

## Explanatory notes

(extract from the notes to the parent company financial statements)

### PRINCIPLES AND SUMMARY OF ACCOUNTING POLICIES

The Balance Sheets and the Income Statements at December 31, 2001 have been prepared in accordance with the principles and the valuation methods applicable in France:

- conservatism principle;
- on-going operations;
- permanent accounting policies from one period to the other;
- cut-off of the different accounting periods.

As a general rule, accounting entries are booked in compliance with the historical cost method.

#### Investments in shares in subsidiaries and affiliates, and other financial fixed asset investments

The gross value of investments is stated at their acquisition cost (excluding incidental expenses) or at their assignment value.

A provision is accrued for, whenever the utility value at the balance sheets date is lower than the historical cost.

The carrying value is determined on the basis of the utility value, resulting from a multi-criteria valuation which may take into account the revalued net assets as well as yield.

When Nexans buys its own shares, as part of a share buy back program, these shares are reported in "other financial assets".

### TAX INFORMATION

With effect at January 1, 2001, Nexans SA left the tax pooling structure of Alcatel Group.

As part of the option for the French Tax Group system, as defined in articles 223 A and followings of the French "Code Général des Impôts", Nexans SA entered into a 5 years tax pooling agreement with its French subsidiaries, starting January 1, 2002.

There is no non-tax-deductible expense as mentioned in articles 39-4 and 223 quater of the French "Code Général des Impôts".

