

Consolidated income statement

<i>(in millions of euros)</i>	First-half 2012	First-half 2011
Net sales	3,577	3,527
<i>Metal price effect*</i>	(1,179)	(1,241)
Sales at constant metal prices*	2,398	2,287
Cost of sales	(3,171)	(3,118)
Cost of sales at constant metal prices*	(1,992)	(1,878)
Gross profit	406	409
Administrative and selling expenses	(279)	(255)
R&D costs	(40)	(37)
Operating margin*	87	117
Core exposure effect**	3	21
Net asset impairment	(2)	(6)
Changes in fair value of non-ferrous metal derivatives	(1)	(3)
Net gains on asset disposals	(1)	4
Acquisition-related costs	(4)	(1)
Restructuring costs	(8)	(13)
Reserve for risk related to EU antitrust procedure***	-	(200)
Operating income (loss)	74	(81)
Cost of debt (gross)	(51)	(43)
Income from cash and cash equivalents	4	6
Other financial expenses	(9)	(14)
Share in net income (loss) of associates	(0)	(1)
Income (loss) before taxes	18	(133)
Income taxes	(5)	(19)
Net income (loss) from continuing operations	13	(152)
Net income (loss) from discontinued operations	-	-
Net income (loss)	13	(152)
- attributable to owners of the parent	13	(151)
- attributable to non-controlling interests	0	(1)
Attributable net income (loss) per share (in euros)		
- basic earnings (loss) per share	0.47	(5.29)
- diluted earnings (loss) per share	0.46	(5.29)

* Performance indicators used to measure the Group's operating performance.

** Effect relating to the revaluation of Core Exposure at its weighted average cost.

*** 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>	First-half 2012	First-half 2011
Net income (loss) for the period	13	(152)
Available-for-sale financial assets	(0)	(0)
- Gains (losses) generated during the period (net of tax)	(0)	(0)
- Amounts recycled to the income statement (net of tax)	-	-
Currency translation differences	24	(50)
- Gains (losses) generated during the period (net of tax)	24	(50)
- Amounts recycled to the income statement (net of tax)	-	-
Cash flow hedges	10	(31)
- Gains (losses) generated during the period (net of tax)	10	(14)
- Amounts recycled to the income statement (net of tax)	0	(17)
Share of other comprehensive income of associates	-	-
Total other comprehensive income (expense)	34	(81)
Total comprehensive income (loss)	47	(233)
- attributable to owners of the parent	47	(231)
- attributable to non-controlling interests	0	(2)

Consolidated statement of financial position

	June 30, 2012	December 31, 2011
<i>(in millions of euros)</i>		
Assets		
Goodwill	543	386
Other intangible assets	184	184
Property, plant and equipment	1,182	1,160
Investments in associates	12	7
Other non-current financial assets	44	44
Deferred tax assets	93	96
Other non-current assets	40	38
Non-current assets	2,098	1,915
Inventories and work in progress	1,145	1,051
Amounts due from customers on construction contracts	330	293
Trade receivables	1,283	1,168
Other current financial assets*	104	134
Current income tax receivables	32	29
Other current non-financial assets	105	94
Cash and cash equivalents	466	859
Assets and groups of assets held for sale	0	1
Current assets	3,465	3,629
Total assets	5,563	5,544
Equity and liabilities		
Capital stock	29	29
Additional paid-in capital	1,287	1,286
Retained earnings and other reserves	408	396
Other components of equity	209	174
Equity attributable to owners of the parent	1,933	1,885
Non-controlling interests	34	35
Total equity	1,967	1,920
Pension and other retirement benefit obligations	298	300
Other long-term employee benefit obligations	17	16
Long-term provisions**	227	229
Convertible bonds	423	499
Other long-term debt	365	356
Deferred tax liabilities	108	102
Non-current liabilities	1,438	1,502
Short-term provisions	71	86
Short-term debt	355	277
Liabilities related to construction contracts	300	319
Trade payables	1,065	1,051
Other current financial liabilities	109	109
Accrued payroll costs	199	200
Current income tax payables	23	51
Other current non-financial liabilities	36	29
Liabilities related to groups of assets held for sale	0	0
Current liabilities	2,158	2,122
Total equity and liabilities	5,563	5,544

* Of which short-term financial assets included in the calculation of consolidated net debt: nil at June 30, 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

