2012 Half-Year results

July 25, 2012

Safe Harbor

This presentation contains forward-looking statements relating to the Group's expectations for future financial performance, including sales and profitability.

The forward looking statements contained in this presentation are dependent on known and unknown risks, expectations and assumptions, uncertainties and other factors which may cause the Group's actual results, performance and objectives to be materially different from those indicated by the forward looking statements. Such factors may include the trends in the economic and commercial conditions and in the regulatory framework and also the risk factors set out in section 6 of the 2011 Management Report ("Risk Factors"), in particular the antitrust investigations launched against Nexans in January 2009. As a result, achievement of the perspectives herein described remains uncertain.

These forward looking statements depend, amongst other things, on the following assumptions and risks :

(1) the resilience of the infrastructure energy business in developed countries, and the continued expansion of the markets for energy infrastructure in emerging countries;
(2) Growth in markets for renewable energies and Oil & Gas, together with the continuation of long-term investment programs of customers in such markets;
(3) Recovery in industrial cables in certain transport segments such as shipboard and Chinese rail development;
(4) the maintenance of sales volumes generally in the context of a possible decrease in macroeconomic growth;
(5) maintaining margins despite weakened demand;
(6) the possibility to pass on to final customers any increase in the costs of raw materials, energy and transport;
(7) the management of risks associated with turnkey projects, production and execution;
(8) the effect of currency fluctuations being neutral;
(9) the Company being able to reduce its cost base in the anticipated time frame through realization of restructuring actions;
(10) the Company being able to achieve productivity improvements;
(11) retention of key customers;
(12) the absence of substantial capacity increases by competitors in Nexans' key markets;
(13) the Company successfully integrating acquisitions;
(14) the Company being able to adapt its organization;
(15) no 2012 impact of the above cited antitrust investigations.
(16) No degradation in customer defaults despite the increasing bankruptcy rate in Europe and the impossibility to insure credit risk in Greece and Egypt.
(17) The pick-up of activity in the Middle East and North Africa, and in particular Libya where contracts have been delayed.

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H1 2012 highlights

Frédéric Vincent
Chairman and CEO

H1 2012 highlights

Operations

- Organic growth: +0.2% (excluding HV +3.4%)
- OM/sales: 3.6%
- Overall slower activity in Q2 but Q2 '12 above Q1 '12
- Submarine HV: low production level in Q1, output normalizing in Q2

Development

- AmerCable:
  - integration process ongoing
  - company delivering as expected
  - first synergies delivered
- Yanggu acquisition to be closed in Q3 '12
- Start of construction of the US based HV facility

Financial

- Working capital kept under control
- Net debt represents 1.75x LTM EBITDA at end of June'12
- Group liquidity improved:
  - large redemption of the 2013 Oceane
  - issuance of a 2019 Oceane

H1 '12 as planned in April '12

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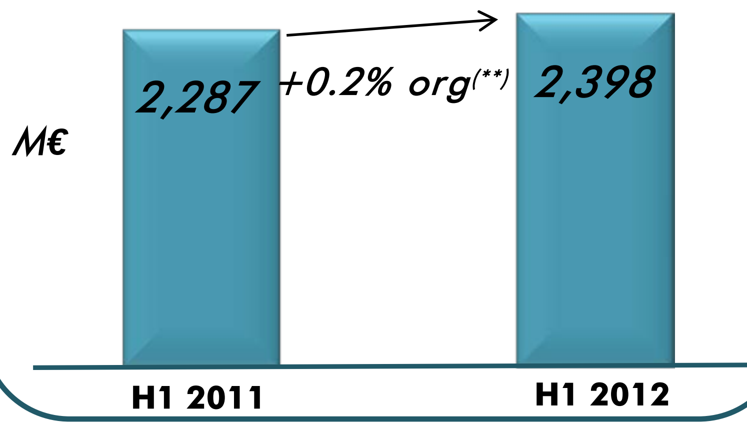
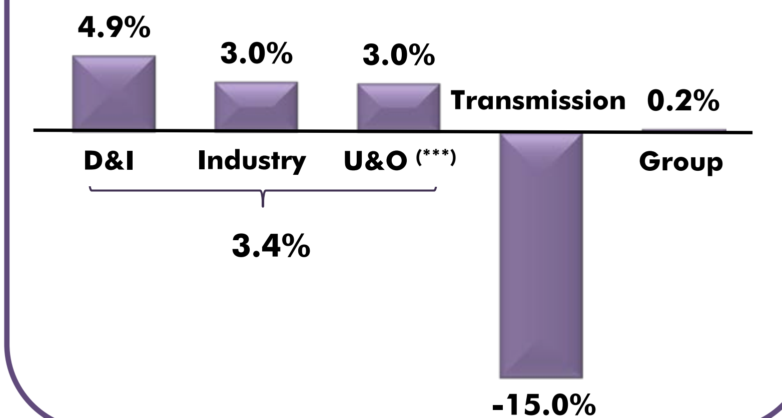
H1 2012 key figures

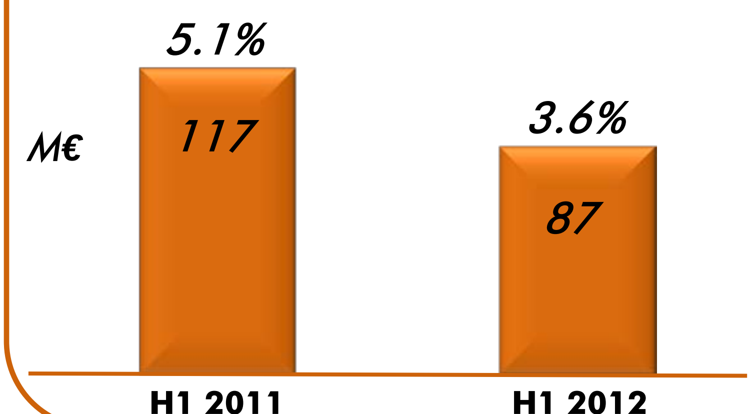
H1 2012 sales (*)



