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**In each of its three key markets, Nexans provides its expertise and can offer global solutions.**

## Energy

49%

of the Group's activities



2.189 billion euros (2001 sales) 9,300 employees 40 production units

- **Products/Markets**

The Energy Division produces high-, medium- and low-voltage power cables and accessories for public power transmission and distribution utilities and private operators; special cables that are integrated by OEM's into their equipment; and low-voltage cables for the building market.

- **Production facilities**

Europe, North America, South-East Asia.

## Telecom

19%

of the Group's activities



836 million euros (2001 sales) 4,400 employees 20 production units

- **Products/Markets**

The Telecom Division produces cables, components and cabling systems used by operators in their long-haul, metropolitan, local and access networks; it produces copper and optical fiber cables and cabling systems for private networks; it also produces a wide range of electronic and data cables for various industrial applications such as aeronautical, medical, railway, telecom, etc.

- **Production facilities**

Europe, North America, South-East Asia.

## Electrical wires

25%

of the Group's activities



1.102 billion euros (2001 sales) 2,600 employees 17 production units

- **Products/Markets**

This division is one of the world's foremost electrical wires producers and is also one of the leading producers of wirerod and bare wires for the manufacture of cables. These wires are used not only by the Group's Energy and Telecom divisions, but also by cable manufacturers that do not have similar upstream integration. It also produces winding wires for electric motors, transformers, magnetic coils...

- **Production facilities**

Europe, North America, South-East Asia.

No.1

worldwide  
for submarine  
power cables\*

No.1

European  
for equipment  
cables\*

No.2

worldwide  
for power  
cables\*

No.2

European for high  
and medium-  
voltage power  
accessories\*

• **Strengths**

- A complete range from high- and very-high-voltage power transmission cables (60kV to 500kV) to medium-voltage distribution cables (3kV to 60 kV) and low-voltage (1kV).
- Global leader in the field of umbilical cables and an expert in turnkey submarine cable projects.
- Technical expertise in the area of industrial applications.
- High performance logistics platforms.
- Streamlined production capacity with specialized industrial production equipment.

• **Strategy**

- Participate in the development of major export infrastructure markets, particularly in North America.
- Commercialize new high value-added products (petrochemicals, safety, automotive cable harnesses, automation, etc), ensuring compliance with the most stringent environmental standards.
- Pursue the search for excellence in internal processes.

Energy

No.1

European  
for telecom network  
copper cables\*

No.1

European for data  
transmission special  
cables\*

No.2

worldwide  
for LAN cables\*

• **Strengths**

- Unparalleled know-how in the area of data transmission cables.
- A technological lead in data transmission special cables for the aeronautical, computer and telecommunications industries.
- Huge range of access components.
- A leading position in the market of submarine special cables.

• **Strategy**

- Intensify partnerships with turnkey project suppliers.
- Target export markets in developing countries.
- Develop new connectivity products for cabling systems.
- Increase market share in the telecom equipment supplier and connector manufacturer segments.
- Position itself as a leading actor in optical fiber developments relating to the local loop.
- Increase production capacity in Asia.

Telecom

No.1

worldwide for  
winding wires\*

No.1

European  
for wirerod\*

No.2

European for  
bare wires\*

• **Strengths**

- Complete mastery of the copper transformation chain and vertical integration.
- The largest range of bare wires in Europe.
- A high level of know-how in insulation coatings and a complete range of winding wires.
- Substantial presence in the high growth market of Continuously Transposed Cables.
- Advanced industrial manufacturing equipment thanks to the restructuring that has already been carried out.

• **Strategy**

- Concentrate on high value-added niche markets and on specialities.
- Continue to apply streamlining and cost-control measures.

Electrical  
wires

\* Nexans uses its own internal estimations to evaluate its position and its market share as compared to its competitors. These estimations are based on publications made by the cable industry, information published by its competitors and its own knowledge of the market. Nexans believes its internal estimations to be correct but however cannot guarantee their total accuracy.



# Nexans, world leader in cables and cabling systems

As a global expert in cables and cabling systems, Nexans employs 18,000 people in 28 countries and benefits from a commercial presence in 65 countries.

Group sales for the year 2001 totaled 4.78 billion euros.

In three key sectors of the global economy –infrastructure, industry and building markets– Nexans offers customers the complete range of cables and cabling systems provided by its three divisions: Energy, Telecom and Electrical wires.

Nexans' products lie right at the heart of our everyday life, with their applications in telecommunications, energy, aeronautics, building, the automotive sector, information technology, petrochemicals, medical equipment and a myriad of other markets.

Nexans places the emphasis on expertise and quality of service, and our 11 research centers are constantly shaping the future by inventing and developing new materials.

Our products are designed to meet the most stringent international standards for safety and the environment. Nexans' aboveground and submarine cables and cabling systems meet the requirements of globalization and sustainable development.

Listed on Euronext's *Premier Marché* since June 2001, Nexans is now an independent group with the resources to realize its growth strategy.

# Interview with the Chairman



Gérard Hauser, Chairman

*“2001 was a challenging year marked by a sharp deterioration in a number of Nexans’ markets during the second half of the year, but we have been able to prove our resilience and our rapid reactivity.”*

## **How would you sum up the year 2001?**

2001 was a very eventful year for our Group. The key event as far as I am concerned was Nexans’ stock market listing on June 13. The operation was oversubscribed over six times and was a great success. It enables us to base our growth on solid foundations: long-term shareholders who are evenly balanced geographically and spread between institutional and individual shareholders. The evolution of our share price, which has been disappointing since September –like that of most of our competitors– has suffered from the downturn in the economic cycle and the forced adjustment of our earnings targets. In my opinion, the end-of-year share price reflects neither the economic value of the company nor its growth potential.

## **Are you satisfied with Nexans’ results in 2001?**

The global economic slowdown sparked by the US recession was made worse by the events of September 11. The second half of the year was particularly difficult for our Group. Despite this context, Nexans has been able to maintain its sales at the same level as in 2000, but profit margins have been eroded and results are below our expectations. However there are a large number of positive points: the Energy Division which generates half of our total sales, had a good year, recording growth in both sales and earnings; Norway has become profitable once again, as the restructuring programs launched in previous years bear fruit. Switzerland also contributed an excellent performance. However, the problems experienced in our winding wires business, particularly in the United States, and the collapse of the telecom market both impacted our results. Faced with these situations, Nexans had to react energetically and quickly.

## **What measures have you taken in order to maintain the sustainable development strategy?**

We focused our efforts on two priorities: reducing capital employed in order to pay out cash that our earnings were unable to generate, and reducing our costs in order to adapt our industrial set-up to this challenging environment. The impact of the vigorous measures that we have implemented, particularly with regard to our inventory levels in the second half of the year, enabled us to reduce the amount of our net debt from 247 million euros (at June 30), to 71 million euros at year-end. Furthermore, in October, we launched a share buyback program which led

to the cancellation by the Board of Directors of almost two million shares. This program had a positive effect on our earnings per share. We also bolstered our cost-reduction plans in all of our divisions and central services and continued our efforts to improve productivity levels. Unfortunately, however, the current economic outlook means that additional measures will need to be taken. After having made substantial investments in 2000 and 2001, we are planning to reduce our budget package in 2002, and we are currently reviewing a new global restructuring plan. This may involve an additional thousand or so positions, and between 2002 and 2003, lead us to spend 120 million euros in total (including exceptional depreciation charges). Our underlying objective remains unchanged: to enhance our profitability and turn around our loss-making businesses in order to optimize the service we provide to our customers, our shareholders and, thus, our employees.

#### ***Is external growth still an option?***

External growth remains an option, but it is not our only growth vector. The proposed purchase price has to be reasonable, the synergies with Nexans' business operations should be high and the transaction should not have a substantially dilutive effect on our shareholders' interests. Under these conditions, we are prepared to assess potential acquisition projects which could bolster our presence, for example in the United States, South America and Asia.

#### ***What are the major growth vectors for Nexans?***

Nexans is a generalist cabling company and we reaffirm our ambition to become, in the medium term, the global player in the cabling industry, with a balanced set of activities both in professional and geographical terms.

To this end, our first task involves consolidating our leadership in the infrastructure markets – our core business. This business is driven by solid, long-term sources of growth. At the same time, we will continue our development in special cable and high value-added product markets where we can and should extract high profit margins. In all areas, our research teams play a fundamental role in designing innovative products, while constantly reducing the time period between the development phase of innovations and their market roll-out.

#### ***How does 2002 look for Nexans?***

We only have limited visibility on the state of the economy in 2002 and I anticipate a difficult first half. However, we have shown ourselves to be both robust and reactive: if economic conditions allow, we will be able to generate a substantial amount of cash flow which we should use for the ultimate purpose of enhancing our profitability. Our overall confidence in these perspectives means that we can reaffirm our target of achieving a 5% operating margin and a 16-20% return on capital employed, even if the economic conditions we experienced in 2001 have forced us to postpone our target achievement dates to 2004.

“NEXANS IS A GENERALIST CABLING COMPANY AND WE REAFFIRM OUR AMBITION TO BECOME, IN THE MEDIUM TERM, THE GLOBAL PLAYER IN THE CABLING INDUSTRY.”

# Board of Directors and committees

The Board of Directors comprises nine members including eight independent members. There were four Board Meetings in 2001 with virtually all members attending on each occasion. On July 4, 2001, the Board of Directors created two specialized committees and set their conditions and responsibilities: the Accounts Committee and the Compensation Committee.

## MEMBERS OF THE BOARD

G�rard Hauser	Chairman of the Board
Gianpaolo Caccini	Director
Georges Chodron de Courcel	Director
Bertrand Durrande	Director
Jacques Garaialde	Director
Robert Mahler	Director
Patrick Puy	Director
Ervin Rosenberg	Director
Jean-Louis Vinciguerra	Director

### G rard Hauser

Nexans Chairman.

Elected on October 17, 2000.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

60 years old – Address: 16, rue de Monceau,  
75008 Paris, France  
Number of Nexans shares held: 1,173

- Member of the Board of Directors of Electro-Banque, Fondation H l ne Azaria, Aplix, Liban Cables Holding SAL (a member of the Nexans Group).
- Member of the Supervisory Board of Nexans Deutschland AG.

### Gianpaolo Caccini

General Director of the Saint-Gobain group and Director of Saint-Gobain Corporation (United States).

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

63 years old – Address: Les Miroirs, 18, avenue d'Alsace, 92096 La D fense Cedex, France  
Number of Nexans shares held: 25

- Member of the Board of Directors of J.M. Huber Corporation (United States).

### Georges Chodron de Courcel

Member of the Executive Committee of BNP Paribas.  
Head of the Banque de Financement et d'Investissement.

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

51 years old – Address: 3, rue d'Antin,  
75002 Paris, France  
Number of Nexans shares held: 29

- Member of the Board of Directors of Bouygues, Scor.
- Member of the Supervisory Board of Lagard re SA.
- Permanent representative of CIP (Compagnie d'Investissement de Paris) on the FFP Board of Directors (Soci t  Fonci re, Financi re et de Participations Peugeot).

