Press release

Nexans announces preliminary FY-2001 results

Capacity proven for fast reaction in a difficult economic context, but promising perspectives for improving profitability

Paris, 13th February 2002 – Nexans' Board of Directors met on 12 February 2002 under the chairmanship of Gérard Hauser to review the Group's preliminary results for the 2001 financial year.

- Sales were stable at 4,777 million euros. At constant non-ferrous metals prices, sales come to 4,467 million euros vs. 4,361 million in 2000, for a 2.4% increase (or 0.4% on a basis of comparable group structure).

- Operating profit in 2001 was 139 million euros, down 18% from 169 million euros the year before. Net income stood at 30 million euros, vs. 75 million euros reported on 31 December 2000.

- Operational cash flow amounted to 210 million euros, close to the 225 million euros reported at year-end 2000.

- The company recorded a net debt of 71 million euros on 31 December 2001.

Gérard Hauser, Chairman and CEO, made the following comments concerning these results:

"Full Year 2001 was a difficult year marked by an abrupt deterioration in our markets during the second half. In this context, Nexans demonstrated its resilience as well as its ability to react quickly to these events.

The company maintained its sales despite a fourth-quarter slowdown in orders in the telecom and winding wires activities. Owing to vigorous efforts to reduce stocks and lower fixed costs, Nexans maintained its operating cash flow and sharply reduced its debt from the 247 million recorded on 30 June to a level below that of 31 December 2000 (76 million euros).

In an economy that will continue to be very difficult in 2002, we must expand our restructuring efforts worldwide in order to regain profitability in selected areas. These *new programmes, which are currently under study, will probably result in 80 million euros of cash expenditures over the years 2002 and 2003 (i.e. 30 million euros more than the restructuring initially foreseen for such period), to which should be added asset write downs of 40 million euros.*

These strong actions, coupled with ongoing efforts to generate cash and reduce costs, and Nexans' solid fundamentals and sound Balance Sheet, should enable Nexans to reach in 2004 its objectives of a 5% operating margin and a return on capital employed of 16 to 20%."

Against this backdrop, the Board of Directors has decided to retire the 1,990,031 shares of treasury stock resulting from the share buyback programme launched in October 2001, by means of a corresponding reduction in share capital.

The Board of Directors was in favour of the management proposal in principle to declare a dividend of 10 million euros, being 0,43 euro per share. The dividend proposal, to be submitted to the shareholders meeting for approval, will be made by the Board at its next meeting on April 19, 2002.

Fourth-quarter and full-year sales for FY 2001

Q4-00	Q4-01	millions of euros	2000	2001	%
1 266	1 104	Sales	4,783	4,777	NS
1 128	1 071	Sales (at constant metals prices)	4,361	4,467	+ 2.4%
528	563	Energy	2,062	2,189	+ 6.2%
224	170	Telecom	876	835	- 4.7%
280	246	Electrical wire	1,095	1,102	+ 0.6%
96	92	Distribution & others	328	340	+ 3.7%

Preliminary consolidated results

millions of euros	2000	2001	Operating Margin 2001
EBITDA	301	280	
Operating profit	**169**	**139**	**3.1%**
Energy	64	80	3.7%
Telecom	46	30	3.6%
Electrical Wire	43	15	1.4%
Distribution & others	16	14	4.1%
Net income	75	30	
Income per share	3.00	1.22	
Operational cash flow	225	210	

Operating profit fell in the second half of 2001 as the US recession grew more severe and extended to Europe, after holding steady in the first half. In the fourth quarter, an especially sharp market contraction occurred in telecom cable products, particularly in the public networks segment. Operating profit finished at 139 million euros for the year, or the same level as in 1999, down from 169 euros in 2000. Nexans' operating margin in 2001 was 3.1% vs. 3.9% in 2000.

The drop in net financial costs stems from the increase in the Group's average debt from 2000 to 2001, particularly the portion in high interest rate countries such as Turkey and Brazil.

Restructuring costs came to 36.2 million euros, a 20% increase from 2000 owing mainly to the programmes underway at Nexans Wires in France, ADI in Norway, Berk Tek in the United States and Nexans Italia.

