2012 Full Year results

February 7, 2013

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 the 2012 Management Report, including confirmation of the risks linked to competition surveys in Europe, the United States, Canada, Brazil, Australia and South Korea for anti-trust conduct in the underwater and underground power cable segment, together with the associated services and equipment, the results and consequences of which could have an unfavorable effect on the Group's results and so its financial situation.

In addition to the risk factors, the main uncertainties weighing on 2013 concern in particular:

- The global economic environment;
- The resilience of energy infrastructure markets in emerging countries;
- The growth of renewable energy and the oil & gas markets, as well as clients' investment programs in these segments;
- The recovery of cables for industry in certain segments of the transportation industry, such as shipbuilding, automation and the growth of rail in China;
- The Group's ability to improve its profitability and increase its productivity;
- The assumption of limited impact in 2013 of the competition investigations commenced in 2009, and in any event consistent with the accounting options adopted;
- The Group's ability to integrate its acquisitions, benefit from its partnerships and complete planned divestments under the best possible conditions;
- The risk of client credit, especially in Europe and Egypt, and even more particularly in Greece where credit risk is no longer insurable;
- The business risk in the Middle East and in North Africa.

Investor relations :

Michel Gédéon	+ 33 1 73 23 85 31	Michel.gedeon@nexans.com
Laura Duquesne	+ 33 1 73 23 84 61	Laura.duquesne@nexans.com
Carole Vitasse	+ 33 1 73 23 84 56	Carole.vitasse@nexans.com

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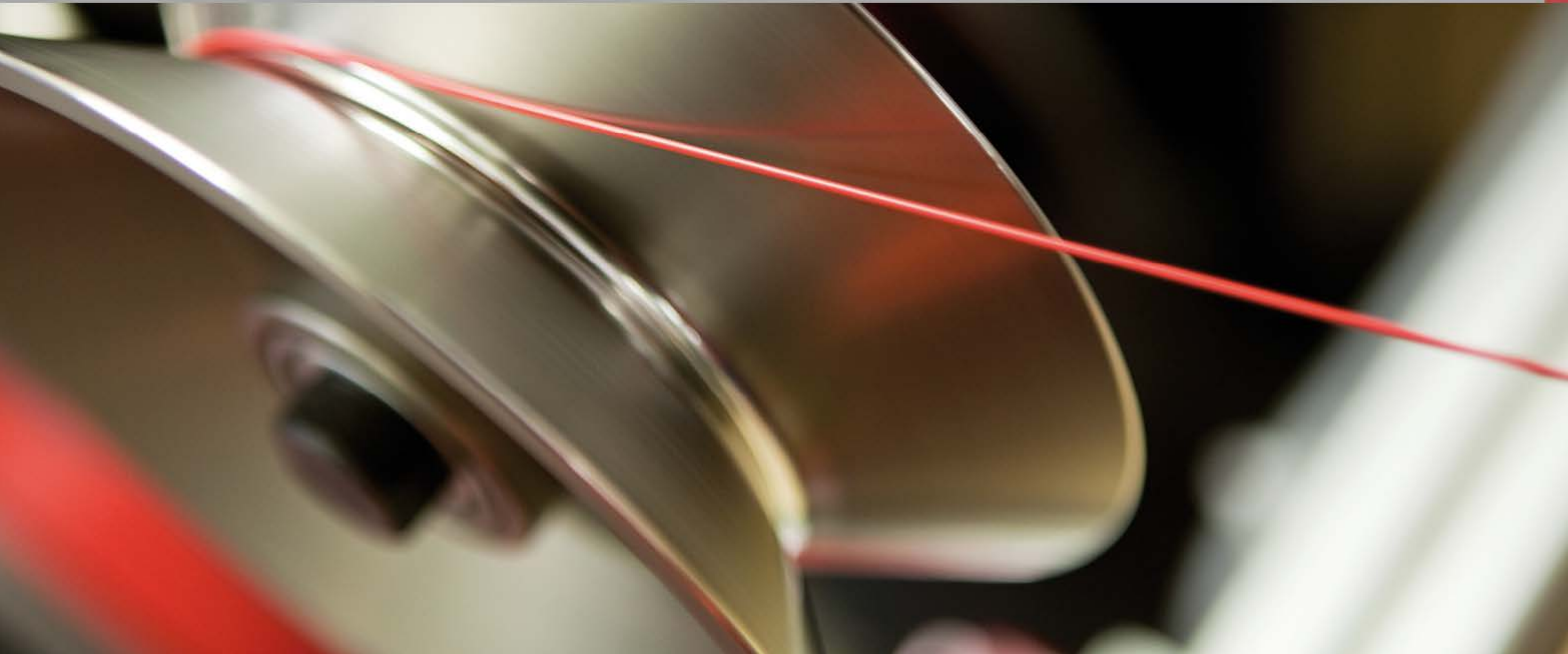
2012 Overview