### Bertrand Durrande

Chairman of the Management Board of M taleurop SA, until May 2002.

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

51 years old – Address: 69, rue de Monceau,  
75008 Paris, France  
Number of Nexans shares held: 22

- Vice-Chairman of the Supervisory Board of Penarroya Oxide SA.

### Jacques Garaialde

Managing Director of the Carlyle Group, responsible for European venture capital operations.

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

45 years old – Address: Lansdowne House, 57 Berkeley Square, London W1X 5DH, United Kingdom  
Number of Nexans shares held: 10

- Chairman of the Supervisory Board of Solsoft, Egencia.

**Robert Mahler**

President of Alstom France.

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

55 years old – Address: 60, rue du 19 janvier,  
92500 Rueil-Malmaison, France  
Number of Nexans shares held: 567

- Member of the Board of Directors of Alstom Holdings, Alstom India Ltd, Alstom Signalling Ltd, Alstom T & D Systems Ltd, Alstom UK Ltd.
- Member of the Supervisory Board of Alstom GmbH, Alstom Ballard GmbH.

**Patrick Puy**

Chairman and CEO of Moulinex.

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

46 years old – Address: 5, rue de Monceau,  
75008 Paris, France  
Number of Nexans shares held: 61

- Member of the Board of Directors of Souvigel SA.

**Ervin Rosenberg**

Chairman and CEO of Société Financière Savoisiennne.

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

66 years old – Address: 47, rue du Faubourg Saint-Honoré, 75008 Paris, France  
Number of Nexans shares held: 23

- Member of the Board of Directors of Thomson SA.
- Member of the Supervisory Board of Compagnie Financière Edmond de Rothschild Banque, Ifrah Finance.

**Jean-Louis Vinciguerra**

Managing Director of the Resources Branch of France Télécom.

Elected on June 15, 2001.  
Term expires at the Ordinary Annual Shareholders' Meeting, 2006.

58 years old – Address: 6, place d'Alleray,  
75505 Paris Cedex 15, France  
Number of Nexans shares held: 50

**COMMITTEES SET UP BY THE BOARD OF DIRECTORS****The Accounts Committee**

This committee comprises two independent members, Mr Georges Chodron de Courcel and Mr Jean-Louis Vinciguerra. Its functions include ensuring the relevance and consistency of the accounting methods used to draw up the parent company financial statements and consolidated financial statements of the Group, verifying that the internal collection and control procedures guarantee information integrity. The committee also gives the Board of Directors its opinion on important missions entrusted to the Auditors by the Group companies, and fees paid to the Auditors.

**The Compensation Committee**

This committee comprises two independent members, Mr Patrick Puy and Mr Ervin Rosenberg. It gives proposals to the Board of Directors regarding the remuneration of the company officers, including that of the Chairman, and gives its opinion on share subscription or share purchase plans proposed by the Chairman.

**DIRECTORS' INTERESTS AND COMPENSATION****Directors' fees**

The Combined General Shareholder's Meeting of October 17, 2000 set at 200,000 euros per financial year the annual amount of fees allocated to Directors. This amount will remain valid until amended by a future decision.

The way in which Directors' fees are set and allocated was laid down by a Board of Directors' Meeting of July 4, 2001 and includes a fixed portion and a variable portion based on meeting attendance.

Total Directors' fees allocated for financial year 2001 amount to 182,000 euros.

**Compensation of the Chairman**

In 2001, total gross compensation of the Chairman before tax and including benefits in kind amounted to 819,277.98 euros; in addition, he received 55,000 stocks options.

No stock option was allocated by Alcatel to Mr Gérard Hauser, Chairman of Nexans, for financial year 2001.

**AUDITING OF THE ACCOUNTS****Auditors****Barbier Frinault et Autres**

41, rue Ybry, 92200 Neuilly-sur-Seine, France

Represented by Mr Alain Gouverneyre.

Date of first appointment:  
Ordinary General Shareholders' Meeting of February 21, 2000.

Date of current appointment:  
Ordinary General Shareholders' Meeting of May 9, 2000.

Current term expires at the Ordinary General Shareholders' Meeting, 2006.

**Ernst & Young Audit**

4, rue Auber, 75009 Paris, France

Represented by  
Mr Jean-Claude Lomberget.

Date of first appointment and current appointment:  
Combined General Shareholders' Meeting of October 17, 2000.

Current term expires at the Ordinary General Shareholders' Meeting, 2006.

**Deputy Auditors****Pascal Macioce**

41, rue Ybry, 92200 Neuilly-sur-Seine, France

Date of first appointment:  
Ordinary General Shareholders' Meeting of February 21, 2000.

Date of current appointment:  
Ordinary General Shareholders' Meeting of May 9, 2000.

Current term expires at the Ordinary General Shareholders' Meeting, 2006.

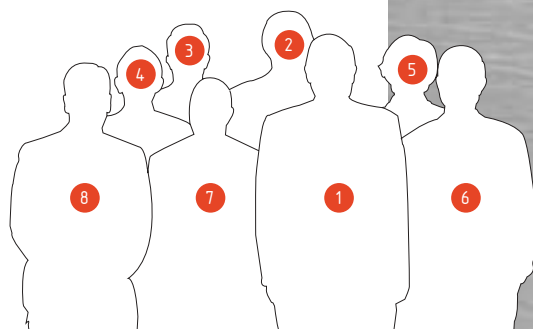
**Jacques Rigo**

4, rue Auber, 75009 Paris, France

Date of first appointment and current appointment:  
Combined General Shareholders' Meeting of October 17, 2000.

Current term expires at the Ordinary General Shareholders' Meeting, 2006.

# Executive Committee



1

## Gérard Hauser

Chairman

***“Despite shifts in the economic cycle, Nexans is firmly on course for long-term growth thanks to its financial strength and the impressive reactivity of its teams.”***

From 1965 to 1975, Gérard Hauser held various positions of responsibility within the Philips group. From 1975 to 1996, he was President and CEO, first of Pechiney World Trade, then of Pechiney Rhénalu, and lastly Senior Executive Vice-President of American National Can and member of the Executive Committee of the group. Gérard Hauser then held various key positions within the Pechiney group before joining Alcatel in 1996, to become head of the Cables and Components sector.

2

## Michel Lemaire

President, Electrical wires Division

***“Despite a challenging year, the basic elements of the Electrical wires activity remain healthy, and our strong capacity to adapt to new conditions should enable us to anticipate successfully the market trends in the near future.”***

Michel Lemaire joined Saint-Gobain in 1984 as Director of Human Resources. From 1993 to 1995, he was Director of Human Resources and Communications at Pinault-Printemps-Redoute. From 1996 to 1998, Michel Lemaire was Director of Human Resources at Alcatel Telecom France, before becoming Director of the Electrical wires Division within Alcatel’s Cables and Components sector.

3

## Pascal Portevin

President, Telecom Division

***“Even if the Internet bubble has deflated considerably over the past year, the telecommunications sector remains very promising in the long term for Nexans, especially since in many areas we have achieved a real technological lead and a solid commercial foothold.”***

Pascal Portevin began his career at Câbles de Lyon in 1985. From 1990 to 1993, he was Technical Director of Alcatel North America when the optical fiber factory of Claremont (North Carolina, USA) was being built. From 1993 to 1996, he was Chief Executive Officer (CEO) of Alcatel Fibres Optiques and then became Director of Operations of the Optical Fiber global product line. In 1999, Pascal Portevin was appointed Managing Director of the General Market product line within the Cables and Components sector of Alcatel after having headed the Telecommunications Cables activity.

4

## Yvon Raak

President, Energy Division

***“The healthy state of the infrastructure equipment market, our dynamic commercial approach and the success of the restructuring measures that we have carried out enable us to look forward to solid long-term growth for the division.”***

Yvon Raak began his career with Alcatel as Plant Manager at the Jeumont plant of Câbleries de Lens (France). He joined Alstom in 1992 as Director, before being appointed Chairman & CEO of European Gas Turbine SA. From 1997 to 1999, he was Senior Vice-President, Strategy & Management of Alstom Énergie and Chairman & CEO of Alstom Énergie SA. Yvon Raak joined the Cables and Components sector of Alcatel in 1999 as President of Telecom Products within the Executive Committee.



5

**Véronique Guillot-Pelpel**

Senior Corporate Vice-President, Communications

***“Communications should help the Group’s business lines to improve their customer service.”***

Véronique Guillot-Pelpel was head of public relations for the BASF group in France before becoming Information and External Relations Director for *Entreprise et Progrès*, and then Senior Vice-President Communications for the *Compagnie Bancaire* in 1983. After being appointed Senior Vice-President Communications for *Paribas* in 1990, she became a member of the Executive Committee and was appointed to the position of Director of Human Resources and Communications of the group in 1998. She then joined the Cables and Components sector of Alcatel in 2000. Véronique Guillot-Pelpel was President of *Entreprises et Médias* between 1996 and 1998.

6

**François Saint-Dizier**

Senior Corporate Vice-President, Human Resources

***“Nexans’ staff represent one of the company’s biggest assets. At the end of 2001, the principle of a capital increase was adopted. The long-term objective is for the Group’s employees to become leading shareholders.”***

From 1972 to 1982, François Saint-Dizier held various positions in Administration and Human Resources within a subsidiary of the Pierre Fabre group. He joined Alcatel in 1982 and was Director of Industrial Relations and Communications of Câbleries de Lens (France) until 1987. From 1988 to 2001, he was Senior Vice-President, Human Resources for the Cables and Components sector of Alcatel and in 1998, he became the Human Resources Coordinator (France) for the Alcatel Group.

7

**Bruno Thomas**

Senior Corporate Vice-President, Strategic Operations

***“Thanks to the quality of our R&D, our continuous improvement program (Program +) and our initiatives in electronic commerce... Nexans is committed to an ambitious level of service which places the customer at the center of its organization.”***

Bruno Thomas began his career at Usinor in 1968. He joined Alcatel in 1986 as General Director of Câbleries de Lens, with responsibility for the Benelux sector. In 1992, he was appointed Vice-President of Alcatel Câbles, in charge of the French sector. In 1994, Bruno Thomas became Chairman of the Management Board of Alcatel Kabel in Germany, then Chairman of the Energy Division and in 1999, he became Vice-President of Alcatel’s Cables and Components sector.

