
Condensed parent Company financial statements

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Condensed income statement

<i>in thousands of euros</i>	2002	2001	2000
Operating revenues	5,046	6,756	-
Operating expenses	(12,792)	(11,165)	(30)
Operating income	(7,746)	(4,409)	(30)
Revenues from investments in subsidiaries and associates	38,588	63,089	27,499
Other financial revenues	90,792	78,732	12,251
Financial expenses	(89,331)	(77,014)	(10,994)
Financial income	40,049	64,807	28,756
Non-recurring income	15	-	-
Income tax	-	(293)	(956)
Net income	32,318	60,105	27,770

Condensed balance sheet

in thousands of euros at December 31

	2002	2001	2000
ASSETS			
Financial assets	1,132,446	1,167,539	1,048,399
Accounts receivable and other current assets	9,733	7,709	3,369
Cash	281,449	399,835	464,481
TOTAL ASSETS	1,423,628	1,575,083	1,516,249
LIABILITIES AND EQUITY			
Capital stock	23,121	25,000	25,000
Additional paid-in capital	1,070,813	1,051,807	1,044,038
Net income	32,318	60,105	27,770
Reserves for liabilities and charges	-	-	-
Financial debt	284,132	428,164	418,416
Payables and other current liabilities	13,244	10,007	1,025
TOTAL LIABILITIES AND EQUITY	1,423,628	1,575,083	1,516,249

Information relating to subsidiaries and associates

at December 31, 2002
in thousands of euros

	Capital stock	Shareholders' equity other than capital stock, including net income	Percentage of ownership (%)	Book value of securities held	
				Gross value	Net value

A - Detailed information relating to subsidiaries and associates with book value in excess of 1% of Nexans' capital stock

1 - Subsidiaries (more than 50% of capital stock held by Nexans)

France

Nexans France	160,000	6,136	99.99%	237,400	237,400
Nexans Participations	233,975	634,691	99.99%	848,000	848,000

Foreign subsidiaries

None

2 - Direct associates (10% to 50% of capital stock held by Nexans)

France

None

Foreign associates

None

B - Information relating to other subsidiaries and direct associates

1 - French subsidiaries

None

2 - French associates

None

3 - Foreign associates

None

Outstanding loans and advances	Guarantees given by Nexans	Net sales for last financial year	Net income (loss) for last financial year	Dividends received during the financial year
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8,506	–	843,850	(57,618)	2,400
13,786	–	–	49,384	36,188

Explanatory notes

(extract from notes to the parent Company financial statements)

PRINCIPLES AND SUMMARY OF ACCOUNTING POLICIES

The balance sheet and the income statement as of December 31, 2002 have been prepared in accordance with the principles and valuation methods applicable in France and in compliance with the assumption of going concern, consistency of accounting policies from one period to the next, cut-off of the different accounting periods.

The implementation on January 1st, 2002 of regulation CRC 00-06, pertaining to liabilities and equity, had no significant impact on shareholders' equity at the start of the financial year or on net income for the period.

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 assets investments

The gross value of investments is stated at their acquisition cost (excluding incidental expenses) or at their assignment value. A provision is booked, whenever the carrying value at the balance sheet date is lower than the historical cost.

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

Treasury stocks bought as part of a share buyback program, as authorized by the General Shareholders' Meeting, are reported in "other financial assets", as far as there is no intention of use specified by the Board of Directors.

TAX INFORMATION

At the end of 2001, Nexans signed a tax-pooling agreement with its French subsidiaries in which it owns directly or indirectly more than 95%. This agreement, which became effective on January 1st, 2002, was signed pursuant to the option made by Nexans to adopt a French group tax-pooling regime in accordance with article 223 A and subsequent articles of the French "Code Général des Impôts". The option is renewable every five years, the current period expiring December 31, 2006. For every taxation period, the contribution of each subsidiary to the corporate income tax payable on the consolidated net income of the tax-pooling group, corresponds to the corporate income tax and other contributions which each subsidiary would have been liable to pay if it had been taxed separately.

As part of the tax-pooling agreement, in respect of which Nexans is liable to pay the global tax charge, a tax loss carry forward was generated for the 2002 financial year, which represents an unrecognized tax asset of 25.9 million euros.

Auditors' report

on the parent Company financial statements, year ended December 31, 2002

(Free translation from the original French report)

To the Shareholders of the Company Nexans,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2002, on:

- the audit of the accompanying financial statements of the Company Nexans,
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities as of December 31, 2002, and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

Without calling into question our above expressed opinion, we draw your attention to the note 2 to the financial statements that discloses the change in accounting method corresponding to the first application, from January 1st, 2002, of the "règlement CRC n°2000-06" on liabilities.

2. SPECIFIC VERIFICATIONS AND INFORMATION

We also performed the specific verifications required by law, in accordance with the professional standards applied in France. We have no comment as to the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In accordance with the law, we verified that the management report contains the appropriate disclosures as to the acquisition of shares and controlling interests, as well as to the percentage interests and votes held by shareholders.

Neuilly-sur-Seine and Paris, February 20, 2003

The Statutory Auditors

Barbier Frinault & Autres
Alain Gouverneyre

Ernst & Young Audit
Jean-Claude Lomberget