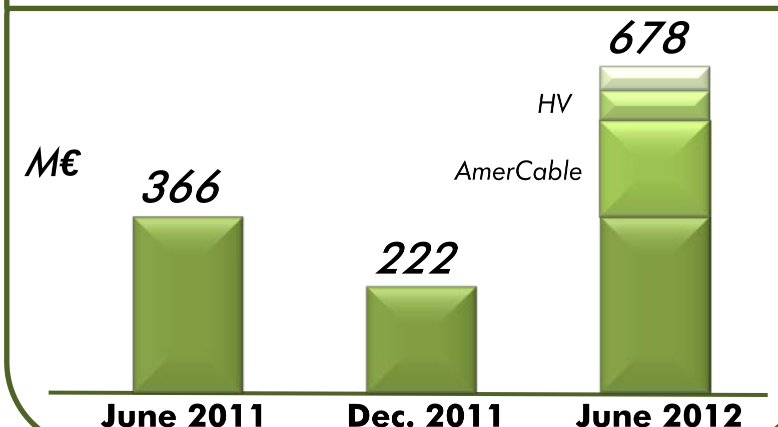
Sales evolution by business (**)



Operating margin (****)



Net debt



(*) Sales at constant metal prices
(**) Year over year organic growth
(***) Utilities & Operators (Power Distribution & Telecom Operators)
(****) Operating margin rate on constant metal sales

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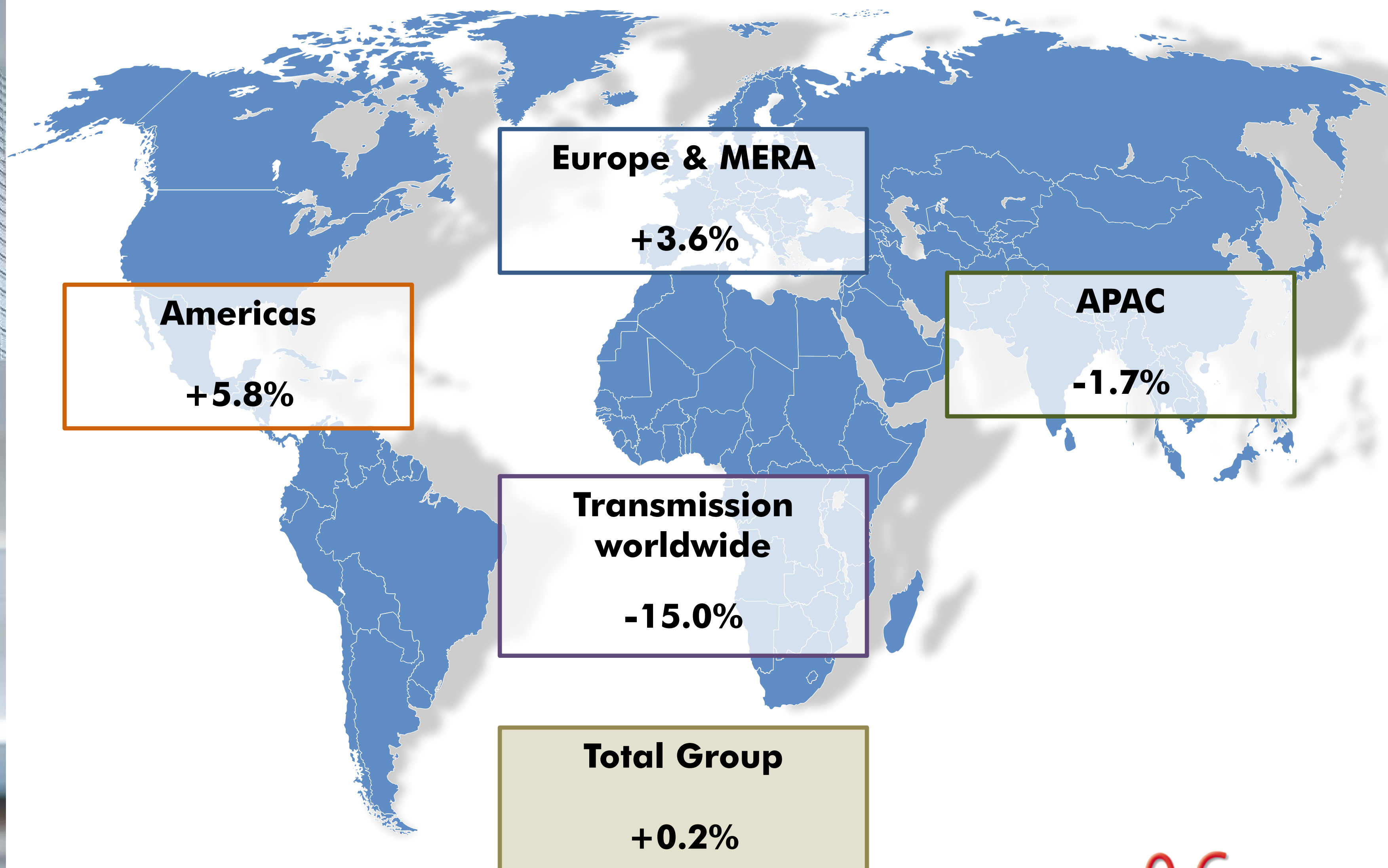
Geographical sales evolution during H1 '12

(YoY organic growth)



