in the name of the shareholder or in the name of the intermediary designated by the shareholder. However any bearer shareholder who wishes to participate in person at a Shareholders' Meeting and who has not received his or her admission card by 7 May 2007, must obtain from his or her financial intermediary a certificate of participation confirming that he or she was a shareholder on J-3, which certificate will allow him or her to gain admission to the Shareholders' Meeting.

Recommendations for shareholders that will attend the shareholders' meeting

The meeting of 10 May 2007 will start at 4:30 pm. To allow the meeting to start on time, please:

- Make sure you have your admission card with you and go to the welcome desk before the meeting is due to start to sign the attendance register. You are advised to arrive one hour before the start to leave you time to complete all the necessary formalities.
- Take into the meeting room the file for the general meeting which will be given to you when you sign the attendance register.
- Follow the instructions given during the meeting for voting.

HOW TO PARTICIPATE

As a shareholder of the company, Nexans hopes that you will be able to attend the annual Shareholders' Meeting personally. To gain entry to the meeting, you will need to obtain an admission card.

If you are unable to attend the meeting personally, you may nevertheless vote on the resolutions either by appointing a proxy or by sending a postal vote.

In all cases, you have to return the voting and attendance instruction form attached to the present notice.

You will find below the relevant information and instructions regarding each of these methods for participating in the annual Shareholders' Meeting.

1. Attending personally

To gain entry to the meeting and vote, you will need to obtain **an admission card**, which will be provided to you on request.

- Tick box A at the top of the attached voting and attendance instruction form.
- Date and sign at the bottom of the form.
- Return the form as soon as possible so as to receive your admission card in sufficient time, either:
 - if you are a **registered shareholder**, to Société Générale - Shareholders' Meeting department (BP 81236, 32 rue du Champ du Tir, 44312, Nantes Cedex 03, France), in the enclosed pre-paid envelope;
 - if you are a **bearer shareholder**, to the financial intermediary where your share account is maintained.

2. By proxy

If you are unable to attend the shareholders' meeting personally, you may choose between the 2 following alternatives:

✓ to appoint the Chairman as your representative

- Tick box B at the top of the attached form.
- Date and sign at the bottom of the form.
- Return the form as soon as possible to your financial intermediary if you are a bearer shareholder, or to Société Générale in the enclosed pre-paid envelope if you are a registered shareholder.

✓ to appoint either your spouse or another shareholder as your representative

- Tick box B at the top of the attached form.
- Tick box "I hereby appoint/Je donne pouvoir à ..." providing all the requested information (name and address of your representative).
- Date and sign at the bottom of the form.

- Give the form to your proxy, or return it to your financial intermediary if you are a bearer shareholder, or to Société Générale in the enclosed pre-paid envelope if you are a registered shareholder.

3. By postal vote

- Tick box B at the top of the attached form.
- Tick box "I vote by post / Je vote par correspondance".
- If you wish to vote against or abstain from one or several resolutions, shade in the appropriate boxes next to the resolutions that you are opposed to sign; do not forget to fill in the box relating to " amendments to or new resolutions presented during the meeting", indicating your choice by shading in the appropriate boxes.
- Date and sign at the bottom of the form.
- Return the form as soon as possible to your financial intermediary if you are a bearer shareholder, or to the Société Générale in the enclosed pre-paid envelope if you are a registered shareholder.

Reminder:

- postal votes and proxies will only be valid if the duly completed and signed forms are received at the registered office of the Company or by the Shareholders' Meeting department of the Société Générale (at the address indicated above) **by Wednesday 9 May 2007 at 15H00 (Paris time) at the latest;**
- once a shareholder has voted by postal vote or sent a power of attorney or requested an admission card, he or she can no longer change their method of participation in the Meeting, but may sell all or part of their shares.

**PRESENTATION OF SOME PROPOSALS SUBMITTED TO THE ANNUAL
SHAREHOLDERS' MEETING TO BE HELD ON MAY 10, 2007**

(based on the 2006 Annual report)

➤ **RENEWAL OF DIRECTORS TERM OF OFFICE**

A resolution will be presented to the Shareholders for the renewal of Gianpaolo Caccini, Jean-Marie Chevalier, Georges Chodron de Courcel, Jacques Garaïalde and Ervin Rosenberg as Directors for a 4 year term to terminate on the holding of the Shareholders' Meeting convened to consider the accounts for the financial year ending on 31st December 2010.

Gianpaolo CACCINI

68 years old | Chairman of Assovetro, Association of Italian Glass Manufacturers

Via Caradosso No. 17, 20123 Milan, Italy

Number of Nexans shares held: 387

Date of appointment: June 15, 2001

Date of term expiration: 2007 Annual Shareholders' Meeting

• Other Directorships and positions held

Member of the Board of Directors of Saint-Gobain, JM Huber Corporation*, Saint-Gobain Corporation*, Nybron Flooring International*.

• Directorships expired in the past five years

Chief Operating Officer of Saint-Gobain, Senior Vice President of Saint-Gobain Corporation*.

• Expertise/Experience

From 1973 to 1980, he worked at the Saint-Gobain Group as Vice-President Sales, then managed several divisions, units and subsidiaries including Vetrotex Italie Spa and Saint-Gobain Desjonquères SA France. From 1996 to 2000, he was Vice-President, North America and Deputy CEO of the Group, and CEO, from 2000 to 2004.

Jean-Marie CHEVALIER

65 years old | Professor of Economics at the University of Paris IX-Dauphine

Place du Maréchal de Lattre de Tassigny, 75116 Paris

Number of Nexans shares held: 420

Date of appointment: October 23, 2003

Date of term expiration: 2007 Annual Shareholders' Meeting

• Other Directorships and positions held

Director of Cambridge Energy Research Associates.

• Directorships expired in the past five years

None.

• Expertise/Experience

Successively professor of economics at the universities of Grenoble, Paris XIII Nord, Paris IX-Dauphine (since 1991). Also professor at IEP Paris (1982-1990) and at ENA (1988-1990). He has been Consultant for various companies, banks, government agencies and international organizations. Since 1984, Consultant for the energy department at the World Bank. Vice-President at Cambridge Energy Research Associates (CERA) since 1997.

* Directorships held in foreign companies.

Georges CHODRON de COURCEL

56 years old | Chief Operating Officer of BNP Paribas and Member of the Executive Committee

3 rue d'Antin, 75002 Paris

Number of Nexans shares held: 229

Date of appointment: June 15, 2001

Date of term expiration: 2007 Annual Shareholders' Meeting

- Other Directorships and positions held

Chairman of Financière BNP Paribas SAS, Compagnie d'Investissement de Paris SAS, BNP Paribas Emergis SAS, BNP Paribas (Switzerland) SA*, and BNP Paribas UK Holdings Ltd*.

Member of the Board of Directors of Bouygues SA, Alstom, F.F.P. (Société Foncière, Financière et de Participations), Verner Investissements SAS, Erbé SA*, BNP Paribas ZAO*, BNL* (Banca Nazionale del Lavoro).

Member of the Supervisory Board of Lagardère SA.

Observer of Exane, Scor SA, Safran.

- Directorships expired in the past five years

Chairman de BNP Paribas Bank Polska*, BNP US Funding*.

Member of the Board of Directors of Sommer SA*, BNP Paribas Canada*, BNP Paribas Peregrine Ltd*, BNP Prime Peregrine Holdings Ltd*, and BNP Paribas Securities Corp*.

Member of the Supervisory Board of Sagem.

Observer of Scor Vie.

- Expertise/Experience

Joined BNP in 1972. After holding several management positions, became deputy CEO in 1993, then Managing Director in 1996. From 1999 to 2003, Member of the Executive Committee and Head of the Finance and Investment Bank of BNP-Paribas, then Managing Director since 2003.

Jacques GARAÏALDE

50 years old | Managing Director of Kohlberg Kravis Roberts & Co. Ltd. Stirling Square, 7 Carlton Gardens, London SW1Y 5AD, UK

Number of Nexans shares held: 500

Date of appointment: June 15, 2001

Date of term expiration: 2007 Annual Shareholders' Meeting

- Other Directorships and positions held

Chairman of the Board of Directors of PagesJaunes Group.

Chairman and Chief Executive Officer of Mediannuaire Holding.

Member of the Board of Directors of Legrand and Tarkett SA.

Member of the Executive Committee of Société d'Investissement Familiale.

- Directorships expired in the past five years

Member of the Board of Directors of Legrand France, Lumina Participation.

Chairman of the Supervisory Board of Solsoft, Egencia.

- Expertise/Experience

After Exxon Corporation, he joined the Boston Consulting Group in 1982, where he worked successively as Consultant, Vice-President, Senior Vice-President and Vice-President Operations, Belgium and France (1995 to 2000). He was Managing Director Europe for the Carlyle Group in London from 2000 to 2003 before signing on with the Kohlberg Kravis Roberts & Co group as Managing Director.

* Directorships held in foreign companies.

Ervin ROSENBERG

71 years old | Advisor to the Chairman of Compagnie Financière Edmond de Rothschild Banque
47 rue du Faubourg Saint Honoré, 75008 Paris
Number of Nexans shares held: 500
Date of appointment: June 15, 2001
Date of term expiration: 2007 Annual Shareholders' Meeting

- Other Directorships and positions held

Member of the Board of Directors of Carbone Lorraine.

Member of the Supervisory Board of Compagnie Financière Edmond de Rothschild Banque, LCF Rothschild Financial Services, Mobility Saint Honoré.

Chairman and Chief Executive Officer of Financière Savoisiennne.

- Directorships expired in the past five years

Member of the Board of Directors of Thomson SA.

Member of the Supervisory Board of Ifrah Finance and Entreprise Minière et Chimique.

- Expertise/Experience

He started working at BNP in 1965 where he joined the Industrial Business Division (1985). He was appointed Director of the Large Businesses Division in 1993 and was appointed successively a member of the General Management Committee of BNP and then Central Director in 1994, before being appointed honorary Deputy Managing Director in 2000. He joined Compagnie Financière Edmond de Rothschild Banque in 2000 as Advisor to the President of the Directors' Committee and a member of the Supervisory Board.

➤ **ELECTION OF NEW DIRECTORS**

A resolution will also be presented to the Shareholders for the election of Jérôme Gallot, Jean-Louis Gerondeau and Nicolas de Tavernost as Directors for a 4 year term, to terminate on the holding of the Shareholders' Meeting convened to consider the accounts for the financial year ending on 31st December 2010. Nexans does not have any significant business relationships with these nominees or with the groups of which they are also Directors. The nominees are therefore considered to be independent with regard to Nexans.

Jérôme GALLOT

47 years old
Number of Nexans shares held: 200

- Expertise/Experience

After serving as the Auditor at the French "Cour des Comptes" for 3 years, he joined the Secretary General of the Inter-Ministry Committee for issues regarding the Organization for European Economic Cooperation (1989 to 1992), then the Budget Department. He was successively Cabinet Director of the Ministries of Industry, Post and Telecommunications, Foreign Trade, and Public Services, then became Deputy Finance Minister (1993 to 1997). He was appointed Director General of the Department of Competition, Consumer Affairs and Repression of Fraud within the French Ministry of the Economy, Finance, and Industry (1997 to 2003) before becoming Vice President and Member of the Executive Committee of Caisse des Dépôts and Consignations. He was appointed Chairman of CDC Entreprises in 2006.

Jérôme Gallot is also:

- Member of the Supervisory Board of CNP Assurances (since 2004), Compagnie Nationale du Rhône (CNR) (since 2003), NRJ Group (since 2006), and Schneider Electric SA (since 2006).

- Member of the Board of Directors of Icade (since 2004), Caixa Seguros (Brazilian subsidiary of CNP) (since 2005), and Plastic Omnium (since 2007).
- Observer of Oseo.

Jean-Louis GERONDEAU

63 years old

- Expertise/Experience

He began his career in 1965 with the Department of International and Economic Affairs within the French Ministry of Equipment, where he worked for 5 years. He joined McKinsey in 1970, then became the Chief Executive Officer of Zodiac in 1974. He was appointed Chairman of the Zodiac Management Board in 1980.

Jean-Louis Gerondeau is also:

- Chairman of the Supervisory Board of the Institute for Industrial Development (IDI).
- Member of the Board of Directors of Faurecia.
- President of the "Groupe des Equipements Aéronautiques et de Défense" du GIFAS (GEAD).