The Group recorded consolidated taxes of 28 million euros, for an effective tax rate of 38.6% vs. 33.3% in 2000. This resulted from changes in the geographical breakdown of taxable profits from 2000.

Minority interests rose mainly because of the entry of Daesung into the scope of consolidation starting on 1 April 2001.

As a result, the net income per share, on a diluted weighted average basis, came to 1.22 euro.

Analysis of operating profit by division

Energy – The Energy Division's sales increased 6.2% (3.7% on a basis of comparable group structure) to 2,189 million euros in 2001. The trend is mainly due to satisfactory sales for infrastructure projects and a strong performance in low voltage building cables. Full year 2001 operating profit rose 25% to 80 million euros, on the strength of market conditions and the effect of restructuring efforts made in previous years, notably in the High Voltage sector.

Telecom – Telecom Division sales slipped 4.7% to 835 million euros, and were down 7.5% on a basis of comparable group structure. They were especially affected by a drop in 4th quarter sales that occurred notably in the public networks segment and in special cables for telecom equipment manufacturers.

Operating profit came to 30 million euros, down 35% from 31 December 2000. The drop was mainly due to weak performances in the private networks (LAN) activities in the United States, as well as in Europe beginning in the summer. A rise occurred in operating margins in the infrastructure markets, as copper cables continued to be deployed in expanding local loops.

Electrical wire – Sales in the Electrical Wire Division remained flat in 2001. Sales of winding wire continued to fall during the 4th quarter, notably in the United States. They were down 17.6% from the same period in 2000.

Operating profit fell 65% to 15 million euros. This decrease stems mainly from the sharp reduction in sales volumes of winding wire, an industry with high fixed costs. The result was more intense competition and lower prices, particularly in the United States.

Financial calendar

22 April 2002:	2002 1st Quarter sales
25 June 2002:	Shareholders meeting
22 July 2002:	2002 1st Half results

A full set of slides from the earnings presentation along with a detailed presentation of the financial statements are available on Nexans' internet site at www.nexans.com

About Nexans

Nexans is the worldwide leader in the cable industry. The Group brings an extensive range of advanced copper and optical fiber cable solutions to the infrastructure, industrial and building markets. Nexans cables and systems can be found in every area of people's lives, from telecommunications and energy networks, to aeronautics, aerospace, automobiles, building, petrochemical, medical applications, etc. Operating in 28 countries, Nexans employs 18,000 people and reported 2001 sales of 4.8 billion euros. Nexans is listed on the Paris stock exchange.
For additional information, consult our web site at www.nexans.com

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Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements to be materially different from those implied in the forward looking statements.

Such expectations depend amongst others on the following assumptions and risks : (1) the European and North American economies will recover; (2) drop in demand for LAN and winding wire will reverse ; (3) telecom operators return to normal levels of infrastructure spending; (4) the effect of metal price and currency fluctuations will be neutral; (5) the company will be able to reduce its cost base through realization of restructuring actions in the anticipated time frame; (6) the company will be able to achieve productivity improvements ; and (7) the company will successfully integrate acquisitions.

Annex

1. Income statement
2. Abbreviated balance sheet
3. Cash flow statement
4. Business and geographical breakdown

Consolidated income statements

in millions of euros

	2001	2000*	1999*
Net sales	**4777**	**4783**	**4182**
Metal price effect	(310)	(422)	(33)
Net sales at constant metal price	**4467**	**4361**	**4149**
Cost of sales	(3833)	(3714)	(3520)
Gross profit	**634**	**647**	**629**
Administrative and selling expenses	(445)	(440)	(456)
R&D costs	(50)	(38)	(35)
Income from operations	**139**	**169**	**138**
Financial income (loss)	(33)	(20)	-
Restructuring costs	(36)	(30)	(60)
Other revenues (expenses)	3	1	80
Income before taxes	**73**	**120**	**158**
Income tax	(28)	(40)	(31)
Share in net income of equity affiliates	-	-	-
Consolidated net income before amortization of goodwill	**45**	**80**	**127**
Amortization of goodwill	(2)	-	-
Minority interests	13	5	6
Net income	**30**	**75**	**121**
Earnings per share (in euros)	1.22	3.00	4.84
Diluted earnings per share (in euros)	1.22	3.00	4.84