Frédéric Vincent
Chairman and CEO



Key facts of the year

Perimeter

February '12

AmerCable acquisition
#1 in Mining and Oil & Gas in **North America**
>7% organic growth in 2012
Accretive to operating margin from Year 1

August '12

Yanggu acquisition
A leading manufacturer of Energy power cables in **China**
Neutral in terms of accretion to operating margin in FY'12

September '12

Study of possible divestiture of **Berk-Tek** (LAN business in **USA**)

Operations

Operational issues in Transmission

Catch up during H2

Capital Structure financing

February '12

Issuance of **OCEANE 2019** (amount: 275 M€, 2.5% convertible bond)

November '12

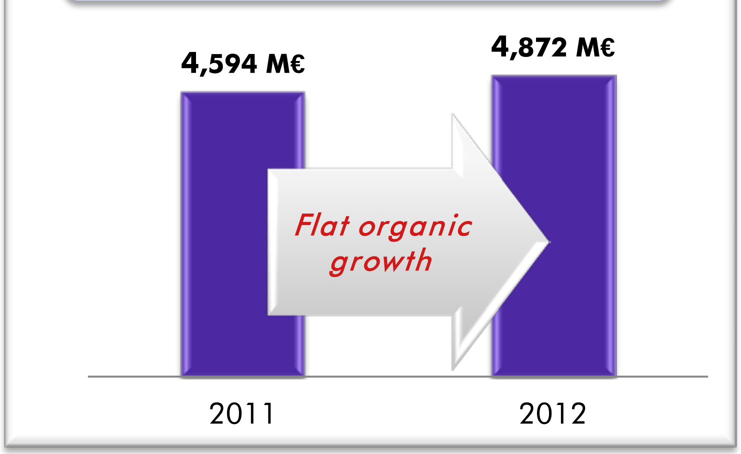
Agreement **to allow Madeco to increase its shareholding in Nexans up to 28%**

December '12

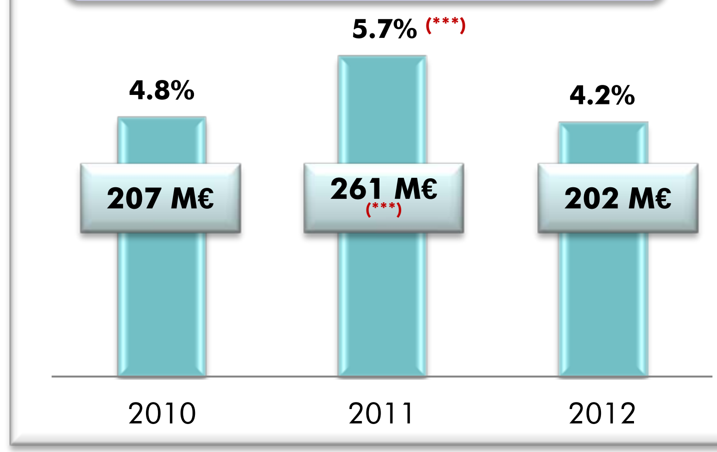
250 M€ bond issue and **RCF extension** from 540 M€ to 600 M€