Nicolas de TAVERNOST

56 years old

- Expertise/Experience

First of all employed by the French Ministry of International Commerce (1974) then appointed General Secretary of the French Chamber of Commerce in Zurich (1976), he joined the cabinet of the Secretary of State of Post and Telecommunications in 1977 where he was posted in 1981 to the Telecommunications Department and then to the public services Division of the Video Communications Department. He joined Lyonnaise des Eaux in 1986 as Director of the Audiovisual business. He has been Managing Director of M6 since its creation in 1987, and was made Chairman of the M6 Group in 2000.

Nicolas de Tavernost is also:

- Director of Série Club, TF6, Paris Première, SND and the Girondins de Bordeaux football club, all of which companies are part of the M6 Group.
- Outside the M6 Group, a member of the Supervisory Board of RTL, a Director of Antena 3 (Spain) and President of the Association of European Commercial Television (ACT).

➤ **AUTHORIZATIONS TO BE GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES AND SHARE EQUIVALENTS**

The table below provides a summary of the conditions and limits contained in the resolutions to be submitted to the Shareholders' Meeting on May 10, 2007, to allow the Board of Directors, at its discretion and within the framework set by the Shareholders' Meeting, to issue shares and share equivalents, and delegate the powers to do so subject to the terms and conditions prescribed by law.

Resolutions 15 to 22⁽¹⁾	Cap per resolution⁽²⁾	Cap common to more than one resolution⁽²⁾
Share issue with preferential rights (R15) and greenshoe option if oversubscribed (R17)	€ 10,000,000	€ 10,000,000
Issue of shares equivalents associated with debt securities, with no preferential subscription rights (convertible bonds, convertible and exchangeable bonds, bonds reimbursable with shares and bonds with warrants) (R16) and greenshoe option if oversubscribed (R17)	Shares = € 4,000,000: (< 16% of the share capital) Debt securities = € 500,000,000	
Share issue in payment of contribution in kind of securities (R18)	10% of the share capital	
Share issue to be paid up by capitalizing reserves, income or additional paid-in capital (R19)	€ 10,000,000	
Issue of shares or share equivalents reserved for members of a Group employee Savings Plan (R20)	€ 500,000	
Allocation of stock options (R21)	€ 500,000	€ 500,000 (approximately 2% of the share capital)
Employee Restricted Stock Awards of existing or newly issued shares, granted free (R22)	€ 500,000	
		Global cap = € 21,000,000

(1) The abbreviation "R..." stands for the number of the resolution submitted for approval to the Shareholders' Meeting of May 10, 2007.

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

(3) All authorizations will be valid until the end of the Shareholders' Meeting to be called to approve the 2007 financial statements, except this one which will expire on the Shareholders' Meeting to be called to approve the 2008 financial statements.

**AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING
TO BE HELD ON MAY 10, 2007 AND TEXT OF RESOLUTIONS**

AGENDA

- Report of the Board of Directors on the results and the activity of the company and the Group during the year ended 31 December 2006.
- Auditors' reports on (i) the company accounts for the year ended 31 December 2006 and the report of the Chairman and Chief Executive Officer governed by article L. 225-37 of the French Commercial Code, (ii) the consolidated accounts for the year ended 31 December 2006, (iii) agreements governed by articles L. 225-38 of the French Commercial Code, (iv) the authorizations to be given by the shareholders to the Board of Directors to enable the company to reduce the share capital by cancellation of treasury shares, the issuance of securities not subject to preferential subscription rights, the increase of the share capital not subject to preferential subscription rights and reserved to members of employee share savings plans, the granting of options to purchase or subscribe to shares, the allocation of free shares whether existing or to be issued to employees or directors of the group.

Resolutions to be voted on by the Ordinary Shareholders' Meeting

1. Approval of the company accounts for the financial year ended 31st December 2006, the Board of Director's report, ratification of the directors' supervision.
2. Approval of the consolidated accounts for the financial year ended 31st December 2006.
3. Appropriation of income and dividend payment.
4. Approval of agreements governed by articles L.225-38 of the French Commercial Code.
5. Renewal of the term of office of Mr Gianpaolo Caccini as member of the Board of Directors.
6. Renewal of the term of office of Mr Jean-Marie Chevalier as member of the Board of Directors.
7. Renewal of the term of office of Mr Georges Chodron de Courcel as member of the Board of Directors.
8. Renewal of the term of office of Mr Jacques Garaïalde as member of the Board of Directors.
9. Renewal of the term of office of Mr Ervin Rosenberg as member of the Board of Directors.
10. Appointment of Mr Jérôme Gallot as member of the Board of Directors.
11. Appointment of Mr Jean-Louis Gerondeau as member of the Board of Directors.

12. Appointment of Mr Nicolas de Tavernost as member of the Board of Directors.
13. Authorization to be given to the Board of Directors to purchase or sell shares of the company.

Resolutions to be voted on by the Extraordinary Shareholders' Meeting

14. Authorization to be given to the Board of Directors to reduce the company's share capital by cancellation of treasury shares.
15. Authorization to be given to the Board of Directors to increase the share capital by issuance of shares subject to preferential subscription rights.
16. Authorization to be given to the Board of Directors to increase the share capital by issuance of bonds, not subject to preferential subscription rights, convertible, exchangeable into or reimbursable in shares or coupled with warrants to subscribe to shares, subject to a limit of 4 million euros.
17. Authorization to be given to the Board of Directors to increase the amount of an issuance of ordinary shares or securities, whether or not subject to preferential subscription rights, within the limits fixed in the fifteenth and sixteenth resolutions.
18. Possibility to issue ordinary shares or securities giving the right to acquire shares in the company resulting in an increase of the share capital by no more than 10%, as consideration for contributions in-kind of shares in another company or securities giving the right to acquire shares in another company.
19. Authorization to be given to the Board of Directors to increase the share capital through incorporation of premiums, profits or other reserves.
20. Authorization to be given to the Board of Directors to increase the share capital through an issuance reserved to members of employee share savings plans, not subject to preferential subscription rights, of shares or securities giving the right to acquire shares in the company.
21. Authorization to be given to the Board of Directors to grant stock options whether by purchase or subscription.
22. Authorization to be given to the Board of Directors to allocate existing or newly issued shares to group employees or corporate officers or managers, without payment.
23. Amendment of article 20 of the Articles of incorporation relating to Shareholders' Meetings to take into account the new regulations related to methods of participating in Shareholders' Meetings as set forth in decree n° 2006-1566 of 11 December, 2006.
24. Amendment of article 21 of the Articles of incorporation relating to voting rights, to take into account the new regulations related to the exercise of voting rights as set forth in law n° 2006-387 of 31 March, 2006.

Resolutions to be voted on by the Ordinary Shareholders' Meeting

25. Power to accomplish legal formalities.

TEXT OF RESOLUTIONS

THE ORDINARY SHAREHOLDERS' MEETING

First Resolution - Approval of the company accounts for the financial year ended 31st December 2006, report of the Board of Directors, ratification of the Directors' supervision

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the annual accounts for the year ended December 31, 2006 which comprise the balance sheet, the income statement and the annexes and the report of the Board of Directors and the Auditors' report, approves in their entirety the accounts of the company for the year ended 31st December 2006, showing a profit of 88,094,875 euros, together with the transactions reflected in these accounts and summarized in the reports.

In accordance with article 39-4 of the General Tax Code, the Shareholders' Meeting acknowledges that there were no expenses or charges that were not tax-deductible in the 2006 financial year.

The Shareholders' Meeting ratifies definitively all acts of supervision of the members of the Board for the financial year ended on 31st December 2006.

Second Resolution - Approval of the consolidated accounts for the financial year ended 31st December 2006

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the report of the Board of Directors and the Auditors' report concerning the consolidated accounts, approves in their entirety the consolidated accounts for the year ended 31 December 2006, as presented by the Board of Directors, showing a net profit (group share) of 241 million euros, together with the transactions reflected in these accounts and summarized in the reports.

Third Resolution - Appropriation of income and dividend payment

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the report of the Board of Directors and the Auditors' report, decides to appropriate the profit for the financial year in an amount of 88,094,875 euros as follows:

Distributable earnings amount to :

- Retained earnings from previous year	80,400,957 euros
- Increased by the profit for the current accounting period	88,094,875 euros
- Allocation to the legal reserve	175,763 euros

Total distributable income

172,320,069 euros

Appropriation of income

(based on the number of shares making up the share capital as of 31st December 2006)

- 1.20 euro per share i.e. a maximum dividend distribution equal to 30,317,946 euros
- Retained earnings after distribution 142,002,123 euros

Total **172,320,069 euros**

The dividend payable on each share of the company carrying the right to receive a dividend will be 1.20 euro per share. The maximum total amount of dividends payable is 30,317,946 euros based on the maximum number of shares making up the share capital as of 31st December 2006. However this total may be increased (and the retained earnings accordingly reduced) by an additional maximum amount of 792,330 euros, taking into account the maximum number of 660,275 additional shares which may be created between 1st January 2007 and the date of the Shareholders' Meeting convened to consider the distribution of a dividend, pursuant to options to subscribe to new shares which may have been exercised by this date.

The dividends will be paid as from 15th May 2007.

If at the date of payment of the dividend Nexans held treasury stock, the amounts corresponding to dividends not paid on these shares will be allocated to retained earnings.

Pursuant to article 243 bis of the French Tax Code (CGI), the total amount of dividends paid, i.e. a maximum sum of 31,110,276 euros, will qualify for the 40% relief provided for in paragraphs 2 and 3 of Article 158 of the French Tax Code.

The amount of dividends distributed over the last three financial years and the corresponding tax credit (for 2003) and the 50% relief on dividends (for 2004) and the 40% relief on dividends (for 2005) is as follows:

	2003	2004	2005
Gross dividend by share	0.20 €	0.50 €	1 €
Tax credit	0.10 €	-	-
Total income per share	0.30 €	0.50 €	1 €
Dividends eligible for 50% relief (2004 financial year) and for the 40% relief from the 2005 financial year :			
- amount per share	-	0.50 €	1 €
- number of eligible shares (all shares of the same category)	-	21,136,773	21,661,745
- total amount	-	10,568,386.50 €	21,661,745 €

Fourth Resolution - Approval of agreements governed by articles L.225-38 of the French Commercial Code

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the auditors' report with respect to agreements governed by articles L.225-38 of the French Commercial Code,

approves the agreements entered into during the course of the 2006 financial year and the transactions referred to in the report.

Fifth Resolution – Renewal of the term of office of Mr Gianpaolo Caccini as member of the Board of Directors

The Shareholders' Meeting voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings and having considered the report of the Board of Directors, renews the term of office of Mr Gianpaolo Caccini, which has expired, as member of the Board of Directors, for a period of four years expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Sixth Resolution – Renewal of the term of office of Mr Jean-Marie Chevalier as member of the Board of Directors

The Shareholders' Meeting voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings and having considered the report of the Board of Directors, renews the term of office of Mr Jean-Marie Chevalier, which has expired, as member of the Board of Directors, for a period of four years expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Seventh Resolution – Renewal of the term of office of Mr Georges Chodron de Courcel as member of the Board of Directors

The Shareholders' Meeting voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings and having considered the report of the Board of Directors, renews the term of office of Mr Georges Chodron de Courcel, which has expired, as member of the Board of Directors, for a period of four years expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Eight Resolution – Renewal of the term of office of Mr Jacques Garaïalde as member of the Board of Directors

The Shareholders' Meeting voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings and having considered the report of the Board of Directors, renews the term of office of Mr Jacques Garaïalde, which has expired, as member of the Board of Directors, for a period of four years expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Ninth Resolution – Renewal of the term of office of Mr Ervin Rosenberg as member of the Board of Directors

The Shareholders' Meeting voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings and having considered the report of the Board of Directors, renews the term of office of Mr Ervin Rosenberg, which has expired, as member of the Board of Directors, for a period of four years expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Tenth Resolution – Appointment of Mr Jérôme Gallot as member of the Board of Directors.

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the report of the Board of Directors, appoints Mr Jérôme Gallot as member of the Board of Directors, for a period of four years, expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Eleventh Resolution – Appointment of Mr Jean-Louis Gerondeau as member of the Board of Directors.

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the report of the Board of Directors, appoints Mr Jean-Louis Gerondeau as member of the Board of Directors, for a period of four years, expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Twelfth Resolution – Appointment of Mr Nicolas de Tavernost as member of the Board of Directors

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the report of the Board of Directors, appoints Mr Nicolas de Tavernost as member of the Board of Directors, for a period of four years, expiring on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2010.

