

# Consolidated income statement

<i>(in millions of euros)</i>	First-half 2014	First-half 2013
<b>Net sales</b>	<b>3 216</b>	<b>3 412</b>
Metal price effect *	(912)	(1 061)
<b>Sales at constant metal prices *</b>	<b>2 304</b>	<b>2 351</b>
Cost of sales	(2 836)	(3 016)
Cost of sales at constant metal prices *	(1 924)	(1 954)
<b>Gross profit</b>	<b>380</b>	<b>397</b>
Administrative and selling expenses	(266)	(282)
R&D costs	(37)	(40)
<b>Operating margin *</b>	<b>77</b>	<b>75</b>
Core exposure effect **	(17)	(27)
Restructuring costs	(16)	(32)
Other operating income and expenses	45	(94)
Share in net income (loss) of associates	2	0
<b>Operating income (loss)</b>	<b>91</b>	<b>(78)</b>
Cost of debt (net)	(43)	(45)
Other financial income and expenses	(10)	(1)
<b>Income (loss) before taxes</b>	<b>38</b>	<b>(124)</b>
Income taxes	(14)	(21)
<b>Net income (loss) from continuing operations</b>	<b>24</b>	<b>(145)</b>
Net income (loss) from discontinued operations	-	-
<b>Net income (loss)</b>	<b>24</b>	<b>(145)</b>
- attributable to owners of the parent	25	(145)
- attributable to non-controlling interests	(1)	(0)
<b>Attributable net income (loss) per share (in euros)</b>		
- basic earnings (loss) per share	0.60	(4.92)
- diluted earnings (loss) per share	0.59	(4.92)

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

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

# Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	First-half 2014	First-half 2013
<b>Net income (loss) for the period</b>	<b>24</b>	<b>(145)</b>
<b>Recyclable components of the comprehensive income</b>	<b>28</b>	<b>(129)</b>
- Available-for-sale financial assets	-	(0)
- Currency translation differences	22	(65)
- Cash flow hedges	6	(64)
<b>Tax impacts on recyclable components of the comprehensive income</b>	<b>(1)</b>	<b>15</b>
<b>Non recyclable components of the comprehensive income</b>	<b>(28)</b>	<b>3</b>
- Actuarial gains and losses on long-term benefit	(28)	3
- Share of other non recyclable comprehensive income of associates	-	-
<b>Tax impacts on non recyclable components of the comprehensive income</b>	<b>7</b>	<b>(1)</b>
<b>Total other comprehensive income (loss)</b>	<b>6</b>	<b>(112)</b>
<b>Total comprehensive income (loss)</b>	<b>30</b>	<b>(257)</b>
- attributable to owners of the parent	31	(257)
- attributable to non-controlling interests	(1)	0

# Consolidated statement of financial position

<i>(in millions of euros)</i>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
<b>Assets</b>		
Goodwill	425	414
Other intangible assets	220	223
Property, Plant and equipment	1 131	1 135
Investments in associates	21	14
Deferred tax assets	143	120
Other non-current assets	64	58
<b>Non-current assets</b>	<b>2 004</b>	<b>1 964</b>
Inventories and work in progress	1 066	1 031
Amounts due from customers on construction contracts	257	218
Trade receivables	1 125	1 012
Derivatives assets	28	33
Other current assets	193	186
Cash and cash equivalents	653	987
Assets and groups of assets held for sale	0	30
<b>Current assets</b>	<b>3 322</b>	<b>3 497</b>
<b>Total assets</b>	<b>5 326</b>	<b>5 461</b>
<b>Equity and liabilities</b>		
Capital stock, additional paid-in capital, retained earnings	1 554	1 550
Other components of equity	26	(1)
<b>Equity attributable to owners of the parent</b>	<b>1 580</b>	<b>1 549</b>
Non-controlling interests	52	51
<b>Total equity</b>	<b>1 632</b>	<b>1 600</b>
Pensions and other long-term employee benefit obligations	424	398
Long-term provisions	113	32
Convertible bonds	245	445
Other long-term debt	604	604
Deferred tax liabilities	88	82
<b>Non-current liabilities</b>	<b>1 474</b>	<b>1 561</b>
Short-term provisions	179	394
Short-term debt	410	275
Liabilities related to construction contracts	133	126
Trade payables	1 079	1 108
Derivatives liabilities	35	51
Other current liabilities	384	316
Liabilities related to groups of assets held for sale	0	30
<b>Current liabilities</b>	<b>2 220</b>	<b>2 300</b>
<b>Total equity and liabilities</b>	<b>5 326</b>	<b>5 461</b>