8

**Frédéric Vincent**

Chief Financial Officer

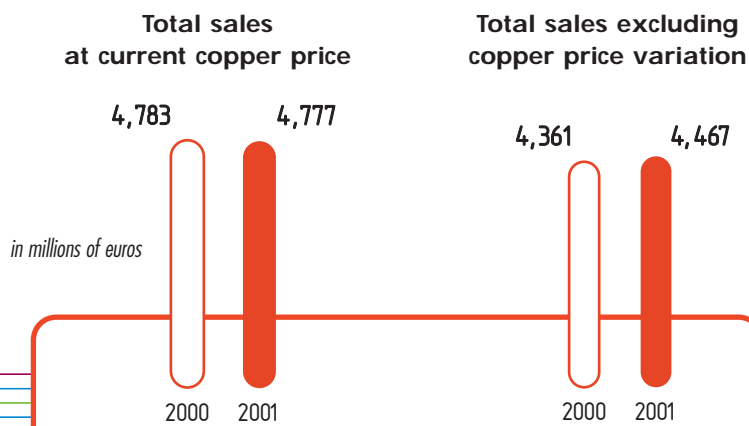
***“In 2001, Nexans was able to continue to generate cash in spite of a difficult economic context. Our healthy financial position, combined with rigorous management, represent our key strengths which will continue to drive future growth.”***

From 1978 to 1985, Frédéric Vincent was a member of a major audit firm. After joining Alcatel in 1986, he joined the Cables and Components sector in 1989, where he was appointed Deputy Managing Director (Administration and Finance) of Alcatel’s undersea telecommunications activities, and in 1997 of Saft, Alcatel’s batteries activity. In 1998, he became Controller of Alcatel’s Cables and Components sector.

# Key Figures

2001 was a challenging year marked by a sharp deterioration in a number of Nexans' markets during the second half of the year, particularly in the telecom and winding wires activities.

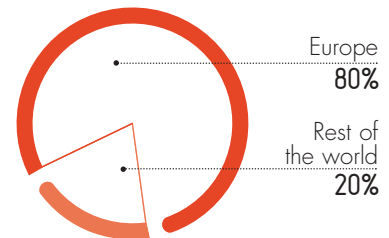
However, Nexans was able to maintain its level of sales and managed to maintain its operating cash flow and sharply reduce its level of net debt thanks to vigorous inventory and fixed cost reduction measures.



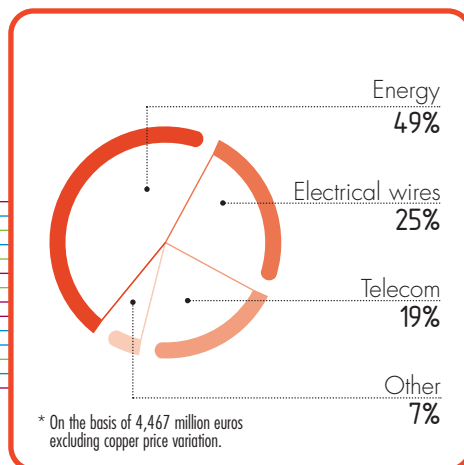
On a comparable basis, pro forma sales remained stable compared to 2000, which testifies to Nexans' reactivity faced with the overall economic slowdown in the fourth quarter. If the impact of the first-time consolidation of the Korean group Daesung is taken into account, sales actually show an increase of 2.4%.

## Manpower

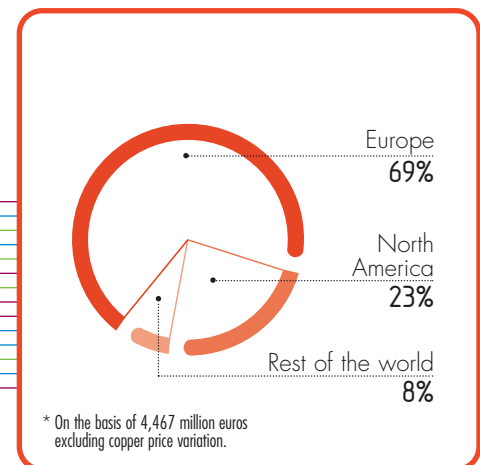
18,000 staff



## Sales breakdown by activity\*



## Sales breakdown by destination\*



### EBITDA



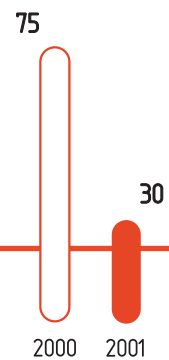
Nexans shows a high level of resistance at the EBITDA level, which fell by only 7% in an adverse economic environment.

### Income from operations



Income from operations fell by 18% during 2001. After having held steady in the first half, it declined in the second half, reflecting the combined impacts of the worsening US recession, its spillover into Europe and the sharp decline in the telecom market in the fourth quarter.

### Net income



The drop in net income notably reflects the rise in the Group's average debt between 2000 and 2001, restructuring costs of 36.2 million euro (rising by 20% over 2000) and the consolidated tax charge amounting to 28 million euros.

### Working capital provided by operations



Despite a challenging economic environment, working capital provided by operations has increased, demonstrating the Group's ability to generate the funds required for its development.

### Net debt



During the year, net debt reached 247 million euros at June 30, but then fell back down to a lower level than at December 31, 2000, thanks to the vigorous measures that were taken. Gearing (debt as a proportion of shareholders' equity) came out at 6.5%, a particularly favorable level.

### Shareholders' equity

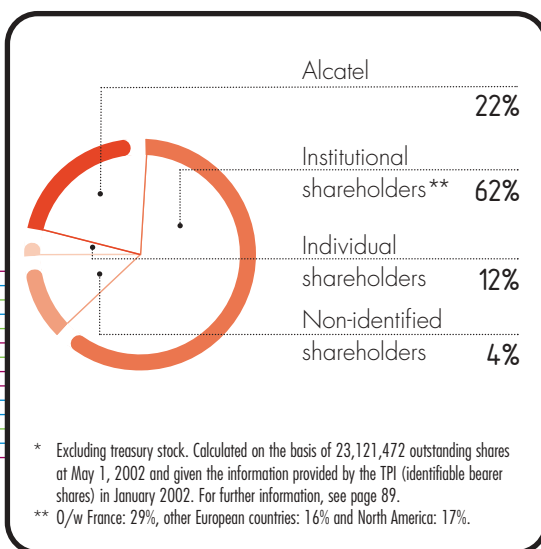


A substantial level of shareholders' equity, combined with low net debt represent the foundations for future stability.

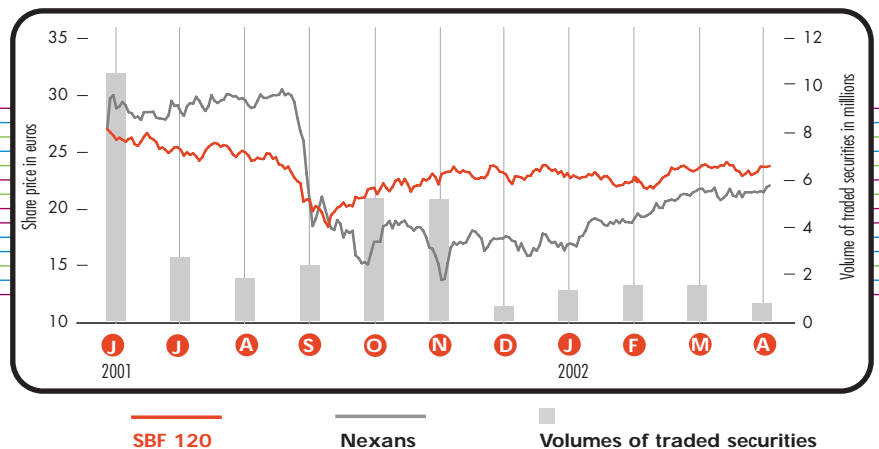
# Nexans and its shareholders

Nexans' shares were introduced on the *Premier Marché* on the Paris stock exchange (Euronext) on June 13, 2001 following an open priced offer (*offre à prix ouvert*) proposed by Alcatel. This transaction was oversubscribed 6.7 times and the stock market initial listing price was set at 27 euros. Originally included in the SBF 250 index, Nexans shares were incorporated in the SBF 120 index on October 26, 2001 and in the Euronext Midcac index on April 10, 2002.

## Ownership structure\* on January 31, 2002



## Share price from June 13, 2001 to April 19, 2002



### Dividend policy

At the Shareholders' General Meeting of June 25, 2002, the Board of Directors will propose that the sum of 9.9 million euros be paid out as a dividend corresponding to the distribution of 0.43 euro per share, and for shareholders who are entitled, a tax credit of 0.215 euro bringing the global amount of the dividend per share to 0.645 euro. The dividend payment is expected to be made on July 4, 2002.

### Share buyback program

Pursuant to an authorization granted by the Shareholders' General Meeting of April 2, 2001, a share buyback program was ratified by the Board of Directors' Meeting of November 16, 2001, on the basis of which Nexans acquired 1,990,031 of its own shares. These shares were cancelled by a decision of the Board of Directors of February 12, 2002, thus reducing the number of shares constituting the capital stock of Nexans to 23,009,969 shares.

### Employee participation in Nexans' capital

**Profit sharing**  
Certain Group subsidiaries have set up employee profit-sharing agreements. In France, Nexans has set up a Corporate Savings Plan (*Plan d'Épargne Entreprise*) which allows its employees to invest in mutual funds made up of shares of the Group.

### Capital increase reserved for employees

On April 17, 2002, the Group carried out a capital increase reserved for employees of Group companies that were members of the Corporate

Savings Plan. Under the terms of this operation which was ratified by the Board of Directors' Meeting of November 16, 2001, 111,503 new shares were issued.

### Stock option policy

Nexans' employees who contribute significantly to the creation of value or the generation of earnings, as a result of their personal initiatives, are entitled to receive options.

Based on this principle, the Board of Directors' Meeting of November 16, 2001 granted 531,500 options to 85 employees. These options were granted

## Shareholder communications

Nexans intends to provide its shareholders with rigorous, regular and consistent information, in accordance with stock market regulations.

As part of our drive to ensure transparency, the Group has set up a series of tools that are adapted to the profile of the different categories of investors.

- An Investor Relations Department informs institutional investors and

financial analysts (both French and foreign) about the Group's strategy, its results and major developments.

Information meetings are organized for all market participants as soon as the half-year and year-end results are published, together with meetings with the Group's executive management and factory visits.

- Individual shareholders have a toll-free number: **0800 898 898** which they

can use to ask any questions they may have.

The website [www.nexans.com](http://www.nexans.com) (Finance section) allows them to access financial information (results, press releases, key figures) relating to the Group. It also allows the user to download copies of the annual report and presentation documents of the half-year and year-end results.

Nexans publishes financial bulletins in the press which provide comments on its

results on a regular basis. An information letter will be personally addressed to the shareholders during the course of the first half of 2002. Lastly, Nexans takes part in the Actionnaria tradeshow in order to provide a communications forum for individual shareholders.

## Key shareholder information

	At Dec. 31, 2001	
<b>Number of shares*</b>	25,000,000	
<b>Net earnings per share**</b>	€ 1.22	
<b>Net assets per share</b>	€ 47.63	
<b>Global dividend</b>	€ 9.9 million	
<b>Payout ratio</b>	33%	
<b>Share price</b>	highest	€ 30.50
	lowest	€ 13.61
	period end	€ 16.21

\* At April 19, 2002, after cancellation of the treasury shares and the capital increase reserved for employees, the total number of shares stood at 23,121,472.  
\*\* Calculated from the fully diluted weighted average number of shares.

at the price of 17.45 euros, corresponding to the average share price on the twenty consecutive trading days preceding the grant.

