



2002 Full Year Results
January 27, 2003

Gérard Hauser

This presentation contains forward-looking statements relating to the Company's expectations for future financial performance, including sales and profitability.

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.

Investor relations:

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Breakeven point lowered

Restructuring Program on Track

Capital Employed Reduced

Share Buy-Back Program

- Leverage level of sales by focusing efforts on increasing:
 - Transversal sales (sales made through the Group outside the country of production)
 - RoW export sales (sales in countries where the Group has no production base)
- Enhance Product Portfolio through targeted acquisitions
- Divest non core activities
- Complete remaining part of restructuring plan
- Maintain focus on management of capital employed

(Million €)	FY 2001	FY 2002
Sales at Current Metal price	4,777	4,302
Sales at constant metal	4,467	4,096
EBITDA	280	201
Operating Profit	139	56
Operating Profit Margin	3.1 %	1.4 %
Net Income	30	(40)
Cash Flow from Operations	210	143
Net debt at Closing	71	52
Earnings Per Share	1.22	(1.78)

Breakeven point reduced by lowering 7.2% Indirect costs

REDUCING THE BREAKEVEN POINT

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REDUCING INDIRECT COSTS



OPTIMIZING PROCUREMENT

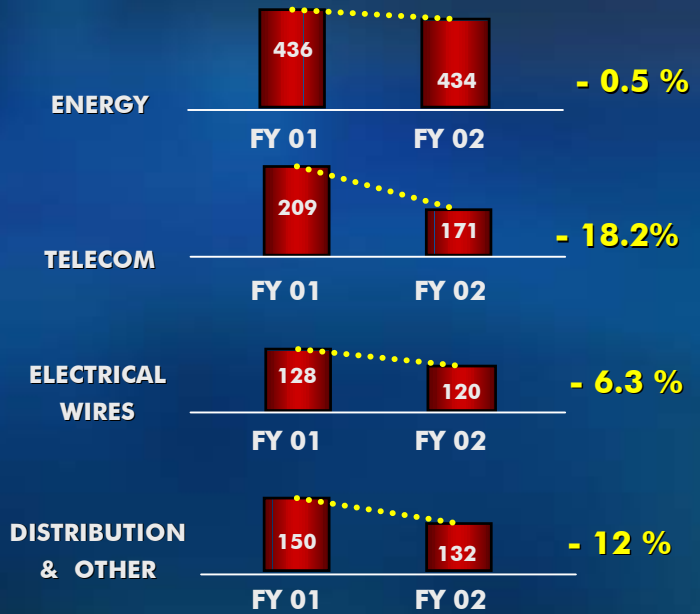
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REPLACING FIXED WITH VARIABLE COSTS

+

REORGANIZATION / RESTRUCTURING

INDIRECT COSTS (M€^(*))



Indirect Costs Structure lowered in proportion to reduction of sales

(*) Indirect production costs, R&D and SG&A without including Amortization

(in Million €)	Recognized		Initiated		Total launched at Dec 31, 2002		Not yet committed	
	Cost	Cash	Cost	Cash	Cost	Cash	Cost	Cash
Energy	20	12	16	7	36	19	5	5
Telecom	43	33	5	3	48	36	3	2
Electrical Wires	24	11	-	-	24	11	10	4
Other	3	2	-	-	3	2	1	1
Total	90	58	21	10	111	68	19	12

Staff concerned

> 1,200

- Total budget envelope 130 M€
- Percentage of completion (actions launched) 85%
- Bottom line impact spread over 2002 (90 M€) and 2003 (40 M€)

- Net Capex reduced to 84 M€ (versus 195 M€ in 2001)
- Working Capital reduced 39 M€

	<u>(Million €)</u>
● Initial 2002 (Debt)/Cash Target	(75)
● Share Buy Back Program (*)	(25)
● Acquisition/Divestiture	3
● Copper price reduction	7
● Capital Employed reduction over target	<u>38</u>

(Debt)/Cash at closing (52)

(*) 1,916,510 shares (8.29% of outstanding Capital) acquired as of Dec 31, 2002 at an average price of 12.9 €

- Share Buy-Back program continued
 - 1,500,000 shares from Alcatel in October 2002
 - 416,510 shares on the market throughout the year
 - Average price of 12.9 € per share
 - Accounted for in reduction of shareholder's equity