Thirteenth Resolution - Authorization to be given to the Board of Directors to purchase or sell shares of the company

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to ordinary shareholders' meetings, and having considered the Board of Directors' report, authorizes the Board of Directors in accordance with articles L.225-209 and following of the French Commercial Code, with the power to sub-delegate as permitted by applicable law, to acquire either directly or through an authorised intermediary for the purposes of:

- delivering shares (by way of exchange, payment or otherwise) as part of public offers, mergers, splits or contributions; or
- satisfying the exercise of rights attached to securities giving rise to the delivery of shares, whether by reimbursement, conversion, exchange, presentation of a voucher or any other means; or
- implementing stock options plans in accordance with articles L.225-177 and following of of the French Commercial Code; or
- allocating free shares in accordance with articles L.225-197-1 and following of of the French Commercial Code; or
- allocating or selling shares to employees in recognition of their participation in the performance of the company or pursuant to employee share savings plans in accordance with applicable law and in particular articles L.443-1 and following of of the French Labor Code;

- cancelling all or part of shares so acquired, subject to the approval of the tenth resolution set forth below by the Extraordinary Shareholders' Meeting, on the terms and conditions set out in such resolution; or
- stimulating the secondary market or the liquidity of the Nexans share through an investment services provider operating totally independently pursuant to a liquidity contract which complies with the deontological rules of the AFEI, and which is signed prior to any trading.

The company may also buy or sell its shares for any other reason permitted by applicable law and regulations and if the company buys or sells its shares for a reason not listed above, it will inform its shareholders accordingly by a press release of such other reason.

The number of shares of the company which may be acquired shall be such that:

- the number of shares acquired by the company does not exceed 10% of the number of shares comprising the capital of the company on the day of purchasing, provided however that the maximum number of shares which can be acquired for the purposes of being subsequently exchanged pursuant to a merger, spin-off or contribution, shall not exceed 5% of the share capital of the company;
- the number of shares held by the company at any given time does not exceed 10% of the number of shares comprising the share capital of the company.

Shares may be bought, sold or transferred at any time, save during a public offer, by any method, either on the stock exchange or by private agreement, including by purchase or sale of blocks of shares (without limiting the part of the share buy-back programme which may be undertaken in this way), or by take-over bids by way of purchase, sale or exchange of shares, use of optional transactions or other derivatives traded on regulated markets or by private agreement, or by allocation of shares further to the issue of securities giving the right to acquire shares in the company, by conversion, exchange, reimbursement, presentation of a voucher or any other means, either directly or indirectly through an investment services provider.

The maximum purchase price per share pursuant to this resolution shall be 120 euros.

In case of re-sale of shares on the stock market, the minimum price at which treasury shares acquired pursuant to buy-back programmes authorised by the present Shareholders' Meeting may be sold is fixed at 80 euros per share. This price shall also apply to allocation of treasury shares held by the company further to the issue of securities at any time after the date of this Shareholders' Meeting, giving the right to acquire shares in the company by conversion, exchange, reimbursement, presentation of a voucher or any other means. Notwithstanding the foregoing, in the event that the company makes use of the possibilities provided in the fifth paragraph of article L.225-209 of the French Commercial Code, the price per share shall be determined in accordance with applicable laws and regulations. Furthermore, the minimum sales price shall not apply in the event of allocation of shares by way of payment or exchange of shares in consideration of the acquisition of companies.

The maximum amount that may be spent by the company to buy-back its own shares shall not exceed 150 million euros.

This authorization will cancel, as from today, any remaining unused balances under any prior authorization given to the Board of Directors for the purposes of allowing the company to sell or purchase its own shares. This authorization shall expire on the holding of the Shareholders'

Meeting which will be convened to consider the accounts for the financial year ending on 31st December 2007 and at the latest eighteen months from the date of this Shareholders' Meeting.

In the event of any change in the nominal value of the shares of the company, of any increase of the share capital by incorporation of retained earnings, of allocation of free shares, of a share split or consolidation of shares, of the distribution of retained earnings or an of any other assets, of repayment of the share capital, and all other transactions affecting shareholders' equity, the Shareholders' Meeting decides to delegate to the Board of Directors the necessary powers to adjust the prices indicated above to take account of the effect of these transactions on the value of the share.

The Shareholders' Meeting decides to delegate to the Board of Directors the necessary powers, with the power to sub-delegate as permitted by law, for the purposes of implementing this authorization and defining if necessary the conditions to ensure the successful completion of the contemplated issuances, in particular by placing orders on the stock market, entering into any and all agreements in particular for the keeping of a registry of share purchases and sales, making all declarations required to be made to the financial markets Authority and any substitute authority, accomplishing all formalities and more generally taking all measures required to be taken for the issuance.

THE EXTRAORDINARY SHAREHOLDERS' MEETING

Fourteenth Resolution – Authorization to be given to the Board of Directors to reduce the company's share capital by cancellation of treasury shares

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to Extraordinary Shareholders' Meetings and having considered the Board of Directors' and Auditors' reports, authorizes the Board of Directors to reduce the share capital at its sole discretion, in one or several stages, in the amount or amounts and at the time it determines, by the cancellation of all or part of any treasury shares held by the company, subject to any limits imposed by law, in accordance with article L.225-209 and the following articles of the French Commercial Code.

The maximum number of shares which may be cancelled by the company pursuant to this resolution is 10% of the number of shares comprising the capital of the company over a 24 month period.

This authorization will cancel, as from today, any remaining unused balances under any previous authorization granted to the Board of Directors for the purpose of reducing the share capital by cancellation of treasury shares. This authorization shall expire on the holding of the Shareholders' Meeting which will be convened to consider the accounts for the financial year ending on December 31, 2007.

The Shareholders' Meeting decides to delegate to the Board of Directors the necessary powers, with the power to sub-delegate, for the purposes of any cancellation of shares and reduction of share capital pursuant to this resolution, to amend the Articles of Association accordingly and undertake all the necessary formalities.

Fifteenth Resolution - Authorization to be given to the Board of Directors to increase the share capital by issuance of shares subject to preferential subscription rights

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings, and having considered the report prepared by the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-129 and L.225-129-2 of the French Commercial Code:

1. delegates to the Board of Directors, with the power to sub-delegate, the necessary powers in order to increase the share capital, on one or more occasions, in France or abroad, in such proportion and at such periods as it may deem appropriate in euros, in foreign currency or in any other monetary unit set by reference to several currencies, by issuance of ordinary shares (excluding preference shares) for consideration or for no consideration, pursuant to article L 228-91 and the following articles of the French Commercial Code, which shares may be subscribed to either in cash, or by compensation of claims, or by incorporation of retained earnings, income or premiums;
2. decides to set the following limits on the amounts of authorized issuances in case of exercise of these powers by the Board of Directors:
 - the overall maximum par value of capital increases that may be carried out pursuant to this resolution is fixed at 10 million euros; provided however that (i) the maximum par value of capital increases that may be carried out pursuant to this resolution and the sixteenth, seventeenth and eighteenth resolutions of this meeting is fixed also at 10 million euros; and (ii) the overall par value of capital increases which may be carried out pursuant to this resolution and the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty first and twenty second resolutions of this meeting, is fixed at 21 million euros;
 - the above limit shall be increased by the par value of any shares that may be issued as part of any new financial transactions, in order to protect the rights of holders of securities giving the right to acquire shares in the company;
3. decides that the authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending on December 31, 2007;
4. in case of the use of this authorization by the Board of Directors:
 - decides that the issuance or issuances will be reserved in priority to existing shareholders who shall have the right to subscribe pro rata the number of shares held by them in the company;
 - acknowledges that the Board of Directors has the right to grant a right to subscribe to shares which is not proportional to the number of shares held in the company in accordance with Article L.225-134 of the French Commercial Code,
 - acknowledges that, if any unsubscribed shares remain in the issuance after the exercise by the shareholders of their preferential subscription rights and, as the case may be, of any additional right to subscribe shares granted by the Board of Directors, the Board of Directors shall, subject to compliance with applicable law and in such order as it determines, have the following options:
 - to limit the issuance to the amount of the subscriptions received, provided that subscriptions have been made for at least three-quarters of the issuance;

- to allocate at its discretion all or part of any unsubscribed shares remaining in the issuance;
 - to make a public offering of all or part of any unsubscribed shares on the French market and/or abroad;
5. decides that the Board of Directors shall have full authority to implement this authorization, in particular for the purposes of:
- deciding to increase the capital;
 - deciding the amount to be issued, the issue price and the amount of the premium which may be requested upon issuance, as the case may be;
 - determining the dates and the conditions on which the capital may be increased and the manner in which shares to be issued immediately or in the future will be paid-up;
 - determining, where necessary, the terms and conditions of exercise of the rights attached to the shares to be issued and, in particular, the period, including retroactively, from which dividends will be payable on the new shares, as well as all other terms and conditions of the issuance;
 - suspending the exercise of rights attached to the shares to be issued, subject to applicable law and regulations;
 - at its sole initiative, charging of costs incurred due to the increase of capital to the proceeds thereof and deducting from such proceeds any amount necessary to increase the legal reserve;
 - confirming the completion of each capital increase and amending the Articles of Association accordingly;
 - generally, entering into any and all agreements to ensure the successful completion of the contemplated issuances, taking all measures and accomplishing all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorization and the exercising all rights attached thereto;
6. acknowledges that this authorization cancels, as of today, any remaining unused balance under any authorization given previously for the same purpose, namely any authorization for the increase of the share capital subject to preferential subscription rights as set out in this resolution;
7. acknowledges that, in the event that the Board of Directors uses the authorization given to it under this resolution, the Board of Directors will report on the use made of the authorizations given in this resolution to the next ordinary shareholders' meeting, in accordance with applicable law and regulations.

Sixteenth Resolution – Authorization to be given to the Board of Directors to increase the share capital by issuance of bonds, not subject to preferential subscription rights, convertible, exchangeable into or reimbursable in shares or coupled with warrants to subscribe to shares, subject to a limit of 4 million euros

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings, and having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Article L.225-129 and the following articles of the French Commercial Code, in particular L.225-129-2, L.225-135 and L.225-148:

1. delegates to the Board of Directors with the power to sub-delegate as permitted by law, the necessary powers in order to increase the share capital, on one or more occasions in such proportion and at such periods as it may deem appropriate, subject to the provisions of article L.233-32 of the French Commercial Code, in France and abroad, by public offer in euros, in foreign currency or in any other monetary unit set by reference to several currencies, by issuance of securities which give the right to acquire shares in the company (whether existing or new shares), issued for consideration or no consideration pursuant to article L 228-91 and the following articles of the French Commercial Code, which shares may be subscribed to either in cash or by compensation of claims;
2. delegates to the Board of Directors with the power to sub-delegate as permitted by law, the necessary powers to issue securities giving the right to acquire shares in the company further to issuances of securities made by companies in which the company directly or indirectly holds more than half the share capital;

This authorization operates as a waiver, in favour of the holders of securities which may be issued by Group companies, of the preferential subscription rights of existing shareholders to subscribe to the shares issued pursuant to such securities.

3. delegates to the Board of Directors with the power to sub-delegate as permitted by law, the necessary powers in order to issue securities which give the right to acquire shares in companies in which the company directly or indirectly holds more than half the share capital;
4. decides to set the following limits on the amounts of authorized issuances in case of exercise of these powers by the Board of Directors:
 - the overall maximum par value amount of capital increases which may be carried out whether immediately or in the future pursuant to this resolution is fixed at 4 million euros, which will be deducted from both the maximum amount of 10 million euros fixed in paragraph 2(i) of the fifteenth resolution of this meeting and the maximum global amount fixed in paragraph 2(ii) of the fifteenth resolution of this meeting;
 - the above limits shall be increased by the nominal amount of any shares that may be issued as part of any new financial transactions, in order to protect the rights of holders of securities giving the right to acquire shares in the company;
 - the maximum par value amount of debt securities which may be issued giving the right to acquire shares in the company is fixed at 500 million euros or the equivalent on the date of issuance of such amount in any other currency or any other monetary unit set by reference to several currencies, which limit will be increased by the amount of any premium for reimbursement over the par value;
5. decides that the authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2007;
6. decides to eliminate the preferential subscription rights of shareholders to the securities issued pursuant to this resolution. However, the Board of Directors shall have the right for all or part of any issuance, in accordance with the 2nd paragraph of Article L. 225-135 of the French Commercial Code, to grant shareholders, for a period and in accordance with the terms and conditions that it shall determine subject to compliance with applicable laws and regulations, for all or part of any issuance, a preferential but non-negotiable subscription right pro rata the number of shares held by each shareholder with the possibility also to allocate any remaining unsubscribed securities on a non pro rata basis.