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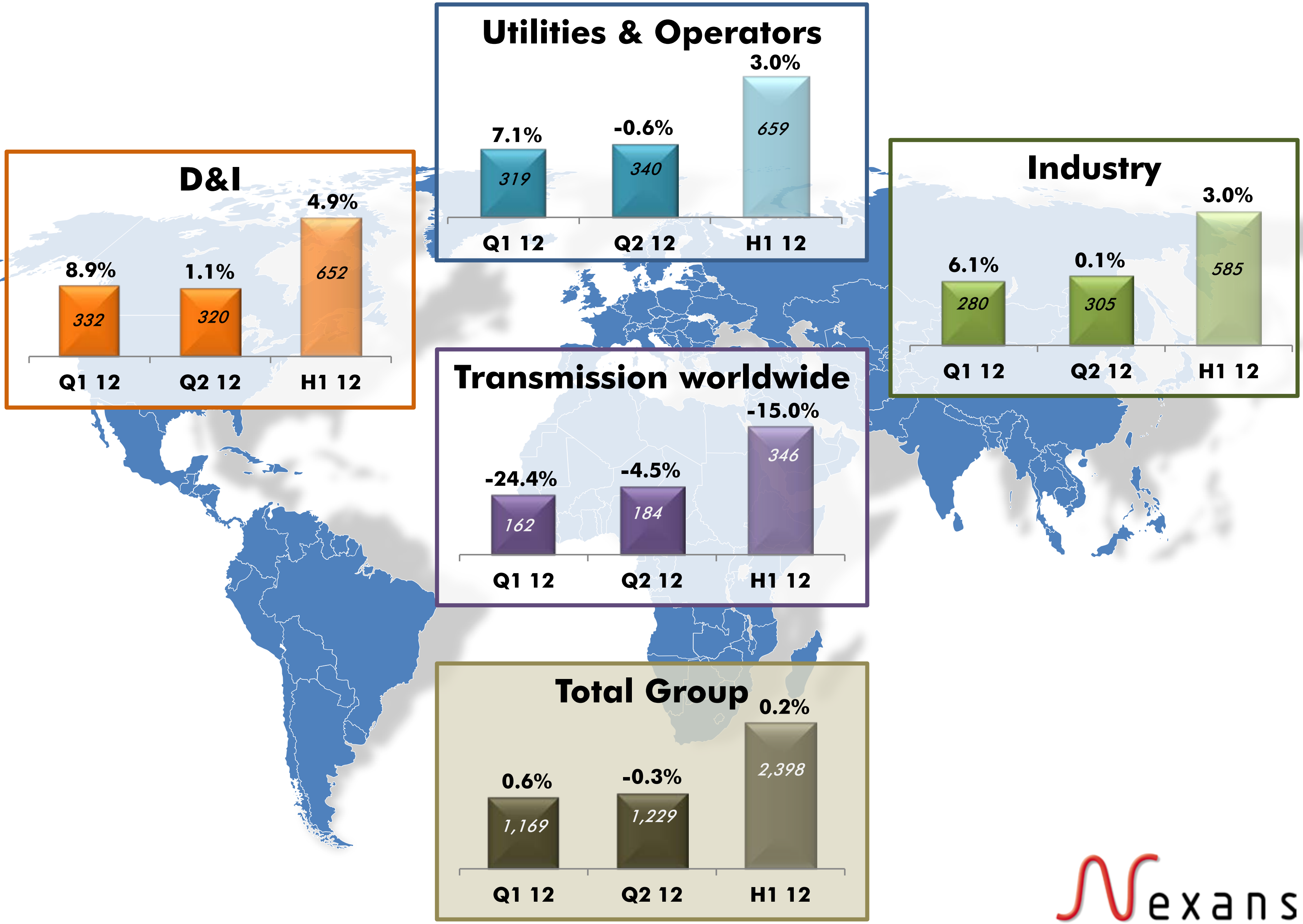
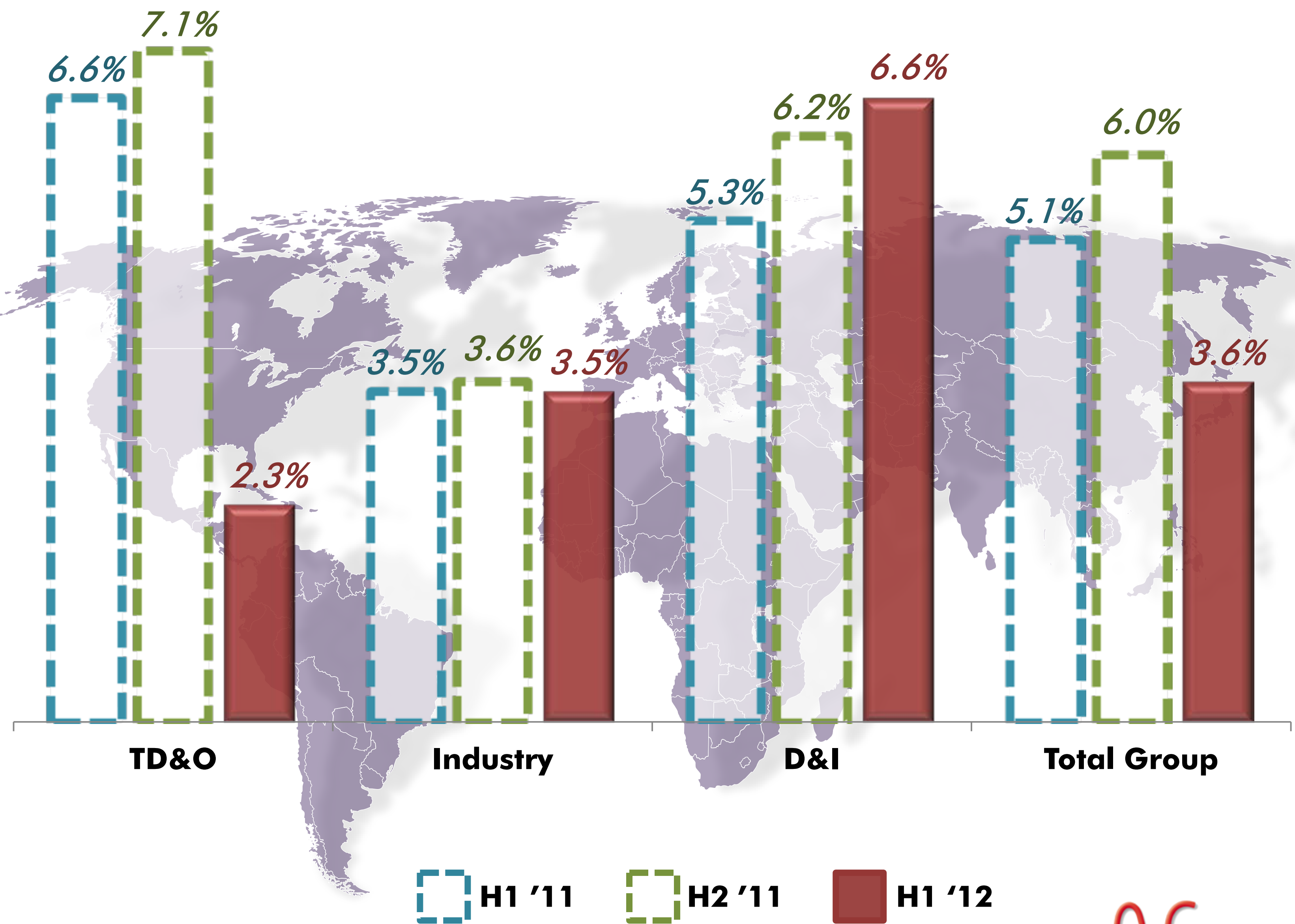
Sales evolution by business during H1 '12