Key figures

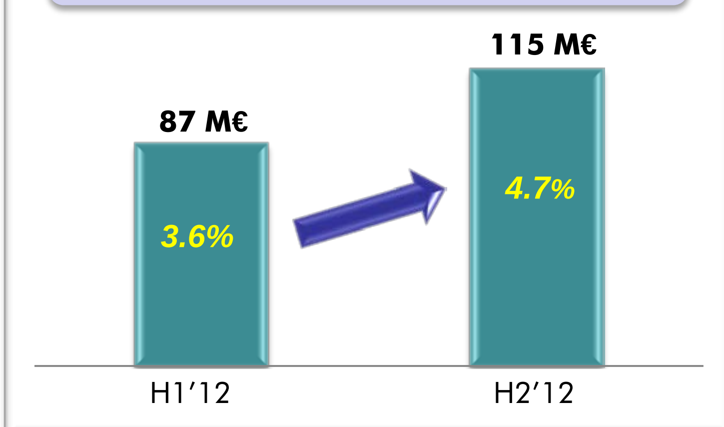
FULL YEAR SALES (*)



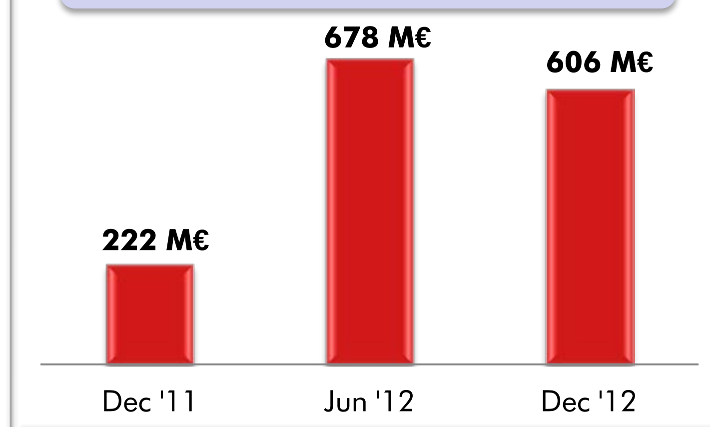
OPERATING MARGIN (**)



OPERATING MARGIN OVER THE YEAR (**)



NET DEBT



(*) *Sales at constant metal prices, year on year organic growth*
(**) *Operating margin on sales at constant metal prices*
(***) *Restated 2011 after adoption of IAS 19 Revised (Pension Accounting) – Reported in 2011: OM 256 M€; OM on sales 5.6%*