Any shares which are not subscribed to will be sold through a public offering on the French market and/or abroad;

7. acknowledges that if any unsubscribed shares remain in the issuance, including, as the case may be, after the shareholders have been granted the right to subscribe, the Board of Directors may limit the issuance to the amount of the subscriptions received, provided that at least three-quarters of the issuance is subscribed to;
8. acknowledges that this authorization operates as a waiver, in favour of the holders of securities giving the right to acquire shares in the company, of the preferential subscription rights of existing shareholders to subscribe to the shares issued pursuant to such securities;
9. acknowledges that, in accordance with the 1st paragraph of Article L. 225-136 1° of the French Commercial Code:
 - any consideration received by the company, together with any consideration to be received subsequently in respect of each share issued pursuant to securities giving the right to acquire shares in the company, shall be equal to at least the minimum amount fixed by applicable law in force at the time of issuance;
 - securities giving the right to acquire shares in the company will be converted, redeemed or transformed into a number of shares such that taking into account the nominal value of such security or bond, the consideration received by the company in respect of each share shall at least be equal to the minimum subscription price defined in the above paragraph;
10. decides that the Board of Directors shall have full authority to implement this authorization, in particular for the purposes of :
 - deciding to increase the capital and determining the securities to be issued;
 - deciding the amount of the capital increase, determining the issue price and whether or not a premium will be payable;
 - determining the dates and the conditions on which the capital may be increased as well as on the nature and the characteristics of any securities to be issued giving the right to receive debt securities, deciding whether or not such securities shall be subordinated (and the priority in which they will rank, if any, pursuant to Article L.228-97 of the French Commercial Code), fixing the interest rate (which may be fixed or variable, zero coupon or index-linked), determining any mandatory or optional cases in which the payment of interest may be halted or suspended, the term (fixed or indefinite), the possibility to reduce or increase the nominal value of shares and any other conditions of issuance (including the granting of security or liens therefor) and conditions of repayment (including repayment by delivery of assets of the company), deciding to amend any of the above conditions during the term of such securities, subject to compliance with applicable formalities;
 - determining the method of payment for shares or securities giving the right to acquire shares immediately or in the future;
 - fixing, where necessary, the terms and conditions of exercise of the rights (by conversion, exchange or redemption, including by delivery of assets of the company such as securities already issued by the company) attached to the shares or securities to be issued which give the right to acquire shares, the period, including retroactively, from which dividends will be payable on new shares, as well as determining all other conditions on which the capital may be increased;

- fixing the terms and conditions on which the company may, if applicable, at any time or during predefined periods, purchase or exchange on the stock exchange securities issued or to be issued whether immediately or in the future, whether for cancellation or otherwise, as permitted by applicable law;
 - suspending the exercise of rights attached to the issued securities subject to applicable law and regulations;
 - at its sole initiative, charging the costs arising from the increase of capital to the proceeds thereof and deducting from such proceeds any amount necessary to increase the legal reserve;
 - proceeding with any adjustments required to take into account the consequences of transactions on the company's share capital, in particular in the event of amendment of the nominal value of shares, of the increase in share capital through incorporation of retained earnings, allocation of free shares, shares splits or consolidation of shares, distribution of retained earnings or of any other asset, repayment of share capital or any other transactions affecting shareholders' equity, and determining the terms and conditions on which the rights of holders of securities giving the right to acquire shares in the company will be protected, if necessary;
 - confirming the completion of each capital increase and amending the Articles of Association accordingly;
 - generally, entering into any and all agreements to ensure the successful completion of the contemplated issuances, taking all measures and accomplishing all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorization and the exercising all rights attached thereto;
11. acknowledges that this authorization cancels, as of today, any remaining unused balance under any authorization given previously for the same purpose, namely any global authorization given for the increase of share capital not subject to preferential subscription rights covering securities and transactions described in this resolution;
12. acknowledges that, in the event that the Board of Directors uses the authorization given to it under this resolution, the Board of Directors will report on the use made of the authorizations given in this resolution to the next ordinary shareholders' meeting, in accordance with applicable law and regulations.

Seventeenth Resolution – Authorization to be given to the Board of Directors to increase the amount of an issuance of ordinary shares or securities, whether or not subject to preferential subscription rights, within the limits fixed in the fifteenth and sixteenth resolutions

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings, in accordance with Articles L. 225-135-1 of the French Commercial Code :

1. delegates to the Board of Directors the necessary powers to decide to increase the number of securities to be issued pursuant to an increase in the share capital whether or not subject to preferential subscription rights at the same price as fixed for the initial issuance, in accordance with the limits and time periods fixed by the regulations applicable at the date of issuance (which currently provide that such increase must occur within 30 days of the end of the subscription period for the initial issuance and must be limited to 15% of the initial issuance), in particular for the purposes of granting an over-subscription right (greenshoe) in accordance with market practices;

2. decides that the nominal amount of any increase in share capital pursuant to this resolution will be deducted from (i) the maximum amount of 10 million euros fixed in paragraph 2(i) of the fifteenth resolution of this meeting in the event of an issuance subject to preferential subscription rights, or the limit of 4 million euros fixed in paragraph 4 of the sixteenth resolution of this meeting in the event of an issuance not subject to preferential subscription rights, and whether or not the issuance is subject to preferential subscription rights (ii) from the maximum global amount of 21 million euros fixed in paragraph 2(ii) of the fifteenth resolution of this meeting.

The authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2007.

Eighteenth Resolution – Possibility to issue ordinary shares or securities giving the right to acquire shares in the company resulting in an increase of the share capital by no more than 10%, as consideration for contributions in-kind of shares in another company or securities giving the right to acquire shares in another company

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings in accordance with the provisions of Article L. 225-129 and the following articles of the French Commercial Code, in particular the 6th paragraph of Article L. 225-147 thereof:

1. delegates to the Board of Directors the necessary powers with the power to sub-delegate, subject to a limit of 10% of the share capital at the date of the issuance (provided further that the par value amount of any increases in capital made pursuant to this resolution will be deducted from the limit of 10 million euros fixed in paragraph 2(i) of the fifteenth resolution of this meeting, to issue ordinary shares or securities giving the right to acquire shares in the company in consideration for in-kind contributions of shares of another company or securities giving the right to acquire shares in such other company, provided Article L.225-148 of the French Commercial Code does not apply, by the issuance, on one or more occasions, of ordinary shares (excluding preference shares) or securities which give the right to acquire shares in the company;
2. decides that the Board of Directors shall have full authority, with the power to sub-delegate as permitted by law, to implement this authorization, in particular for the purposes of:
 - deciding to increase the capital and determining the securities to be issued;
 - determining which securities are to be contributed, approving the valuation of the contribution, determining the terms and conditions of issuance of the securities to be issued and the amount of any fraction which may be payable in cash, approving the grant of any specific rights and reducing, subject to the consent of the contributors, the value of the contributions to be made or the consideration payable in respect of any specific rights granted;
 - determining the nature and characteristics of the securities to be issued and determining the terms and conditions on which the rights of holders of securities giving the right to acquire shares in the company will be protected, if necessary;
 - at its sole initiative, charging of costs incurred due to the increase of capital to the proceeds thereof and deducting from such proceeds any amount necessary to increase the legal reserve;

- confirming the completion of each capital increase and amending the Articles of incorporation accordingly;
 - generally, entering into any and all agreements to ensure the successful completion of the contemplated issuances, taking all measures and accomplishing all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorization and the exercising all rights attached thereto;
3. acknowledges that this authorization cancels, as of today, any remaining unused balance under any authorization given previously for the same purpose, namely any authorization for the issuance of shares or securities giving the right to acquire shares in the company not subject to preferential subscription rights in consideration for in-kind contributions of shares of another company or securities giving the right to acquire shares in such other company. The authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2007.

Nineteenth Resolution - Authorization to be given to the Board of Directors to increase the share capital through incorporation of premiums, profits or other reserves

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings and having considered the Board of Directors' report and in accordance with the provisions of Article L. 225-130 of the French Commercial Code:

1. delegates to the Board of Directors, with the power to sub-delegate as permitted by law, the necessary powers to increase the share capital, on one or more occasions, in such proportion and at such periods as it may deem appropriate, by incorporation of premiums, profits or other reserves, through allocation of free shares or the increase in the nominal value of existing shares or a combination of these methods. The maximum nominal amount of any capital increases pursuant to this resolution is limited to 10 million euros and the amount of any increase in share capital pursuant to this resolution will be deducted from the overall maximum limit fixed in paragraph 2(ii) of the fifteenth resolution of this meeting;
2. in case of exercise of the powers under this resolution by the Board of Directors, delegates to the Board of Directors the necessary powers, with the power of sub-delegation as permitted by law, to implement this authorization, in particular for the purposes of :
 - deciding the amount and the nature of sums to be incorporated into the share capital, the number of new shares to be issued and/or the amount by which the nominal amount of existing shares shall be increased and the period, including retroactively, from which dividends will be payable on the new shares or from which the nominal value of shares will be increased;
 - deciding in the event that free shares are allocated:
 - that the rights to fractions of shares may not be traded and that the shares corresponding thereto will not be sold and the proceeds of the sale allocated to the holders of such rights within the time periods provided for by applicable law and regulations;
 - that shares allocated in respect of existing shares with double voting rights will benefit from double voting rights immediately upon issuance;

- proceeding with any adjustments required to take into account the consequences of transactions on the company's share capital, in particular in the event of amendment of the nominal value of shares, of the increase in share capital through incorporation of retained earnings, allocation of free shares, shares splits or consolidation of shares, distribution of retained earnings or of any other asset, repayment of share capital or any other transactions affecting shareholders' equity, and determining the terms and conditions on which the rights of holders of securities giving the right to acquire shares in the company will be protected, if necessary;
 - confirming the completion of each capital increase and amending the Articles of Association accordingly;
 - generally, entering into any and all agreements to ensure the successful completion of the contemplated issuances, taking all measures and accomplishing all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorization and the exercising all rights attached thereto;
3. acknowledges that this authorization cancels, as of today, any remaining unused balance under any authorization given previously for the same purpose, namely any authorization to increase the share capital through incorporation of premiums, profits or other reserves. The authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2007.

Twentieth Resolution – Authorization to be given to the Board of Directors to increase the share capital through an issuance reserved to members of employee share savings plans, not subject to preferential subscription rights, of shares or securities giving the right to acquire shares in the company

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings and having considered the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and of Articles L. 443-1 and the following articles of the French Labor Code:

1. delegates to the Board of Directors, with the power to sub-delegate as permitted by law, the necessary powers to increase the share capital, on one or more occasions, up to a global maximum par value amount of 500 000 euros, by issuance of shares or securities giving the right to acquire shares in the company reserved to members of employee share savings plans (or members of any other plan to whom a share capital increase may be reserved on similar conditions pursuant to Article L. 443-5 of the French Labor Code) which may be put in place by the group comprising the company and all foreign and French companies within the scope of consolidation of the company in accordance with Article L. 444-3 of the French Labor Code; provided that the maximum par value amount of any capital increases which may be made pursuant to this resolution shall be deducted from the overall maximum limit fixed in paragraph 2(ii) of the fifteenth resolution of this meeting;
2. decides that the authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2008 and at the latest twenty six months from the date of this meeting;

3. decides that the issue price for the new shares or securities giving the right to acquire shares in the company will be determined in accordance with Article L.443-5 of the French Labor Code and shall be at least equal to 80% of the Reference Price (as such term is defined hereafter); however, the Board of Directors is hereby authorized to reduce or not grant the aforementioned discount if the Board deems this advisable, to the extent permitted by applicable laws and regulations, in particular to take account, inter alia, of local laws, tax, accounting and social security regimes. For the purposes hereof, Reference Price shall mean the average of the opening price of the shares quoted on the Eurolist of Euronext, on the twenty stock market trading days preceding the day on which the decision is taken for the opening of subscriptions by members of employee share savings plans;
4. authorizes the Board of Directors to allocate, in addition to shares or securities giving the right to acquire shares in the capital of the company subscribed to in cash, free shares and securities giving the right to acquire shares in the company to the above-mentioned beneficiaries, in place of all or part the discount on the Reference Price and/or in substitution for the employer's contribution; provided however that the benefit procured by the grant of free shares and securities does not exceed the applicable legal and regulatory limits pursuant to Articles L. 443-5 and L. 443-7 of the French Labor Code;
5. decides that this authorization operates as a waiver, in favour of the above-mentioned beneficiaries, of the preferential subscription rights of existing shareholders to subscribe to shares and securities which give the right to acquire shares in the company issued pursuant to this authorisation and in the case of allocation of free shares, of the right to receive free shares or securities giving the right to acquire shares in the company or of the right of existing shareholders to that part of the premiums, profits or other reserves incorporated for the purposes of issuing the free shares d pursuant to this resolution;
6. authorizes the Board of Directors, on the terms and conditions set out in this authorization, to sell shares to the members of employee share savings plans as provided for in the last paragraph of Article L. 443-5 of the French Labor Code;
7. decides that the Board of Directors shall have full authority, with the power to sub-delegate as permitted by law and subject to the limits and conditions defined above, in particular for the purposes of:
 - determining in accordance with applicable law, the list of companies whose beneficiaries as mentioned above may subscribe to shares or securities issued pursuant to this resolution and, as the case may be, be allocated free shares or securities giving the right to acquire shares in the company, if any;
 - deciding that the issuance may be subscribed to either directly by members of share savings plans or through employee share funds or through any other structures or entities permitted by applicable law and regulations;
 - determining the conditions, in particular in terms of length of service, which the beneficiaries of the capital increases must satisfy;
 - fixing the opening and closing dates for the subscriptions;
 - determining the amount of any issuances made pursuant to this resolution and deciding in particular, the issue price, dates, time-periods, terms and conditions of subscription, method of payment and delivery and the date from which from which dividends will be payable on new shares which date may be retroactive, the rules of reduction in the case of over-subscription, as well as the other terms and conditions of the issuances in accordance with applicable law and regulations;