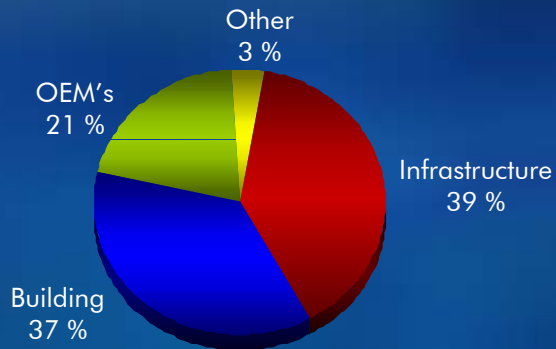
- Dividend 2002
 - € 0.20 / share principle to be proposed to Shareholder's meeting approval (4.6 M€)
 - 2% yield on year end share price (including French tax credit - Avoir fiscal -)

(in Million €)	Full Year 2001			Full Year 2002		
	Sales	OP	%	Sales	OP	%
Energy	2,189	80	3.7 %	2,141	71	3.3 %
Telecom	835	30	3.6 %	577	(35)	(6) %
Electrical Wires	1,102	15	1.4 %	1,066	12	1.1 %
Distribution	341	17	5 %	312	16	5.1 %
Other	-	(3)	-	0	(8)	-
TOTAL	4,467	139	3.1 %	4,096	56	1.4 %

Sales at constant metal prices

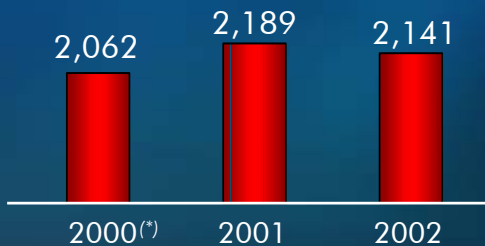
FY 02 Sales = - 8.9% at comparable consolidation scope

2002 Sales : 2,141 M€^(a)



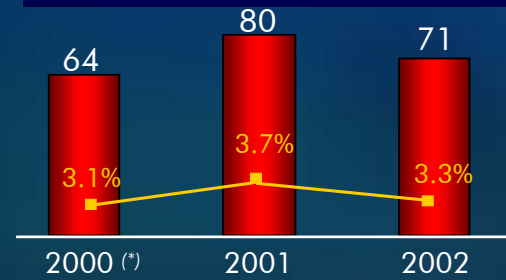
- Increasing profitability in **Infrastructure** expected to continue in 2003
 - Terrestrial HV cables
 - Umbilical cables
- Stable performance in residential **Building** offset by low industrial building activities
- **OEM's** : Decrease of level of Industrial investment in Europe

Sales (M€)^(a)



^(a) Sales at constant metal prices
FY 02 Sales = - 3.6% at constant perimeter

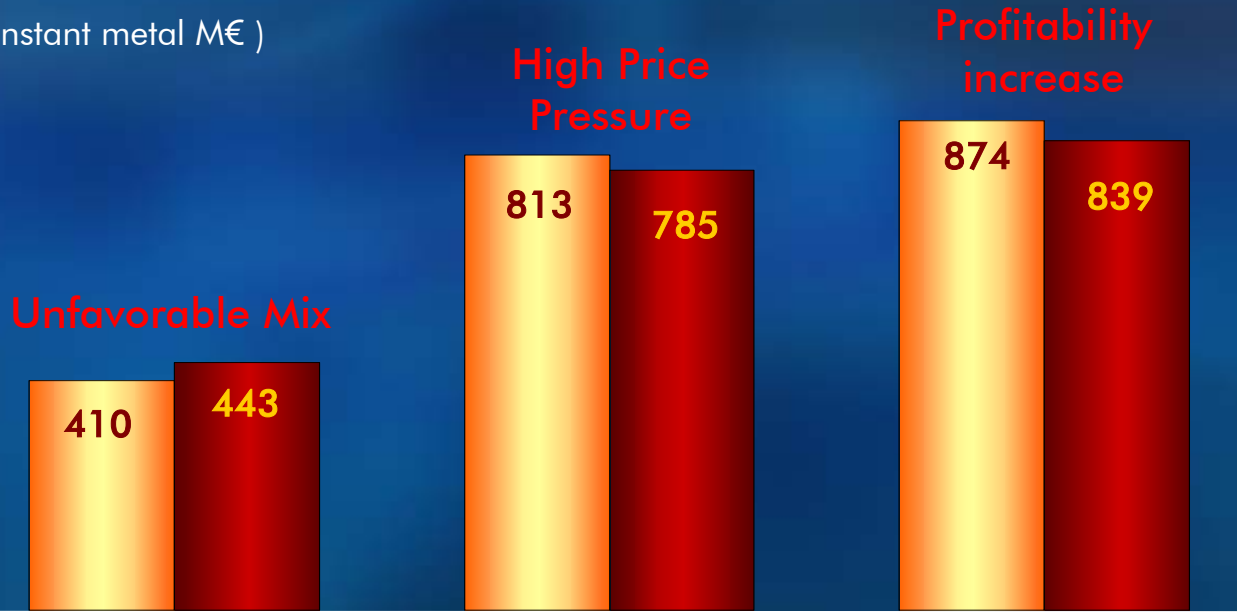
Operating profit (M€)



