



Press Release

2012 third quarter financial information

- **Organic growth of 2.3% in the third quarter and 0.9% for the first nine months of the year**
- **Transmission sales up in the third quarter by 16%**
- **Sales excluding Transmission stable in the quarter: (up 2.2% for the first nine months), because of a slowdown in Europe (especially Industrial and Building cables), Brazil and Australia**
- **Operating margin for the second half 2012 expected to rise although not as strongly as foreseen in July**
- **Finalization on September 3rd, 2012, of the acquisition of a controlling stake in the Shandong Yanggu energy cable business in China**
- **Good performance by Nexans AmerCable and achievement of the initial synergies**

Paris, October 22, 2012 – Nexans today announced 2012 third-quarter sales of 1,819 million euros (at current non-ferrous metal prices), or 1,249 million euros at constant non-ferrous metal prices*, which corresponds to an organic increase of 2.3%**.

For the first nine months of the year, the organic growth in sales was 0.9%, compared with an increase of 0.2% at the end of the first half. This trend reflects the marked recovery in Transmission business sales and steady activity in all other business segments.

Transmission business sales rose by almost 16% in the quarter, reflecting the initial progress made towards gradually stabilizing the production of underwater cables, even if further effort needs to be made in many areas, in accordance with the progress

(*) To neutralize the effect of variations in the purchase price of non-ferrous metals and therefore measure the underlying sales trend, Nexans also calculates its sales using a constant price for copper and aluminum.

(**) 2011 sales on the basis of comparable data correspond to constant non-ferrous metal sales, recalculated after adjustments for comparable scope and exchange rates. The exchange effect on sales at constant non-ferrous metal prices, at the end of September 2011, is 104 million euros and the scope effect is 98 million euros.

plan previously presented. Underground high-voltage cable business also rose due to a high level of activity in the Gulf States in the quarter, on a market that remains highly competitive. However the Group was still unable to resume its installation business in Libya in the third quarter.

For Power Distribution and Telecom operator (Utilities & Operators), sales contracted by almost 4% in the quarter, mainly due to slower activity in the Middle East (Egypt), South America (Brazil) and Australia, partially offset by the growth of this business in Europe and North America.

The organic growth for Transmission Distribution & Operators came to 2.5% in the third quarter resulting in an overall contraction of 1.9% for the first nine months of 2012. It should see a marked improvement in its profitability in the second half.

For Industry cable business, the Group recorded 3.2% growth for the quarter and 3.1% for the first nine months of 2012. Nonetheless, in Europe, the Group noted slower growth in the area of automotive harnesses combined with a contraction in special cable sales for robots and capital goods in general. On the other hand, the aeronautical industry continued to grow. In the other areas, the Oil & Gas sector saw ongoing expansion, in particular thanks to Nexans AmerCable. In China, demand remains sluggish in the shipbuilding and rail industries.

As the Group expected, the Distributors and Installers business posted very slight growth of 0.1% in the third quarter, bringing the total to 3.3% for the nine first months. Demand is slowing sharply in Europe, stabilizing at a high level in Asia-Pacific and continuing to grow in the Middle East and in North and South America.

Given the market forecast for the fourth quarter, the Group is expecting stable sales figures for the year as a whole. It confirms the increase in the operating margin in the second half of the year, although not as strongly as foreseen in July.

Net debt totaled 824 million euros at the end of September 2012, which is 146 million euros more than at the end of June 2012. This change mainly reflects the finalization of the acquisition of the controlling stake in the Shandong Yanggu Cables energy cable business in early September for 130 million euros (Nexans share). The Group confirms its target to reduce net debt to approximately 700 million euros by the end of December 2012.

2012 third-quarter consolidated sales

(in millions of euros)	2011	2012
	At constant metal prices	At constant metal prices
3rd quarter	1,127	1,249
2nd quarter	1,158	1,245
1st quarter	1,129	1,153
Total at September 30	3,414	3,647

Organic growth

	H1 2012	Q3 2012	End Sept. 2012
Transmission, Distribution & Operators	-4.0%	2.5%	-1.9%
Industry	3.0%	3.2%	3.1%
Distributors and Installers	4.9%	0.1%	3.3%
Other	-0.1%	8.2%	2.6%
Group total	0.2%	2.3%	0.9%
Of which Transmission	-15.0%	15.8%	-5.8%
Of which excluding Transmission	3.4%	0.0%	2.2%

- **Transmission, Distribution and Operators**

Sales of Transmission, Distribution and Operators reached 541 million euros for the third quarter 2012. At a constant exchange rate and scope, the growth is 2.5% compared with the same period in 2011.

Transmission

Sales totaled almost 203 million euros, which is an increase of 16% compared with the third quarter 2011, but a contraction of 5.8% for the first nine months of the year.

Underwater cables and systems

In the third quarter, the gradual stabilization of underwater cable production meant accelerated invoicing and more sales were recorded for this business. Over this period, the Group continued to implement its action plan in accordance with the announcements made in July. The organization and inspection procedures have been strengthened, training has been intensified and the teams are mobilized to achieve shared targets.

The level of international calls for tender remains high especially on the HVDC interconnection market in Europe where the Group holds a leading position. The order backlog for underwater transmission business remains the same as at the end of the first half of the year and represents around two years' activity.