# Consolidated statement of cash flows

<i>(in millions of euros)</i>	<b>First-half 2014</b>	<b>First-half 2013</b>
Net income (loss) attributable to owners of the parent	25	(145)
Net income (loss) attributable to non-controlling interests	(1)	(0)
Depreciation, amortization and impairment of assets <i>(including goodwill)</i> <sup>(1)</sup>	83	170
Cost of debt (gross)	46	48
Core exposure effect <sup>(2)</sup>	17	27
Other restatements <sup>(3)</sup>	(65)	18
<b>Cash flows from operations before gross cost of debt and tax<sup>(4)</sup></b>	<b>105</b>	<b>118</b>
Decrease (increase) in receivables	(149)	(190)
Decrease (increase) in inventories	(35)	(32)
Increase (decrease) in payables and accrued expenses	(34)	54
Income tax paid	(23)	(24)
Impairment of current assets and accrued contract costs	(2)	2
<b>Net change in current assets and liabilities</b>	<b>(243)</b>	<b>(190)</b>
<b>Net cash used in operating activities</b>	<b>(138)</b>	<b>(72)</b>
Proceeds from disposals of property, plant and equipment and intangible assets	4	3
Capital expenditures	(71)	(84)
Decrease (increase) in loans granted and short-term financial assets	(3)	(5)
<i>- of which margin calls on metal derivatives</i>	(0)	(0)
Purchase of shares in consolidated companies, net of cash acquired	(6)	(2)
Proceeds from sale of shares in consolidated companies, net of cash transferred	(8)	1
<b>Net cash used in investing activities</b>	<b>(84)</b>	<b>(87)</b>
<b>Net change in cash and cash equivalents after investing activities</b>	<b>(222)</b>	<b>(159)</b>
Proceeds from long-term borrowings	2	2
Repayments of long-term borrowings	(1)	(0)
Proceeds from (repayment of) short-term borrowings	(43)	(99)
<i>- of which repayment of the OCEANE 2013 convertible/exchangeable bonds<sup>(5)</sup></i>	(0)	(85)
Cash capital increases (reductions)	(0)	0
Interest paid <sup>(6)</sup>	(64)	(49)
Transactions with owners not resulting in a change of control	2	-
Dividends paid	(0)	(15)
<b>Net cash generated from / (used in) financing activities</b>	<b>(104)</b>	<b>(161)</b>
Net effect of currency translation differences	(4)	1
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(330)</b>	<b>(319)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>968</b>	<b>818</b>
<b>Cash and cash equivalents at period-end</b>	<b>638</b>	<b>499</b>
<i>of which cash and cash equivalents recorded under assets</i>	653	534
<i>of which short-term bank loans and overdrafts recorded under liabilities</i>	(15)	(35)

(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, 2014 included (i) a positive 14 million euros in relation to offsetting the Group's income tax charge and (ii) a negative 59 million euros to cancel the net change in operating provisions (including provisions for pensions, restructuring costs and antitrust). Other restatements for the six months ended June 30, 2013 included (i) a positive 21 million euros in relation to offsetting the Group's income tax charge and (ii) a positive 1 million euros to cancel 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 (29 million euros and 20 million euros for the first half of 2014 and 2013, respectively), and deducting gross cost of debt and the current income tax paid over the period.

(5) In late February 2012, the company carried out (i) a partial buyback of its OCEANE 2013 bonds, representing an aggregate amount of 241 million euros, and (ii) a 275 million euro new issue of OCEANE bonds maturing in 2019. In early January 2013, the Company redeemed its outstanding OCEANE 2013 bonds at maturity, for an amount of 85 million euros.

(6) In second half of 2013, the Group has changed the disclosure of interest paid and net effect of currency translation differences with a negative 17 million euros retroactive impact on interest paid for the first half of 2013.

## Information by reportable segment

<i>First-half 2014</i> (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	1 158	737	917	404	<b>3 216</b>
Contribution to Net sales at constant metal prices	993	600	565	146	<b>2 304</b>
Operating margin	48	24	14	(9)	<b>77</b>
Depreciation, amortization and net impairment of assets (including goodwill)	(42)	(23)	(15)	(3)	<b>(83)</b>

<i>First-half 2013</i> (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	1 225	789	1 016	382	<b>3 412</b>
Contribution to Net sales at constant metal prices	993	622	596	140	<b>2 351</b>
Contribution to Net sales at constant metal prices and first-half 2014 exchange rates	936	610	561	128	<b>2 235</b>
Operating margin	34	21	24	(4)	<b>75</b>
Depreciation, amortization and net impairment of assets (including goodwill)*	(46)	(21)	(16)	(85)	<b>(168)</b>

\* Depreciation, amortization and impairment for the "Other" segment includes an 80 million euro impairment charge to net assets and goodwill in respect of Nexans Olex in Australia. The impairment charge was allocated to the appropriate operating segment during the second half of 2013.

## Information by major geographic area

<i>First-half 2014</i> (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*	467	379	365	2 005	<b>3 216</b>
Contribution to Net sales at constant metal prices*	336	326	341	1 301	<b>2 304</b>

\* 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 price.

<i>First-half 2013</i> (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*	497	356	323	2 236	<b>3 412</b>
Contribution to Net sales at constant metal prices*	357	300	290	1 404	<b>2 351</b>
Contribution to Net sales at constant metal prices and first-half 2014 exchange rates*	357	300	264	1 314	<b>2 235</b>

\* 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 price.

## Information by major customer

The Group does not have any customers that individually accounted for over 10% of its sales in the first-half 2014 and first-half 2013.