- when free shares or securities giving the right to acquire shares in the capital are allocated, determining the number of shares or securities to be issued and the number to be allocated to each beneficiary, deciding the dates, time-periods and terms and conditions on which free shares and securities will be allocated, in compliance with applicable law and regulations, and in particular deciding whether to allocate free shares or securities giving the right to acquire shares in the company in place of all or part the discount on the Reference Price referred to above or in substitution for the employer's contribution up to the value of the free shares or securities, or a combination of these 2 methods;
 - confirming the completion, by the amount of capital subscribed, of each capital increase and amending the Articles of Association accordingly;
 - charging of costs incurred due to the increase of capital, as the case may be, to the proceeds thereof and deducting from such proceeds any amount necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase;
 - entering into any and all agreements, to take all measures and accomplish all formalities required, whether directly or indirectly through a service provider, subsequent to the increases of capital and to amend the Articles of Association accordingly;
 - generally, entering into any and all agreements to ensure the successful completion of the contemplated issuances, taking all measures and accomplishing all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorization and the exercising all rights attached thereto or subsequent to the increases of capital;
8. decides that this authorization cancels, as of today, any remaining unused balance under any authorization given previously for the same purpose, namely any authorization to increase the share capital through the issuance, not subject to preferential subscription rights, of shares or securities giving the right to acquire shares in the company reserved to members of employee share savings plans.

Twenty First Resolution - Authorization to be given to the Board of Directors to grant stock options whether by purchase or subscription

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to Extraordinary Shareholders' Meetings, and having considered the Board of Directors' report and the Auditors' special report:

1. authorizes the Board of Directors, in accordance with the provisions of articles L.225-177 to L.225-185 of the French Commercial Code, to grant on one or more occasions options to certain employees and directors and managers of the company and of group companies as defined by article L.225-180 of the French Commercial Code, giving them the right to subscribe to new shares to be issued by the company pursuant to a share capital increase as well as to purchase shares acquired by the company as permitted by applicable law;
2. decides that any options granted to subscribe to or purchase shares pursuant to this resolution shall give rights to a number of shares with a maximum par value of 500 000 euros, provided however that (i) this amount will be reduced by the global par value amount of any shares, whether existing or to be issued, allocated pursuant to the twenty second resolution and (ii) the par value amount of any capital increases resulting from

the exercise of options to subscribe to shares granted pursuant to this resolution will be deducted from the overall maximum limit fixed in paragraph 2(ii) of the fifteenth resolution of this meeting;

3. decides that the price payable on the exercise of options to subscribe to or acquire shares will be fixed by the Board of Directors on the day that the options are granted and that this price shall not be less than 100% of the average of the opening price of the shares quoted on the Eurolist of Euronext on the twenty stock market trading days preceding the day on which the options are granted and additionally if options to acquire shares are granted, not less than 80% of the average purchase price of treasury shares, pursuant to articles L225-208 and L. 225-209 of the French Commercial Code. If the company enters into any of the transactions contemplated by article L.225-181 of the French Commercial Code, the Board of Directors shall take all measures required as permitted by the regulations then in force, to protect the rights of the holders of options, including, as the case may be, by adjusting the number of shares which may be allocated to the holders of options on the exercise thereof, to take into account the consequences of such transactions;
4. recognises that this authorization operates as a waiver, in favour of the above-mentioned option holders, of the preferential subscription rights of existing shareholders to subscribe to the shares as and when issued pursuant to the exercise of options granted to subscribe to or purchase shares. The increase in share capital will be considered definitive as soon as the option exercise notice is received together with the subscription form and payment which may be made either in cash or by compensation of claims;
5. accordingly, the Board of Directors will have full power to implement this resolution and in particular shall be authorized to:
 - draw up the list of the beneficiaries of the options and the number of options to be allocated to each beneficiary;
 - determine the conditions on which the options are granted, in particular:
 - the validity period of the stock options, provided however that stock options are exercisable at the latest 10 years after the grant date;
 - the dates or periods during which the stock options may be exercised, with the possibility for the Board of Directors to (a) bring forward the dates or periods during which stock options may be exercised, or (b) maintain the exercise rights, or (c) amend the dates or periods during which the sale or the conversion to bearer form of shares obtained pursuant to the exercise of stock options is prohibited;
 - any restrictions on the immediate resale of all or part of the shares, provided that the restriction on resale does not exceed three years from the time of exercise of the option, provided however that in respect of options granted to legal representatives of the company the Board of Directors must either decide (a) that the options cannot be exercised by the beneficiaries thereof so long as they remain in office, or (b) determine the number of shares that they are required to hold in registered form whilst they remain in office;
 - as the case may be, limit, suspend, restrict or prohibit the exercise of stock options or prohibit the sale or the conversion to bearer form of shares obtained pursuant to the exercise of stock options during certain periods or following certain events, which

- decision may apply to all or part of the stock options or shares or to all or only some of the beneficiaries;
- determine the date from new shares issued on the exercise of stock options will carry dividends, which date may be retroactive,
6. decides that the Board of Directors will have full authority, with the power to sub-delegate as permitted by law, to acknowledge the successive share capital increases by the amount of shares effectively subscribed pursuant to the exercise of stock options, to amend the articles of association accordingly, and, if it so decides, to charge the costs incurred due to the increase of capital, as the case may be, to the proceeds thereof and to deduct from such proceeds any amount necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase, and to complete the formalities required for the listing of the shares issued, make all declarations required and generally do all that is necessary;
 7. decides that this authorization cancels, as of today, any remaining unused balance under any authorization given previously for the granting of stock options whether by purchase or subscription. The authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2007.

Twenty Second Resolution - Authorization to be given to the Board of Directors to allocate existing or newly issued shares to group employees or corporate officers or managers, without payment

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings and having considered the Board of Directors' report and the Statutory Auditors' special report,:

1. authorizes the Board of Directors to allocate shares, whether already issued or to be issued, (excluding preference shares), without payment, on one or more occasions, in accordance with the provisions of Articles L. 225-197-1 and the following articles of the French Commercial Code, to such of those employees of the company or of related companies or groupings as provided in Article L. 225-197-2 of said Code, or to corporate officers or managers referred to in Article L. 225-197-1, II, as it determines, on the conditions defined below;
2. decides that the par value amount of shares which may be allocated pursuant to this resolution shall not exceed 500 000 euros, provided that (i) this amount shall be reduced by the par value amount of any stock options granted pursuant to the twenty first resolution, and (ii) the maximum par value amount of any increases in share capital pursuant to this resolution whether immediately or in the future shall be deducted from the overall maximum limit fixed in paragraph 2(ii) of the fifteenth resolution of this meeting;
3. decides that either (i) the shares allocated will vest in and be acquired by the beneficiaries thereof after a minimum acquisition period which shall not be less than the minimum holding period fixed by the French Commercial Code on the date that the decision of the Board of Directors is taken, and that the beneficiaries of such shares shall be required to hold them for a minimum period which shall not be less than the minimum period fixed by the French Commercial Code on the date that the decision of the Board of Directors is taken, provided however that any shares allocated to a beneficiary who becomes disabled in a manner corresponding to the the second or third

category of article L.341-1 of the French Social Security Code will vest in and be acquired by such beneficiary and will become freely transferable prior to the end of the minimum periods referred to above, or (ii) notwithstanding the foregoing, for any beneficiaries who are not resident in France at the date of allocation and who do not benefit from the special regime instituted by articles 80 6 bis of article 200A of the French General Tax Code, and in respect of whom the triggering event making them subject to payment of tax coincides with the end of the minimum acquisition period, the Shares will rest in and be acquired by the beneficiaries after a minimum acquisition period which shall not be less than four years, and will not be subject to any minimum holding period, provided always that any shares allocated to a beneficiary who becomes disabled in a manner corresponding to the second or third category of article L.341-1 of the French Social Security Code will vest in and be acquired by such beneficiary and will be freely transferable prior to the end of the stated minimum period;

4. decides that the Board of Directors shall have full authority to implement this authorization, with the power to sub-delegate, in particular for the purposes of:
- determining whether the shares to be allocated without payment shall be existing or newly issued shares;
 - determining which employees and officers of the company and its related companies or groupings will receive of shares and how many shares will be allocated;
 - determining the conditions and any specific criteria for the allocation of shares, in particular the vesting period for the shares and the minimum period during which the shares shall be held, in accordance with the requirements set out above provided however that in respect of shares allocated without payment to legal representatives of the company, the Board of Directors must either decide (a) that the shares allocated without payment cannot be sold by the beneficiaries thereof so long as they remain in office, or (b) determine the number of shares allocated without payment that they are required to hold in registered form whilst they remain in office;
 - suspending temporarily the right to receive the shares;
 - acknowledging the dates of which the shares are allocated and the date from which the shares may be sold, subject to any legal restrictions;
 - proceeding with any adjustments to the number of shares granted if necessary to protect the rights of the beneficiaries of such shares, to take into account the consequences of transactions on the company's share capital, in particular in the event of amendment of the nominal value of shares, of the increase in share capital through incorporation of retained earnings, allocation of free shares, issuance of new shares or securities giving the right to acquire shares of the company subject to preferential subscription rights in favour of existing shareholders, of shares splits or consolidation of shares, of distribution of retained earnings, premiums on issuance or of any other asset, of repayment of share capital or any other transactions affecting shareholders' equity;
 - if new shares are issued, charging the issue price of the new shares as the case may be, to retained earnings, profits or premiums, confirming share increases pursuant to this resolution, amending the Articles of Association accordingly and generally taking all measures and accomplishing all formalities required;

5. recognizes that if new shares are allocated without payment pursuant to this resolution, the share capital shall be increased as and when the shares allocated vest in and are acquired by the beneficiaries thereof, through incorporation of premiums, profits or other reserves, and that this authorization shall operate as a waiver, in favour of the above-mentioned beneficiaries, of their preferential subscription rights to subscribe to the shares allocated pursuant to this resolution,
6. acknowledges that, in the event that the Board of Directors uses the authorization given to it under this resolution, the Board of Directors will report annually on the use made of this authorization to the shareholders' meeting in accordance with Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code and subject to the conditions laid down by Article L. 225-197-4 of said Code;
7. acknowledges that this authorization cancels, as of today, any remaining unused balance under any authorization given previously to allocate existing or newly issued shares without payment to employees or corporate officers or managers of the company or of related companies or groupings,.
8. decides that the authorization granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to consider the accounts for the financial year ending December 31, 2007.

Twenty Third Resolution - Amendment of article 20 of the Articles of incorporation relating to Shareholders' Meetings to take into account the new regulations related to methods of participating in Shareholders' Meetings as set forth in decree n° 2006-1566 of 11 December, 2006

The Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings, and having considered the Board of Directors' report, decides to amend article 20 of the Articles of incorporation relating to Shareholders' Meetings to take into account the new regulations related to methods of participating in Shareholders' Meetings as set forth in decree n° 2006-1566 of 11 December, 2006 which amends decree n° 67-236 of 23 March 1967 relating to corporate entities.

- Paragraph 5 of this article shall now be drafted as follows :

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

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

- Paragraph 6 of this article shall now be drafted as follows :

"Shareholders may, subject to compliance with applicable law, send their proxy forms or postal voting form for Shareholders' Meetings either in paper form or, if decided by the Board of Directors and specified in the notice of meeting and the convocation letter to attend the meeting, by remote transmission methods (Internet). For postal votes of shareholders to be valid, they must be received at the latest one business day before the Meeting is held (by 15H00 Paris time at the latest), save where applicable law permits a shorter time period".