## Management of securities

The shareholders of Nexans may register their securities in 'nominatif pur' form (directly registered shares), which entitles them to receive systematically and directly all of the information published by the company: letters to shareholders, invitations to Shareholders' General

Meetings, press releases, and may benefit from an exemption from safe custody charges.

In order to benefit from these advantages, interested parties should contact Société Générale, the bank to which the securities will be transferred (Société Générale: Securities services, Tel: +33 (0) 2 51 85 50 67).

## Key dates for shareholders

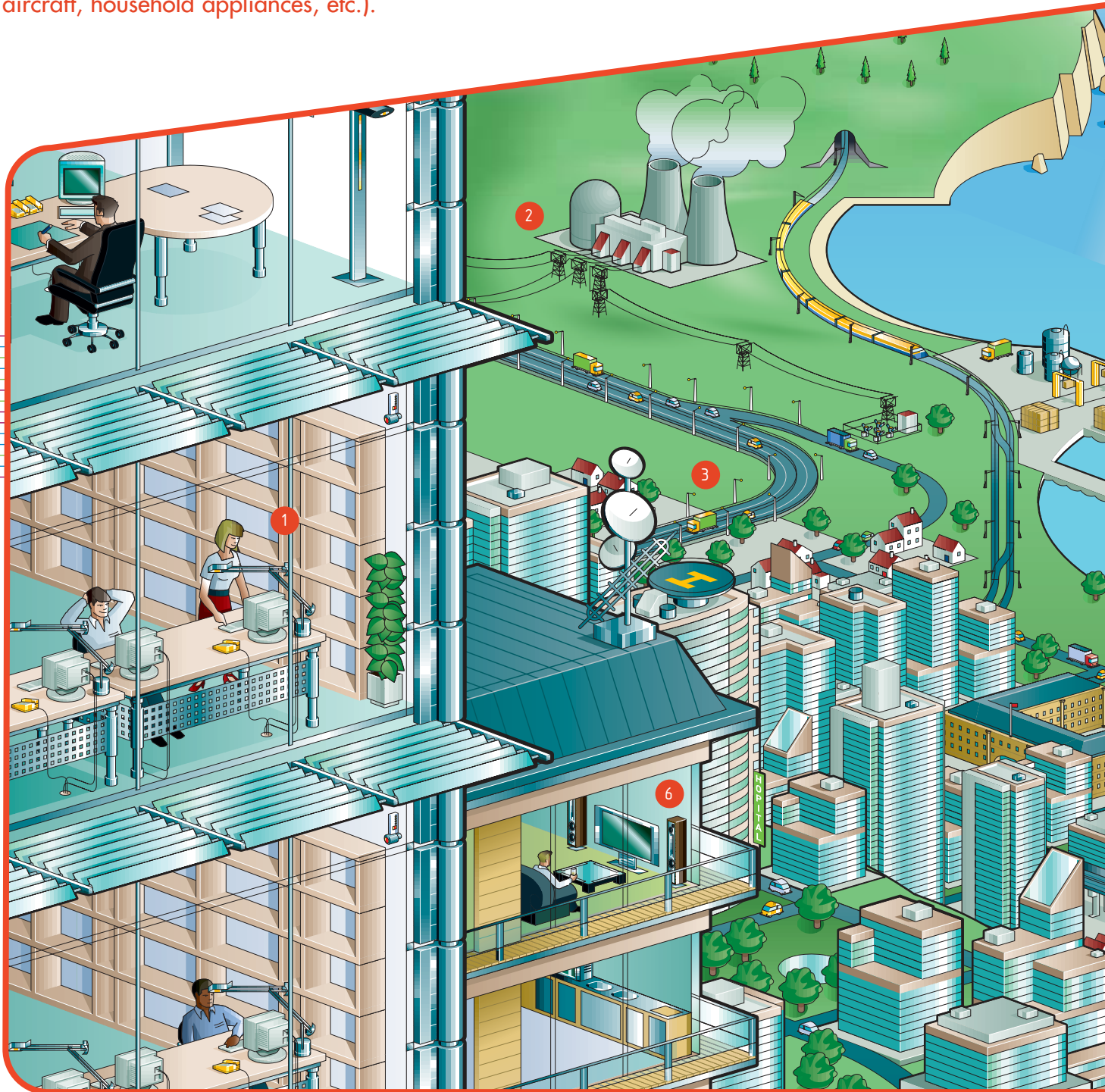
Shareholders' General Meeting*	June 25, 2002
Half-year results	July 22, 2002
Third quarter results	October 16, 2002

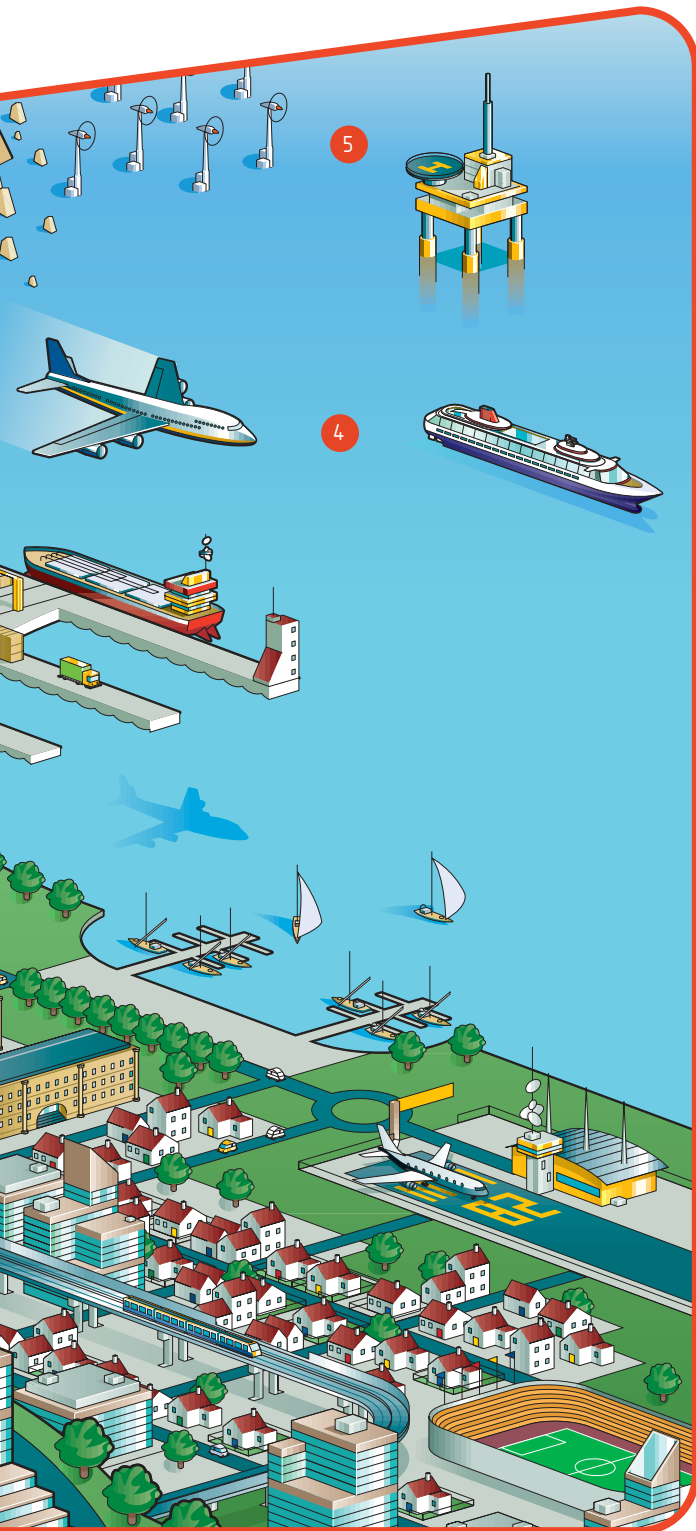
\* The Combined Shareholders' General Meeting will convene, on second call, at the Palais des Congrès, Paris, France.

Contact: requests for information or documentation may be addressed to:  
Financial Communications Department,  
16, rue de Monceau,  
75008 Paris, France  
Tel: +33 (0) 1 56 69 85 31  
Fax: +33 (0) 1 56 69 86 35  
e-mail : [investor.relation@nexans.com](mailto:investor.relation@nexans.com)

# Products at the heart of the economy

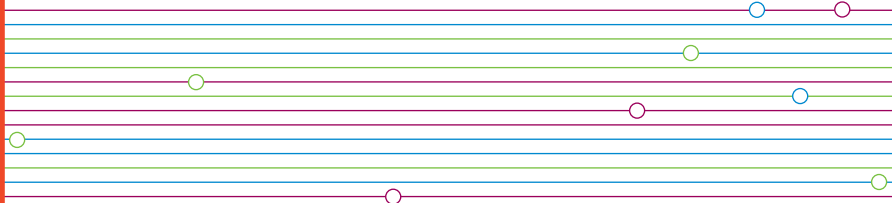
On the ground, in the air and even on the seabed, Nexans cables and cabling systems carry power and telecommunications across the globe. At the heart of the economy and our everyday lives, they are all around us – in the infrastructure, buildings and countless industrial products (cars, trains, aircraft, household appliances, etc.).





**Sample applications:**

- 1 **Smart buildings**  
For safety, telecommunications, elevator operation, electrical power and optimum management of modern buildings... Nexans supplies a broad range of high capacity copper and optical fiber, building wires for lighting, security and energy, and special cables.
- 2 **Power transmission and distribution**  
For the transmission and distribution of energy from power plants (nuclear and conventional) to the consumer, Nexans provides power utilities with a full range of cables and accessories for their high-, medium- and low-voltage grids.
- 3 **Telecommunications networks**  
For long-haul and metropolitan networks (which often use "rights of way" along roads, highways, railroads, etc.), Nexans provides a wide range of fiber cables. It also produces copper and fiber cables for subscriber access and LAN's, as well as a comprehensive range of components and connectors.
- 4 **Industrial applications (aircraft, ships, cars, etc.)**  
Numerous industries –aerospace, shipbuilding, cars and trains manufacturers– need lightweight, flexible, compact power and telecommunications cables, that offer optimum performance, reliability and safety, while meeting specific requirements.
- 5 **Oil and gas industries, wind farms, etc.**  
The world's gas, oil and petrochemical industries need hybrid cables that can transmit power, telecommunications, and carry fluids, as well as special cables guaranteeing continuous operation and safety. At sea and on land, Nexans also provides cabling solutions specifically geared to the requirements of wind farms.
- 6 **Private houses and apartments**  
In a house or apartment, in addition to low-voltage cables for lighting and electrical power, lots of cables are needed to run different household equipment: telecommunications, household electrical appliances (television, hi-fi, ovens, refrigerators, etc.).



