Press release

2012 First Half-Year Results

- **Sales organic growth of 3.4%[1] excluding Transmission, +0.2%[1] for the Group**
- **Operating margin rate at 3.6%[2]**
- **Plan implemented allowing a gradual return to normal production of submarine high voltage cables**
- **Net debt at 678 million euros after acquisition of AmerCable and seasonal effect of working capital needs**
- **Increase of the operating margin rate expected for the second half of 2012**

Paris, July 25, 2012 – The Nexans Board of Directors met on July 24, 2012, under the chairmanship of Frédéric Vincent, to approve the Group's consolidated financial statements for the first half of 2012.

Sales for the first half of 2012 totaled 3.577 billion euros compared with 3.527 billion euros for the first half of 2011. At constant non-ferrous metal prices[3], sales amount to 2.398 billion euros compared with 2.287 billion euros for the first half of 2011, that is a 0.2%[1] organic growth (3.4%[1] excluding Transmission)

The operating margin comes to 87 million euros, or 3.6% of sales at constant non-ferrous metal prices, compared with 5.1% in 2011. The difference is primarily attributable to the deterioration in the profitability of Transmission activities whereas the profitability of the other businesses improved slightly.

The 2012 first-half operating profit comes to 74 million euros. Operating income was negative 81 million euros in the first half of 2011 due to, among other things, a 200 million euros reserve relating to the ongoing EU proceeding for anticompetitive behavior in the sector of submarine and underground power cables as well as the related accessories and services.

1) First-half 2011 sales on the basis of comparable data correspond to constant metal sales, recalculated after adjustments for comparable scope and exchange rates. The exchange effect on sales at constant non-ferrous metal prices amounts to 56 million euros and the scope effect amounts to 51 million euros.
2) Management indicator used by the Group to measure its operating performance. The operating margin rate as a percentage of sales at constant non-ferrous metal prices.
3) To neutralize the effect of variations in the purchase price of non-ferrous metals and thus measure the underlying sales trend, Nexans also calculates its sales using a constant price for copper and aluminum.

The second quarter of 2012 is marked by an improvement of the Transmission activities and the stabilization of the Group' other activities at the first quarter level. It shows a slight increase compared to second quarter 2011.

The financial charge comes to 56 million euros compared with 51 million euros in the first half of 2011, and the tax charge amounts to 5 million euros compared with 19 million euros for the same period a year earlier.

On this basis, **net income (Group share)** for the first half of 2012 is 13 million euros. It was a net loss of 151 million euros at June 30, 2011 because of the above mentioned reserve.

The consolidated net debt comes to 678 million euros at June 30, 2012, compared with 222 million euros at December 31st, 2011. This increase is attributable to the acquisition of AmerCable for 211 million euros, the seasonal working capital needs and the deferment in invoicing in the Transmission activities.

Moreover, implementation of strategic initiatives designed to strengthen the Group continued during the first half. The integration of AmerCable unfolds very positively and initial synergies have been recorded.
The preparation of the construction phase of the high voltage plant in the United States got underway in the second quarter on schedule.
Finally, the process involving the setting up of a cable business joint venture with Yanggu in China advanced in the first half, and the Group is expecting to finalize this operation in the coming weeks.

Commenting on the 2012 first-half results, **Frédéric Vincent, Chairman and CEO, said:**
"After a first quarter marked by significant production difficulties for submarine high voltage cables, the situation improved markedly in the second quarter with a gradual return to normal production status. In this business, the operational difficulties encountered in the first quarter required that we implement a major action plan to rectify profitability structurally. This action plan should enable the Group to reestablish a regular level of production in this business by the end of 2012 and to regain expected operating performances for this type of activity by the end of 2013.

In a European environment that remains uncertain, the Group expects a slight organic growth in sales for the year. Operating margin for the second half of 2012 should increase significantly considering the improvements in the Transmission activities recorded in the second quarter. Debt at year end should come out to a level close to that of June 30, after integration of the Chinese acquisition Shandong Yanggu and assuming copper prices comparable to June 30".

Key figures for the first half of 2012

(in millions of euros)	At constant non-ferrous metal prices	
	H1 2011	**H1 2012**
Sales	**2,287**	**2,398**
Operating margin	**117**	**87**
Operating margin rate (% of sales)	**5.1%**	**3.6%**
Net income (Group share)	(151)	13
Diluted earnings per share (in euros)	(5.29)	0.46

Detailed analysis of activity by business segment

Sales by business segment

	H1 2011	**H1 2012**	
(in million of euros)	**At constant non-ferrous metal prices**	**At constant non-ferrous metal prices**	**Organic growth**
Transmission, Distribution & Operators	1,024	1,006	-4.0%
Industry	499	585	3.0%
Distributors and Installers	604	652	4.9%
Other	160	156	-0.1%
Group total	**2,287**	**2,398**	**0.2%**

Operating margin by business segment

(in millions of euros)	**H1 2011**	**H1 2012**
Transmission, Distribution & Operators	68	23
Industry	18	21
Distributors and Installers	32	43
Other	(1)	(0)
Group total	**117**	**87**

Transmission, Distribution and Operators

Sales for the Transmission, Distribution and Operators segment came to 1,006 million euros in the first half of 2012, that is, an organic contraction of 4%. This change results from varying trends between Transmission activities on the one hand, and Distribution & Operators on the other.