- A new paragraph drafted as follows shall be inserted after paragraph 6 of this article :

“The Board of Directors may resolve to allow voting at Shareholders’ Meetings using videoconferencing or other remote telecommunication transmission methods which provide means of identification satisfying the applicable legal requirements. Postal voting forms and proxies given by shareholders to be represented at Shareholders’ Meetings may bear an electronic signature of the shareholder or of his/her legal representative or tutor effected through any procedure which complies with the conditions set forth in article 1316-4, paragraph 2 of the French Civil Code, namely procedures that permit the identity of the person and ensures that person’s attachment of the signature to the document in question”.

- The rest of the article remains unchanged.

Twenty Fourth Resolution – Amendment of article 21 of the Articles of incorporation relating to voting rights, to take into account the new regulations related to the exercise of voting rights as set forth in law n° 2006-387 of 31 March, 2006

The Shareholders’ Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders’ meetings, and having considered the Board of Directors' report, decides to amend article 21 of the Articles of incorporation relating to voting rights, to take into account the new regulations related to the exercise of voting rights as set forth in law n° 2006-387 of 31 March, 2006 relating to takeover bids.

- Paragraph 5 of this article shall now be drafted as follows :

“The restrictions contained in the 4th paragraph of this article are suspended on the holding of the first Shareholders’ Meeting following the finalization of the takeover bid, if the person making the bid, whether acting alone or in concert, holds at least 66.66% of the total number of shares or voting rights in the Company”.

- The rest of the article remains unchanged.

THE ORDINARY SHAREHOLDERS’ MEETING

Twenty Fifth Resolution – Powers to accomplish legal formalities

The Shareholders’ Meeting, voting in accordance with rules on quorum and majority applicable to ordinary shareholders' meetings, confers all necessary powers on a bearer of a copy or extract of this minutes, for the purposes of fulfilling all formalities concerning the resolutions adopted by this Shareholders’ Meeting.

**GROUP OVERVIEW
FOR THE 2006 FINANCIAL YEAR AND OUTLOOK**

(based on the Management report of the Board of directors
as of 30 January 2007)

1. Operations of the Nexans Group during 2006

1.1. Significant events of the year

1.1.1. Change relating to the recognition of non-ferrous metal inventories

Following the adoption of IFRSs on January 1, 2004, inventories of non-ferrous metals, referred to as "core exposure", were classified as property, plant, and equipment. These assets correspond to the quantities of non-ferrous metals needed for regular plant operations. Their volume is maintained and is continually replenished; therefore they are not hedged by futures contracts. As they were classified as property, plant, and equipment, these inventories were recorded at historical cost at January 1, 2004. They were not depreciated as their residual value is greater than their carrying amount and they have indefinite useful lives.

However, inventories of non-ferrous metals other than those used as core exposure were recognized as inventories and measured at purchase cost as calculated by the weighted average cost method.

The accounting methods applied by the Group in relation to these inventories in 2004 and 2005 is discussed on page 10 of the document entitled "Transition to IFRS Standards" included in Nexans' 2004 Annual Report.

In the 2006 consolidated financial statements, the above-mentioned materials previously classified as property, plant, and equipment have been reclassified as inventories, and are now therefore measured using the average weighted cost method. The financial statements for 2004 and 2005 have been restated using this new classification in order to facilitate year-on-year comparisons.

At the time of its transition to IFRS, Nexans classified core exposure as property, plant, and equipment with a view to neutralizing the effect of metal price fluctuations on the income statement, in line with the Group's risk management policy for metals. Nexans used the LIFO method before adopting IFRS. In view of recent market conditions, Nexans – along with the other European groups faced with the same situation – reviewed the IFRSs applicable concerning the recognition and measurement of this type of inventory. This review led to the Group's decision described above to measure all non-ferrous metals inventories using the weighted average cost method. Given the surge in non-ferrous metal prices over the past three years, this new method will better reflect the value of the inventories presented in the Group's balance sheet.

The rise in non-ferrous metal prices and the subsequent revaluation of core exposure using the weighted average cost method served to increase the working capital included in the company's non-financial assets that must be tested for impairment whenever there is evidence of a loss in value. This in turn led to higher impairment losses recognized for certain cash-generating units at December 31, 2005.

1.1.2 Acquisitions of significant equity interest in other companies

- On December 1, 2006, Nexans acquired the entire capital of the Australian group Olex for an enterprise value of 312 million euros. This acquisition, Nexans' largest to date, strengthens the Group's core business and doubles its presence in the Asia-Pacific region. Olex employs 910 people and generated 330 million euros in sales in 2006 at current metal prices, or 240 million euros at constant metal prices. Olex has three production sites, located at Tottenham and Lilydale in Australia, and New Plymouth in New Zealand. It also has a dozen sales offices spanning Australia, New Zealand, Singapore, and China. The company makes cables for power transmission and distribution (33% of its sales), specialty products, primarily for the mining industry (24%), and cables for the building, energy and telecommunications markets (43%). As the impact of this acquisition on Nexans' consolidated sales, operating margin, and net income was not material for 2006, Olex has only been consolidated by the Group since December 31 of that year.
- In the second half of 2006, Nexans and Viscas, a joint venture between Furukawa Electric Co., Ltd. and Fujikura Ltd., created the Nippon High Voltage Cable Corp. (NVC) based in Japan. Nexans owns 66% of the new company with Viscas (JV Furukawa Electric Co., Ltd et Fujikura Ltd) owning the remaining 34%. As part of this operation, Viscas contributed its existing manufacturing plant in Tokyo Bay to the new entity. NVC will manufacture high-voltage submarine power cables exclusively for its two shareholders, and will have no other operations. NVC was consolidated into the Nexans Group on December 31, 2006.
- In January 2006, Nexans acquired a 100% stake in Confecta, a European maker of cable harnesses for the railway and other industrial sectors. The company was previously owned by four private shareholders. Confecta employs approximately 180 people and generates annual consolidated sales of some 20 million euros. The group comprises six companies – Confecta Holding, Confecta AG, Confecta Verbindungstechnik and Confecta Fiberoptic in Switzerland, Confecta GmbH in Germany and Confecta SAS in France.
- Also during the year, Nexans created the Vietnam-based Nexans Lioa in which it holds a 60% stake. The remaining 40% is held by two Vietnamese companies which contributed their cable manufacturing businesses for energy networks, equipment, and industry. Nexans Lioa was consolidated into the Nexans Group in May 2006, and is currently in the operational start-up phase.
- Nexans increased its interest in its Korean subsidiaries Nexans Korea and Kukdong Electrical Wire to 99.5% and 97.9%, respectively, for a total price of 42 million euros.
- Nexans bought out certain minority shareholders in Morocco, increasing its stake from 74.6% to 83.6%, and raised its interest in China-based Nanning Huasun Cable to 100%.

1.2. Consolidated results of the Nexans Group

1.2.1. Overview

Net sales for 2006 totaled 7,489 million euros, compared with 5,449 million euros in 2005. At constant non-ferrous metal prices, the figure came to 4,442 million euros compared to 4,263 million euros in 2005. At constant non-ferrous metal prices and constant 2006

exchange rates, sales for 2006 rose by 3.3%, and based on constant exchange rates and a comparable scope of consolidation (like-for-like) the increase came to 8.2%.

Operating margin amounted to 259.8 million euros, or 5.8% of sales at constant metal prices (3.5% at current metal prices), and net income attributable to the Group stood at 241 million euros. These figures represent a significant improvement on 2005 when operating margin was 185.9 million euros, or 4.4% of sales, and attributable net income totaled 108 million euros. In a global economic climate marked by sustained demand and considerable increases in raw material prices, Nexans' sustained growth – particularly in high value-added market segments – coupled with careful cost controls helped the Group to boost overall profitability levels.

After taking into account the 149 million euros gain on the sale of the distribution business in Switzerland, consolidated income before taxes rose from 189 million euros in 2005 to 297 million euros in 2006.

After the 48 million euros tax charge and a 4 million euros net loss contributed by discontinued operations, attributable net income rose from 108 million euros in 2005 to 241 million euros in 2006.

Minority interests fell from 9 million euros to 3 million euros, primarily as a result of the minority buyouts in Nexans Korea and Kukdong Electric Wire Co. Ltd.

1.2.2. Analysis of the Group's consolidated results *

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

1.2.2.1. By business

ENERGY

Energy business sales amounted to 2,983 million euros (up 4.1% on 2005, and 11.3% on a like-for-like basis).

In the land-based infrastructure sector, growth was particularly buoyant (7.1% on a like-for-like basis). Demand in Europe was fuelled by investment spending in network maintenance, which saturated the medium-voltage cable production facility. High-voltage terrestrial cables saw new international contract wins despite stiff competition, most notably in rapidly developing countries and in the Middle East. In North America, demand for low-voltage power distribution and overhead cables picked up as the effects of the 2005 Energy Bill began to be felt, while in Brazil, Nexans benefited from the government's "Luz Para Todos" initiative to expand the country's electricity network. In Lebanon, despite the tense political situation, business held firm at 2005 levels and the Group's production site was spared from the negative impacts of the conflict. Finally, Turkey had an excellent year, both in terms of financial performance as well as progress in adapting to the manufacturing equipment conversion program started in 2006.

In high-voltage submarine and umbilical cables, Nexans won major new contracts in 2006. These included a direct electrical heating system for underwater pipes for a Statoil oil field, a 296 km high-voltage submarine cable to supply electricity to the Valhall offshore oil field (in the Norwegian sector of the North Sea), a 60 km three-core AC cable for the Long Island Replacement Cable project in the US (the biggest 138 kV cable ever built), and an 80 km electricity supply cable for Delma Island in Abu Dhabi. Given the challenging

* Olex has been fully consolidated since December 31, 2006.

environmental conditions for some of these contracts, the Group had to allocate more resources than originally planned. To serve this rapidly-growing market, Nexans made sizeable investments to expand capacity at its Halden manufacturing plant in Norway, and integrated a new production unit in Japan as part of a joint venture with Viscas. This new unit in Japan will increase the company's high-voltage submarine cable production capacity by 33%. In addition, Nexans bought the C/S Skagerrak, one of the world's most powerful cable-laying vessels, thus bolstering its submarine cable resources.

In low-voltage cables for the building sector, like-for-like sales jumped 12.6%. Overall, the dynamic market allowed the Group to offset the surge in copper prices during the year and strong demand lifted earnings considerably. In Europe, demand from the residential building sector continued to be robust (e.g., in Greece, Spain, the Netherlands, and Turkey), while in North America, a healthy business climate generated solid earnings.

In industrial cables, like-for-like sales rose by a robust 9.4%. The shipbuilding and offshore platform markets proved to be particularly contributive in 2006, thanks to the Group's leadership position backed by the Kukdong plant in Korea and the Nexans plant in Shanghai. Harnesses benefited from successful high-end products for the German car market, as well as growing demand for truck harnesses in the US. Nexans further strengthened its presence in the industrial harnesses market (railways) with the Confecta acquisition. In addition, the ramp-up of automotive cable production lines in Morocco and Romania is well on track, and contributing to the Group's expansion.

Nexans refocus on its priority segments, helped boost sales of cables for material handling, petrochemical, and nuclear applications. The Group is currently implementing a conversion program for its copper instrumentation cable production lines in Brazil, Turkey, and Lebanon, in order to increase manufacturing capacity.

Operating margin for the Energy division was 233 million euros in 2006 compared to 171 million in 2005. This sharp rise is largely the result of the recovery reported by the industrial cables business and particularly good performance in low-voltage cables for the building sector.

TELECOM

Sales in the Telecom business advanced 2.9% to 648 million euros (1.7% on a like-for-like basis). In a low growth market, Nexans' business was fueled by investments in railway infrastructure and demand for high-speed LAN cables.

Like-for-like sales for the public network cables business contracted 2.5% in 2006, hurt by plummeting demand for ADSL cables in Europe and limited telephone network investment in developing countries. In light of these factors, some of Nexans' production units converted their equipment to industrial cable manufacturing. However, demand for fiber cables remained robust in Northern Europe due to a proliferation of local loop networks.

In the private networks sector, sales edged up 1.7% on a like-for-like basis. The lack of major building cable projects in Europe put pressure on sales volumes. Nevertheless, profitability improved due to higher margins from the copper telecom businesses in Norway and Spain, as well as stronger sales of category 6 and 7 cables and cabling systems. Because market perspectives did not allow a clear visibility on the timing for a recovery in European volumes, it has been decided to close the Group's loss-making Abbey Wood site in the UK and transfer the equipment to the Tuzla plant in Turkey.