(Sales and YoY organic growth)



Operating Margin evolution



TD&O

Transmission

Submarine Power transmission
~23 % of sales

- Operational issues resulting in lower output and sales in H1
- Output normalizing in Q2
- Containment well advanced – Consolidation to start
- Operating margin strongly impacted in Q1 starting to recover in Q2
- Customers confidence preserved: backlog 1.8 years

Land Power transmission
~12% of sales

- Improving sales momentum during Q2 but still challenging competitive environment
- No resumption of installation works yet in Libya but significant orders received (~63M€)
- Profitability impacted by lower margin in backlog
- Backlog ~ 1 year

Distribution & Operators

Power distribution
~55 % of sales

- Globally well oriented
  - Europe progressing: France growing, Germany delayed
  - SAM slightly slower
- Significant progress derived from capacity pooling in Europe

Telecom Operators
~10 % of sales

- Double digit growth driven by strong volumes:
  - in copper cables in Brazil and sustained high demand in Europe
  - for optical fiber cables and components

Transmission H1 '12: key facts

Sales evolution

	Q1 '12 YoY	Q2 '12 YoY	Q2/Q1 QoQ	H1 '12 YoY
Submarine	**-32%**	**-15%**	**+19%**	**-24%**
Land HV	-14%	+16%	+8%	Flat
Transmission	**-24%**	**-5%**	**+14%**	**-15%**

Submarine: overall context

Larger contracts

- Average contract size has doubled over the last decade
- Terms & conditions imply larger contract liabilities

Technically more demanding projects

- Cable laying in more complex areas : deeper waters, protected or hazardous areas
- Recently developed technologies gaining traction

Offshore wind market development

- Non mature business and risk sharing models
- Execution pace required not necessarily in relation with technical challenges

Submarine: internal root causes

Sales x 3 since 2004

- Strong demand for interconnections in Europe but longer decision making processes from customers
- Booming wind offshore market in Europe

Managing capacity increase & output volumes

- Doubling of the Halden plant capacity
- Absence of slack reduced flexibility

Insufficient robustness of the processes

- Preventive maintenance
- Weak interface between departments : production / engineering, production / planning

Submarine: recovery plan

STABILIZE

Stabilize

Engage

RESTORE

Align

Sustain

H2 2012

2013

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Stabilize

Q2 '12 | H2 '12

Stabilize:

- New management in place
- Some contractual delivery dates realigned
- Systematic formalization of the handover from technical tendering to production
- Systematic formalization of "go for production"
- Better planning of critical equipment

Engage:

- Align people on collective objectives (mindset and teamwork)

Recover more stable factory output by end 2012

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Restore

H2 '12 | **2013**

Align the organization:

- Quality management
- Maintenance management
- Simplification of plant management
- Specialize people on specific equipment through adequate training

Sustain:

- Integrate new controls and KPI's in IT systems

Recover a normalized operating mode by end 2013

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High value, rare assets to be leveraged

Design & Manufacturing

- Two state of the art facilities with longstanding track record in both XLPE and MI insulation
- Recent capacity extension to meet market demand
- Industry-leading track record in HVDC
- Large and diversified customer base

Installation

- Full ownership of one of the largest power cables laying ships in the world
- Highly experienced & dedicated installation team
- Longstanding track record in complex laying and protection operations (including deep water installation works)

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Industry: globally well oriented

Resources (*)
23% of sales


Nuclear

Mining

Oil & Gas

Renewables

- Double digit growth in O&G onshore
- Strong demand in Mining in all areas
- AmerCable growing double digit (**)
- Gaining traction in wind turbine cables

Transport
21% of sales


Aerospace

Railways

Merchant ships

Oil & Gas Related vessels

- Growth in Aerospace
- Railways : frozen high speed market in China
- Shipbuilding weakness offset by growth in Oil & Gas related vessels

Automotive
27% of sales


Automotive Harnesses


Industrial Harnesses


- Double digit growth (German high-end carmakers)
- Developing harnessing business with GM
- Completion of the rolling stock harnesses JV unit with Alstom

Automation
5% of sales


Automation


Others
24% of sales

Pumps **Industrial equipment** **Capital goods**

- European demand weakening in capital goods including Automation

(*) *Mining, renewable, nuclear and O&G activities. Percentage of sales including AmerCable on a proforma basis*
(**) *AmerCable's organic growth not included in Nexans' organic growth in 2012*

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AmerCable : contribution to sales of 60 M€ (*) in H1

Q2 '12 → **H2 '12**

Technical integration
- Finance & reporting
- Legal & risk management

Purchasing synergies realized (copper supply)

Nexans AmerCable

Sales & Marketing integration
- Coordinate with Nexans other units to combine a global offer

- **Provisional goodwill at deal closing amounting to ~140 M€**
- **Impact of purchase accounting ~3 M€ on H1 '12 Operating Margin** (inventory at fair market value) **as expected**