Land high voltage

The land high voltage business recorded a slight growth in the first half of 2012 compared with the same period in 2011. The competitive environment remains difficult, especially in the Middle East. The operating margin for this business was also affected in the first half by the non-resumption of installation works in Libya, as the necessary security conditions were not sufficient in this country.
At the end of June 2012, the order backlog represented approximately one year's activity.

Submarine high voltage cables and systems

The first half of 2012 was marked by a slower than expected production start-up rate for submarine high voltage cables and systems. These difficulties are reflected in invoicing delays that cannot be compensated in the second half given the high workload rates at the Halden plant in this activity.
The activity's operating margin has suffered from these invoicing delays and lighter installation activity.
Given this situation, the Group launched an action plan aimed first at restoring production stability at its Halden plant in Norway by the end of 2012. The causes of these issues have been identified, the key processes have been isolated and are subject to a progressive containment. The plant's organization has been strengthened. In a second step, the Group's objective is to find, by the end of 2013, a stabilized operating mode. At the end of the first half of 2012, the order backlog for this segment represented 1.8 years of activity.

Distribution

Sales of low and medium voltage cables and accessories for the power distribution network market came to 565 million euros for the first half of 2012. This reflects slight organic growth compared with the same period 2011.
Europe, which accounts for about 48% of the segment, is still growing thanks to the contribution of France and Scandinavia, and despite business contracting in Germany, Italy and Benelux. In North America (about 7% of this segment), the Group is benefiting from strong demand resulting in double-digit organic growth for the period. In Latin America (about 18% of the segment's sales), the activity stabilizes at a significant level, equivalent to the first half of 2011. Activity has contracted slightly in the Asia-Pacific area (about 12% of this segment's sales) mainly because of the unfavorable climate conditions in Australia. Finally, the Middle East, Russia and Africa area (15% of this segment's sales) has reported strong growth compared with the first half of 2011 (which had suffered a significant slowdown because of the Arab Spring).

Telecom operators

"Operators" business sales came to 94 million euros in the first half of 2012, representing an organic growth of more that 10% from one year to the next. For copper cables, business is driven by the strong demand in South America while the growth reported for fiber optic cables and components is mainly attributable to the vigorous demand in Europe.

In all, the operating margin of the Transmission Distribution & Operators segment comes to 23 million euros, or 2.3% of sales at constant non ferrous metal prices, a sharp contraction compared with the same period a year earlier.

Industry

Industry business sales come to 585 million euros for the first half of 2012, that is, an organic growth of 3%.
Harness business, mainly for premium German automakers, is continuing to grow steadily. In the transportation segment, aeronautical business increases while rail is suffering from the absence of the high-speed segment's recovery in China. Shipbuilding, a large part of which is now given over to the platforms and FPSO dedicated to the oil & gas market, is continuing to grow. On the other hand, capital goods and automation have contracted, mainly in Europe. Lastly, the Resources segment (oil & gas, mining and renewable energies) continues its double-digit growth. The integration of AmerCable, now renamed Nexans AmerCable, is very satisfactory and contributes positively to the segment results.

The operating margin rate is 3.5% of sales at constant non ferrous metal prices, that is, a comparable level to that recorded for the first half of 2011.

Distributors and Installers

The Distributors and Installers segment sales come to 652 million euros for the first half of 2012, that is, an organic growth of nearly 5%.
Europe, which accounts for about 40% of this segment, has again seen its business slightly set back. This trend mainly concerns LAN cables, a sector suffering from lack of projects in commercial real estate and data centers. Power cable business is overall steady thanks to the Group's high exposure in Northern Europe, while the trend in Southern Europe continues to head downwards. North America (24% of this segment's sales) has reported robust growth of about 6%. The weakness of the LAN market is more than offset by buoyant power cable business in the United States and Canada. In South America (12% of this segment's sales), business is growing at a double-digit rate, underpinned by strong demand in Brazil, despite the increased pressure from competitors in this country. The Middle East, Russia and Africa area (10% of this segment's sales) is also experiencing double-digit growth in Turkey, Lebanon and in Morocco. There is nonetheless increasing pressure from competitors in Turkey and Morocco. Lastly, in the Asia-Pacific area (14% of this segment), the Group is benefiting from its commercial repositioning in Australia, and business continues to be strong in South Korea.