^(*) proforma

(Sales at constant metal M€)

■ 2001
■ 2002



	OEM's		Building		Infrastructure	
Operating margin	2001	2002	2001	2002	2001	2002
	3.2%	1.2%	3.6%	0.7%	3.4%	6.4%

in M€

■ Launched at Dec 31, 2002

Cost



41

Cash



24

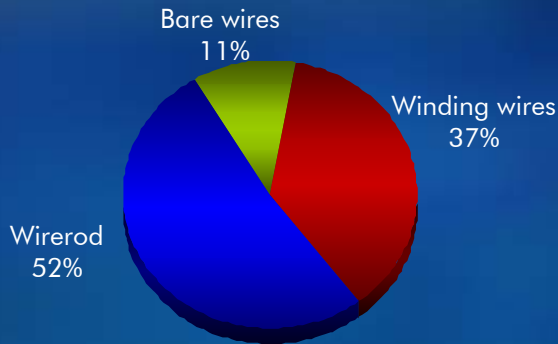
MEASURES UNDER WAY

- Spread over all product lines with capacity reductions in
 - Italy (Infrastructure Networks)
 - Norway (Submarine HV)

- **Realization** rate at Dec 31: 88%
 - Staff reduction = More than 350
 - Cost of measures launched = 36 M€ (19 M€ in cash)
- Savings **achieved** on a full-year basis = 13.7 M€
 - Cost Payback = 2.6 years
 - Cash Payback = 1.4 years

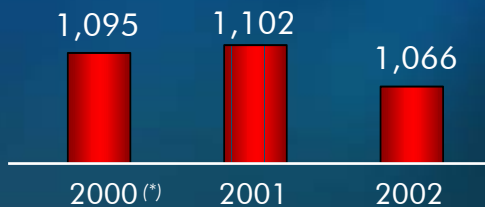
Electrical Wires: Restructuring to pay off

2002 Sales : 1,066 M€^(a)

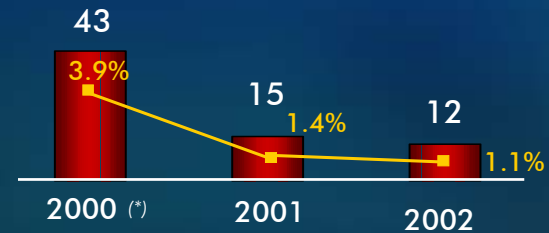


- Increasing market shares in **Wirerod** (North America)
- **Bare wires** : Lower profitability as a result of shift from Telecom to Automotive at lower margins
- **Winding Wires** end markets still weak and no payback yet on restructuring

Sales (M€)^(a)