# Robust markets and regular growth

In 2001, the Energy Division's sales increased by 6.2% to 2.189 billion euros, continuing to grow at a regular pace throughout the year. Income from operations rose by 25% over 2000. This performance reflects the vitality of the energy markets, the dynamism of Nexans' commercial approach and the success of the restructuring efforts that have been undertaken in the last few years.



|| The strategy that we should follow today is simple: we should concentrate on being as

close as possible to our customers so as to achieve an optimal level of understanding of their needs, individual characteristics and constraints. Thanks to our research teams, we have the capacity to develop customized solutions to respond to precise needs. ||

*Yvon Raak  
President, Energy Division*

## GROWTH DRIVEN BY INFRASTRUCTURES

In the area of infrastructure, Nexans produces and installs cables and cabling systems essentially for power transmission and distribution utilities. In 2001, three strong trends contributed to the sales of this activity, which rose by 10.5% compared to 2000 and to the increase in its operating margin from 1.5% in 2000 to 3.4% in 2001.

### Medium- and low-voltage networks strengthening

Nexans is the European leader in this market which has enjoyed steady growth rates. The major European power transmission and distribution utilities such as E.ON, Tractebel and EDF have placed a high level of orders for cables and accessories in order to bolster and increase the safety levels of their existing networks.



- No.1 worldwide for submarine power cables\*
- No.1 European for equipment cables\*
- No.2 worldwide for power cables\*
- No.2 European for high- and medium-voltage power accessories\*

### Cross-border energy exchanges

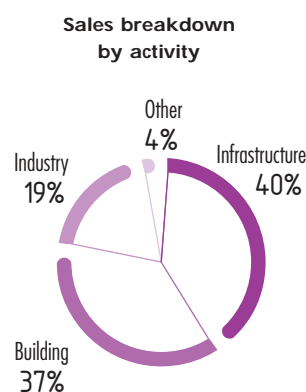
In a context of progressive market liberalization, electricity has become a tradable commodity and we have seen an increase in the number of exchanges between the major national grids, which in 2001 ordered substantial quantities of cables for long-distance aboveground and submarine power transmission. With a downsized industrial production base (two production plants rather

than six, four years ago), Nexans' high-voltage business has become profitable once again. **High levels of growth in the very promising market of umbilical cables** These cables, which can route power, data and fluids, are targeted at oil and gas producers. Nexans has increased its market share this year in this high value-added sector, in which it has a notable expertise in leading-edge, deep-sea technologies.

### ► Outlook for 2002

After three years of major restructuring, Nexans is now focusing its attention on four objectives for these infrastructure markets. It aims to: participate in the development of the major export markets and increase its foothold in the US market; remain a major player in the area of turnkey projects for submarine cables and expand its range of umbilical products; broaden its accessories activity; and prepare for its European customers' forays into international markets.

### ENERGY: 49% OF THE GROUP'S ACTIVITIES



\* Nexans uses its own internal estimations to evaluate its position and its market share as compared to its competitors. These estimations are based on publications made by the cable industry, information published by its competitors and its own knowledge of the market. Nexans believes its internal estimations to be correct but however cannot guarantee their total accuracy.

**DID YOU KNOW?**

In nuclear power plants, cables have to meet certain radiation resistance specifications throughout the entire life of a reactor. Thus safety also depends on Nexans...



## March

**NEXANS TAKES A CONTROLLING SHARE IN THE KOREAN COMPANY DAESUNG CABLE**

With a consolidated turnover of 135 million dollars in 2000, Daesung Cable is the fourth-largest cable manufacturer in South Korea. By taking over Daesung Cable, Nexans has expanded its development strategy in the Asian market and has therefore doubled its presence in both Asian power and telecom cable markets.



## June

**SHANGHAI TRANSPRAPH PROJECT**

Nexans has been awarded an order from ThyssenKrupp Transrapid GmbH for the supply and installation of the motor winding (longstator winding) for the Transrapid track to be set up in Shanghai. Amount of the contract: 20 million euros.



### SUSTAINED REQUIREMENTS IN INDUSTRY

The cables that are sold to industry are essentially special cables targeted at industrial manufacturers and large-scale engineering projects, together with numerous applications (e.g. automotive, railway equipment, shipbuilding, aeronautics, etc). Sales in this segment rose by 1% with respect to 2000, whereas the operating margin decreased slightly from 3.4% in 2000 to 3.2% in 2001.

Within a diversified and fragmented market, Nexans has been able to resist the decline affecting industrial and mass retail products thanks to its sustained activity in niche sectors or product areas which require advanced technical skills: special heating cables for the petrochemicals industry, automotive harnesses, etc, in addition to a major order for the Shanghai Transrapid. In the automotive industry, the demand for turnkey

electrical bundled cable has been looking positive and the Group is now one of BMW's and Daimler Chrysler's major suppliers, for example; in the area of shipbuilding, Nexans has a leading position in the European market; and in the oil and gas industry, its order book for the year ahead is looking healthy.

**► Outlook for 2002**

In 2001, Nexans continued to streamline its industrial production base, particularly in Germany where the contraction of demand linked to the recession from the second quarter, cancelled out the positive impact of the improvement in existing commitments. In 2002, Nexans will concentrate its efforts on four objectives: continue to develop high value-added products (petrochemicals, automation, safety, etc); improve customer service and reduce the marketing period for new products; continue to specialize production plants; and increase the level of the Group's presence outside Europe.

July

#### NEXANS EQUIPS THE WORLD'S LARGEST SEA-BASED WINDMILL PARK

Nexans will deliver and install the most powerful AC cable in the world for Eltra, the Danish power transmission company based in the Jutland peninsula. This 150 kV, 21km long subsea power cable will directly link the wind turbines installed at sea to Eltra's terrestrial transmission grid. Nexans will also supply 63km 30kV XLPE (Cross Linked Polyethylene) cables. Amount of the contract: 20 million euros.

January 2002

#### SUPPLY OF HIGH-VOLTAGE POWER CABLES TO KUWAIT

Nexans has won a 24 million euros contract in Kuwait for the supply and installation of several underground 132-kV LPOF high-voltage cable links in Kuwait City. This contract was awarded by the MEW (Ministry of Electricity and Water) further to an international request for proposals.

#### NEXANS TO SUPPLY UMBILICAL CABLES TO NORSK HYDRO

Nexans has been awarded a contract by Norsk Hydro, of approximately 11 million euros for the supply of umbilical cables to the Fram Vest project in the North Sea. Nexans supplies Norsk Hydro with two static lengths of umbilical cable, a short 50 m cable that is to be laid between the wells on the Fram Vest field and a 25 km length that is to be laid back to the Troll C platform.



#### WIDE DISPARITIES IN BUILDING MARKETS

Nexans is No.1 European\* for low-voltage electric cables dedicated to the building market. These cables are sold to generalist or specialist distributors, such as Sonepar, Rexel and Hagemeyer in Europe, Anixter and Graybar in the United States, or directly to installers. In 2001, this business' sales remained stable at 813 million euros, with an operating margin falling slightly from 4% to 3.6% in 2001. This relative

stability in overall volume terms conceals wide geographical disparities linked to the economic environment specific to each country in the building sector: difficult market conditions in Germany and France, but dynamic and healthy markets in Scandinavia, Canada and Greece.

#### ► Outlook for 2002

Nexans will pursue four key objectives: reduce production and administrative costs and make customer deliveries on request, bolstering its logistical expertise; reduce the cost of materials used, thanks in particular to the production of innovative alloys and to the recycling of metals and plastics together with the optimal utilization of the Group's internal metallurgy production base; develop new products, particularly flame retardant and fire resistant cables, as well as ecological

products such as halogen-free and lead-free cables, in order to respect new national and European environmental standards; develop its marketing platform via electronic commerce.

\* Nexans uses its own internal estimations to evaluate its position and its market share as compared to its competitors. These estimations are based on publications made by the cable industry, information published by its competitors and its own knowledge of the market. Nexans believes its internal estimations to be correct but however cannot guarantee their total accuracy.

# A strong medium-term growth potential

In 2001, sales in the Telecom Division, down 4.7%, were affected by a marked downturn in the private LAN cable market. Income from operations fell by 35% to 30 million euros. There was an increase in the operating margin in the infrastructure markets, in which copper confirmed its place, especially in the local loop.



“ We have had to face some major challenges in 2001, and some valuable lessons have been learned.

In a difficult year, we have been able to increase our product range while maintaining a real technological advance over our competitors. ”

*Pascal Portevin  
President, Telecom Division*

There was a sharp contrast between the two halves of 2001 for the Telecom Division. The year began on a note of healthy expansion, with telecom operators looking forward to further strong growth in all Internet-related services in view of the sustained level of spending in the IT sector. However, the summer saw a marked downturn in business followed by a dramatic fall in the fourth quarter. Nexans' performance reflects this development: in the first half of the year, the Division recorded an 8% increase in sales, while the second half was characterized by a 16% drop in sales.

## INFRASTRUCTURES: THE PROMISE OF THE LOCAL LOOP AND HIGH-SPEED DATA TRANSMISSION

Nexans experienced a healthy increase in sales in these markets (5.7%) as well as a rise in its operating margin (from 6.6% to 8.6%).

### Telecom network copper cables

ADSL (fast Internet) technology has provided a sizeable market in data transmission over the “local loop”. Copper is still the preferred medium for the new access technologies and is likely to meet 80% of consumers' requirements (for high-speed transmission and video in particular) for the

# tial



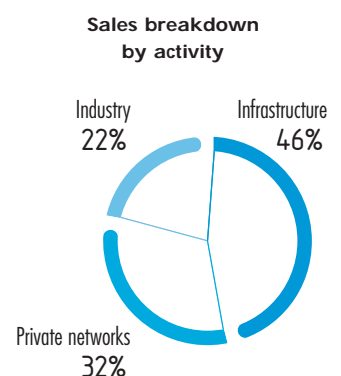
- No.1 European for telecom network copper cables\*
- No.1 European for data transmission special cables\*
- No.2 worldwide for LAN cables\*

next few years. This market was very active in 2001. Maintenance and widespread demand for second lines dedicated to Internet connections generated large numbers of orders for cables and components in the developed countries. Nexans brings unequalled know-how to these areas, incorporating innovative technologies into its global cabling solutions. Outside Europe, Egypt and Brazil were also extremely dynamic markets in 2001, and considerable growth potential exists in the medium-term for telecom network copper cables in the Middle East, Latin America and Africa.

**Telecom components**  
Nexans developed its business in North America and certain European and Asian markets in 2001. The Group showed steady growth in this sector as a result of increased demand for bandwidth. In contrast, the optical fiber market experienced a dramatic slowdown in the second half of 2001, which is likely to continue for some time yet.

► **Outlook for 2002**  
Telecommunications infrastructures in 2002 are likely to continue to suffer from lower investment on the part of debt-ridden traditional operators and the precarious situation of new operators. In this context, Nexans will be concentrating on five priorities: speed up its cost rationalization process; give priority to the local loop; choose turnkey project suppliers as preferred partners; target export markets in developing countries; finally, and above all, operate a selective purchasing policy.

### TELECOM: 19% OF THE GROUPS' ACTIVITIES



\* Nexans uses its own internal estimations to evaluate its position and its market share as compared to its competitors. These estimations are based on publications made by the cable industry, information published by its competitors and its own knowledge of the market. Nexans believes its internal estimations to be correct but however cannot guarantee their total accuracy.

