

# Consolidated income statement

<i>(in millions of euros)</i>	<b>2012</b>	<b>2011</b> <b>restated<sup>1</sup></b>
<b>Net sales</b>	<b>7,178</b>	<b>6,920</b>
<i>Metal price effect<sup>2</sup></i>	(2,306)	(2,326)
<b>Sales at constant metal prices<sup>2</sup></b>	<b>4,872</b>	<b>4,594</b>
Cost of sales	(6,353)	(6,090)
Cost of sales at constant metal prices <sup>2</sup>	(4,046)	(3,770)
<b>Gross profit</b>	<b>825</b>	<b>830</b>
Administrative and selling expenses	(548)	(494)
R&D costs	(75)	(75)
<b>Operating margin<sup>2</sup></b>	<b>202</b>	<b>261</b>
Core exposure effect <sup>3</sup>	(11)	(40)
Net asset impairment	(20)	(34)
Changes in fair value of non-ferrous metal derivatives	(1)	(10)
Net gains on asset disposals	(1)	3
Acquisition-related costs	(6)	(1)
Restructuring costs	(21)	(22)
Reserve for risk related to EU antitrust procedure <sup>4</sup>	-	(200)
<b>Operating income (loss)</b>	<b>142</b>	<b>(43)</b>
Cost of debt (gross)	(96)	(83)
Income from cash and cash equivalents	6	12
Other financial expenses	(22)	(39)
Share in net income (loss) of associates	0	(2)
<b>Income (loss) before taxes</b>	<b>30</b>	<b>(155)</b>
Income taxes	(5)	(31)
<b>Net income (loss) from continuing operations</b>	<b>25</b>	<b>(186)</b>
Net income (loss) from discontinued operations	-	-
<b>Net income (loss)</b>	<b>25</b>	<b>(186)</b>
- attributable to owners of the parent	27	(178)
- attributable to non-controlling interests	(2)	(8)
<b>Attributable net income (loss) per share (in euros)</b>		
- basic earnings (loss) per share	0.91	(6.21)
- diluted earnings (loss) per share	0.90	(6.21)

<sup>1</sup> The restatement of the 2011 consolidated financial statements will be presented in Note 3 of the 2012 consolidated financial statements.

<sup>2</sup> Performance indicators used to measure the Group's operating performance.

<sup>3</sup> Effect relating to the revaluation of Core exposure at its weighted average cost.

<sup>4</sup> A 200 million euro provision was set aside over the first half of 2011 for a fine that may be imposed on Nexans following the Statement of Objections received from the European Commission's Directorate General for Competition on July 5, 2011 for alleged anticompetitive behavior.

# Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	<b>2012</b>	<b>2011 Restated<sup>*</sup></b>
<b>Net income (loss) for the period</b>	<b>25</b>	<b>(186)</b>
<b>Available-for-sale financial assets</b>	<b>0</b>	<b>(0)</b>
- Gains (losses) generated during the year (net of tax)	0	(0)
- Amounts recycled to the income statement (net of tax)	-	-
<b>Currency translation differences</b>	<b>(13)</b>	<b>(8)</b>
- Gains (losses) generated during the year (net of tax)	(13)	(9)
- Amounts recycled to the income statement (net of tax)	-	1
<b>Cash flow hedges</b>	<b>26</b>	<b>(67)</b>
- Gains (losses) generated during the year (net of tax)	35	(67)
- Amounts recycled to the income statement (net of tax)	(9)	-
<b>Share of other comprehensive income of associates</b>	<b>-</b>	<b>-</b>
<b>Total recyclable components of the comprehensive income</b>	<b>13</b>	<b>(75)</b>
Actuarial gains and losses on long term benefits (net of tax)	(58)	(14)
Share of other non recyclable comprehensive income of associates	-	-
<b>Total other comprehensive income (expense)</b>	<b>(45)</b>	<b>(89)</b>
<b>Total comprehensive income (loss)</b>	<b>(20)</b>	<b>(275)</b>
- attributable to owners of the parent	(18)	(267)
- attributable to non-controlling interests	(2)	(8)

<sup>\*</sup> The restatement of the 2011 consolidated financial statements will be presented in Note 3 of the 2012 consolidated financial statements.