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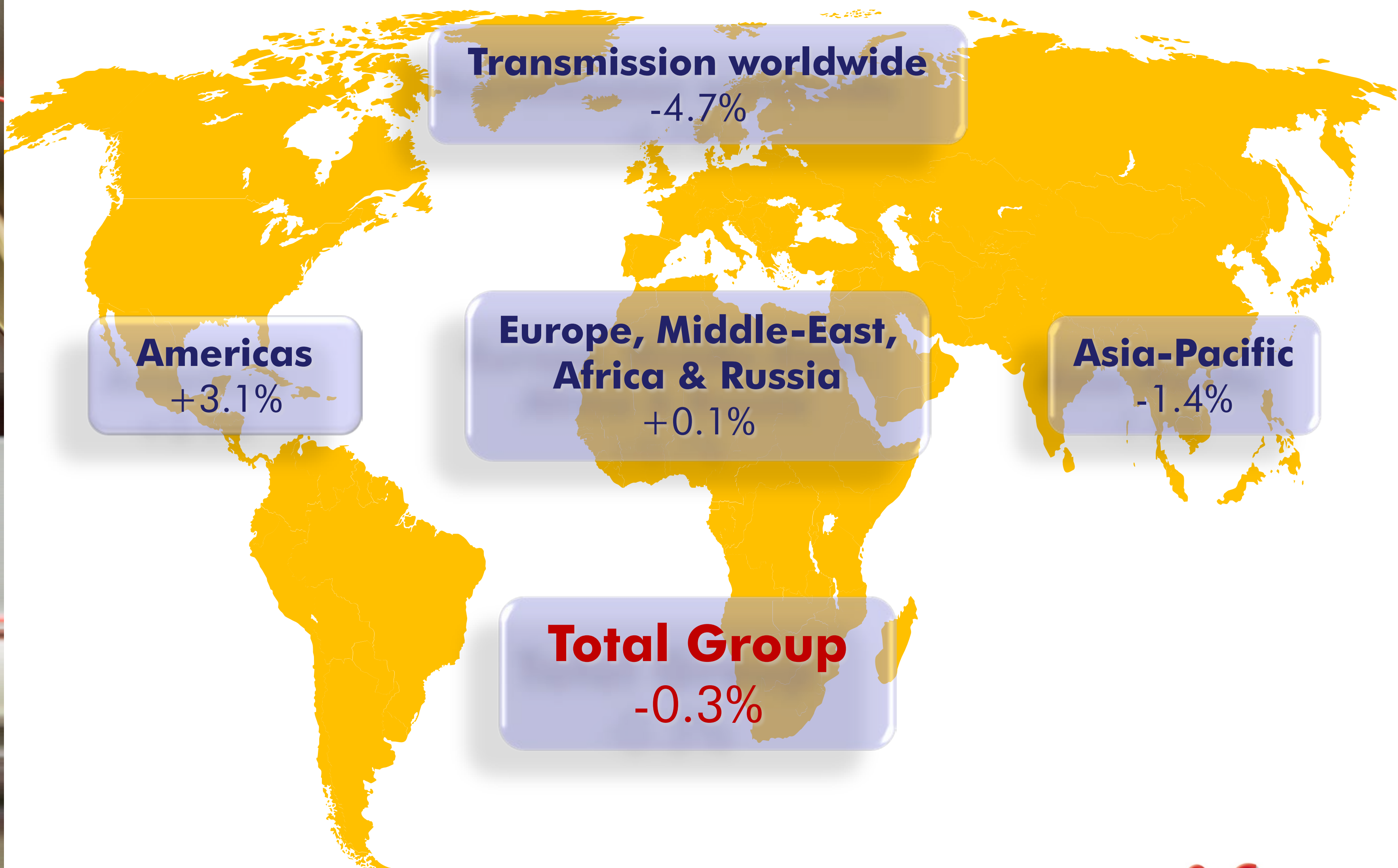
Organic growth by area

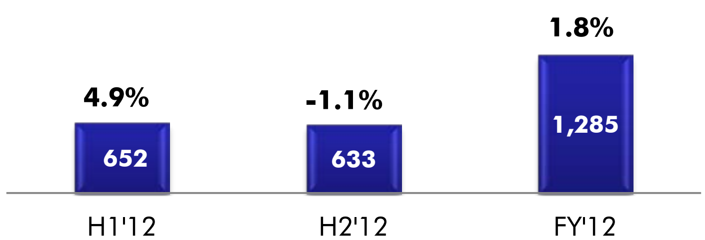
(Year on year organic growth at constant metal prices)



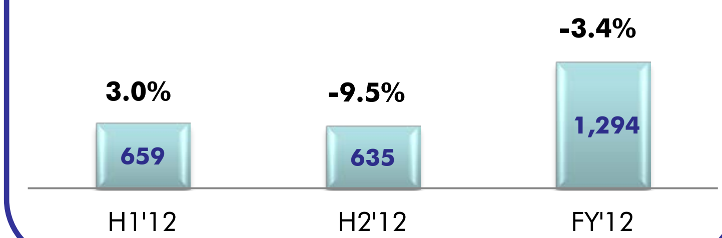
Organic growth by business

(Sales in M€ and year on year organic growth, at constant metal prices)