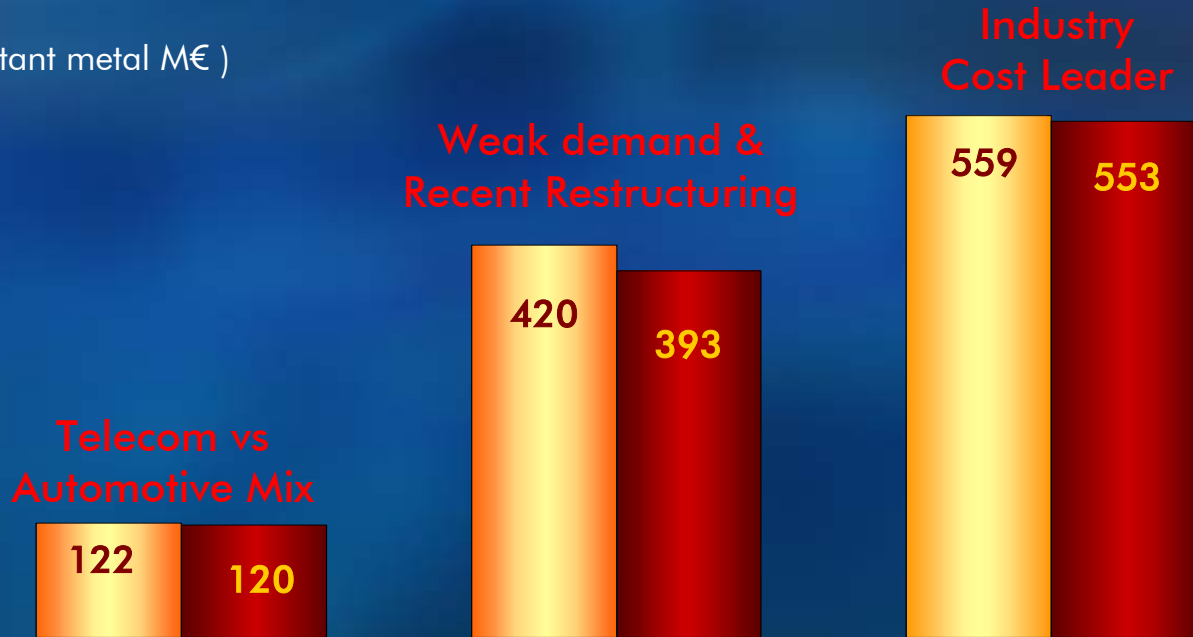
Operating Profit (M€)



(a) Sales at constant metal prices
FY 02 Sales = - 3.2% at constant perimeter

(*) proforma

(Sales at constant metal M€)



Bare wires

Winding wires

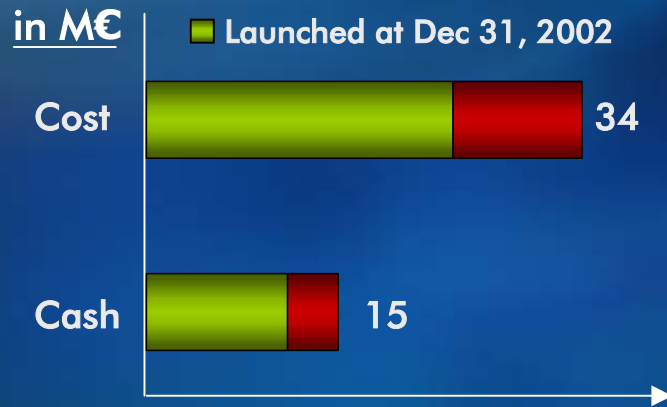
Wirerod

Operating margin

2001	2002
2.1%	0.9%

2001	2002
-0.7%	-1.7%

2001	2002
2.6%	3.2%

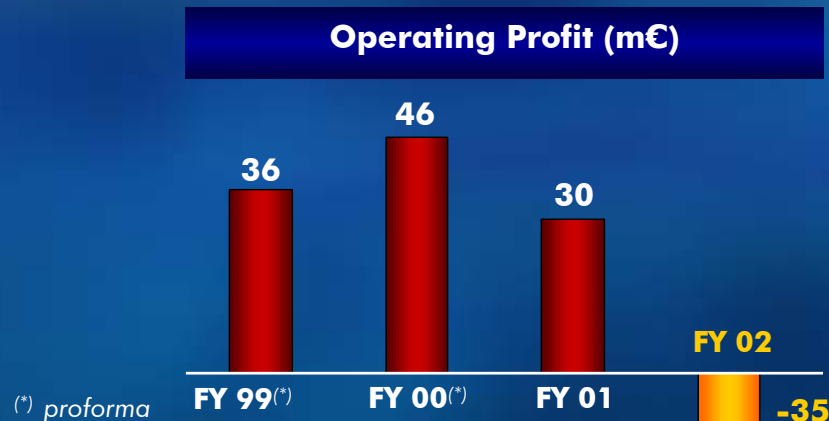


MEASURES UNDER WAY

- Closure of Mexico plant (Missouri, USA)
- Deep restructuring of European facilities

- **Realization** rate at Dec 31: 71%
 - Staff reduction = More than 240
 - Cost of measures launched = 24 M€ (11 M€ in cash)
- Savings **achieved** on a full-year basis = 9 M€
 - Cost Payback = 2.7 years
 - Cash Payback = 1.2 years