<i>(in millions of euros)</i>	First-half 2012	First-half 2011
Net income (loss) attributable to owners of the parent	13	(151)
Net income (loss) attributable to non-controlling interests	0	(1)
Depreciation, amortization and impairment of assets <i>(including goodwill)</i> ⁽¹⁾	75	76
Cost of debt (gross)	51	43
Core exposure effect ⁽²⁾	(3)	(21)
Other restatements ⁽³⁾	15	189
Cash flows from operations before gross cost of debt and tax⁽⁴⁾	151	135
Decrease (increase) in receivables	(149)	(183)
Decrease (increase) in inventories	(31)	(98)
Increase (decrease) in payables and accrued expenses	(35)	80
Income tax paid	(50)	(33)
Impairment of current assets and accrued contract costs	(9)	3
Net change in current assets and liabilities	(274)	(231)
Net cash used in operating activities	(123)	(96)
Proceeds from disposals of property, plant and equipment and intangible assets	3	7
Capital expenditures	(62)	(64)
Decrease (increase) in loans granted and short-term financial assets	48	(29)
<i>- of which margin calls on metal derivatives</i>	3	-
Purchase of shares in consolidated companies, net of cash acquired ⁽⁵⁾	(215)	(8)
Proceeds from sale of shares in consolidated companies, net of cash transferred	0	0
Net cash used in investing activities	(226)	(94)
Net change in cash and cash equivalents after investing activities	(349)	(190)
Proceeds from long-term borrowings ⁽⁶⁾	280	1
Repayments of long-term borrowings	(1)	(1)
Proceeds from (repayment of) short-term borrowings	(237)	49
<i>- of which repayment of the OCEANE 2013 convertible/exchangeable bonds⁽⁶⁾</i>	(241)	-
Cash capital increases (reductions)	1	4
Interest paid	(60)	(54)
Transactions with owners not resulting in a change of control	-	-
Dividends paid	(32)	(32)
Net cash used in financing activities	(49)	(33)
Net effect of currency translation differences	3	(10)
Net increase (decrease) in cash and cash equivalents	(395)	(233)
Cash and cash equivalents at beginning of period	840	783
Cash and cash equivalents at period-end	445	550
<i>of which cash and cash equivalents recorded under assets</i>	466	558
<i>of which short-term bank loans and overdrafts recorded under liabilities</i>	(21)	(8)

(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 for the six months ended June 30, 2012 included (i) a positive 5 million euros in relation to offsetting the Group's income tax charge and (ii) a negative 9 million euros to cancel the net change in other provisions (including provisions for pensions and restructuring costs).

Other restatements for the six months ended June 30, 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 19 million euros in relation to offsetting the Group's income tax charge and (iii) a negative 27 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 (15 million euros and 30 million euros for the first half of 2012 and 2011 respectively), and deducting gross cost of debt and the current income tax paid over the period.

(5) Of which, in the first half of 2012, 211 million euros in disbursement (net of cash acquired) with respect to the acquisition of AmerCable, fully settled in cash on February 29, 2012.

(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.

Information by reportable segment

<i>First-half 2012</i> (in millions of euros)	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other	Group total
Contribution to Net sales at current metal prices	1,234	757	1,133	453	3,577
Contribution to Net sales at constant metal prices	1,006	585	652	156	2,398
Operating margin	23	21	43	0	87
Depreciation, amortization and impairment of assets (including goodwill)	(36)	(17)	(17)	(5)	(75)

<i>First-half 2011</i> (in millions of euros)	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other	Group total
Contribution to Net sales at current metal prices	1,259	655	1,111	502	3,527
Contribution to Net sales at constant metal prices	1,024	499	604	160	2,287
Contribution to Net sales at constant metal prices and first-half 2012 exchange rates	1,048	509	621	165	2,343
Operating margin	68	18	32	(1)	117
Depreciation, amortization and impairment of assets (including goodwill)	(35)	(20)	(17)	(4)	(76)

Information by major geographic area

<i>First-half 2012</i> (in millions of euros)	France**	Germany	Norway	Other***	Group total
Contribution to Net sales at current metal prices*	567	360	304	2,346	3,577
Contribution to Net sales at constant metal prices*	392	293	269	1,444	2,398

* 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.

<i>First-half 2011</i> (in millions of euros)	France**	Germany	Norway	Other***	Group total
Contribution to Net sales at current metal prices*	556	383	339	2,249	3,527
Contribution to Net sales at constant metal prices*	387	300	309	1,291	2,287
Contribution to Net sales at constant metal prices and first-half 2012 exchange rates*	387	300	319	1,337	2,343

* 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 the first-half 2012 or 2011.