Press release

Preliminary consolidated results for 2002:
Nexans demonstrates its ability to adapt,
and improves its financial structure, in a difficult environment

Paris, January 27, 2003 – Nexans' Board of Directors, chaired by Gérard Hauser, met on January 24, 2003 to review the preliminary consolidated financial statements for 2002.

- *Net sales* for the year were euros 4.302 billion. *At constant non-ferrous metals prices,* sales came to euros 4.096 billion*, compared to euros 4.467 billion in 2001, a drop of 8.3% (–8.9% on a comparable basis).

- Impacted by the very sharp deterioration of the telecommunications market and the slowdown in industrial investments, *operating profit* stood at euros 56 million, compared to euros 139 million in 2001 (–60%). After the costs of the restructuring plans announced in February 2002, the Group financial statements record a *net loss* of euros 40 million, as compared with a profit of euros 30 million as on December 31, 2001.

- *Net debt* totaled euros 52 million at December 31, 2002, compared to euros 71 million in the previous year, resulting in a gearing of 5%.

Gérard Hauser, Chairman and CEO of Nexans, made the following statement on these preliminary results:

"In a very difficult year 2002 – marked by the collapse of the telecoms market and the very sharp slowdown in industrial investments – Nexans was able to demonstrate its ability to adapt to a difficult environment. The Group was able to maintain its market positions. The restructuring plans announced during the year have been carried out according to schedule. Indirect costs have been significantly reduced (–7%), effectively lowering the breakeven point, and the Group's net debt has been reduced to euros 52 million, despite a share buyback program of euros 25 million.

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* To neutralize the effect of variations in the purchase price of non-ferrous metals and thus measure its effective sales evolution, Nexans also calculates its sales using a constant price for copper and aluminum.

The economic outlook for 2003 is a challenging one but our action plan is clear: very strong emphasis on increasing sales, backed up by a policy of targeted acquisitions to enhance our product portfolio. These strategies will be implemented in a context of continuing stringent operational and financial management. This combination of strategies should allow us to improve our operating margins and break even at the net income level in 2003. Moreover, we have fixed ourselves the objective of generating positive free cash flow, as in 2002, in order to further reduce our debt."

Confident in the Group's financial stability and in its return to profitability, the Board of Directors expressed a favorable view of the management's proposal in principle to pay out a total *dividend* of euros 4.6 million, i.e. euro 0.20 per share. The dividend proposal to be made to the General Shareholders' Meeting will be made by the Board when meeting to approve the definitive financial statements.

Net sales – 4th quarter and full year 2002

Q4.01	Q4.02	Million euros	2001	2002
1,104	1,035	Net sales	4,777	4,302
1,071	998	Net sales (at constant metal prices)	4,467	4,096
563	531	Energy	2,189	2,141
170	136	Telecom	835	577
246	247	Electrical wires	1,102	1,066
92	84	Distribution	341	312
-	-	Other	-	-

Preliminary consolidated results

million euros	2001	2002	Operating margin 2002
EBITDA	280	201	
Operating profit:	**139**	**56**	**1.4%**
Energy	80	71	3.3%
Telecom	30	(35)	(6%)
Electrical wires	15	12	1.1%
Distribution	17	16	5.1%
Other	(3)	(8)	-
Net income	30	(40)	
Earnings per share	1.22	(1.78)	
Cash flow from operations	210	143	

Nexans' *operating profit* improved in the second half of 2002, driven by the impact of strong Energy networks business, improved Wire rod margins and a significant reduction in overheads in the Telecom business.

Operating profit was euros 56 million, i.e. more than twice the total recorded at June 30, 2002. *The operating margin* was 1.4%, compared to 3.1% in 2001.

Provisions for restructuring were established in the amount of euros 90 million, reflecting the highly satisfactory state of progress in the implementation of the plans to adapt the Group's industrial base to current market conditions.
This non-recurring expense severely impacted *net income, resulting in a net loss* in line with the Group's earlier forecasts. The net loss was euros 40 million for the year.

The Group recorded a deferred *tax revenue* of euros 10 million, arising from the sharp decrease in taxable income and a reduction in deferred taxe liabilities as recorded in the prior year balance sheet. At December 31, 2002 the Group didn't record any deferred tax assets.

After these various items and taking into account the weighted and fully diluted average number of shares outstanding during 2002 (after the various buyback operations), *net income per share* stood at euro – 1.78.