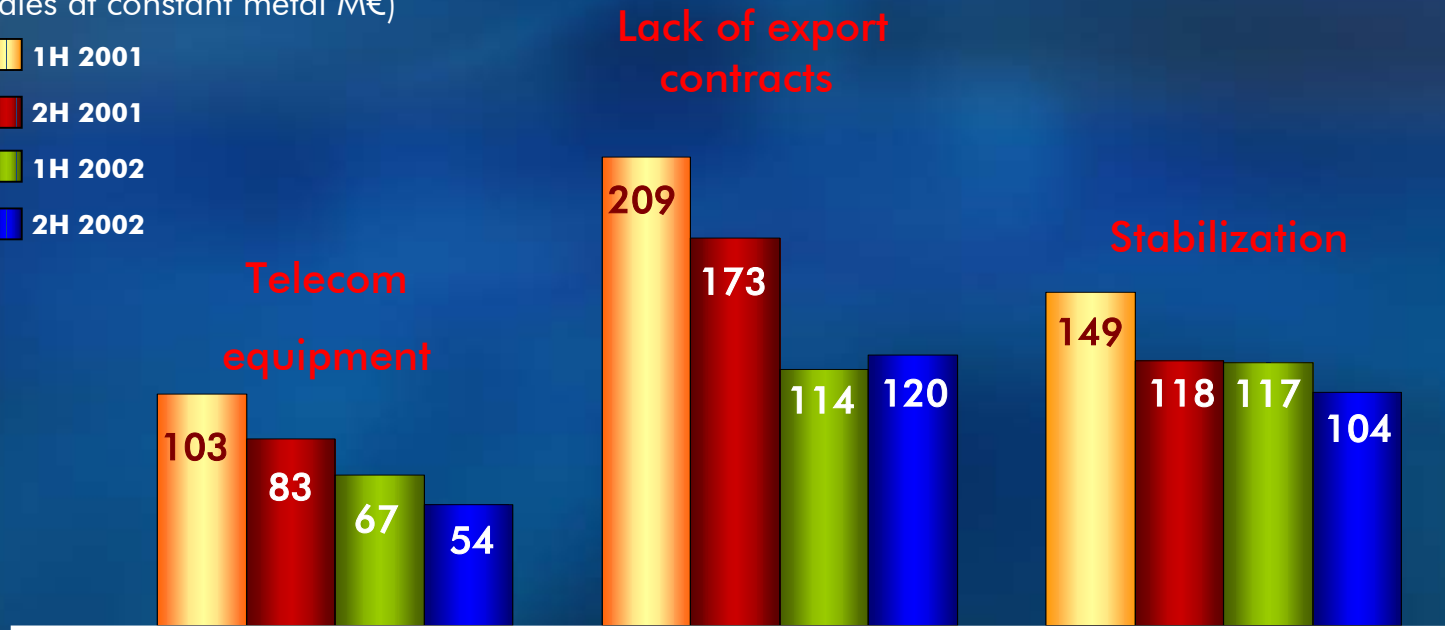
- Sales reduction of approximately 30% in 2002 have turned the business into loss :



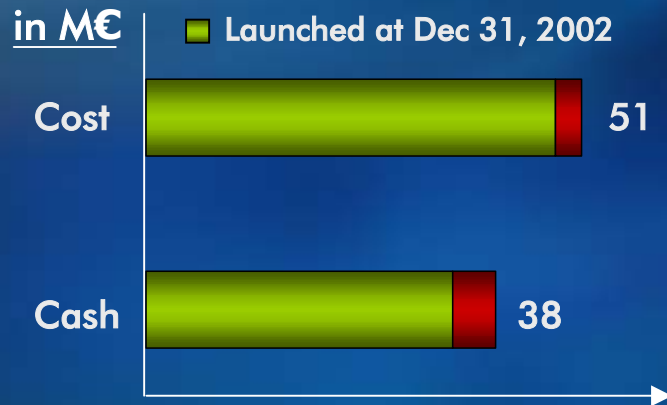
- Reasons to believe that situation has bottomed out in 2002
 - Infrastructure currently at a level of strict maintenance of the network
 - USA LAN activity back to positive (from 7% negative in 2001)
 - Reduction of fixed costs in proportion to reduction of sales
- Breakeven in reach in 2003 at 2002 level of sales (600 M€)