Underground cables and systems

The third quarter saw a sharp rise in sales for this business, especially in the Gulf States. The operating margin improved but still suffers from a market dogged by high competition in this area. It was not possible to resume installing cables in Libya in the third quarter given the safety concerns on site. At this stage, the Group does not expect activity to resume in this country before the end of 2012.

The number of replies to tender continues to be high. The order backlog at the end of September represents around one year's activity.

Distribution

Sales of low and medium voltage cables and accessories for power distribution networks contracted in the third quarter. This overall trend masks differences between geographic areas. While business growth was strong in Europe and North America, a slowdown in overhead line projects in Brazil is undermining business in South America. In the Middle East, Russia and Africa area, business has slowed in Egypt due to the prevailing tight credit conditions. In Asia-Pacific, demand is weakening in Australia because of the reduction in mining sector investment.

Telecom operators

Telecom Operator sales continued to grow in the third quarter. The slowdown in copper cable projects in Brazil was more than offset by buoyant demand in Europe for fiber optic cables and components.

- **Industry**

In the third quarter, Industry business sales reached 305 million euros, reflecting an organic increase of 3.2% for the quarter, that is, organic growth of 3.1% for the first nine months of 2012. A breakdown of this trend nonetheless reveals significant differences between the various segments of this market.

For automotive and industrial harnesses, sales are still improving although at a slower rate.

Demand has contracted in the area of capital goods and robots in Europe.

The railway transportation market is still suffering from the lack of this segment's recovery in China, whereas the aeronautical industry is still benefiting from a positive environment because of the leading positions held by the Group with the market's major players in Europe.

For shipbuilding, sales are still growing for applications for offshore oil operations, but demand is more muted for traditional cargo and passenger vessels, especially in China.

For the resources sector, sales are still rising driven by the dynamic oil and gas sector. Activity remains normal in the mining industry as the slowdown in investments is having only a limited impact on the Group, since the bulk of its sales is for the replacement of existing equipment.

Progress integrating Nexans AmerCable in the Group is very satisfactory and the initial synergies have been delivered.

- **Distributors and Installers**

Third-quarter 2012 sales came to 325 million euros. Sales were up marginally by 0.1% in the third quarter and rose 3.3% for the first nine months of the year.

As the Group expected, business was down in Europe (38% of this segment's sales), especially in France, for both LAN and energy cables. Sales were steady in Scandinavia. The ongoing weakness of the market in Southern Europe is not having any significant effect on the Group, given its relatively limited exposure in this region. In North America (about 24% of the segment's sales), business is continuing to grow both in Canada and the United States. In South America (about 12% of the segment's sales), demand remains strong in Brazil, Peru and Chile. In the Asia-Pacific area (about 15% of the segment's sales), the market remains positive. Finally, in the Middle East, Russia and Africa area (about 11% of the segment's sales), sales are still progressing in an increasingly tight market environment.

- **Other business**

Other business, which now includes Electrical Wires, reported sales of 78 million euros for the quarter, an increase of almost 8% for the quarter and 2.6% for the first nine months of the year. This development is mainly attributable to the high level of external sales in North America.

Other information

In order to assist Madeco in its equity method accounting for its shares in Nexans at the end of the third-quarter, the following non operational accounting data is published : change in equity related to the fair value of hedging instruments on metal (+28 million Euros), change in equity related to currency translation differences (+22 million Euros), change in equity related to the OCEANE convertible / exchangeable bond issued in February 2012 (+27 million Euros) and Core exposure effect (-5 million Euros).

A conference call is organized today at 10.00 am (Paris time). To participate to this call please dial the following numbers:

- Call from France = 01 70 77 09 39
- Call from UK = +44 203 367 9459
- Call from USA = +1 866 907 5925

Replay numbers are the following (conference available 2 hours after the end of the call):

- Call from France = 01 72 00 15 00
- Call from UK = +44 203 367 9460
- Call from USA = +1 877 642 3018

For the replay, please dial 278679 followed by #

Financial calendar

November 21, 2012: individual shareholder meeting in Paris*

February 7, 2013: 2012 Annual Results

** Approximate date to be confirmed*

Readers are also invited to consult the 2011 Registration Document, and the half-yearly business 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 anti-competitive behavior in the underwater 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 predictive information 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 the risk factors and business recovery for Transmission mentioned above, the main areas of uncertainty identified on the date of the publication of the 2012 half-yearly results will continue to be relevant in the second half of 2012.

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 or mining...) to transportation (shipbuilding, aerospace, automotive and automation, 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 7 billion euros. Nexans is listed on NYSE Euronext Paris, compartment A.

For more information, please consult: www.nexans.com or www.nexans.mobi

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APPENDIX 1
(in millions of euros)

	Q3		Sep YTD	
	2011	2012	2011	2012
At current metal prices	1,711	1,819	5,238	5,396
At constant metal prices	1,127	1,249	3,414	3,647
Sales at current metal prices by business				
Transmission, Distribution and Operators	618	651	1,877	1,886
Industry	323	399	978	1,155
Distributors & Installers	551	553	1,662	1,685
Other	219	216	721	670
Group total	1,711	1,819	5,238	5,396
Sales at constant metal prices by business				
Transmission, Distribution and Operators	501	541	1,525	1,546
Industry	248	305	747	890
Distributors & Installers	307	325	911	977
Other	71	78	231	234
Group total	1,127	1,249	3,414	3,647