

Consolidated income statement

<i>(in millions of euros)</i>	2014	2013
NET SALES	6,403	6,711
<i>Metal price effect¹</i>	(1,816)	(2,022)
SALES AT CONSTANT METAL PRICES¹	4,587	4,689
Cost of sales	(5,658)	(5,950)
<i>Cost of sales at constant metal prices¹</i>	(3,842)	(3,928)
GROSS PROFIT	745	761
Administrative and selling expenses ²	(522)	(514)
R&D costs	(75)	(76)
OPERATING MARGIN^{1&2}	148	171
Core exposure effect ³	(4)	(41)
Other operating income and expenses ⁴	(129)	(131)
Restructuring costs	(51)	(180)
Share in net income (loss) of associates ⁵	1	(1)
OPERATING INCOME (LOSS)	(35)	(182)
Cost of debt (net) ⁶	(77)	(90)
Other financial income and expenses	(26)	(19)
INCOME (LOSS) BEFORE TAXES	(138)	(291)
Income taxes	(32)	(39)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(170)	(330)
Net income (loss) from discontinued operations	-	-
NET INCOME (LOSS)	(170)	(330)
- attributable to owners of the parent	(168)	(333)
- attributable to non-controlling interests	(2)	3
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE (in euros)		
- basic earnings (loss) per share	(4.01)	(10.66)
- diluted earnings (loss) per share	(4.01)	(10.66)

¹ Performance indicators used to measure the Group's operating performance.

² In 2013, this line includes a non-recurring impact of 30 million euros due to the closure of certain defined benefit pension plans in Norway and the US.

³ Effect relating to the revaluation of Core exposure at its weighted average cost.

⁴ Other operating income and expenses include 197 million euros in net asset impairment in 2014.

⁵ Share in net income (loss) of associates whose operating activity is related to that of the Group is presented within Operating income (loss).

⁶ In 2014, financial income amounted to 6 million euros versus 5 million euros in 2013. In 2014, the cost of net debt includes non-recurring income of 8.8 million euros related to an early redemption option that was not exercised.

Consolidated statement of comprehensive income

	2014	2013
<i>(in millions of euros)</i>		
NET INCOME (LOSS) FOR THE YEAR	(170)	(330)
Recyclable components of comprehensive income	25	(205)
Available-for-sale financial assets	0	0
Currency translation differences	62	(144)
Cash flow hedges	(37)	(61)
Tax impacts on recyclable components of comprehensive income	8	17
Non-recyclable components of comprehensive income	(47)	12
Actuarial gains and losses on pension and other long-term employee benefit obligations #	(47)	12
Share of other non-recyclable comprehensive income of associates	-	-
Tax impacts on non-recyclable components of comprehensive income	14	(4)
Total other comprehensive income (loss)	0	(180)
Total comprehensive income (loss)	(170)	(510)
- attributable to owners of the parent	(171)	(513)
- attributable to non-controlling interests	1	3

Consolidated statement of financial position

<i>(At December 31, in millions of euros)</i>	2014	2013
ASSETS		
Goodwill	303	414
Other intangible assets	181	223
Property, plant and equipment	1,159	1,135
Investments in associates	21	14
Deferred tax assets	153	120
Other non-current assets	73	58
NON-CURRENT ASSETS	1,890	1,964
Inventories and work in progress	1,096	1,031
Amounts due from customers on construction contracts	213	218
Trade receivables	1,009	1,012
Derivative assets	43	33
Other current assets	167	186
Cash and cash equivalents	810	987
Assets and groups of assets held for sale*	0	30
CURRENT ASSETS	3,338	3,497
TOTAL ASSETS	5,228	5,461
EQUITY AND LIABILITIES		
Capital stock, additional paid-in capital, retained earnings and other reserves	1,346	1,550
Other components of equity	31	(1)
Equity attributable to owners of the parent	1,377	1,549
Non-controlling interests	56	51
TOTAL EQUITY	1,433	1,600
Pension and other long-term employee benefit obligations	435	398
Long-term provisions	112	32
Convertible bonds	452	445
Other long-term debt	605	604
Deferred tax liabilities	91	82
NON-CURRENT LIABILITIES	1,695	1,561
Short-term provisions	162	394
Short-term debt	213	275
Liabilities related to construction contracts	159	126
Trade payables	1,162	1,108
Derivative liabilities	86	51
Other current liabilities	318	316
Liabilities related to groups of assets held for sale*	0	30
CURRENT LIABILITIES	2,100	2,300
TOTAL EQUITY AND LIABILITIES	5,228	5,461

* At December 31, 2013, assets and groups of assets held for sale and the related liabilities correspond to the net assets of International Cable Company (Egypt) and Nexans Indelqui (Argentina), for which disposal processes had been initiated at that date. International Cable Company was sold in 2014. Since June 2014, Nexans Indelqui has ceased to be classified within assets and groups of assets held for sale as the qualifying criteria are no longer fulfilled.