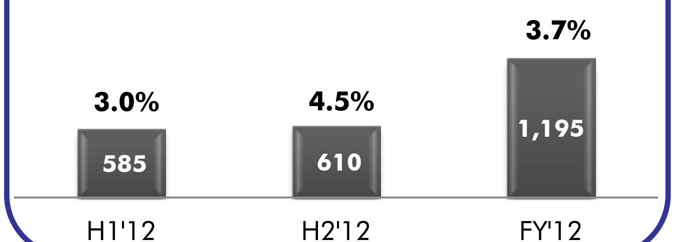
Distributors & Installers



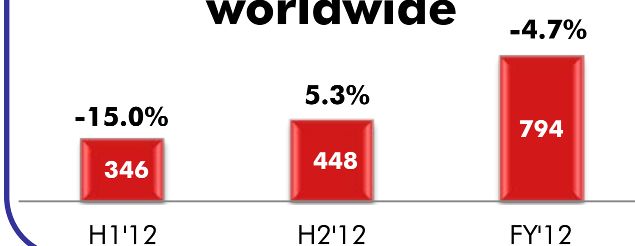
Utilities & Operators



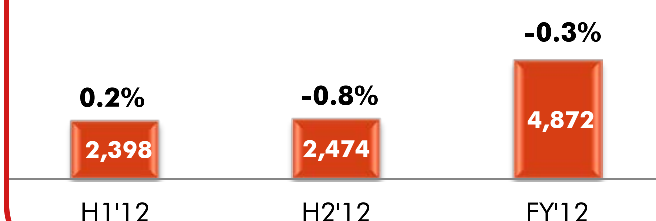
Industry



Transmission worldwide



Total Group



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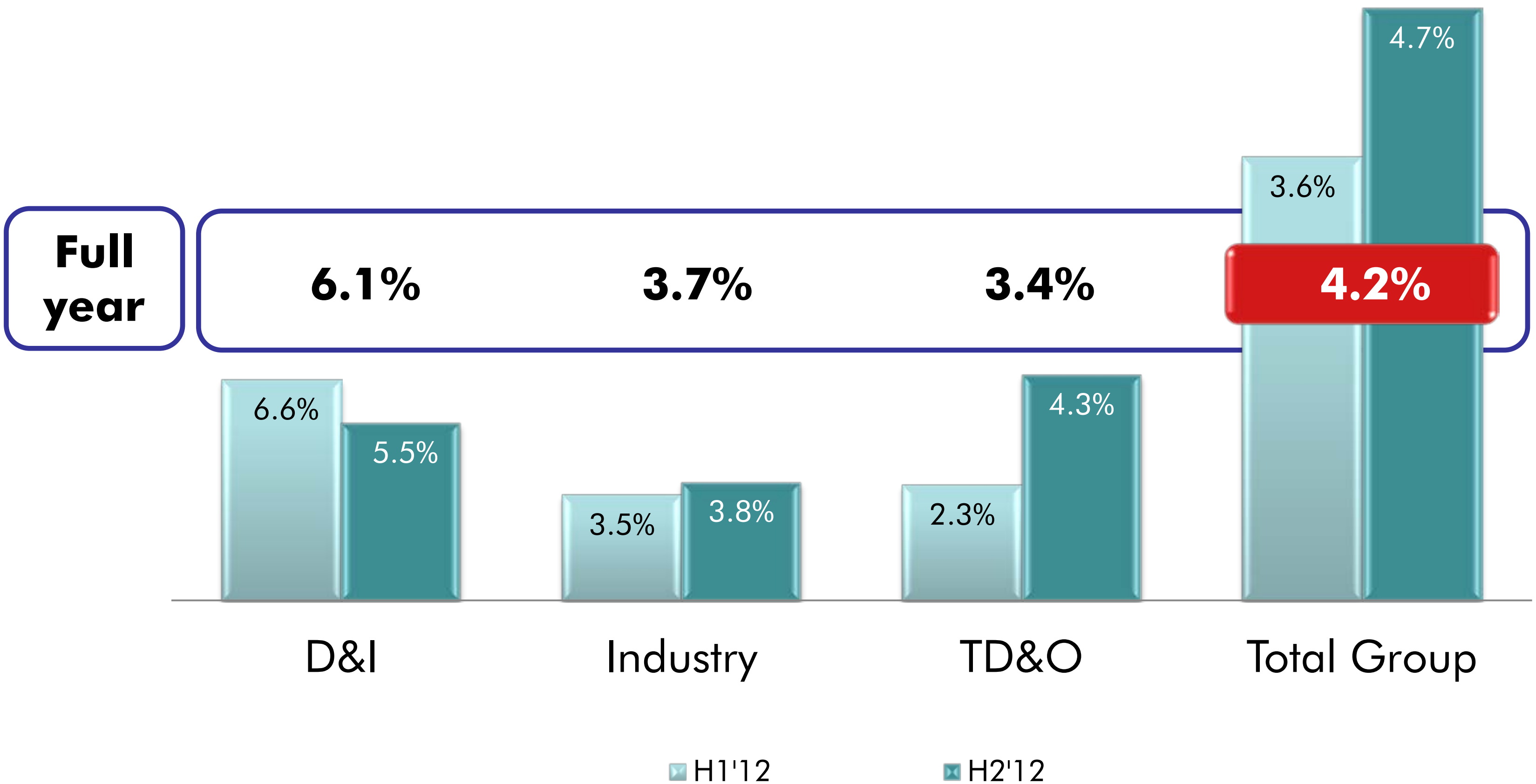
Operating margin evolution