* unaudited combined pro forma financial statements

Consolidated balance sheets at December 31

in millions of euros

ASSETS	**2001**	**2000***	**1999***
Goodwill, net	38		
Other intangible assets, net	6	5	4
Intangible assets, net	**44**	**5**	**4**
Property, plant and equipment	2918	2758	2686
Depreciation	(1997)	(1932)	(1938)
Property, plant and equipment, net	**921**	**826**	**748**
Share in net assets of equity affiliates	10	2	2
Other investments and miscellaneous, net	65	61	55
Investments and other non-current assets	**75**	**63**	**57**
TOTAL NON-CURRENT ASSETS, NET	**1040**	**894**	**809**
Inventories and work in progress, net	**637**	**704**	**623**
Trade receivables and related accounts, net	861	1005	817
Other accounts receivable, net	133	160	195
Accounts receivable, net	**994**	**1165**	**1012**
Marketable securities, net	87	4	6
Cash, net	190	125	492
Cash and cash equivalents	**277**	**129**	**498**
TOTAL CURRENT ASSETS	**1908**	**1998**	**2133**
TOTAL ASSETS	**2948**	**2892**	**2942**

* unaudited combined pro forma financial statements

in millions of euros

LIABILITIES AND EQUITY	**2001**	**2000***	**1999***
Capital stock (Euro 1 Nominal value; 25 000 000 shares issued at December 31, 2001)	25	25	25
Additional paid-in capital	1044	1044	1044
Retained earnings	(23)	(78)	(174)
Cumulative translation adjustments	53	45	(3)
Net income	30	75	121
Treasury stock	(33)		
SHAREHOLDERS' EQUITY	**1096**	**1111**	**1013**
MINORITY INTERESTS	**104**	**49**	**84**
Accrued pension and retirement obligations	257	259	263
Accrued contract costs and other reserves	157	181	257
TOTAL RESERVES FOR LIABILITIES AND CHARGES	**414**	**440**	**520**
TOTAL FINANCIAL DEBT	**348**	**205**	**327**
Customers' deposits and advances	48	32	32
Trade payables and related accounts	530	635	532
Other payables	408	420	434
TOTAL OTHER PAYABLES	**986**	**1087**	**998**
TOTAL LIABILITIES AND EQUITY	**2948**	**2892**	**2942**

* unaudited combined pro forma financial statements

Consolidated statements of cash flow

in millions of euros

	2001	2000*	1999*
Net income	30	75	121
Minority interests	13	5	6
Depreciation and amortization	143	132	127
Changes in reserves for pension obligations, net	(2)	(7)	(15)
Changes in other reserves, net	(11)	(58)	(72)
Net (gain) loss on disposal of non-current assets	(3)	(1)	(37)
Share in net income of equity affiliates (net of dividends received)	-	-	3
Other	-	-	(8)
Cash flow provided by operations	**170**	**146**	**125**
Decrease (increase) in accounts receivable	204	(151)	50
Decrease (increase) in inventories	82	(71)	37
Increase (decrease) in accounts payable and accrued expenses	(163)	114	16
Changes in reserves on current assets (including product sales reserve)	3	(7)	(26)
Net change in current assets and liabilities	**126**	**(115)**	**77**
Net cash provided (used) by operating activities	**296**	**31**	**202**
Proceeds from disposal of fixed assets	8	21	13
Capital expenditures	(203)	(239)	(143)
Decrease (increase) in loans	(17)	(1)	(2)
Cash expenditures for acquisition of consolidated companies, net of cash acquired, and for acquisition of unconsolidated companies **	(53)	(31)	(8)
Cash proceeds from sale of previously consolidated companies, net of cash sold, and from sale of unconsolidated companies	-	-	52
Net cash provided (used) by investing activities	**(265)**	**(250)**	**(88)**
Net cash flow after investment	**31**	**(219)**	**114**
Proceeds from issuance of shares	2	2	-
Dividends paid	(24)	(25)	(25)
Net cash provided (used) by financing activities	**(22)**	**(23)**	**(25)**
Net effect of exchange rate changes	(4)	(5)	(11)
Net increase (decrease) in net debt / cash	**5**	**(247)**	**78**
Net (debt) / cash at beginning of year	**(76)**	**171**	**93**
Net (debt) / cash at end of year	**(71)**	**(76)**	**171**