Consolidated statement of cash flows

<i>(in millions of euros)</i>	2014	2013
Net income (loss) attributable to owners of the parent	(168)	(333)
Net income (loss) attributable to non-controlling interests	(2)	3
Depreciation, amortization and impairment of assets (including goodwill) ¹	345	278
Cost of debt (gross)	83	95
Core exposure effect ²	4	41
Other restatements ³	(116)	133
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX⁴	146	217
Decrease (increase) in receivables	59	64
Decrease (increase) in inventories	(40)	(18)
Increase (decrease) in payables and accrued expenses	59	33
Income tax paid	(34)	(36)
Impairment of current assets and accrued contract costs	(71)	(3)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES	(27)	40
NET CASH GENERATED FROM OPERATING ACTIVITIES	119	257
Proceeds from disposals of property, plant and equipment and intangible assets	20	5
Capital expenditures ⁵	(161)	(194)
Decrease (increase) in loans granted and short-term financial assets	3	(10)
Purchase of shares in consolidated companies, net of cash acquired	(6)	(8)
Proceeds from sale of shares in consolidated companies, net of cash transferred	(8)	2
NET CASH USED IN INVESTING ACTIVITIES	(152)	(205)
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES	(33)	52
Proceeds from long-term borrowings	2	3
Repayments of long-term borrowings	(0)	(0)
Proceeds from (repayment of) short-term borrowings	(76)	(114)
- of which repayment of the OCEANE 2013 convertible/exchangeable bonds	-	(85)
Cash capital increases (reductions) ⁶	(0)	281
Interest paid	(74)	(64)
Transactions with owners not resulting in a change of control	2	-
Dividends paid	(1)	(15)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	(147)	91
Net effect of currency translation differences	(1)	7
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(181)	150
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	968	818
CASH AND CASH EQUIVALENTS AT YEAR-END	787	968
<i>of which cash and cash equivalents recorded under assets</i>	810	987
<i>of which short-term bank loans and overdrafts recorded under liabilities</i>	(23)	(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 2014 primarily included (i) a positive 32 million in relation to offsetting the Group's income tax charge, (ii) a negative 81 million euros to offset the net change in operating provisions (including provisions for pensions, restructuring costs and antitrust), (iii) a negative 43 million euros linked to the cash impact of hedging derivatives and (iv) a negative 23 million euros in relation to the cancellation of gains and losses on disposals. Other restatements in 2013 included (i) a positive 39 million euros in relation to offsetting the Group's income tax charge and (ii) a positive 92 million euros to offset the net change in operating provisions (including provisions for pensions and restructuring costs).

⁴ The Group also uses the "operating cash flow" concept which is mainly calculated after adding back cash outflows relating to restructurings (77 million euros and 43 million euros in 2014 and 2013 respectively), and deducting gross cost of debt and the current income tax paid during the year.

⁵ The project under way in Charleston, South Carolina to construct an extra-high voltage plant generated 13 million euros of disbursements in 2014 compared with 40 million euros in 2013.

⁶ In the second half of 2013, Nexans carried out a rights issue for a net amount of 279 million euros.

Information by reportable segment

2014 (in millions of euros)	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other	Group total
Contribution to net sales at current metal prices	2,327	1,487	1,814	775	6,403
Contribution to net sales at constant metal prices	1,978	1,213	1,120	276	4,587
Operating margin	98	50	26	(26)	148
Depreciation and amortization	(72)	(34)	(27)	(7)	(140)
Impairment of assets (including goodwill)	(78)	(84)	(34)	(1)	(197)

2013 (in millions of euros)	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other	Group total
Contribution to net sales at current metal prices	2,469	1,550	1,952	740	6,711
Contribution to net sales at constant metal prices	2,034	1,222	1,155	278	4,689
Contribution to net sales at constant metal prices and 2014 exchange rates	1,957	1,220	1,123	264	4,564
Operating margin	70	42	37	22*	171
Depreciation and amortization	(73)	(37)	(30)	(5)	(145)
Impairment of assets (including goodwill)**	(44)	(11)	(46)	(3)	(104)

*This amount includes the positive 30 million euro impact related to the curtailment and settlement of two defined benefit pension plans.

** The amounts on this line do not take account of the 26 million euro loss resulting from the fair value measurement of assets held for sale as defined in IFRS 5.

Information by major geographic area

2014 (in millions of euros)	France**	Germany	Norway	Other***	Group total
Contribution to net sales at current metal prices*	918	776	693	4,016	6,403
Contribution to net sales at constant metal prices*	656	669	647	2,615	4,587
Non-current assets (IFRS 8)* (at December 31)	150	135	161	1,218	1,664

* Based on the location of the assets 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.

2013 (in millions of euros)	France**	Germany	Norway	Other***	Group total
Contribution to net sales at current metal prices*	929	751	699	4,332	6,711
Contribution to net sales at constant metal prices*	667	636	635	2,751	4,689
Contribution to net sales at constant metal prices and 2014 exchange rates	667	636	593	2,668	4,564
Non-current assets (IFRS 8)* (at December 31)	146	125	172	1,342	1,785

* Based on the location of the assets 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 2014 or 2013.