**DID YOU KNOW?**

Mini-cable, maximum speed, ... Nexans has just launched a range of NCX® coaxial cables that meet the new miniaturization and high-speed requirements. This cable supports data transfer speeds of up to 155 Mbit/s!



## July

**NEXANS CABLES 'THE WORLD'**

Nexans has installed one of the latest state-of-the-art communications network on 'The World' of ResidenSea, a new super luxurious cruise ship intended to be a floating home on the high seas. Thanks to the state-of-the-art Cat. 7 structured cabling being installed by Nexans, residents of the ship will be able to continue their normal working lives aboard the vessel with the very latest communications services—each suite will have telephone, fax, e-mail, Internet and remote LAN access.



## August

**BIG CONTRACT IN TAIWAN FOR THE SUPPLY AND INSTALLATION OF OPTICAL INTERCONNECTION SYSTEMS**

The contract, signed with Howin Technologies Corporation, covers the supply of more than 1,300 Opteostar modular optical distributors.



### ECONOMIC WEAKNESS OF BUILDING MARKETS IN 2001

Nexans cables and cabling systems in this sector are primarily aimed at the Local Area Network (LAN) markets for companies, universities, factories, hospitals, banks, etc. In 2001, Nexans' sales were down 26.4% and the previous year's income from operations (1.9%) turned into a 5.8% loss. The downturn was essentially attributable to the severe slowdown in the economy, which first occurred in the United States. In Europe, the fall in corporate IT spending also contributed to this poor performance. Nexans

nonetheless anticipates strong growth in the LAN sector in the medium term and is preparing to take advantage of this in two ways.

**Innovation**  
Nexans has developed cabling solutions that provide its customers with considerable added value. The highly innovative GG45 connector was chosen by ISO as the international standard for Category 7. Nexans also invested in the development of plastic optical fibers. Lightweight and immune

to electromagnetic interference, they are a remarkable transmission medium with numerous applications.

**Continuation of its restructuring program**  
Nexans finished the restructuring program undertaken in North America: thanks to harsh measures, the break-even point was lowered from 200 million dollars to 120 million dollars.

► **Outlook for 2002**

The restructuring initiative started in Europe will continue in 2002 and 2003. The Division is also set to develop new connectivity products, intensify its marketing efforts in Europe and the United States, and expand its production capacity in Asia, especially in South Korea and China. The standardization of Category 7 cables is likely to have a positive effect on business in 2002.

## September

### NEXANS CONNECTOR PROPOSAL APPROVED AS INTERNATIONAL STANDARD

The connector proposal from Nexans was confirmed and standardized by ISO IEC-JCT as the Interface for Cat. 7. Herewith the standardization experts honored the unique benefits of a backwards-compatible solution.



## November

### AN ADVANCED SEISMIC SEA BED SYSTEM

Nexans and Sercel SA have successfully performed the first field trial of a new seabed seismic system, 'Deep Sea Link', which the two companies have been co-developing together for several years. The field trial took place in a fjord in Norway at a water depth of 500 m, and several different handling exercises were conducted over a period of five days. All the tests were regarded as very successful.

### HYUNDAI AWARDS NEXANS MUD AND FIRE RESISTANT CABLE ORDER

Nexans has been awarded a contract to supply 17 km of Telecom Mud and Fire resistant cable to Hyundai Heavy Industries, in Ulsan, Korea.



## INDUSTRY: STRONG POTENTIAL FOR SPECIAL CABLES

This sector of activity combines production of data transmission and precision cables for telecom equipment, computer hardware, aeronautics, and numerous other specific applications in the high-tech field. The sector fully maintained its potential in 2001, with sales of 187 million euros, up 4.1%. Business was extremely steady in the aeronautics industry until September 2001. There again, Nexans can rely on a first-class portfolio of industrial customers, in spite of the

slowdown in the sector. Nexans occupies a strong position in the submarine data transmission special cables markets, such as oceanographic cables and cables for Remote Operated Vehicles (ROV) in particular. This positive trend is set to continue in 2002, thanks notably to projects in the oil and gas, and seismic exploration sector.

### ► Outlook for 2002

Nexans will be maintaining its innovation capability in this sector and capitalizing on the privileged relationship it enjoys with its many customers.

## A strong global position in spite of

2001 was marked by a fall in operating profitability due to the impact of the US (and later European) recession on the company's winding wires business. Against this backdrop, the Division plans to pursue its cost-cutting and innovative product development strategy while consolidating its solid achievements in the wirerod and bare wire sectors.



**W** The difficulties linked to the market are forcing us to seek excellence across all our operations.

That is how we will maintain our leadership position and emerge strengthened from the recession that has sorely tested us in 2001. **//**

*Michel Lemaire  
President, Electrical Wires Division*

### A STRONGER POSITION IN WIREROD

Wirerod is the cable industry's key basic product, accounting for 51% of the Division's sales. Subject to global standardization, wirerod fell prey in 2001 to increased competition, a fall in volumes linked to the manufacturing slowdown, pressure to lower prices and increased energy costs. In this context, the Division this year gave priority to internal sales to the Energy and Telecom divisions, to which it supplied about half its production.

#### ► Outlook for 2002

The Division's strategy in these markets consists in pursuing cost-cutting initiatives, optimizing the use of its production capabilities and developing its position in Europe and North America.

# a difficult year



No.1 worldwide for winding wires\*

No.1 European for wirerod\*

No.2 European for bare wires\*

## ECONOMIC SLOWDOWN IN THE TELECOMS SECTOR PENALIZED BARE WIRE

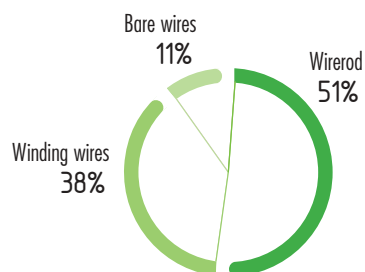
This product range is made up of bare wires used as conductors and to produce cables and winding wires. It represents 11% of the Division's sales. The sharp fall in production volumes in 2001 (10%), mainly in the second half of the year, is essentially attributable to the fall in the number of orders from telecoms equipment manufacturers, themselves hit by the dramatic downturn in their own market.

### ► Outlook for 2002

The Division has some solid assets in this market: an extensive product range, geographical coverage which enables it to serve its customers all over the world, and tried-and-tested know-how. In 2002, it will concentrate on a three-pronged objective: strengthen its standing in value-added products such as fine multiwire and braiding coils; consolidate its position in niche markets such as bare copper alloy conductors and special cables (e.g. catenary cables and railroad overhead feeder cables); and lastly, continue to streamline its sites and production processes while modernizing its manufacturing facilities.

## ELECTRICAL WIRES: 25% OF THE GROUP'S ACTIVITIES

### Sales breakdown by activity



\* Nexans uses its own internal estimations to evaluate its position and its market share as compared to its competitors. These estimations are based on publications made by the cable industry, information published by its competitors and its own knowledge of the market. Nexans believes its internal estimations to be correct but however cannot guarantee their total accuracy.

### REFRIGERATORS FOR CHINA

In the developed countries, each member of the population consumes between 1 and 2 kilos of winding wires per year. In China, consumption per capita per year is of the order of a few hundred grams, hence the existence of a huge potential market. If every Chinese family were to buy a refrigerator of its own, the global winding wires industry would not be able to keep up with the resulting demand...



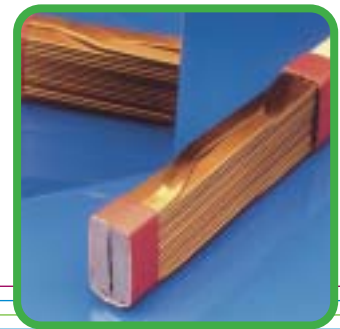
### 120 ELECTRIC MOTORS IN A CAR

In the Mercedes S-Class, the windshield wipers, headlights, mirrors, windows, seats... in fact nearly everything can be controlled remotely, by a finger and the eyes, thanks to electricity and kilometers of onboard wiring!



### NEXANS REINFORCES ITS POSITION AS SUPPLIER FOR SIEMENS WORLDWIDE

No.1 worldwide for winding wires, Nexans signed a contract with Siemens for 15.8 million euros to provide Continuously Transposed Cables.



## WINDING WIRES

Sales of these high-performance products were disappointing in 2001. Winding wires are varnish-coated copper or aluminium wires, used in coils in the automotive industry, for lighting, industrial and electric motors, household appliances, computer and television screens, power transformers, pumps, large and hand-held power tools—in short, products that are central to our daily lives. Sales of winding wires were poor in 2001 due to the slowdown in the global

economy, falling more sharply in the fourth quarter. The global market fell by 9% (7% in Europe, 15% in North America and 25% in northern Asia). The sharp drop in business led to increased competition and falling prices, especially in North America, which in turn were responsible for the 65% drop in the Division's income from operations (to 15 million euros) in 2001.

### ► Outlook for 2002

The situation is likely to remain difficult throughout the next year. The global winding wires market nonetheless still has considerable growth potential, especially in booming sectors like the car manufacturers industry. Nexans' expertise in this area is recognized by the world's leading automakers, and the company is working closely with top OEMs, such as Bosch, Denso, Delphi and Valeo. Its European plants have QS 9000 automotive quality approval and ISO 9001 certification. Many new technologies offer development prospects for Nexans, especially the changeover to a 42V electrical architecture and "hybrid" vehicles running on both electricity and gasoline.

April

**OFFICIAL OPENING OF NEXANS TIANJIN MAGNET WIRES AND CABLES CO., LTD.**

Nexans Tianjin Magnet Wires and Cables Co., Ltd is the first joint venture in China producing CTC. The company was established by Nexans and Tianjin Electromagnetic Wires Factory, a domestic large scale magnet wires producer. Nexans Tianjin JV employs 120 employees in its 20,000 m<sup>2</sup> modern plant.



**VALEO CHOOSES NEXANS AS A STRATEGIC SUPPLIER**

Nexans now figures among the 300 preferred suppliers of Valeo, a worldwide automotive equipment manufacturer. As a result, the Group will be automatically approached for new projects, enjoying priority treatment in the selection process opposite other competitors, which is proof of the relevance of its offering to the automotive market.



**INNOVATION AND SPECIALIZATION**

The Electrical Wires Division stepped up its research and development efforts this year along three lines: ultrafine wires, in response to demand from customers in terms of miniaturization; polymer-coated wire, in response to demand for ever-increasing heat resistance; and varnishes for coating bare conductors. Nexans is already well-versed in winding wires coating procedures: a horizontal enamelling furnace as well as more effective lubricants have

been developed to optimize production procedures. Nexans also plans to strengthen its expertise in the booming Continuously Transposed Cables (CTC) market, used mainly in the manufacture of transformers.