# Consolidated statement of financial position

<i>(in millions of euros)</i>	December 31, 2012	December 31, 2011 Restated*	January 1, 2011 Restated*
<b>Assets</b>			
Goodwill	509	386	378
Other intangible assets	238	184	193
Property, plant and equipment	1,256	1,160	1,170
Investments in associates	13	7	7
Other non-current financial assets	50	44	44
Deferred tax assets	141	122	102
Other non-current assets	3	4	4
<b>Non-current assets</b>	<b>2,210</b>	<b>1,907</b>	<b>1,898</b>
Inventories and work in progress	1,125	1,051	1,059
Amounts due from customers on construction contracts	335	293	189
Trade receivables	1,080	1,168	1,126
Other current financial assets**	113	134	322
Current income tax receivables	31	29	18
Other current non-financial assets	112	94	106
Cash and cash equivalents	847	859	795
Assets and groups of assets held for sale	1	1	1
<b>Current assets</b>	<b>3,644</b>	<b>3,629</b>	<b>3,616</b>
<b>Total assets</b>	<b>5,854</b>	<b>5,536</b>	<b>5,514</b>
<b>Equity and liabilities</b>			
Capital stock	30	29	29
Additional paid-in capital	1,301	1,286	1,283
Retained earnings and other reserves	275	308	529
Other components of equity	187	174	249
<b>Equity attributable to owners of the parent</b>	<b>1,793</b>	<b>1,797</b>	<b>2,090</b>
Non-controlling interests	50	35	43
<b>Total equity</b>	<b>1,843</b>	<b>1,832</b>	<b>2,133</b>
Pension and other retirement benefit obligations	444	378	383
Other long-term employee benefit obligations	19	16	16
Long-term provisions***	232	229	58
Convertible bonds	433	499	479
Other long-term debt	595	356	354
Deferred tax liabilities	114	104	130
<b>Non-current liabilities</b>	<b>1,837</b>	<b>1,582</b>	<b>1,420</b>
Short-term provisions	77	86	92
Short-term debt	425	277	255
Liabilities related to construction contracts	210	319	202
Trade payables	1,136	1,051	1,077
Other current financial liabilities	65	109	97
Accrued payroll costs	202	200	179
Current income tax payables	28	51	27
Other current non-financial liabilities	31	29	32
Liabilities related to groups of assets held for sale	0	0	1
<b>Current liabilities</b>	<b>2,174</b>	<b>2,122</b>	<b>1,961</b>
<b>Total equity and liabilities</b>	<b>5,854</b>	<b>5,536</b>	<b>5,514</b>

\* The restatement of the 2011 consolidated financial statements will be presented in Note 3 of the 2012 consolidated financial statements.

\*\* Of which short-term financial assets included in the calculation of consolidated net debt: nil at December 31, 2012 and 50 million euros at December 31, 2011.

\*\*\* Including a 200 million euro provision set aside over the first half of 2011 to cover the risk relating to the European Commission's current proceedings for anticompetitive behavior.

# Consolidated statement of cash flows

	2012	2011
<i>(in millions of euros)</i>		
Net income (loss) attributable to owners of the parent	27	(178)
Net income (loss) attributable to non-controlling interests	(2)	(8)
Depreciation, amortization and impairment of assets <i>(including goodwill)</i> <sup>(1)</sup>	167	172
Cost of debt (gross)	96	84
Core exposure effect <sup>(2)</sup>	11	40
Other restatements <sup>(3)</sup>	(3)	185
<b>Cash flows from operations before gross cost of debt and tax</b> <sup>(4)</sup>	<b>296</b>	<b>295</b>
Decrease (increase) in receivables	110	(146)
Decrease (increase) in inventories	(19)	(34)
Increase (decrease) in payables and accrued expenses	(100)	108
Income tax paid	(73)	(53)
Impairment of current assets and accrued contract costs	(17)	5
<b>Net change in current assets and liabilities</b>	<b>(99)</b>	<b>(120)</b>
<b>Net cash used in operating activities</b>	<b>197</b>	<b>175</b>
Proceeds from disposals of property, plant and equipment and intangible assets	5	17
Capital expenditures	(166)	(148)
Decrease (increase) in loans granted and short-term financial assets	46	89
- of which margin calls on metal derivatives	3	(3)
Purchase of shares in consolidated companies, net of cash acquired <sup>(5)</sup>	(289)	(8)
Proceeds from sale of shares in consolidated companies, net of cash transferred	1	6
<b>Net cash used in investing activities</b>	<b>(403)</b>	<b>(44)</b>
<b>Net change in cash and cash equivalents after investing activities</b>	<b>(206)</b>	<b>131</b>
Proceeds from long-term borrowings <sup>(6)</sup>	526	2
Repayments of long-term borrowings	(1)	(1)
Proceeds from (repayment of) short-term borrowings	(259)	25
- of which repayment of the OCEANE 2013 convertible/exchangeable bonds <sup>(6)</sup>	(241)	-
Cash capital increases (reductions)	16	4
Interest paid	(73)	(68)
Transactions with owners not resulting in a change of control	-	-
Dividends paid	(33)	(33)
<b>Net cash used in financing activities</b>	<b>176</b>	<b>(70)</b>
Net effect of currency translation differences	7	(4)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(23)</b>	<b>57</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>840</b>	<b>783</b>
<b>Cash and cash equivalents at year-end</b>	<b>817</b>	<b>840</b>
<i>of which cash and cash equivalents recorded under assets</i>	847	859
<i>of which short-term bank loans and overdrafts recorded under liabilities</i>	(30)	(19)

(1) Including the portion of restructuring costs corresponding to impairment of non-current assets.