Analysis of operating profit by Division

***Energy**: Sales* in the Energy Division accounted for 52% of the Group total. Sales in the second half of 2002 were largely unchanged from the first half, making a total of euros 2.141 billion for the full year (–2.2%, and –3.6% at constant consolidation scope, compared to 2001). These figures reflect the excellent performance of the infrastructure cables activities (including umbilical cables) and a sound performance from low voltage cables for residential construction, offset by a significant reduction in sales of special cables for industry and cables for industrial construction – the latter impacted by the general slowdown of the economy.

Operating profit for this Division improved in the second half of the year, reaching euros 71 million at December 31, 2002, compared to euros 80 million at December 31, 2001. While income for the year was boosted by the improved profitability of umbilical and high voltage cables, low levels of industrial investment led to an overall result lower than in 2001.

Telecom: *Sales* in the Telecom division were sharply down on the previous year, at euros 577 million, compared to euros 835 million in 2001 (–30.9%, and – 31.6% at constant consolidation scope). This decline affected all sectors, especially in exports of infrastructure cables for public networks and special cables for telecom equipment suppliers.

As anticipated in connection with the announcement of the half year results in July, the Telecom Division recorded a *an operating loss* for the year. The loss was euros 35 million, as compared with profit of euros 30 million for the year ended December 31, 2001. The restructuring plans implemented across the division's three product lines have succeeded in reducing indirect costs by 18%

compared with the previous year and in bringing about a return to profitability in the private networks business in the USA.
This reduction in the breakeven point, the benefits of which are already apparent in the reduced losses in the second half of the year, provides hope for this Division to break even in 2003.

Electrical wires: *Sales* in the Electrical wires division were euros 1.066 billion in 2002 compared to euros 1.102 billion at December 31, 2001, despite largely unchanged sales of wire rod and bare wires. Slack demand for winding wires in the United States led to the closure of the Mexico plant (USA).

This Division recorded *operating profit* of euros 12 million, down from 2001, despite the excellent performance of the wire rod activity as a consequence of an increase in its market share in the United States and its leading position worldwide.

Financial calendar

April 16, 2003: publication of 1st Quarter sales
June 5, 2003: General Shareholders' Meeting
July 22, 2003: publication of 1st Half sales and results

A full set of slides from the Results Presentation along with a detailed presentation of the financial statements are available on the Nexans website, at www.nexans.com

About Nexans
Nexans is the worldwide leader in the cable industry. The Group brings an extensive range of advanced copper and optical fiber cable solutions to the infrastructure, industry and building markets. Nexans cables and cable systems can be found in every area of people's lives, from telecommunications and energy networks to aeronautics, aerospace, building, automobile, petrochemicals, medical applications, etc. Operating in 28 countries, Nexans employs 17 150 people and had sales of euros 4.3 billion in 2002. Nexans is listed on the Paris stock exchange. More information at www.nexans.com

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Annexes
1. Income statement
2. Abbreviated balance sheet
3. Cash flows statement

Consolidated income statements

in millions of euros

	2002	2001	2000*
Net sales	**4,302**	**4,777**	**4,783**
Metal price effect	(206)	(310)	(422)
Net sales at constant metal price	**4,096**	**4,467**	**4,361**
Cost of sales	(3,571)	(3,833)	(3,714)
Gross profit	**525**	**634**	**647**
Administrative and selling expenses	(421)	(445)	(440)
R&D costs	(48)	(50)	(38)
Income from operations	**56**	**139**	**169**
Financial income (loss)	(31)	(33)	(20)
Restructuring costs	(90)	(36)	(30)
Other revenues (expenses)	23	3	1
Income before taxes	**(43)**	**73**	**120**
Income tax	10	(28)	(40)
Share in net income of equity affiliates	-	-	-
Consolidated net income before amortization of goodwill	**(33)**	**45**	**80**
Amortization of goodwill	(2)	(2)	-
Minority interests	(6)	(13)	(5)
Net income	**(40)**	**30**	**75**
Earnings per share (in euros)	(1.78)	1.22	3.00
Diluted earnings per share (in euros)	(1.74)	1.22	3.00