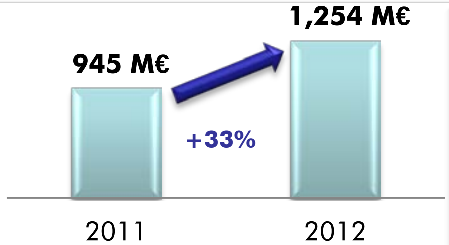
(Operating margin and operating margin on sales at constant metal prices)



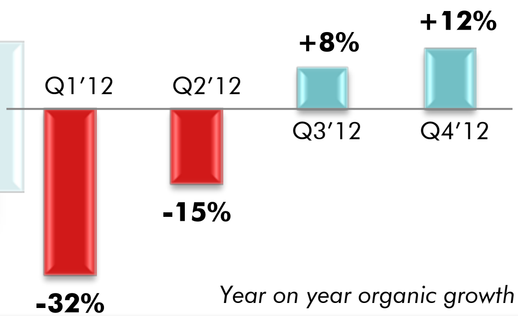
Transmission

Submarine

Backlog (*)



Organic growth (*)



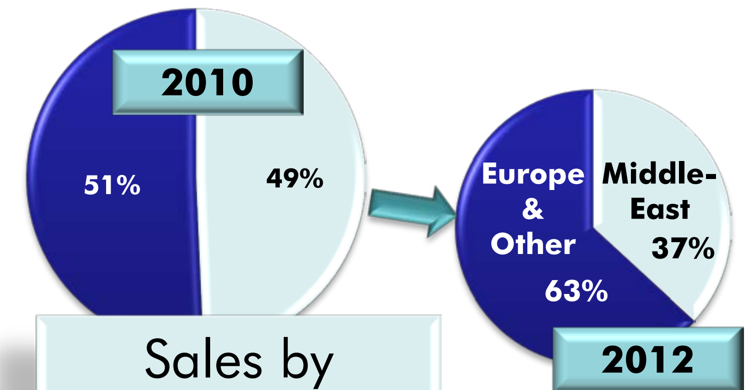
After the operational issues in H1, production and sales have *significantly improved* in H2.

H2 operating margin *still impacted by cost overruns* and additional expenses required to secure completion of legacy contracts

Reputation and Brand image have been preserved as shown by *high order intake*

- Italy-Montenegro: 340 M€ – HVDC (Italy)
- Strait of Belle Isle: 80 M€ – HVDC (Canada)

Land



Sales by destination (*)

In Europe and Middle-East: high level of competition and *excess capacities* drive pricing

2 new projects:

APAC: *Yanggu acquisition completed.* Upgrading of local capabilities ongoing

USA: *Charleston factory under construction* according to plan. Sales prospects are promising