(2) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact.

(3) Other restatements in 2012 included (i) a positive 5 million euros in relation to offsetting the Group's income tax charge and (ii) a negative 7 million euros to cancel the net change in other provisions (including provisions for pensions and restructuring costs).

Other restatements in 2011 included (i) a positive 200 million euro adjustment to eliminate the reserve relating to the European Commission's proceedings for anticompetitive behavior, (ii) a positive 31 million euros in relation to offsetting the Group's income tax charge and (iii) a negative 56 million euros to cancel the net change in other provisions (including provisions for pensions and restructuring costs).

(4) The Group also uses the "operating cash flow" concept which is mainly calculated using the "Cash flows from operations before gross cost of debt and tax" balance after adding back cash outflows relating to restructurings (27 million euros and 48 million euros in 2012 and 2011 respectively), and deducting gross cost of debt and the current income tax paid over the period.

(5) Of which 211 million euros in disbursements in the first-half of 2012 and 72 million euros in the second-half of 2012 with respect to the cash-only acquisitions of AmerCable (net of cash acquired) on February 29, 2012 and Shandong Yanggu on August, 31 2012 respectively.

(6) At the end of February 2012, a portion of the OCEANE 2013 convertible/exchangeable bonds were redeemed in the amount of 241 million euros and new OCEANE bonds, redeemable in 2019, were issued in the amount of 275 million euros. Besides, the Group carried out on December 19, 2012 a new bond issue with a maturity date of March 19, 2018 for a nominal amount of 250 million euros.

## Information by reportable segment

<b>2012</b> (in millions of euros)	<b>Transmission, Distribution &amp; Operators</b>	<b>Industry</b>	<b>Distributors &amp; Installers</b>	<b>Other</b>	<b>Group total</b>
Contribution to Net sales at current metal prices	2,544	1,554	2,214	866	<b>7,178</b>
Contribution to Net sales at constant metal prices	2,088	1,195	1,285	304	<b>4,872</b>
Operating margin	70	44	78	10	<b>202</b>
Depreciation, amortization and impairment/reversal of impairment of assets (including goodwill)	(86)	(36)	(32)	(15)	<b>(169)</b>

<b>2011</b> (in millions of euros)	<b>Transmission, Distribution &amp; Operators</b>	<b>Industry</b>	<b>Distributors &amp; Installers</b>	<b>Other</b>	<b>Group total</b>
Contribution to Net sales at current metal prices	2,551	1,295	2,181	893	<b>6,920</b>
Contribution to Net sales at constant metal prices	2,090	991	1,217	296	<b>4,594</b>
Contribution to Net sales at constant metal prices and 2012 exchange rates	2,147	1,012	1,262	309	<b>4,730</b>
Operating margin *	143	36	70	12	<b>261</b>
Depreciation, amortization and impairment/reversal of impairment of assets (including goodwill)	(70)	(38)	(49)	(14)	<b>(171)</b>

\* The 2011 Operating margin of the segment 'Other' has been restated by 5 million euros due to the adoption of the IAS19 Revised standards.

## Information by major geographic area

<b>2012</b> (in millions of euros)	<b>France**</b>	<b>Germany</b>	<b>Norway</b>	<b>Other***</b>	<b>Group total</b>
Contribution to Net sales at current metal prices*	1,089	729	673	4,687	<b>7,178</b>
Contribution to Net sales at constant metal prices*	759	600	603	2,910	<b>4,872</b>

\* Based on the location of the Group's subsidiaries.

\*\* Including Corporate activities.

\*\*\* Countries that do not individually account for more than 10% of the Group's Net sales at constant metal prices.

<b>2011</b> (in millions of euros)	<b>France**</b>	<b>Germany</b>	<b>Norway</b>	<b>Other***</b>	<b>Group total</b>
Contribution to Net sales at current metal prices*	1,057	757	660	4,446	<b>6,920</b>
Contribution to Net sales at constant metal prices*	742	601	605	2,646	<b>4,594</b>
Contribution to Net sales at constant metal prices and 2012 exchange rates*	742	601	631	2,756	<b>4,730</b>

\* Based on the location of the Group's subsidiaries.

\*\* Including Corporate activities.

\*\*\* Countries that do not individually account for more than 10% of the Group's Net sales at constant metal prices.

## Information by major customer

The Group does not have any customers that individually accounted for over 10% of its sales in 2012 or 2011.