Profitability in the US improved considerably thanks to the Group's strategy of focusing on higher-end products, although sales of copper LAN cables did fall slightly. The Elm City plant is continuing to implement its manufacturing improvement plan, and has installed the latest aerospace cable production technology. Sales advanced 12% in 2006, on the back of 25% growth in the previous year.

In industrial electronic cables, a stagnant ADSL market and fierce competition from Asia led Nexans to close its Opglabbeek site and transfer some of the equipment to sites in Fumay, France, and Kanghua, China. The main growth drivers in this business were cables for the aerospace industry (despite the difficulties encountered by the Airbus A380 program) and geophysics applications.

Operating margin almost doubled in 2006 to 48 million euros, from 25 million euros in 2005, thanks to a better product mix across the Group and continued cost-cutting efforts.

ELECTRICAL WIRES

Sales in the Electrical Wires business in 2006 were 801 million euros, up 5.7% on 2005 or 3.1% on a like-for-like basis.

In the wirerod segment, there was a modest increase in demand from non-Group customers. In North America, buoyant demand in the first half of the year gave way to a sharp slowdown in the second. Sales were also impacted by the Group's decision to gradually reduce its exposure to the copper market. Furthermore, the plunge in copper prices at the end of the year prompted Nexans' customers to adopt a wait-and-see approach.

In the bare wire segment, sales contracted 6%, although performance was mixed across different countries. Germany saw robust demand for specialty products for the automotive industry, while sales tumbled in France where Nexans sells more commodity products.

In winding wires, where the products that Nexans makes are mainly for power transformers in Canada and China, sales benefited from heavy investment spending in energy networks.

As a result of these difficult market conditions the operating margin of the Electrical Wires division dropped to a negative 4 million euros compared to a positive 6 million euros in 2005. Profitability was further impacted by a non-recurring provision recorded in relation to a legal dispute.

UNALLOCATED OPERATIONS

Certain of Nexans' operations incur expenses which are labeled "unallocated" because they cannot be attributed directly to one of the Group's defined businesses or regions. These amounts are not material on a consolidated level, representing a negative operating margin impact of 18 million euros in 2006, compared with a negative 16 million euros in 2005.

1.2.2.2. By geographical area

EUROPE

Europe recorded sales of 3,021 million euros in 2006, up 1.1% on 2005, or 8.5% on a like-for-like basis. Most of Nexans' businesses in the region continued to recover, propelled by a favorable economic climate, enhanced product mix and sales efforts, manufacturing facility rationalization, and cost-cutting efforts. 68% of Nexans' sales were made in Europe, and the region received over 60% of the Group's capital expenditure and accounted for the majority of its restructuring costs.

- Sales in the European **Energy business** rose 1.3% in 2006, or 12.1% on a like-for-like basis. The operating margin climbed from 4.7% to 5.9%. Energy continues to be Nexans' largest business in Europe, generating 73% of its sales and 87% of its operating margin.

Sales from **industrial cable harnesses** jumped 18.6% in 2006, or 6.4% based on a comparable scope of consolidation, which in turn boosted the operating margin to 7.8%. This outstanding performance can be attributed to continued strong sales of high value-added products – which Nexans has identified as “priority segments” in its Strategic Plan – coupled with the impact of the Confecta acquisition in the industrial harnesses market.

Sales **volumes of low-voltage cables for the building sector** also rose sharply in 2006, especially in housing markets across Europe. This increase, combined with sustained cost-cutting efforts, helped push operating margins upwards.

Demand for **low- and medium-voltage cables and accessories for power networks** grew in Northern Europe and Italy. In addition, several projects such as the Lötschberg tunnel in Switzerland were finalized in 2006.

High-voltage cables and accessories also saw an upswing in sales thanks to sizable oil sector investments in both land and submarine cables. In order to meet this booming demand, Nexans increased production capacity at its Halden plant in Norway, and entered into agreement with Viscas to create a new company in Japan. However, profits from this business were pressured by technically complex contracts for umbilical cables.

- Sales in the **European Telecom business** edged up 2.2% in 2006, but held steady on a like-for-like basis. However, the operating margin grew from 2.6% of sales in 2005 to 4.7% as Nexans refocused its operations.

Sales of **telecom network cables** stabilized in 2006, although they slipped 1.2% on a like-for-like basis. Results were mixed in different segments. Sales of submarine optical fiber cables in Norway surged due to high business levels in the hydrocarbon sector, while a scarcity of major projects in Central Europe and a slowdown in ADSL deployment hurt sales of copper cables and accessories to telecom operators. Nexans continued to rationalize its manufacturing facilities in 2006, closing its Opglabbeek plant in Belgium and transferring part of its production to sites in France and Spain.

Sales from **LAN cables** rose in 2006 due to the full-year impact of the UK business acquired in 2005, as well as sustained growth in sales of category 6 and 7 cables related to stepped-up cabling systems development.

Finally, strong momentum in the aerospace and oil segments drove a 5.4% rise in sales of **electronic cables**.

- Sales in the **European Electrical Wires business** held firm at 2005 levels, although profitability improved thanks to a more targeted marketing approach and a focus on specialty products.

NORTH AMERICA

In North America, Nexans recorded sales totaling 813 million, an increase of 7.9% compared with 2005 (4.7% like-for-like).

Operating margin was up over 50% in absolute terms following an excellent 2005, as a result of favorable prices and strong positioning in strategic markets.

- In **power cables**, including land infrastructure and buildings, sales climbed 4.2% at constant exchange rates. Cables for industry and buildings had a solid year with higher operating margins, despite a sluggish second half. The infrastructure market proved to be highly profitable due to network maintenance and expansion requirements in North America; this was particularly true for medium-voltage cables where prices rebounded.
- In the **telecom sector**, like-for-like sales inched up 0.9%. Nexans decided to focus on high-end applications for LAN cables and reduce its exposure to the very competitive low-end cable market. Although overall sales volumes declined in 2006, volumes of high added-value cables (category 6 and above) were up significantly. This strategy boosted profitability substantially, helped by hedges on the business' raw materials. 2006 also saw a turnaround in the optical fiber cables business in spite of a stagnant market. In the shipbuilding and aerospace segments, Nexans continued to build sales and resist strong competition.
- **Wirerods** experienced a turbulent year. Sales started 2006 well only to fall off in the second half. This reflected both a retreat in the overall market (i.e., a slowdown in the US economy, particularly in the construction sector) and Nexans' desire to scale back volumes in this resource-consuming business in light of the surge in copper prices.
- **Winding wires** benefited from a buoyant energy distribution market as transformers in North America are going through a replacement cycle. Nexans' winding wire production plant needs however to continue to improve its manufacturing performance.

ASIA-PACIFIC

In the Asia-Pacific region, sales rose from 247 million euros in 2005 to 277 million euros in 2006, up 12% on a published basis, or 6.3% like-for-like.

Operating margin grew from 4.6% in 2005 to 6.8% in 2006, thanks to Nexans' strategy of maintaining prices and quality while being more selective in its sales approach.

In Korea, like-for-like sales dipped 2.1%, although the business' profitability improved. Sales volumes of cables for shipbuilding remained robust, reflecting a healthy market that prompted Nexans to increase its capacity at the end of the year. Cables for the automotive industry benefited from a rapidly-growing domestic market. However, sales of telecom cables, power cables for the building sector, and medium-voltage cables proved disappointing as high copper prices caused operators to scale back orders.

Sales in China bounded 33% at constant exchange rates. All of Nexans' cable manufacturing businesses gained ground, including the special cables business which started operations in 2005. Most of the special cables produced in 2006 were sold to the shipbuilding industry, although sales are starting to expand into other sectors such as railways.

Vietnam reported a 23% increase in like-for-like sales. The best performers during the year were power cables, particularly bare overhead cables, whose sales helped to fuel increased export activity. In addition, Nexans and Lioa created a joint venture based in Hanoi to manufacture low- and medium-voltage power cables. This new company, which began operations in the second half of 2006, will increase Nexans' production capacity for the Vietnamese market.

REST OF THE WORLD

The Rest of the World area reported strong sales growth: 330 million euros in 2006 compared with 275 million euros in 2005, representing an increase of 20% (16.9% on a like-for-like basis).

In Turkey like-for-like sales soared 47.5%. The Denizli plant reaped the benefits of a strong market for low- and medium-voltage power cables, both in its domestic market and in the UK and Ireland, which the plant now serves. Meanwhile, the Tuzla plant, which had previously made copper telecom cables, was converted to more promising products in terms of market development such as instrumentation cables for the oil segment. The plant also began manufacturing LAN cables for Nexans' European customers at the end of 2006.

In Morocco, sales jumped 22.9% at constant exchange rates, propelled by Nexans' solid position in a dynamic energy market. Sales of cables for the building sector and electrical equipment were especially strong following the Moroccan government's initiatives to extend electricity lines into rural areas. Nexans Morocco has developed special electrical equipment tailored to this market. The Mohammedia plant was restructured in 2006 in order to help drive sales of cables for the automotive industry; a market that is continuing to perform well.

Profitability in Brazil improved despite stable sales volumes, thanks to progress in the LAN business.

Lebanon had an outstanding year, in spite of the turbulent political climate in the country since mid-2006. Like-for-like sales rose 6.2% fueled by high export levels.

Egypt suffered from falling demand for copper telecom cables. However, because demand for medium- and high-voltage power cables in Egypt is still increasing, Nexans invested heavily in 2006 with a view to improving the performance of its manufacturing equipment serving this market.

2. Other items of 2006 consolidated results

2.1. Core exposure effect

The change relating to the recognition of non-ferrous metal inventories described in Section 1.1.1 above, had an impact of 107 million euros. This amount – which corresponds to the year-on-year change in the value of the Group's core exposure as calculated by the weighted average cost method – is not included in operating margin. Changes in the 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 and negative goodwill

Net asset impairment and negative goodwill totaled 99 million euros in 2006, up considerably from 2005. This increase primarily reflects the impact of the jump in non-ferrous metal prices and subsequent revaluation of core exposure using the weighted average cost method, which served to increase the working capital included in the Group's non-financial assets that must be tested for impairment whenever there is evidence of a loss in value. This change therefore led to higher impairment losses for certain cash-generating units in 2006 relative to the previous year.

2.3. Restructuring costs

Restructuring costs came to 48 million euros compared with 24 million euros in 2005. These expenses are related primarily to the closure of three plants: one in Opglabbeek, Belgium, which employed 123 people; one in Abbey Wood, UK, which employed 93 people; and one in Marseille, France (TLM) which employed 34 people. Other, less extensive capacity reductions took place in Italy, France, Germany, and Spain.

All these plans were accompanied by labor force measures negotiated with employee representatives, intended to ease the impact on the employees involved.

2.4. Change 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). However, due to the sharp volatility in non-ferrous metal prices over the past several months, the Group invested in measures that enabled in a large portion of these financial instruments to be classified as cash flow hedges as defined in IAS 39. As from November 1, 2006, when these instruments are used to hedge future transactions that are highly probable but not yet invoiced (e.g., copper cathode purchases), and they meet the requirements set forth in IAS 39 for cash flow hedge accounting, they are treated similarly to foreign currency hedges, as follows: the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity, and the ineffective portion is recognized in the line item "Change in fair value of non-ferrous metal derivatives." Gains or losses previously recognized in equity are taken to the income statement in the period during which the hedged item (e.g., copper cathode purchases) affects income.

In 2006, the income statement impact of changes in the fair value of non-ferrous metal derivatives represented a loss of 7 million euros, compared with a gain of 33 million euros in 2005.

2.5. Gains or losses on asset disposals

This item primarily concerns the 149 million euros gain generated in early 2006 on the sale of the Group's distribution business in Switzerland (Electro-Matériel SA) to Rexel.

2.6. Financial income and expenses

The Group recorded a net financial expense of 69 million euros in 2006, compared with 36 million euros in 2005. This increase primarily reflects the following:

- a 7.3 million euros increase in interest expense related to higher average debt levels and interest rates,
- a 6.4 million euros cash payment made to holders of Nexans 2004-2009 OCEANE convertible bonds upon conversion,
- an 11.6 million euros increase in the charge for the ineffective portion of the Group's foreign currency hedges.

2.7. Net loss from discontinued operations

In 2006 this item was essentially made up of impairment losses on assets of the winding wires businesses discontinued in 2005.

2.8. Income taxes

In view of the improved performance of several subsidiaries and the recognition of a deferred tax asset for subsidiaries which are still loss making (but whose outlook is positive), and the tax exemption applicable to part of the gain on the sale of the Electro-Matériel business in Switzerland, the Group's corporate income tax charge came to 48 million euros in 2006 compared with 26 million euros one year earlier.