**STRONG GEOGRAPHICAL POSITION**

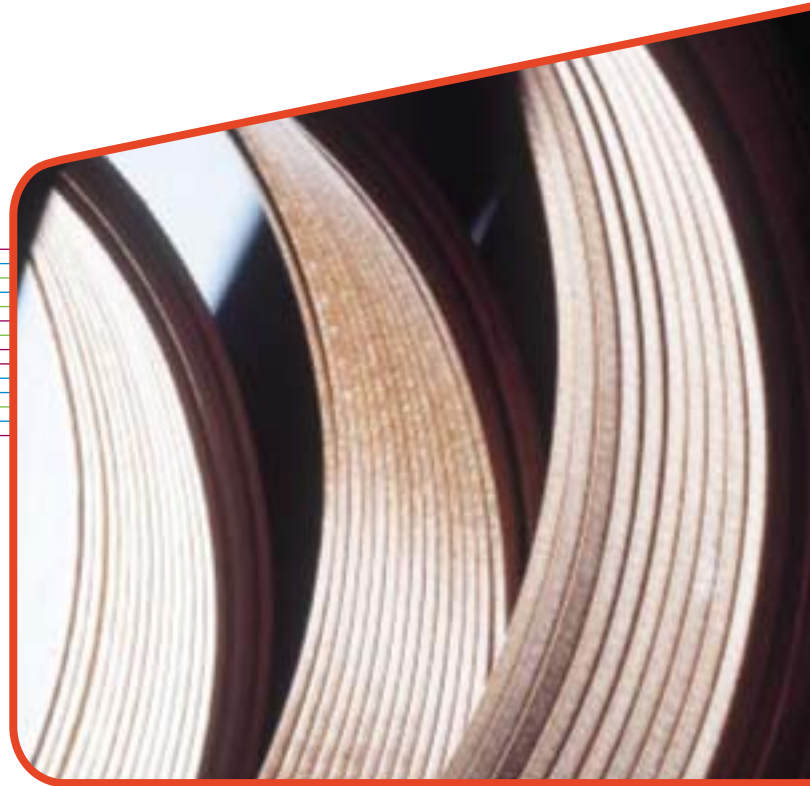
Nexans is the only global manufacturer with production facilities in Europe, North America and Asia. The increase in demand is coming largely from Asia at the present time, a result of rapid infrastructure development. China is now the leading market in Asia and demand for all types of electrical equipment is soaring. Nexans opened a new production plant at Tianjin in April 2001. The Group's global presence allows it to support

its customers all over the world, offering them identical levels of quality and service wherever they are. In the television sector, for example, the Thomson group assigns the same specifications to wires used in its plants in France, Poland, North America and Mexico. The same can be said of Philips Televisions, which orders the same type of wire for its plants in China (PRC), Taiwan (ROC) and the United Kingdom.

## Value creation and continuous improvement working within a sustainable development

Sustainable development was defined in 1987 by the Brundtland Commission in its report to the United Nations as “a form of development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

For Nexans, being a global leader in the cable industry carries with it the need to translate its long-term vision into a strategy that is founded upon the principles of sustainable development.



In concrete terms, for Nexans this involves continuing its efforts in the areas of economic profitability, social performance and environmental quality. In 2001, the Group therefore spearheaded a number of measures that were designed to accelerate the process of cost reduction, increase the value-added component of its products and services and bolster the initiatives of its teams. The ultimate objective of these programs is to ensure the long-term viability of Nexans by laying solid foundations for future growth by optimizing resources in a way that is profitable for the company, its customers and the public at large.

# vement: ment framework



## **Human resources**

Promoting a change-embracing culture and developing skills

Page **28**



## **Research and development**

Stimulating innovation and anticipating our customers' needs

Page **30**



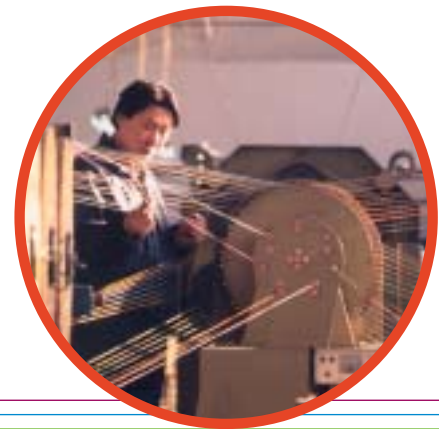
## **Environment and safety**

Environmentally-friendly production and waste recycling

Page **32**

## Promoting a culture which embraces

Promoting a culture which embraces change and preparing for employee profit-sharing were the main thrusts of the human resources and communication strategy in 2001.



Nexans' teams are historically bound by a strong company culture based on their activity as cabling specialists. Nexans has now become a fully-fledged independent company and has channeled its new organization and new identity into a new name and a new image.

### **AN INTERNATIONAL NETWORK CULTURE**

On December 31, 2001, Nexans had 18,000 employees spread across the globe, including 5,300 in France. Nexans' industrial facilities are located in 28 different countries and it has commercial representation in 65 countries. This explains the crucial importance of an efficient and effective internal communications policy in order to associate the Group's employees with

Nexans' corporate mission. In 2001, Human Resources set up an international network of the Group's Human Resources Directors, which is committed to promoting internal mobility and international career development, as well as harmonizing action programs and management practices among all of the facilities. To ensure that employees are represented at the Group level and that employer-employee dialog is made easier, an European Group Committee will be set up in 2002.

### **ENABLING EACH AND EVERY EMPLOYEE TO BE AN "AGENT OF CHANGE"**

Several programs such as "Organization and People Review", were prepared in 2001 in order to identify high-potential managers and help them take on wider responsibilities. In France, for example, a management training program entitled "Programme K", which has been developed in association with the Essec business school in France, has set itself the objective

# change, and developing skills



## **NEXANS DEVELOPS ITS RECRUITMENT, AND ENHANCES MOBILITY THANKS TO THE INTERNET**

In order to attract top quality candidates and promote internal mobility, Nexans has set up two customized tools.

First, candidates who wish to do so may complete a form directly on our website [www.nexans.com](http://www.nexans.com).

In addition, an internal jobs database, which pools all of the open positions in all countries, will be set up in 2002.

of promoting the development of individuals in the organization by widening their vision of the company, facilitating the transition from a technical or operational role to a senior management role for managers with adequate experience. Nexans wishes to encourage mobility within the organization by facilitating rapid access to senior managerial responsibilities, by fostering a stimulating and diversified range of professional career paths.

Ongoing training is an essential feature of the continuous improvement policy undertaken by Nexans. Its goal is to allow everyone to express their potential by developing their skills and by creating an increasingly professional environment. In addition to specific technical and non-technical training programs initiated by the operational units, the Group's ongoing training programs aim to forge a common customer and results-oriented culture and to develop behaviors which embraces change

and personal initiatives at all levels of the hierarchy.

## **ASSOCIATE EMPLOYEES IN THE CREATION OF VALUE**

With profit-sharing agreements, a variable results-based income component for management-level staff and the shareholder plan known as "Act2002", Nexans is now using all available resources to give its employees a stake in the Group's performance.

From March 14 to 28, 2002,

Nexans launched its first capital increase reserved for employees. The objective is to make sure that the Group's employees are closely involved in the company's results and operations. Ultimately, other similar operations may follow, in order to create an important block of employee stakeholders in Nexans' capital.

## Stimulating innovation and anticipati

Inventing new products and manufacturing processes, using new technologies, developing personalized solutions for and with our customers, protecting innovations with patents ... these are the foundations of Nexans' research and development strategy.

### WINNING THE RACE FOR PATENTS

Nexans believes that the management and protection of its patents portfolio represents a strategic part of its business. Procedures relating to the registration of new families of patents are issued on a regular basis with the goal of providing efficient protection for the Group's R&D efforts in a particularly aggressive competitive environment.

### MULTIPLYING RETURN ON INVESTMENT

Commercial applications are found for a large proportion of Nexans' research projects within one year of their initial discovery. The efficiency of our R&D operations has led to a large number of new products being commercialized: more than 200 during the past three years.



In 2001, Nexans devoted some 50 million euros to research and development. Around 450 researchers, engineers and technicians are involved in our basic and applied research programs.

### RESEARCH IS WELL-INTEGRATED INTO THE OPERATING UNITS

R&D activities are carried out at three levels:

- "Upstream" research is centralized and is currently concentrated in two main areas: superconductors and polymers. The brand new 1,500 square meter

international research center in Lyon was officially opened in March 2002 and is home to around thirty experimental researchers.

- "Operational" research is performed by Nexans' 10 competence centers which are specialized in key technologies. Each of these centers transforms the results of basic research into new products and materials. The competence centers are located in different units and countries in order to take advantage of technological developments in key high growth markets. In 2001, they reinforced their close

collaborative relationships: for instance, the centers based at Halden and Calais (high-voltage cables) and at Erembodegem (power cable accessories) are developing specific cables and their associated terminations on a joint basis.

- The third level of R&D is carried out directly on the production sites by the technical departments and their laboratories. It is at this level that our products are individually tailored to the specific needs of our customers and are adapted to comply with local standards. The production

sites also carry out development aimed at improving products that are already commercially produced.

### JOINT DEVELOPMENT OF NEW PRODUCTS WITH OUR CUSTOMERS

Nexans' capacity to respond to the changing needs of our customers is fundamental to our competitiveness. In 2001, each of our business lines increased our coordination with the Group's marketing strategy and the development of new products under long-term

# ng our customers' needs



## ATTRACTING THE BEST BRAINPOWER IN THE WORLD

Nexans' Lyon-based international research center attracts some of the best researchers in the world. This international dimension allows us to benefit from a whole range of different scientific approaches applied by researchers who have been trained in different cultural environments, in order to stimulate the teams' creative potential.

partnerships with certain customers.

- The Energy Division has founded its research on high-temperature superconductors, high-voltage cable insulating techniques, flame-retardant polymers and new polymers, together with the development of products that meet the most stringent environmental standards. As far as superconductors are concerned, Nexans is the only company to have mastered the entire process, from the extraction of raw materials to the production of finished metallic wires.

- The Electrical wires Division is focused on developing new protective varnishes for winding wires.
- The Telecom Division is currently devoting its attention to the technical issues involved in increasing data transmission capacities.

### NEXANS COMPETENCE CENTERS

<b>France</b>	Bezons	Telecom components
	Calais	High-voltage cables and insulating materials
	Chauny	Winding wires
	Lens	Copper, aluminum and alloy metallurgy
<b>Belgium</b>	Brussels	Cabling systems
	Erembodegem	Power cable accessories
<b>Germany</b>	Hürth	Superconductors
	Nuremberg	Polymers and compounds for cables
<b>Norway</b>	Halden	High-voltage submarine cables
<b>United States</b>	New Holland	LAN cables

## Environmentally-friendly production

The programs undertaken are mainly concerned with saving energy and raw materials, reducing air and water pollution as well as residual waste, and increasing the number of products recycled.



Nexans' ambition is to reduce the impact of its business and products on the environment at all levels.

### **SUPPORTED BY ALL THREE OF THE GROUP'S DIVISIONS**

All of Nexans' businesses are involved in controlling risk.

- The main resources used in copper and aluminum metallurgy are energy (natural gas) and water (for steam and cooling). 95% of the water used is recycled. A special effort was made in 2001 to reduce the amount of copper dust released into the atmosphere.

