



Press release

Switzerland-Italy interconnection: high voltage underground cross-border link

Nexans wins a 5 million euros contract for the design, manufacture, installation and testing of this new cross-border link

Paris, December 19, 2006 – Nexans, the worldwide leader in the cable industry, has signed a contract worth 5 million euros with Azienda Elettrica Ticinese (AET), the power company for the Ticino canton in Switzerland, for completion of an interconnection project between Switzerland and Italy. This new 400MW line, of an unprecedented scale in Switzerland, could become the first underground merchant line project completed in Europe.

“The power outage experienced throughout Northern Europe in early November demonstrated once again the ever-increasing needs for cross-border power infrastructure networks. In fact, upgrading older power plants or building new production facilities is a solution to meet demand peaks, but a costly one. Securing power transmission and distribution is an other option for Europe’s energy of tomorrow. This is why Nexans today is proud to implement this new project in Europe and is determined to further its commitment to power companies,” said Yvon Raak, Nexans’ Executive Vice President Europe Area.

A large-scale project

As part of this project, Nexans will provide a comprehensive turnkey solution, including 27km of high voltage (380kV) XLPE *power cables. The 9km link between the towns of Mendrisio in Switzerland and Cagno in Italy will be divided into 15 sections. For this project, the Group will also supply 14 junction chambers, with 3 premolded joints each, as well as all necessary connecting and grounding components. The joints will feature the latest technology so that the customer can follow the evolution of the equipment.

Since late 2005, Nexans has been supporting AET during all preliminary stages, including installation mode optimization, civil engineering consulting, thermal and mechanical calculations, and route validation. The interconnection, which was approved by the Swiss Federal Council in June 2004, is included in Switzerland’s power transmission master plan. This project is undertaken in partnership with Italy’s railway company Ferrovie Nord Milano (FNM), as most of the section installed in Italy will run along a former railway track owned by FNM.

* Cross-linked polyethylene

The first underground merchant line in Europe?

Among about fifty interconnections currently considered between France, Switzerland, Austria, Slovenia, Croatia and Italy, the Switzerland-Italy link could become the first underground merchant line project actually started in Europe. Today, the homologation process to make out of this high voltage link a merchant line is still on going both sides of the border. Merchant lines are deregulated high voltage lines used to complement power transmission networks between neighbouring countries. Unlike traditional high voltage line operators, merchant line operators are not required to provide power companies with non-discriminatory access to the network. Currently, the merchant lines in operation in Scandinavia are submarine lines. However, according to analysts, significant amounts will be invested in underground merchant lines during the forthcoming years, after full liberalization of the energy market in the European Union and Switzerland.

High voltage cables will be manufactured by Nexans' Cortaillod plant in Switzerland. All the accessories will be manufactured in Switzerland too, in Nexans' Cossonay plant. The first cables are scheduled to be installed in February 2007, and the line to enter operation by the end of 2007.

About Nexans

Nexans is the worldwide leader in the cable industry. The Group brings an extensive range of advanced copper and optical fibre cable solutions to the infrastructure, industry and building markets. Nexans cables and cabling systems can be found in every area of people's lives, from telecommunications and energy networks, to aeronautics, aerospace, automobile, railways, building, petrochemical, medical applications, etc. With an industrial presence in more than 30 countries and commercial activities throughout the world, Nexans employs 20,000 people and had sales in 2005 of 5.4 billion euros. Nexans is listed on the Paris stock exchange. More information available on www.nexans.com

About AET

Azienda Elettrica Ticinese (AET) is the power company for the Swiss canton of Ticino, based in Bellinzona (Switzerland). AET is an autonomous commercial organization established in 1958 to exploit local hydropower resources and secure power supply for Ticino. AET's core businesses are the production, transmission—over a 420km high voltage network—and trading of electrical power. The company especially leverages its five 221 MW hydropower plants. AET's customers are mainly power distribution companies in Ticino, and AET sells its remaining energy on national and international markets.

Contacts:

Press

Céline Révillon

Tel.: +33 (0)1 56 69 84 12

Celine.revillon@nexans.com

Investors Relations

Michel Gédéon

Tel.: +33 (0)1 56 69 85 31

Michel.gedeon@nexans.com