

## Non recurring events, risks and disputes\_

1. The price of non-ferrous metals (copper and aluminium), which represent a significant proportion of Nexans' costs, are subject to large fluctuations. As these variations are taken into account in prices invoiced, and due to a policy of systematic coverage, these variations do not affect the operating income. They can, however, have a significant impact on working capital requirements.

2. One part of Nexans' activity associated with the infrastructure markets ("Telecom" and "Energy") is subject to seasonal variations due to a lower level of invoicing and activity when the climatic conditions are unfavourable. Consequently, the interim financial statements can be affected by this seasonal aspect, particularly as far as net sales, income and working capital needs are concerned.

3. Nexans is involved in various claims, mainly concerning contractual and environmental matters. It is also subject to product liability claims.

Nexans is currently party to a dispute in Duisberg in Germany, with purchasers of a plot of land, and with a municipality over a problem of contamination of the ground and the groundwater table.

The proceedings—mentioned in note 21 of the pro forma consolidated accounts for the year ending December 31, 2000—instituted in 2000 against Nexans and other cable manufacturers in the Canadian courts, by a producer claiming damages further to a fire, have terminated since the end of 2000.

In view of its reserve policy, the evaluation of the probability of being convicted, the sums in question, and its insurance coverage, Nexans does not consider that the present or future risks associated with these disputes will have any significant effect on its financial situation or results.

In Norway, the Norwegian Competition Authority has submitted a file to the criminal jurisdiction investigators that apparently involves several companies, including Alcatel Distribution—a subsidiary of Nexans Norway—in relation to alleged illegal price fixing. The Competition Authority has stated its desire to see heavy fines inflicted on the companies involved. If the criminal jurisdiction proceeds to take this case to court, Nexans intends to contest strongly any allegations that might be made against it. At this stage of the investigation, and considering the lack of precise information on the accusations made against Nexans Norway, no reserve has been made.

4. As part of its Telecom activities, Nexans designs, manufactures and sells fibre cables. In 2000, two thirds of the fibres were supplied by Alcatel under a three-year contractual arrangement.