- In copper power and telecommunications cables, bare wires manufacture (drawing and stranding) consumes electrical power and oily water. The wastewater is systematically filtered, treated and recycled. Water consumption overall is therefore quite low.
- The manufacture of winding wires requires greater quantities of solvents and energy than Nexans' other production processes. Particular attention is being paid to reducing the release of solvent fumes into the air.

### **RISK-FREE PRODUCTION**

Nexans is subjected to numerous environmental regulations locally, nationally and internationally in all areas where the company is active, especially the European Union, the United States and Canada. In 2001, it extended a program to assess the compliance of its actions and products with legislation. Thanks to a contract signed with Alcatel's Insurance and Risk Management department, Nexans benefited from a high level of expertise in 2001 in

# and waste recycling

## ANTICIPATING RECYCLING

Nexans is developing a global approach to recycling centered around the various stages of its products' lifecycle. It uses the EIME software developed in conjunction with the FIEEC (*Fédération des industries électriques, électroniques et de communication*), a leading body in this industrial sector. With this software, a product's impact on the environment can be assessed at the design stage, analyzing in particular the raw materials and energy used in the various phases of the product's life: design, manufacturing, use and ultimately end-of-life disposal. The product was also developed with the input of customers and the European cable industry (Europacable Environmental Committee).

## END-OF-LIFE PRODUCTS

In advance of forthcoming European directives, Nexans took part in 2001 in a pilot scheme conducted in the Rhône-Alpes region aimed at the development of end-of-life electrical products. An agreement was signed with a French distributor to retrieve and recycle cables resulting from the dismantling of electrical installations.

terms of fire safety and good storage conditions for oils, solvents and flammable products. The majority of its plants run under closed-loop conditions and are well versed in waste management and energy-saving measures. Nexans applies the strictest standards when it comes to employee safety. Plans have been put in place to bring machinery into line with the relevant European directives. Nexans is able to draw on the experience gained in its many industrial installations and encourages the adoption of tried-and-tested solutions.

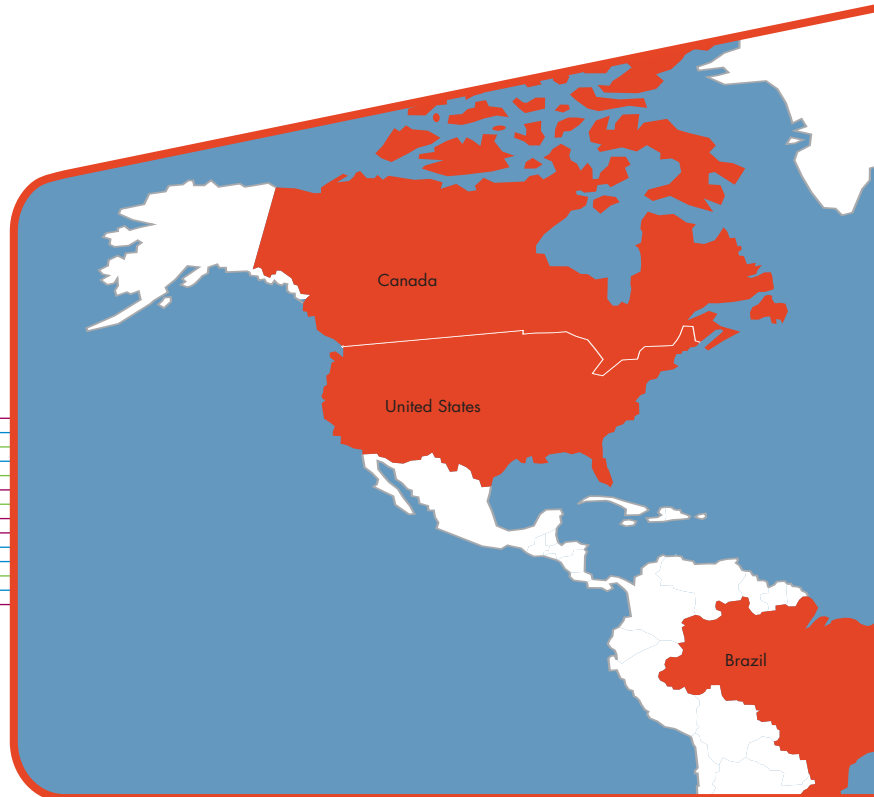
## RECYCLING CABLES AND CABLING SYSTEMS

Nexans is one of the leading French manufacturers in terms of recycling. This approach is manifest first of all in the development of materials that comply with the most stringent environmental standards and are conducive to recycling: PVC free of heavy-metal-based additives (lead), halogen-free compounds and cross-linked polyethylenes. It also translates into a genuine policy of collection and recycling of its production waste: RIPS, a dedicated subsidiary, recycled

20,000 metric tons of these cables in 2001. Following crushing and sorting, the pure materials (copper, aluminum and steel) are sold to approved smelters, while the PVC is used for floor coverings, posts for vineyards and fencing. Nexans has devised numerous innovative solutions for reusing materials known to be particularly difficult to recycle. This is notably the case with rubber, which can be reduced to powder form and used to make highly effective rain-shedding road surfacing materials.

## A global presence

Operating in 28 countries, Nexans employs 18,000 people and benefits from a commercial presence in more than 65 countries.



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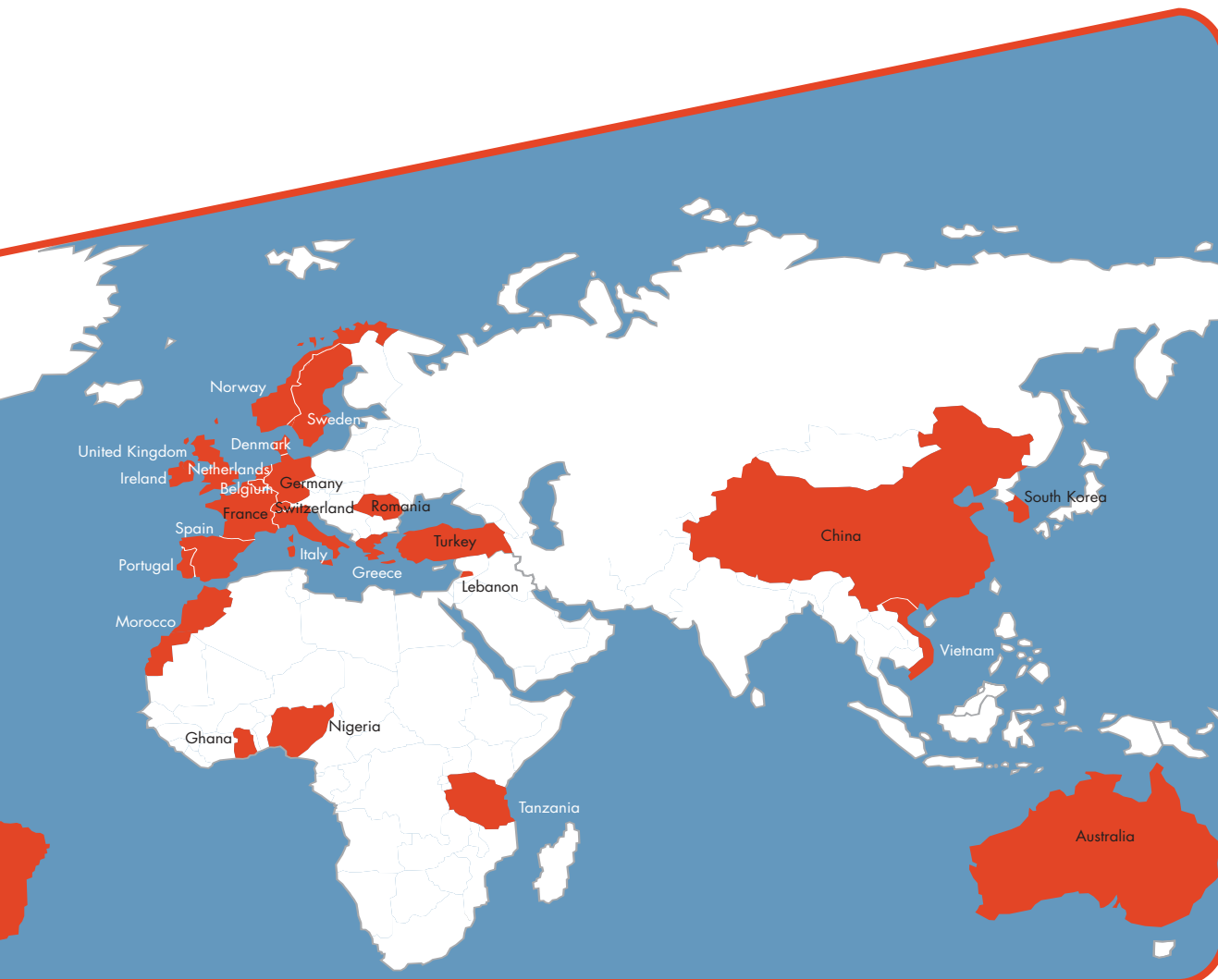
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# Concordance table

Relating the main paragraphs of regulation 98-01 of the COB\* to the corresponding pages of the annual report (reference document)

	COB 98-01 paragraphs	Corresponding pages of the annual report
<b>Section 1: The authors of the "reference document" and the auditors of the financial statements</b>		
• The person responsible for the "reference document"	1.1	p. 94
• Statement by the person responsible for the "reference document"	1.2	p. 94
• Auditors of the financial statements	1.3	pp. 5, 94, 95
• Information policy	1.4	p. 11
<b>Section 3: General information</b>		
• Information about the company	3.1	p. 87
• General information about the company's share capital	3.2	pp. 10, 43, 60, 87, 88, 89, 90
• Current appropriation of capital and voting rights	3.3	p. 89
• The market for the Nexans share	3.4	p. 10
• Dividends	3.5	pp. 10, 11, 43, 60
<b>Section 4: Information on the Group's businesses</b>		
• Presentation of the Group and its activities	4.1	Flap, pp. 1 to 35, 39 to 42
• How the Group is affected by the economic environment	4.2	pp. 39, 40, 41, 65, 80, 81
• Employees	4.3	pp. 8, 28
• Investment strategy	4.4	p. 83
• Information on its main subsidiaries	4.5	pp. 67, 76, 77
• Risks to which the issuer is exposed	4.7	pp. 42, 65, 66, 67, 80, 81, 82, 83
<b>Section 5: Consolidated financial statements and condensed parent company financial statements</b>		
	5.1	pp. 45 to 73 and 74 to 79
<b>Section 6: Administrative and managerial functions</b>		
• Composition and <i>modus operandi</i> of the Board of Directors	6.1	pp. 4, 5
• Directors' shareholdings	6.2	pp. 4, 5, 43, 90, 91, 92
• Employee share ownership	6.3	pp. 10, 11, 29, 44, 60, 88, 89, 90
<b>Section 7: Recent developments and outlook for the future</b>		
		pp. 14 to 25, 42, 73

\*Commission des Opérations de Bourse is the French stock market regulatory authority.