➡ Activity refocused out of Middle-East

(*) *At constant metal prices*

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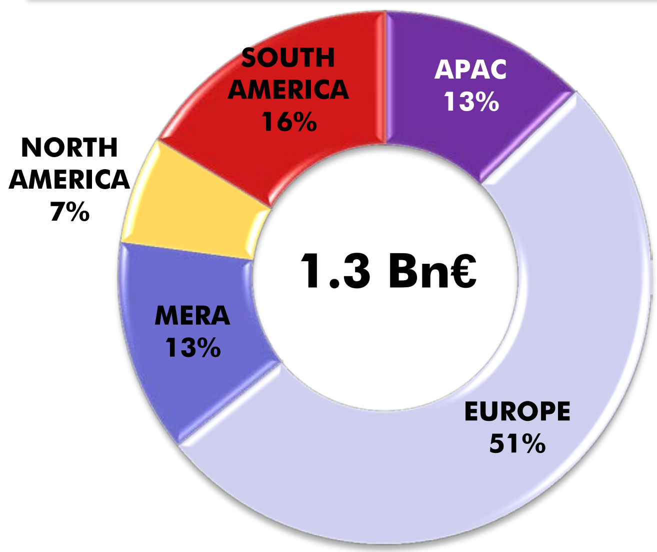
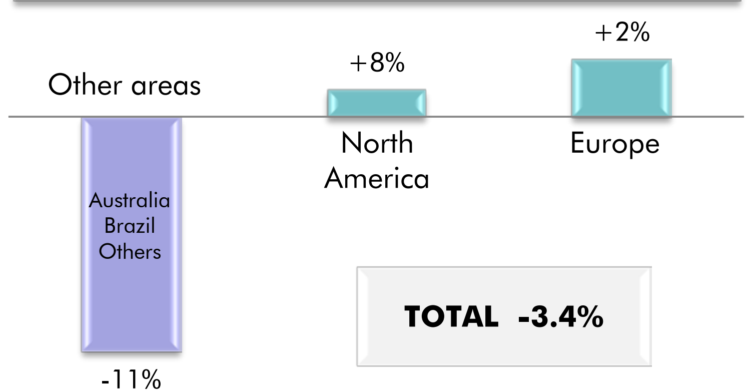
Utilities & Operators: uneven performance among areas

U&O sales by area (*)



U&O organic growth by area (**)



Utilities (1.1 Bn€)

- ✓ Sales have not reached FY'11 level, despite solid performance in North America
- ✓ Slowdown in overhead lines in Brazil and weaker demand in Korea and Australia
- ✓ The political context in Middle-East has also depressed sales level

Operators (0.2 Bn€)

- ✓ Positive YoY growth (+3.1%) fueled by a good performance in Europe (+8%)
- ✓ Offsets lower sales in South America

(*) Sales at constant metal prices
(**) Year on year organic growth

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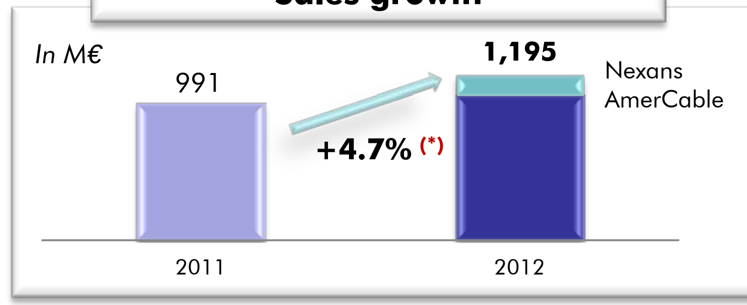
Industry: Automotive and resources are booming while Europe is weakening in H2

✓ Operating margin at stable level (3.7%) vs. last year

Sales growth



(*) YoY growth excluding AmerCable: 3.7%

Resources
21% of sales
(including Nexans AmerCable)


Nuclear

Mining

Oil & Gas

Renewables

- AmerCable acquisition accretive to margins
- Mining: strong growth mainly from North America

Transport
24% of sales


Aerospace

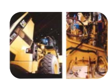
Railways

Shipbuilding

Oil & Gas Tankers & Platforms

- Aerospace growing in Europe
- Shipbuilding: production rebalanced towards Tankers & Platforms, to offset lower demand from classical segments
- Railways: sales in China expected to start up in H2'13

Automotive
30% of sales


Automotive Harnesses

Industrial Harnesses

High single digit growth related to positioning within German high end car makers