2.9. Principal cash flows for the period

Cash flow from operations amounted to 226 million euros in 2006, compared with 196 million euros in 2005. This amount was primarily used to partially finance a 171 million euros investment program and a 235 million euros increase in working capital in line with business growth and price increases for copper and other commodities. The net impact of the Group's company acquisitions and sales in 2006 was a cash outflow of 177 million euros.

2.10. Balance sheet

At December 31, 2006 the balance sheet showed:

- A 259 million euros increase in net debt to 633 million euros. The gearing ratio (net debt/total equity) represented 39.8%.
- Working capital requirements totaling 1,465 million euros, representing 18.1% of sales at current copper prices (excluding Olex) for full-year 2006, up 0.1 points on the same ratio calculated based on equivalent items at December 31, 2005. This includes a 422 million euros impact from the change relating to the recognition of non-ferrous metal inventories (Core exposure effect).
- Provisions for contingencies and charges – including for pensions and other post-employment benefit obligations – in an amount of 469 million euros, on a par with the 450 million euros recorded one year earlier.
- A 37 million euros increase in non-current assets from 1,118 million euros to 1,155 million euros. This rise reflected the combined impact of capital expenditure outstripping the depreciation expense for the period and the reclassification of 35 million euros worth of assets as held for sale following the Group's decision to divest its Simcoe plant and Nexans Tianjin. The main capital expenditure incurred during the period related to the high voltage and umbilical cables business in Norway.

3. Progress made and difficulties encountered

Progress was made in several essential areas during the year:

- Control of fixed and direct costs – This was a main focus for the Group in 2006 as its businesses continued to expand. Efforts made to contain direct costs and improve the product mix improved the variable cost margin considerably.
- Materials consumption – Nexans cut the amount of waste generated by its cable business by 3%, and generated substantial savings through a new plastics procurement policy and a variety of materials consumption reduction efforts, most notably in the area of composites.
- Manufacturing methods and best practices – 67 engineers and technicians from 30 production sites attended training given by Nexans' Industrial Management Department on problem-solving methods and analytical applications. In addition, a workshop on the

Group's extrusion know-how was added to the technical training catalogue in 2006, and was very popular among the production sites using extrusion techniques.

- Workplace safety – Thanks to the successful roll-out of Nexans' safety charter, the workplace accident rate dropped by about 10% in 2006, and absenteeism fell by 0.6 percentage points.

All of the above initiatives helped improve production site operations and reduce the number of customer complaints. Furthermore, fixed costs as a percentage of revenues declined during the year, as a result of strict cost controls associated with restructuring and reorganization plans.

In terms of **Nexans' IT systems**, several projects started four years ago were completed successfully in 2006, and goals were set for the next three years (2007 to 2009). As technology continues to advance rapidly, Nexans has focused on upgrading its IT systems, particularly with regards to integrated business management software. All the projects outlined in the Group's strategic plan were completed.

A roll-out of SAP software and a specific application for car harness production began in 2006, and met full satisfaction of users. SAP was also installed in order to manage continuous copper casting operations in France and Germany, because their legacy applications could no longer be used following the sale of the winding wire business. Several projects using Navision software were also initiated to support the growth of the Group's smaller units (e.g., in China, Lebanon, Romania, Ghana, Japan, and Nexans logistics in the UK).

As part of the Group's global focus on data security, several enhancements were made to its network infrastructure, and annual vulnerability tests confirmed that permanent progress has been made. Nexans also performed an internal audit using the Information Security Forum method, underscoring this aspect of the Group's risk management process. Cost cutting targets were reached one year ahead of schedule, with IT expenses amounting to 1.2% of sales at constant copper prices. The Group has reduced IT expenses by 23% over the past three years – corresponding to over 16 million euros of savings – without cutting into needed infrastructure investments or application upgrades.

Going forward, Nexans plans to maintain IT expenses at their current level and to continue to monitor spending. The Group has outlined several structuring projects, including a call for tenders to supply and manage its WAN after its contract with AT&T ends in December 2007. Nexans' WAN has recently been upgraded to include new services and telephony. Nexans also amended its SAP contracts so that the software can be used on a long-term basis under a license agreement, including software upgrades from the supplier. At the same time, the Group intends to continue its process of replacing obsolete applications, with the largest projects being in Canada and Switzerland. Several business support functions have been enhanced, and a project to improve detailed planning at the Group's plants is already underway; the software has been purchased and configured internally for rapid deployment. Finally, Nexans has reorganized its website and e-services site so that they can be used more easily by its various partners (customers, suppliers, transporters, financial firms, etc.).

The main difficulties encountered in 2006 related to the impact of significantly higher prices for raw materials, including the copper price which soared 76% year-on-year. As a result, Nexans' sales team was forced to pass on a large portion of these increases to its customers in order to protect the Group's margins on its full range of products. These elevated raw materials prices also meant considerably higher purchasing costs, which increased the business working capital requirements. Finally, the heavy demand placed on Nexans' plants strained the capacity of some manufacturing facilities and caused occasional delivery delays.

4. Significant events after the balance sheet date

In late January 2007, Nexans signed two agreements to sell its winding wires businesses in Canada and China to Superior Essex in the US for a total of 32 million euros. These agreements cover the Simcoe site in Canada and Nexans' 80% majority stake in Nexans Tianjin Magnet Wires and Cables in China. These two businesses generated sales of 69 million euros in 2006 (at constant copper prices), and at the year-end, employed 154 and 176 people, respectively. The sales are subject to approval by the Chinese and Canadian regulators, as well as the approval by Tianjin's other shareholder based in China of the terms of the agreement. The sale is expected to be completed in the second quarter of 2007.

5. Trends

In January 2007, Nexans presented to its Board of Directors a new Strategic Plan for 2007-2009 after achieving the targets set in its previous plan one year ahead of schedule.

While the economic climate has not changed fundamentally from the time when the priorities of the previous plan were set (i.e., moderate growth in Europe, more vibrant growth in North America, and substantial potential in Asia and the Rest of the World region), the trends seen at the end of 2005 have intensified. Demand for power cables remains strong, with competition increasingly fierce at the lower end of the market, against a backdrop of extremely high raw materials prices. All these factors have required Nexans to invest an increasing amount of human and financial resources.

As a result, the Group's targets in the new Plan are to improve profitability, reduce exposure to short-term business cycles, and focus on a smaller number of businesses and market segments that offer true opportunities for synergies. The Plan was developed after an extensive review of all of Nexans' operations, including an assessment of each business' growth and profitability potential, business cycle, and competitive positioning. Following this review, the Group divided its operations into three different types of activities:

- cables and energy systems for infrastructure, industry, and buildings, which will be at the core of Nexans' strategy,
- telecom cables, a supplemental activity for which Nexans will use a more selective sales approach,
- electrical wires, an upstream activity for which Nexans intends to gradually rationalize operations so that it eventually serves only the Group's needs.

By the end of the 2007-2009 Strategic Plan, Nexans aims to be a global player in the infrastructure, energy, and industrial sectors with a solid position in domestic building markets.

- The infrastructure market has a very positive outlook for the coming years. The trend in this market is towards sustained, broad-based growth fuelled by new energy infrastructure being built in emerging markets, as well as maintenance and upgrades in developed markets.
- The industry market is dependent on the global economy and stands to benefit from heavy investments in petrochemicals and transport.
- The building market is buoyant in Europe, although it has experienced a temporary downturn in North America. In rapidly-developing countries, it serves as a development basis for the Group's growth.

The Group intends to bolster its positions in these strategic sectors through:

- an enhanced product mix,
- expansion into new, profitable geographic markets,
- a stronger customer focus, achieved in part by setting up a new sales organization and a technical support department serving the industrial sector, which will be divided into eight priority market segments (shipbuilding, robotics, nuclear, oil and gas and petrochemicals, material handling, electronics, automotive, and railway).

In the telecom business, Nexans plans to use a targeted business development strategy. In relation to telecom infrastructures, this strategy will involve concentrating on promoting copper cables with superior performance for use in XDSL applications, and optical fiber cable systems for use in FTTH deployment. Nexans plans to leverage its small size and niche positioning in several of these markets. Regarding LAN applications, the Group's ability to exploit synergies is limited by the need to implement a regional approach for selling these products. Furthermore, there is a growing risk that the copper-based portion of this market will become commoditized.

At the same time, Nexans plans to gradually scale back its operations in electrical wires and wirerods so that these businesses eventually serve only to supply the Group's internal requirements.

This regional and business reorganization will require considerable resources, particularly in terms of capital expenditure. The Group plans to invest an estimated amount of over 500 million euros between 2007 and 2009, with the three priority areas of energy infrastructure, industry, and buildings accounting for over 80% of this total.

Nexans has set the following targets in its 2007-2009 Strategic Plan (calculated on a like-for-like basis) which it intends to achieve through a focus on high value-added products, targeted efforts towards the industrial sector, and continued restructuring initiatives (representing 30 million euros per year):

- Consolidated sales of approximately 5,000 million euros (at constant metal prices), with average annual organic growth of 6% (excluding the scaled-back operations in the electrical wires and wirerod businesses);
- Operating margin of 7.5%;
- Pre-tax ROCE of around 13%;
- Neutral cash flow * in 2007, and positive cash flow in 2008 and 2009.

The forward-looking information given above is based on the following assumptions:

- Standard copper and aluminum prices of 1,500 euros per ton and 1,200 euros per ton, respectively.
- A copper price of 4,400 euros per ton over the entire 2007-2009 period for ROCE and cash flow calculations.
- Constant exchange rates (euro against other currencies), using the rates in effect at year-end 2006.
- The same global economic climate as seen over the past few years, with a moderate slowdown in growth in the US relative to Europe.

* After changes in working capital requirements, capital expenditures, and dividends.

- An annual growth rate of approximately 3% for the global cable market between 2007 and 2009 (at constant copper prices).
- Continued growth in the infrastructure, transport, and petrochemicals markets.

6. 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 which benefit the entire Group.

The parent Company's sales for the year ended December 31, 2006 totaled 13,060,753 euros, and came primarily from services billed to its subsidiaries. Net income for the year grew to 88,094,875 euros from 43,227,833 euros in 2005. 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.

A net tax consolidation gain of 249,485 euros was recognized during the period.

The Company's equity at end-2006 was 1,329,901,775 euros, compared with 1,150,780,410 euros at December 31, 2005.

FIVE- YEAR FINANCIAL SUMMARY – PARENT COMPANY

	2006	2005	2004	2003	2002
I- Capital at year-end					
a) Share capital (in thousands of euros)	25,265	23,507	23,190	23,129	23,121
b) Number of shares in issue	25,264,955	23,507,322	23,189,947	23,128,972	23,121,472
II- Results of operations (in thousands of euros)					
a) Net sales	13,061	10,809	10,265	8,233	5,040
b) Income before tax, employee profit-sharing, depreciation, amortization and provisions	134,305	44,704	(8,067)	8,068	31,981
c) Income taxes	(249)	249	169	0	0
d) Employee profit-sharing	152	117	124	117	-
e) Net income	88,095	43,228	(12,231)	7,770	32,318
f) Dividends		21,662	10,568	5,865	4,180
III- Per share data (in euros)					
a) Earnings/(loss) per share after tax and employee profit-sharing, but before depreciation, amortization and provisions	5.32	1.90	(0.35)	0.35	1.38
b) Earnings/(loss) per share	3.49	1.84	(0.53)	0.34	1.40
c) Dividend per share		1.00	0.50	0.20	0.20
IV- Employees					
a) Average number of employees	6	7	7	7	7
b) Total payroll (in thousands of euros)	3,556	3,401	2,947	2,693	2,235
c) Employee benefits (in thousands of euros)	1,185	1,134	973	889	738



DOCUMENT REQUEST

**Annual Shareholders' Meeting
of 3 May 2007 (on first call) and re-convened on 10 May 2007 (on second call)**

I, the undersigned

Name or company name

First name

Address

Postcode

Holder of registered shares

And/or bearer shares

wish to receive the documents and information for the next Annual Shareholders' Meeting specified in Section 135 of the Decree dated 23 March 1967.

Dated _____ 2007

Signature

NOTE: Pursuant to Section 138 of the Decree dated 23 March 1967, registered shareholders may request that the documents and information specified in sections 133 and 135 of the Decree dated 23 March 1967 be sent to them for all subsequent Shareholders' Meetings. If a registered shareholder wishes to benefit from this possibility, they should specify so in this document.

**This request must be returned to the bank
or financial intermediary that maintains your share account**