OM accretive

(*) *Constant metal sales March-June 2012*

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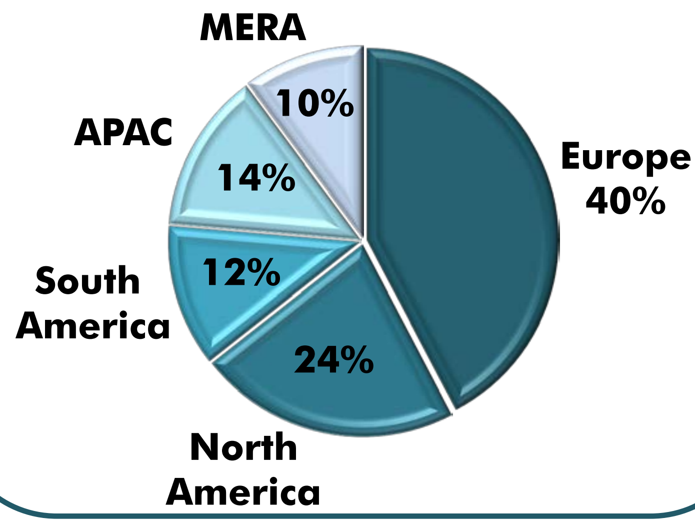
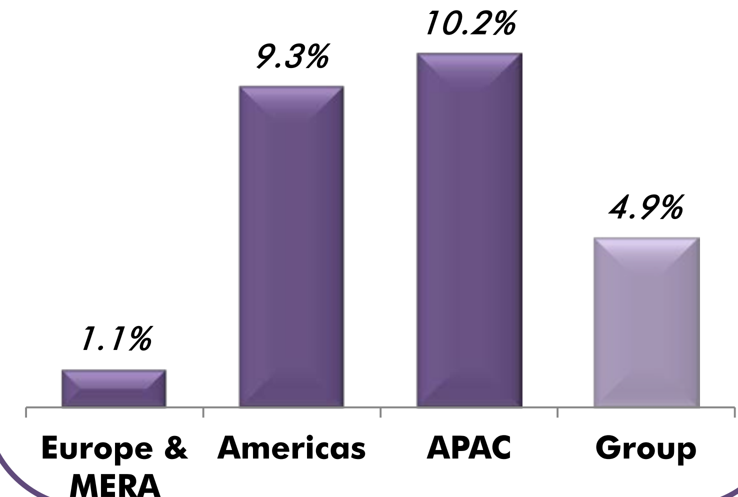
D&I: margin improvement

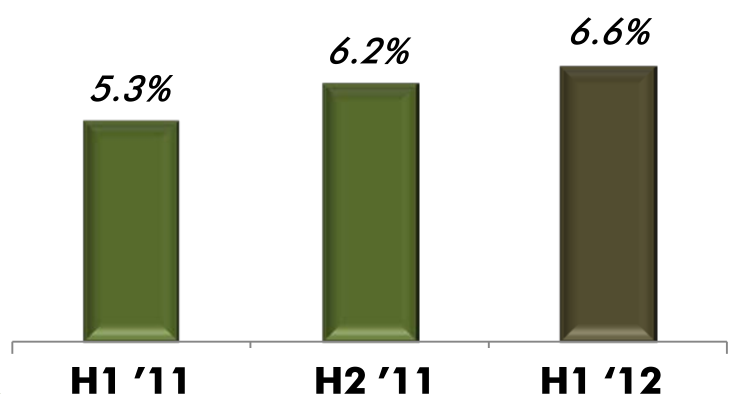
Sales by area (*)



H1 '12 organic growth



Operating Margin (**)



- A favorable geographical mix within Europe
- Benefits of past restructuring
- Strong momentum in Americas

(*) *Sales at constant metal prices*
(**) *Operating Margin rate on Sales at constant metal prices*

FY 2012 guidance (*)

- FY sales: slight organic growth (YoY)
- Operating margin for H2 '12 should increase significantly compared with H1 '12 considering the improvements in Transmission recorded in Q2 '12
- Net debt at year-end '12 should be close to June '12 level after integration of Yanggu acquisition and assuming stable metal prices

(*) *Subject to risk factors and assumptions (see slide 2).*

Financial results

Nicolas Badré
CFO

Key Figures

(in Million €)	H1 2011	**H1 2012**	
Sales At current metal prices	3,527	3,577	
Sales At constant metal prices	**2,287**	**2,398**	*+0.2% organic*
EBITDA(*)	186	160	
Operating margin	117	87	
Operating margin rate at constant metal prices	*5.1%*	*3.6%*	
Operating margin rate at current metal prices	*3.3%*	*2.4%*	
Restructuring	(13)	(8)	
Net income (Group share)	**(151)**	**13**	
Operational Cash Flow	**80**	**64**	
Net debt	**366**	**678**	