* unaudited combined pro forma financial statements

Consolidated balance sheets at December 31

in millions of euros

ASSETS	2002	2001	2000*
Goodwill, net	39	38	
Other intangible assets, net	7	6	5
Intangible assets, net	**45**	**44**	**5**
Property, plant and equipment	2,870	2,918	2,758
Depreciation	(2,071)	(1,997)	(1,932)
Property, plant and equipment, net	**799**	**921**	**826**
Share in net assets of equity affiliates	4	10	2
Other investments and miscellaneous, net	63	65	61
Investments and other non-current assets	**67**	**75**	**63**
TOTAL NON-CURRENT ASSETS, NET	**911**	**1,040**	**894**
Inventories and work in progress, net	**628**	**637**	**704**
Trade receivables and related accounts, net	761	861	1,005
Other accounts receivable, net	133	133	160
Accounts receivable, net	**894**	**994**	**1,165**
Marketable securities, net	33	87	4
Cash, net	135	190	125
Cash and cash equivalents	**167**	**277**	**129**
TOTAL CURRENT ASSETS	**1,689**	**1,908**	**1,998**
TOTAL ASSETS	**2,600**	**2,948**	**2,892**

* unaudited combined pro forma financial statements

in millions of euros

LIABILITIES AND EQUITY	**2002**	**2001**	**2000***
Capital stock (Euro 1 Nominal value; 23,171,472 shares issued at December 31, 2002)	23	25	25
Additional paid-in capital	1,014	1,044	1,044
Retained earnings	(7)	(23)	(78)
Cumulative translation adjustments	26	53	45
Net income	(40)	30	75
Treasury stock	(25)	(33)	
SHAREHOLDERS' EQUITY	**991**	**1,096**	**1,111**
MINORITY INTERESTS	**88**	**104**	**49**
Accrued pension and retirement obligations	253	257	259
Accrued contract costs and other reserves	143	157	181
TOTAL RESERVES FOR LIABILITIES AND CHARGES	**396**	**414**	**440**
TOTAL FINANCIAL DEBT	**219**	**348**	**205**
Customers' deposits and advances	37	48	32
Trade payables and related accounts	485	530	635
Other payables	384	408	420
TOTAL OTHER PAYABLES	**905**	**986**	**1087**
TOTAL LIABILITIES AND EQUITY	**2,600**	**2,948**	**2,892**

* unaudited combined pro forma financial statements

Consolidated statements of cash flows

in millions of euros

	2002	2001	2000*
Net income	(40)	30	75
Minority interests	6	13	5
Depreciation and amortization	148	143	132
Changes in reserves for pension obligations, net	(3)	(2)	(7)
Changes in other reserves, net	(1)	(11)	(58)
Net (gain) loss on disposal of non-current assets	(23)	(3)	(1)
Share in net income of equity affiliates (net of dividends received)	-	-	-
Other	-	-	-
Cash flow provided by operations	**87**	**170**	**146**
Decrease (increase) in accounts receivable	112	204	(151)
Decrease (increase) in inventories	1	82	(71)
Increase (decrease) in accounts payable and accrued expenses	(60)	(163)	114
Changes in reserves on current assets (including accrued contract costs)	(14)	3	(7)
Net change in current assets and liabilities	**39**	**126**	**(115)**
Net cash provided (used) by operating activities	**126**	**296**	**31**
Proceeds from disposal of fixed assets	12	8	21
Capital expenditures	(96)	(203)	(239)
Decrease (increase) in loans	(1)	(17)	(1)
Cash expenditures for acquisition of consolidated companies, net of cash acquired, and for acquisition of unconsolidated companies **	(64)	(53)	(31)
Cash proceeds from sale of previously consolidated companies, net of cash sold, and from sale of unconsolidated companies	41	-	-
Net cash provided (used) by investing activities	**(108)**	**(265)**	**(250)**
Net cash flow after investment	**18**	**31**	**(219)**
Proceeds from issuance of shares	1	2	2
Dividends paid	(15)	(24)	(25)
Net cash provided (used) by financing activities	**(15)**	**(22)**	**(23)**
Net effect of exchange rate changes	16	(4)	(5)
Net increase (decrease) in net debt / cash	**20**	**5**	**(247)**
Net (debt) / cash at beginning of year	**(71)**	**(76)**	**171**
Net (debt) / cash at end of year	**(52)**	**(71)**	**(76)**

* unaudited combined pro forma financial statements
** including in 2002, euros 25 million of treasury stock