
Condensed parent Company financial statements

Condensed income statement	80
Condensed balance sheet	81
Information relating to subsidiaries and associates	82
Explanatory notes (extract from notes to the parent Company financial statements)	84
Auditor's report on the parent Company financial statements	85

Condensed income statement

in thousands of euros at December 31

	2003	2002	2001
Operating revenues	9,140	5,046	6,756
Operating expenses	(15,779)	(12,792)	(11,165)
Operating income	(6,639)	(7,746)	(4,409)
Revenues from investments in subsidiaries and associates	13,414	38,588	63,089
Other financial revenues	111,694	90,792	78,732
Financial expenses	(110,582)	(89,331)	(77,014)
Financial income	14,526	40,049	64,807
Non-recurring income	-	15	-
Income tax	(117)	-	(293)
Net income	7,770	32,318	60,105

Condensed balance sheet

in thousands of euros

	2003	2002	2001
ASSETS			
Financial assets	1,180,875	1,132,446	1,167,539
Accounts receivable and other current assets	10,936	9,733	7,709
Cash	209,164	281,449	399,835
TOTAL ASSETS	1,400,975	1,423,628	1,575,083
LIABILITIES AND EQUITY			
Capital stock	23,129	23,121	25,000
Additional paid-in capital	1,099,074	1,070,813	1,051,807
Net income	7,770	32,318	60,105
Reserves for liabilities and charges	-	-	-
Financial debt	254,939	284,132	428,164
Payables and other current liabilities	16,063	13,244	10,007
TOTAL LIABILITIES AND EQUITY	1,400,975	1,423,628	1,575,083

Information relating to subsidiaries and associates

at December 31, 2003
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	(50,406)	99.99	237,400	237,400
Nexans Participations	233,975	667,483	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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226	-	843,850	(64,636)	-
67,030	-	-	(91,687)	13,414

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, 2003 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 Company has implemented regulation CRC 00-06 (regulation on liabilities) with effect from January 1st, 2002.

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 may take 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 SA is liable to pay the global tax charge, a tax loss carry-forward was generated for the 2003 financial year, which represents an unrecognized tax asset of 75.4 million euros.

Statutory Auditors' Report

on the parent Company financial statements for the year ended December 31, 2003

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report, together with the Statutory Auditors' report addressing financial and accounting information in the President's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended December 31, 2003, on:

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

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

Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 the 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, 2003, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Justification of our assessments

In accordance with the requirements of article L.225-235 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, which came into effect for the first time this year, we bring to your attention the following matters:

Financial estimates

Your company records an impairment of the investments it holds when their net book value, which is estimated on the basis of their value in use, is lower than their gross value, as described in note 2.1 to the financial statements. Our works consisted in assessing the data and hypotheses on which those estimates were made, in reviewing the calculation made by the company, in verifying the consistency of those estimates with those retained in the consolidated financial statements in accordance with the first application, from January 1st, 2003 of the "Règlement CRC N° 2002-10", and in reviewing the acceptance process by management of those estimates. In the field of our opinion, we verified the reasonable assessment of those estimates. Our assessments on these matters were made in the context of the performance of our audit of the financial statements taken as a whole and therefore contributed to the development of the unqualified audit opinion expressed in the first part of this report.

Specific verifications and information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France. We have no matters to report regarding 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 identity of the shareholders holding interests and voting rights.

Neuilly-sur-Seine and Paris, March 18, 2004

The Statutory Auditors

RSM Salustro
Reydel
Benoît Lebrun

Barbier Frinault et Autres
Alain Gouverneure