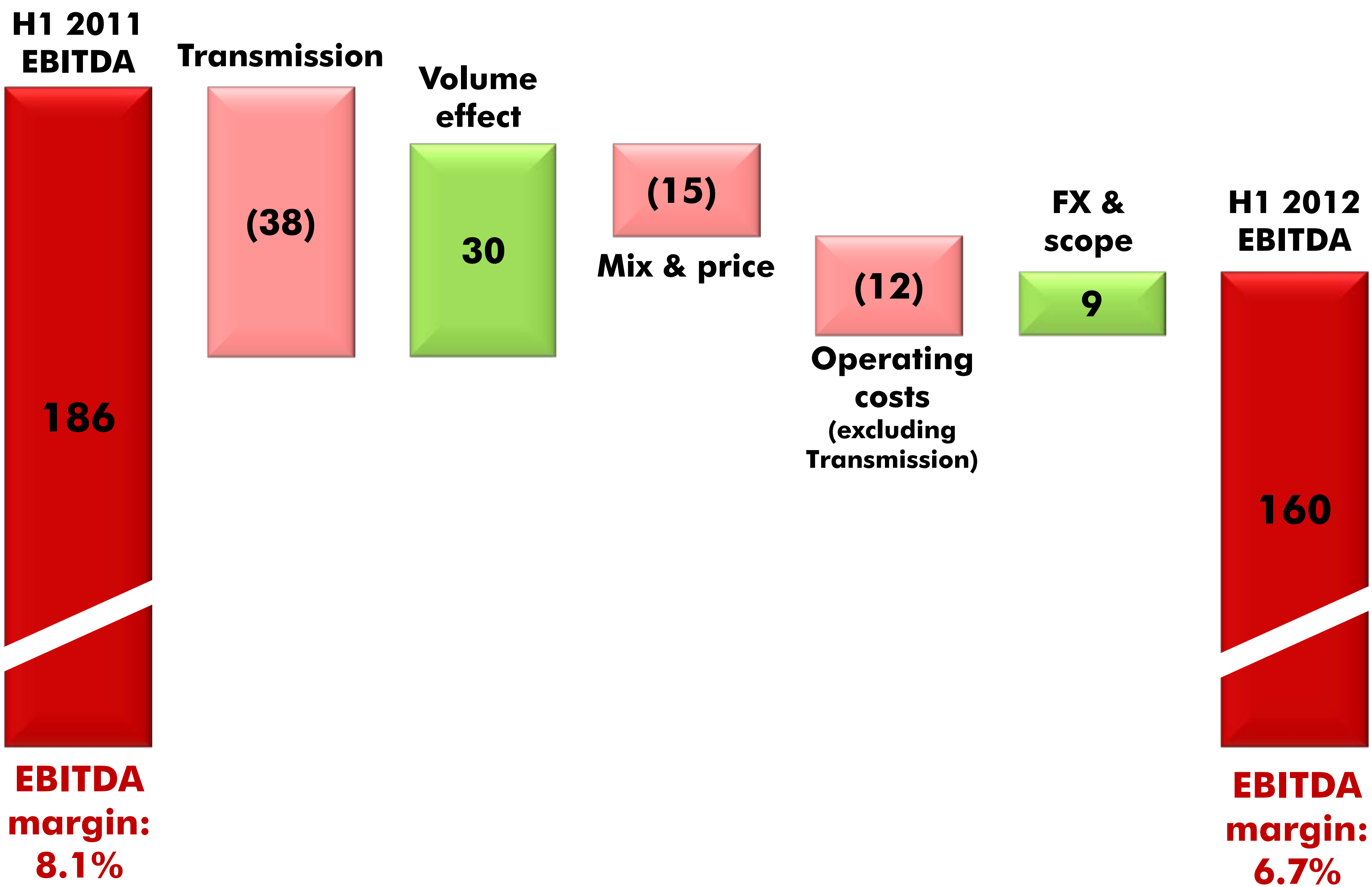
(*) *Operating margin before depreciation*

Income statement (1/3)

(in Million €)	H1 2011		H1 2012	
Sales At constant metal prices	2,287		2,398	
Margin on variable costs	719	31.5%	736	30.7%
Indirect costs	(533)		(576)	+3% org
EBITDA(*)	**186**	**8.1%**	**160**	**6.7%**
Depreciation	(69)		(73)	
Operating margin	**117**	**5.1%**	**87**	**3.6%**
Core exposure impact	21		3	
Asset impairment	(6)		(2)	
Change in fair value of metal derivatives and other	(4)		(0)	
Capital gain and loss on asset divestitures(**)	4		(6)	
Restructuring	(13)		(8)	
Reserve for risk related to EU antitrust procedure	(200)		-	
Operating income	**(81)**		**74**	

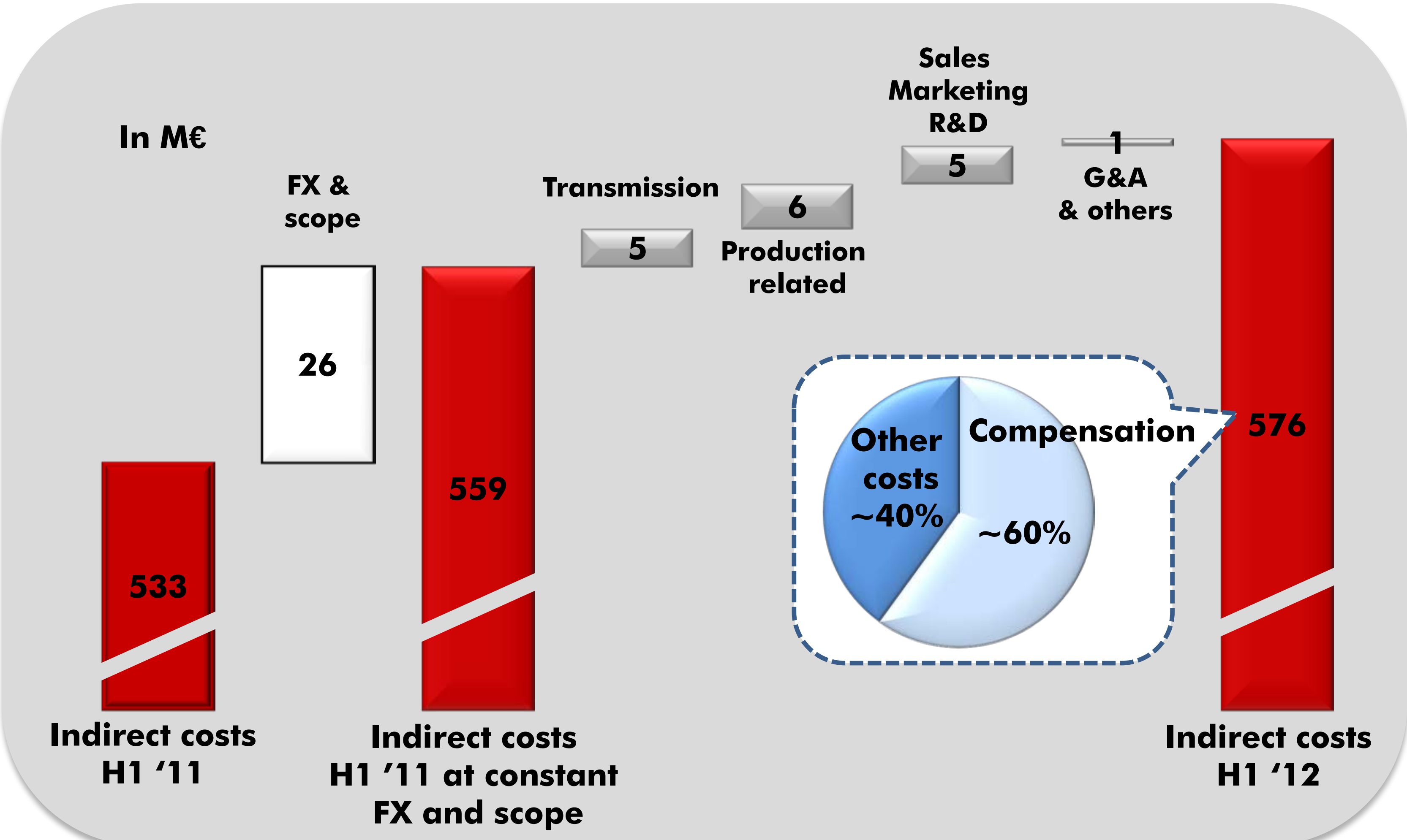
(*) *Operating margin before depreciation*
(**) *Including transaction costs on external acquisitions*

