



Press release

Nexans wins a 50 million euro contract with Salt River Project in Tempe, Arizona

Paris, January 7, 2003 - Nexans, the worldwide leader in the cable industry, has won a new four-year contract, valued at roughly 50 million euro, to supply power cable to the Salt River Project (SRP), a major electrical utility located on the West Coast of the US. The cable will be used to distribute the electricity to homes and commercial buildings in the SRP service territory which includes portions of Phoenix, Scottsdale, Tempe and outlying rural areas of central Arizona. The cables used are all insulated 600 volt, 15 000 volt and 69 000 volt products manufactured in North America and Germany.

This new contract marks a milestone in the two companies' seven-year supplier - customer relationship in terms of its length, the number of new products included in the contract, and the fact that it was awarded 18 months before the existing contract expired. The level of trust between the two companies, secured by years of on-time delivery, special attention during emergency outages at the utility, consistently high quality products, and on-going efforts to redesign for lower cost, is the basis for awarding the new contract.

Over the past three years, Nexans engineers from North America and Germany have worked with SRP engineers to design less expensive, higher quality cable products using newly introduced materials. This research was critical to obtaining orders from SRP for high voltage cables produced in Nexans' Hanover plant (Germany). SRP personnel visited Hanover and Bourg-en-Bresse (France) plants, met with employees there, and indicated that the extremely high quality of the product produced in these plants was instrumental in the decision to award high voltage orders.

Gordon Thursfield, Nexans' Country Manager for North America, said: *"The key to our success at SRP is the communication among our customer, production, supply chain, sales, senior management and our corporate service personnel at both our corporate headquarters and at our plants. In these challenging times, it is*

essential that we involve all of our employees in our relationship with customers. With an overabundance of supply in a depressed US market, we must all be at our best every day."

Note

During the early years of their relationship, the companies had to overcome numerous logistical challenges related to unpredictable demands by developers as new housing projects opened up. These problems were quickly resolved at Nexans' Weyburn (Saskatchewan) power cable facility with the introduction of a supply chain process that encompassed metals, compounds, reels and transportation. After introducing the system, Kerry Dolter, Weyburn's Plant Manager, coordinated the supply of these raw materials through North America Headquarters Purchasing Department to ensure that some portion of SRP products was running through the plant at all times. When an unexpected need arose, plant employees could move the partially finished product through the facility and out to Arizona in a timely fashion. At the same time, SRP developed a cable demand software that helped to manage the cyclical demand for these critical products.

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, industry 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, automobile, railways, building, petrochemical, medical applications, etc. With an industrial presence in 28 countries and commercial activities in 65 countries, Nexans employs 17,500 people and had sales in 2001 of euros 4.8 billion. Nexans is listed on the Paris stock exchange. More information on www.nexans.com

About SRP

Celebrating a century of dedicated service to the citizens of the state of Arizona, SRP is one of the largest public power utilities in the United States, and a major water supplier to Arizona. It serves more than 780,000 customers with electricity, and delivers water to a 240,000 acre area in central Arizona.

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