(Sales at constant metal M€)

- 1H 2001
- 2H 2001
- 1H 2002
- 2H 2002



Operating margin	OEM's				Infrastructure				Private networks			
	1H 01	2H 01	1H 02	2H 02	1H 01	2H 01	1H 02	2H 02	1H 01	2H 01	1H 02	2H 02
	10.6%	2.4%	-5.7%	-15.4%	7.7%	9.7%	-8.9%	-0.4%	-3%	-9.3%	-6.4%	-4.3%



MEASURES UNDER WAY

- Reduction of capacity in Europe:
 - Public Networks (Spain)
 - Private Networks and electronic cables (France & Belgium)

- **Realization** rate at Dec 31 : 94%
 - Staff reduction = More than 600
 - Cost of measures launched = 48 M€ (36 M€ in cash)
- Savings already **achieved** on a full-year basis = 25 M€
 - Cost Payback = 1.9 years
 - Cash Payback = 1.4 years

Financial Results

Frédéric Vincent

(in Million €)	2001	2002
Sales at constant metal	4,467	4,096
Margin on Variable Costs	1,203	1,058
Indirect Costs	(923)	(857)
EBITDA ^(*)	280	201
<i>EBITDA Margin (%)</i>	<i>6.3 %</i>	<i>4.9 %</i>
Depreciation	(141)	(145)
Operating profit	139	56
<i>Operating profit margin (%)</i>	<i>3.1 %</i>	<i>1.4 %</i>
Financial charge	(33)	(31)
Restructuring	(36)	(90)
Other revenues	3	23
<hr/>		
Income before taxes	73	(43)
Income Tax	(28)	10
Goodwill amortization	(2)	(2)
Minority interests	(13)	(5)
NET INCOME	30	(40)

(*) Operating profit before amortization

in Million €	2001	HY1 02	HY2 02	2002
Net Income (Incl. Minority interests)	43	(10)	(25)	(35)
Depreciation and Amortization	143	76	72	148
Other non-cash items	24	8	22	30
Cash flow from operations	210	74	69	143
Change in working capital needs	126	(83)	122	39
Capital expenditure, Net	(195)	(45)	(39)	(84)
Cash impact of Acquisition / Divestiture	(20)	8	(5)	3
Share Buy-Back	(33)	0	(25)	(25)
Restructuring expense	(39)	(22)	(35)	(57)
Dividends paid	(24)	(3)	(12)	(15)
Other	(20)	7	8	15
NET(increase)/Decrease in Debt	5	(64)	83	19

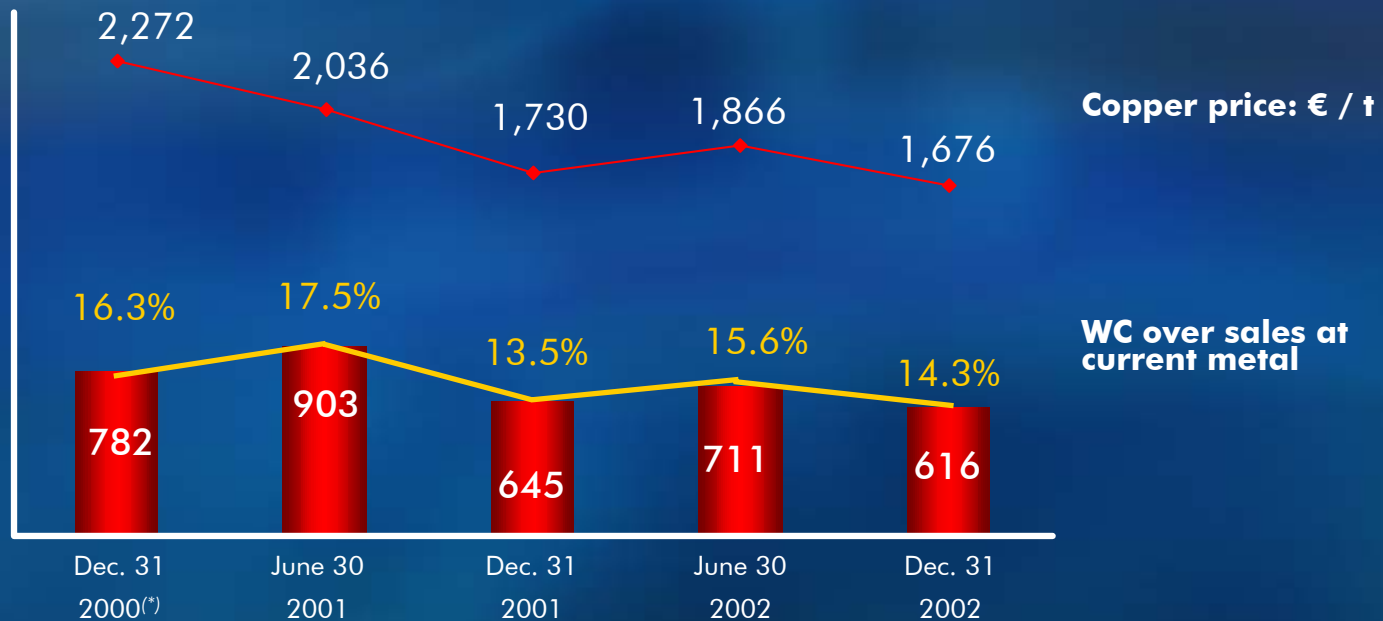
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- Working Capital reduced 39 M€