EBITDA evolution:



In M€

Indirect costs evolution:



Income statement (2/3)

(in Million €)	H1 2011		**H1 2012**	
Sales At constant metal prices	2,287		2,398	
Margin on variable costs	719	31.5%	736	30.7%
Indirect costs	(533)		(576)	+3% org
EBITDA(*)	**186**	**8.1%**	**160**	**6.7%**
Depreciation	(69)		(73)	
Operating margin	**117**	**5.1%**	**87**	**3.6%**
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Restructuring	(13)		(8)	
Reserve for risk related to EU antitrust procedure	(200)		-	
Operating income	**(81)**		**74**	

(*) *Operating margin before depreciation*
(**) *Including transaction costs on external acquisitions*

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Income statement (3/3)

(in Million €)	**H1 2011**	**H1 2012**
Operating income	**(81)**	**74**
Financial charge	(51)	(56)
Income before tax	**(133)**	**18**
Income tax	(19)	(5)
Net income from operations	**(152)**	**13**
Net income Group share	**(151)**	**13**

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Balance sheet

(in Million €)	31 Dec. 2011	**30 June 2012**
Long-term fixed assets	**1,819**	**2,005**
of which goodwill	*386*	*543*
Deferred tax assets	96	93
Non-current assets	**1,915**	**2,098**
Working Capital	961	1,267
Total to finance	**2,876**	**3,365**
Net financial debt	**222**	**678**
Reserves	632	612
Deferred tax liabilities	102	108
Shareholders' equity and Minority interests	**1,920**	**1,967**
Total financing	**2,876**	**3,365**
Leverage (net debt / EBITDA)*:	**~0.6x**	**~1.75x**