Bolstered by higher volumes, the operational profitability is higher than in the first half of 2011, reaching 43 million euros, or 6.6% of sales at constant non ferrous metal prices.

Other activities

The "Other activities" segment, which now includes Electrical Wires, reported sales of 156 million euros, unchanged to 2011. The operating margin is close to breakeven.

Financial calendar
September 11, 2012: Individual shareholder information meeting in Strasbourg (France)*
November 21st , 2012: Individual shareholder information meeting in Paris (France)*
October 22nd , 2012: Third quarter 2012 sales figures

** Approximate date to be confirmed*

The presentation of the half-yearly results, the financial statements for the period ended June 30, 2012, approved by the Board of Directors at the July 24, 2012, meeting and the half-yearly activity report are available on the Nexans web site www.nexans.com. The statutory auditors issued their summary audit report on July 24, 2012.

Readers are also invited to consult the 2011 Reference Document, and the half-yearly activity report which presents the Group's risk factors, especially those related to the authorities' antitrust investigations in Europe, the United States, Canada, Brazil, Australia and South Korea for anticompetitive behavior in the submarine and underground power cable sectors, and the related accessories and services. An unfavorable outcome of these investigations and follow-on consequences could have a material adverse effect on the results and the financial situation of the Group.

The forward looking statements in this press release depends on the risks and uncertainties, known and unknown as of this date, that may impact on the Company's future performance, and which may differ markedly from that presented here.

In addition to risk factors and recovery of the Transmission business discussed above, the main areas of uncertainty for the second half of 2012 principally concern:
- *The economic environment in Europe;*
- *The resilience of energy infrastructure markets in emerging countries;*
- *Growth on renewable energy markets and in Oil & Gas, as well as customers' investment programs in these markets;*
- *The recovery of industrial cables in some transportation segments, e.g., shipbuilding and rail growth in China;*
- *The Group's ability to improve its productivity;*
- *The absence of any impact in 2012 of the antitrust investigations opened in 2009;*
- *The customer credit risk, especially in Europe and Egypt, and most particularly in Greece where the credit risk is no longer insurable;*
- *The recovery of business in the Middle East and North Africa, especially in Libya where the performance of certain contracts has been set back.*

About Nexans

With energy at the basis of its development, Nexans, worldwide expert in the cable industry, offers an extensive range of cables and cabling solutions. The Group is a global player in the energy transmission and distribution, industry and building markets. Nexans addresses a wide series of market segments: from energy and telecom networks to energy resources (wind turbines, photovoltaic, oil and gas, and mining) to transportation (shipbuilding, aerospace, automotive and automation, and railways). Nexans is a responsible industrial company that regards sustainable development as integral to its global and operational strategy. Continuous innovation in products, solutions and services, employee development and commitment, customer orientation and the introduction of safe industrial processes with limited environmental impact are among the key initiatives that place Nexans at the core of a sustainable future.
With an industrial presence in 40 countries and commercial activities worldwide, Nexans employs 25,000 people and had sales in 2011 of nearly 7 billion euros. Nexans is listed on NYSE Euronext Paris, compartment A.
For more information, please consult: www.nexans.com or www.nexans.mobi

Additional information:

Financial communication

Michel Gédéon
Tel: +33 (0)1 73 23 85 31
e-mail: michel.gedeon@nexans.com

Carole Vitasse
Tel: + 33 (0)1 73 23 84 56
e-mail: carole.vitasse@nexans.com

Jean-Marc Bouleau
Tel: + 33 (0)1 73 23 84 61
e-mail: jean_marc.bouleau@nexans.com

Communication

Jean-Claude Nicolas
Tel: + 33 (0)1 73 23 84 51
e-mail: jean-claude.nicolas@nexans.com

Pascale Strubel
Tel: + 33 (0)1 73 23 85 28
e-mail: pascale.strubel@nexans.com

Angéline Afanoukoe
Tel: + 33 (0)1 73 23 84 12
e-mail: angeline.afanoukoe@nexans.com

Attachments

1. Consolidated income statement
2. Consolidated statement of comprehensive income
3. Consolidated statement of financial position
4. Consolidated statement of cash flows
5. Information by reportable segment
6. Information by major geographic area
7. Information by major customer

Consolidated income statement

(in millions of euros)	**First-half 2012**	**First-half 2011**
Net sales	**3,577**	**3,527**
*Metal price effect**	(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

(in millions of euros)	**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

(in millions of euros)	June 30, 2012	December 31, 2011
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

(in millions of euros)	**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 (*including goodwill*)(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)
- of which margin calls on metal derivatives	*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
- of which repayment of the OCEANE 2013 convertible/exchangeable bonds(6)	*(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**
of which cash and cash equivalents recorded under assets	*466*	*558*
of which short-term bank loans and overdrafts recorded under liabilities	*(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

First-half 2012 *(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)**

First-half 2011 *(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

First-half 2012 *(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.*

First-half 2011 *(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.