	<u>(Million €)</u>
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(Debt)/Cash at closing (52)

(*) 1,916,510 shares (8.29% of outstanding Capital) acquired as of Dec, 31 at an average price of 12.9 €

in Million €	Dec 31, 01	Dec 31, 02
Intangible assets	44	45
Property, plant & equipment	921	799
Investments & other non-current assets	75	67
Total Non-current Assets	1,040	911
Net Working Capital	645	616
Total to Finance	1,685	1,527
Net Debt (cash) position	71	52
Reserves	414	396
Minority interests	104	88
Shareholders' equity	1,096	991
Total Financing	1,685	1,527



- Reduction of 39 M€ (comparable scope) in 2002 related to:
 - Specific Action plan undertaken
 - Copper price reduction (7 M€)

(*) proforma

- General business environment expected to remain challenging
 - Energy:
 - Positive outlook for **Infrastructure** (HV, umbilical)
 - **OEM's**: Automotive harnesses and cables for rolling stocks well oriented
 - Cables for **Building** suffering from low industrial investment
 - Electrical Wires:
 - **Wirerod**: Positive 2002 trend to continue through the consolidation of our "cost leader" position
 - **Bare and Winding Wires**: Productivity actions launched to fully pay off in 2003
 - Telecom
 - Rebound in ADSL capex should benefit **Infrastructure & OEM** products
 - **LAN**: Target is to be N°1 in the US but Europe expected to remain weak

- Leverage level of sales by focusing efforts on increasing:
 - Transversal sales (sales made through the Group outside the country of production)
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- Enhance Product Portfolio through targeted acquisitions
- Divest non core activities
- Complete remaining part of restructuring plan
- Maintain focus on management of capital employed

- Some Examples of Targeted Acquisitions
 - Petri - June 10, 2002 - Germany
 - Kukdong - December 2, 2002 – South Korea
 - Furukawa - January 14, 2003 - Brazil

- Three Criterias
 - Fit in Nexans interest for HVA products (Networks/Infrastructure)
 - Petri = accessories for HV
 - Kukdong = cables for shipbuilding
 - Reinforce the geographical reach
 - Furukawa = Aluminum Energy transmission cables
 - Rapidly accretive to EPS
 - Price paid on the basis of multiples comparable to Nexans
 - Higher profitability than Nexans average
 - No (or very limited) goodwill

- Subject to uncertain economic and geo-political Environment:
 - OP margin to progress from 2002
 - Break even at net income level within reach (to be compared to 63 M€ loss before exceptional items in 2002)
- In any circumstance, cash generating after restructuring
 - Capex not in excess of 100 M€
 - Tight control on Working Capital, as in 2002

- Tough market conditions have strengthened Nexans relative to competition
 - Generalist vs Specialists
 - Cash generating at bottom of cycle
 - Restructuring effort ahead of competitors
 - Sound Financial Structure
 - Committed to Value Creation



**LEVERAGING THE
ANTICIPATED UPTURN**

The image features a stylized logo for 'Mexans' centered on a blue gradient background. The letter 'M' is rendered in a thick, wavy, orange-red font with a slight 3D effect. The remaining letters 'e', 'x', 'a', 'n', and 's' are in a simple, black, sans-serif font. The background transitions from a lighter blue at the top to a darker blue at the bottom.

Mexans