(*) based on LTM EBITDA including AmerCable

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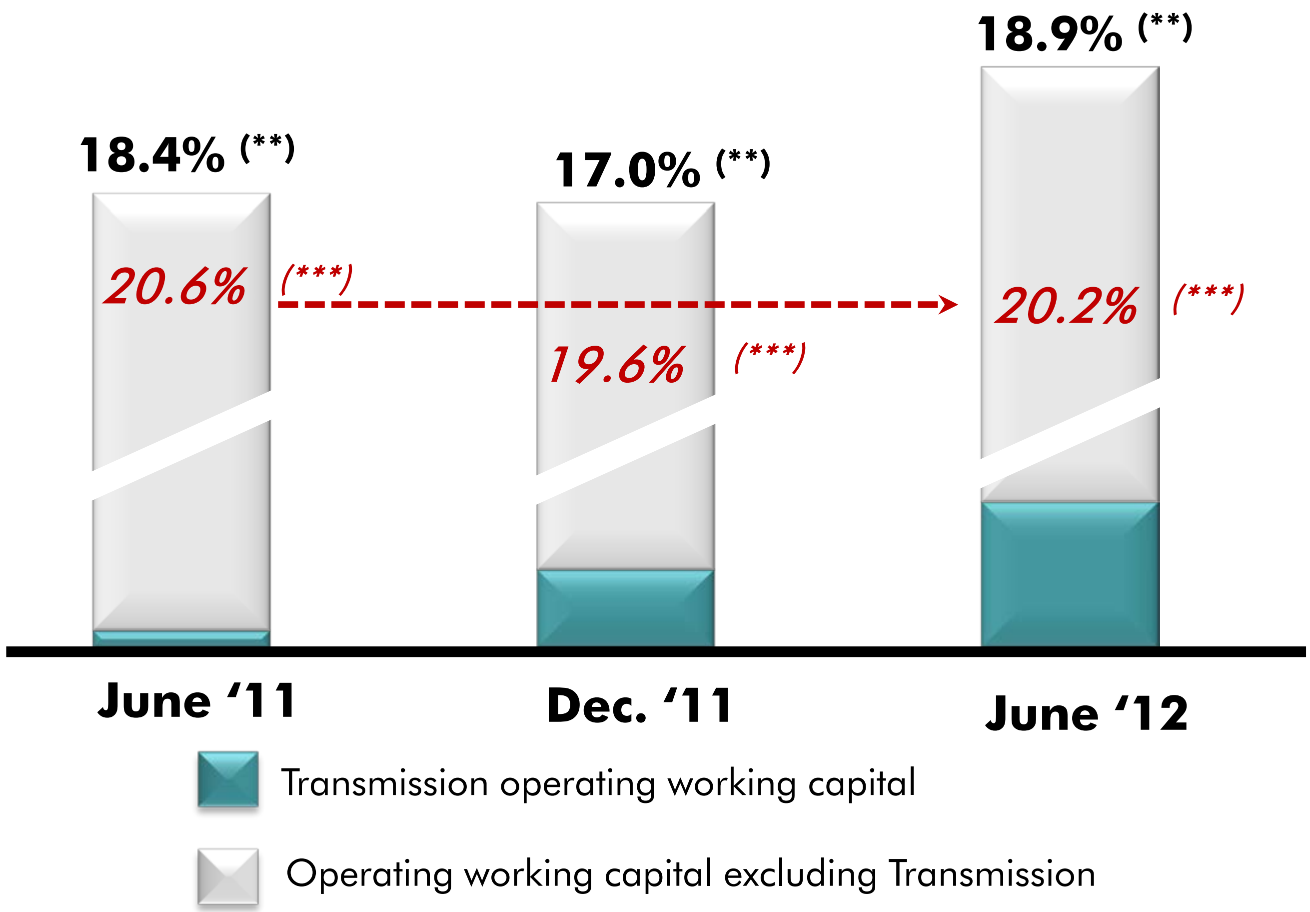
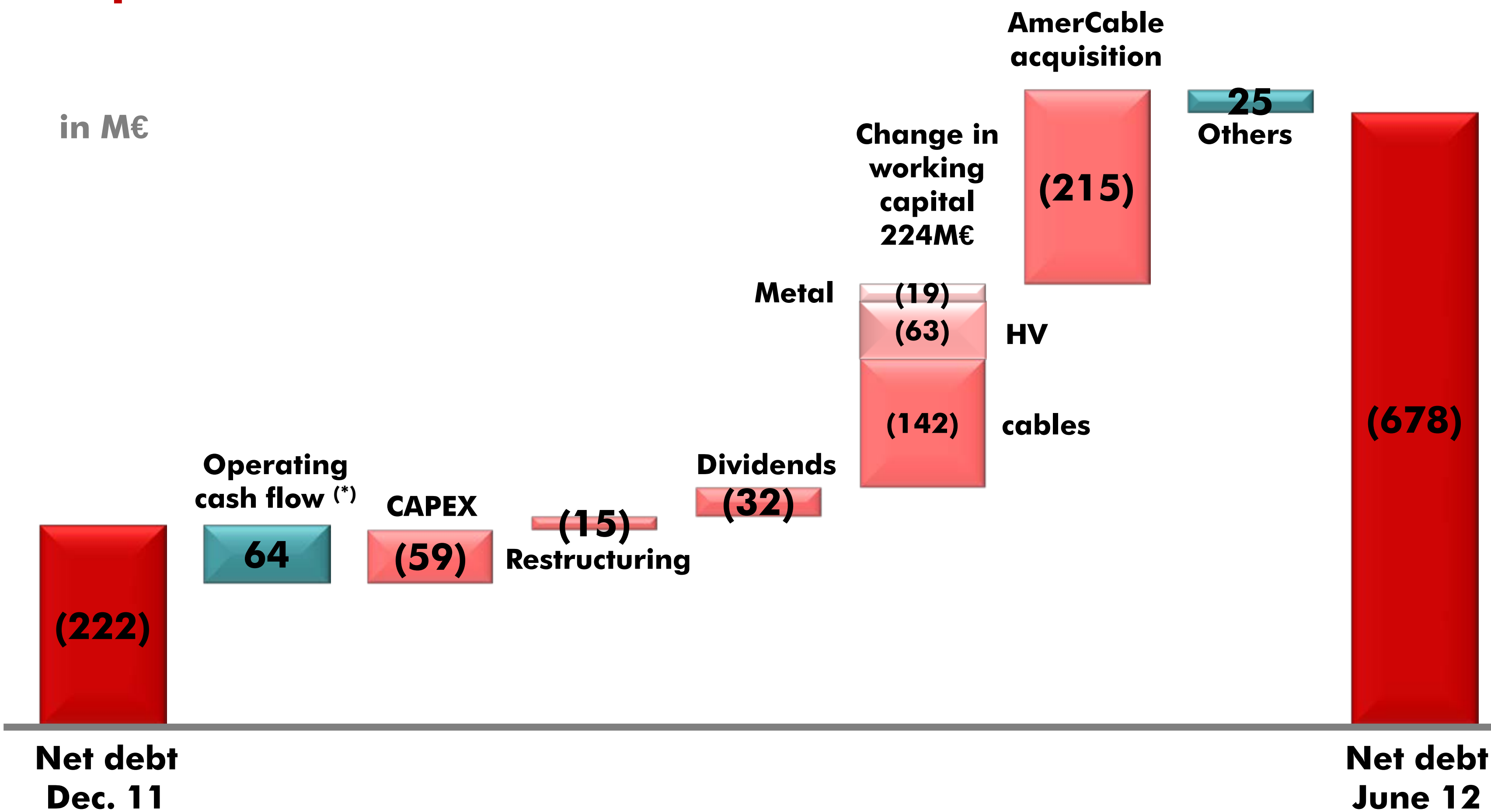
Working capital excluding Transmission kept under control

Operating Working Capital
(value and % of sales (*) at current metal prices)



(*) *Based on last quarter sales x 4*
(**) *Group operating working capital over current sales*
(***) *Operating working capital excluding Transmission over current sales*

Net debt impacted by Transmission and AmerCable acquisition



(*) *Operating cash flow is defined in note 4 to the Consolidated statement of cash-flows*

Appendices

Sales and profitability by segment

	H1 2011			H1 2012		
(in Million €)	Sales	OM	OM %	Sales	OM	OM %
Transmission, Distribution & Operators	1,024	68	6.6%	1,006	23	2.3%
Industry	499	18	3.5%	585	21	3.5%
Distributors and Installers	604	32	5.3%	652	43	6.6%
Others	160	(1)	-0.4%	156	(0)	-0.1%
Total Group	**2,287**	**117**	**5.1%**	**2,398**	**87**	**3.6%**

Impact of foreign exchange and consolidation scope

(in Million €)	H1 '11	FX	Scope	Organic growth	H1 '12
Transmission, Distributors & Operators	1,024	24	-	(42)	1,006
Industry	499	9	60	16	585
Distributors & Installers	604	18	-	30	652
Others	160	5	(9)	-	156
Total Group	**2,287**	**56**	**51**	**4**	**2,398**

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