* unaudited combined pro forma financial statements
** including in 2001, 33 millions of euros of treasury stock

Information by business division

In millions of euros

2001	Electrical Wires	Energy	Telecom	Distribution	Other	**Total Group**
Net sales at constant metal price	1102	2189	836	340	-	**4467**
Income from operations	15	80	30	17	(3)	**139**
Depreciation and amortization *	32	67	34	4	4	**141**
EBITDA**	47	147	64	21	1	**280**
Capital expenditures	41	101	40	6	14	**202**
Property, plant and equipment , net	214	414	222	44	27	**921**
Inventories and work in progress, net	162	334	101	44	(4)	**637**
Trade receivables and related accounts, net	142	504	164	56	(5)	**861**
Total assets from operations, net	518	1252	487	144	18	**2419**
Staff	2625	9266	4372	831	906	**18000**

2000	Electrical Wires	Energy	Telecom	Distribution	Other	**Total Group**
Net sales at constant metal price	1095	2062	876	327	1	**4361**
Income from operations	43	64	46	12	4	**169**
Depreciation and amortization *	27	67	27	6	5	**132**
EBITDA**	70	131	73	18	9	**301**
Capital expenditures	71	80	64	4	20	**239**
Property, plant and equipment , net	208	332	181	37	68	**826**
Inventories and work in progress, net	185	354	110	28	27	**704**
Trade receivables and related accounts, net	179	469	198	26	133	**1005**
Total assets from operations, net	572	1155	489	91	228	**2535**
Staff	2672	9026	4696	904	888	**18186**

1999	Electrical Wires	Energy	Telecom	Distribution	Other	**Total Group**
Net sales at constant metal price	945	2060	821	318	5	**4149**
Income from operations	43	46	36	17	(4)	**138**
Depreciation and amortization *	25	68	26	4	3	**126**
EBITDA**	68	114	62	21	(1)	**264**
Capital expenditures	36	45	25	4	34	**144**
Property, plant and equipment , net	156	316	142	43	91	**748**
Inventories and work in progress, net	139	335	105	51	(7)	**623**
Trade receivables and related accounts, net	166	549	190	55	(143)	**817**
Total assets from operations, net	461	1200	437	149	(59)	**2188**
Staff	2709	9259	4197	962	1246	**18373**

* Property, plant and equipment excluding amortization of goodwill

** EBITDA is defined as income from operations, excluding depreciation and amortization.

Information by geographical area

in millions of euros

2001	France	Germany	Other Europe	North America	Rest of World	**Total Group**
Net sales :						
- by subsidiary location	1472	644	1508	914	239	**4777**
- by geographical market	760	597	1977	931	512	**4777**
Income from operations	24	25	63	5	22	**139**
Property, plant and equipment, net	207	146	271	193	104	**921**
Total assets from operations, net	664	334	822	379	220	**2419**
Staff	5281	3105	5901	1940	1773	**18000**

2000	France	Germany	Other Europe	North America	Rest of World	**Total Group**
Net sales :						
- by subsidiary location	1461	645	1456	1064	157	**4783**
- by geographical market	762	584	1970	1088	379	**4783**
Income from operations	46	23	41	36	23	**169**
Property, plant and equipment, net	174	144	250	195	63	**826**
Total assets from operations, net	693	349	924	430	139	**2535**
Staff	5188	3243	6118	2453	1184	**18186**

1999	France	Germany	Other Europe	North America	Rest of World	**Total Group**
Net sales :						
- by subsidiary location	1253	647	1360	777	145	**4182**
- by geographical market	690	625	1632	795	440	**4182**
Income from operations	59	1	27	40	11	**138**
Property, plant and equipment, net	148	163	232	152	53	**748**
Total assets from operations, net	603	356	773	342	114	**2188**
Staff	5421	3618	6023	2225	1086	**18373**

Note : the above information is analyzed by subsidiary location, except for net sales which are also analyzed by geographical market.