Automation
5% of sales


Automation


European demand weakening in capital goods especially Automation

Others
20% of sales

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

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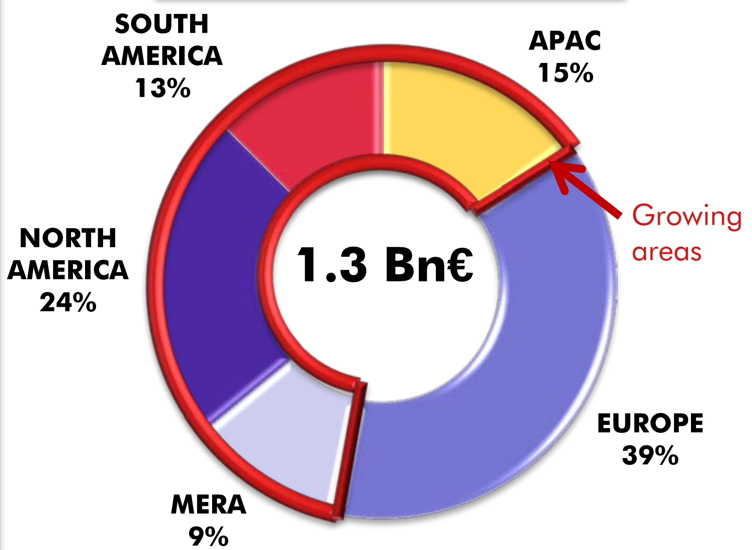
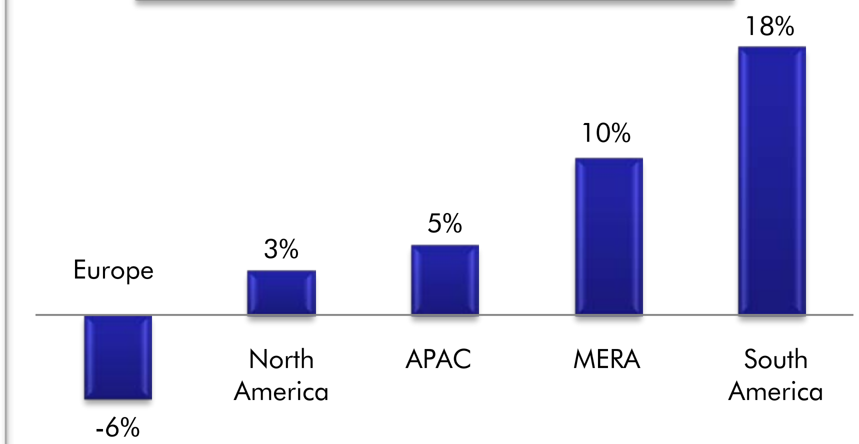
Distributors & Installers : 2% organic growth paired up with encouraging profitability

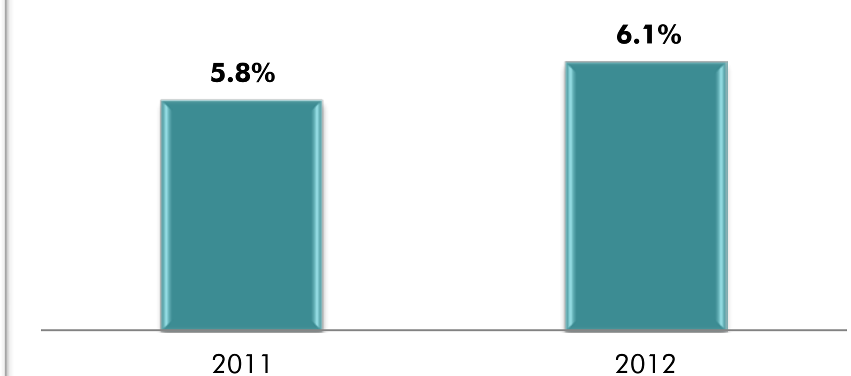
Sales by area (*)



Organic growth by area (**)



Operating margin (***)



- ✓ +2% organic growth supported by good performance in Americas and Australia
- ✓ Profitability has increased YoY, driven up by positive results in Americas and resilient pricing in Europe

(*) Sales at constant metal prices (**) Year on year organic growth (***) OM on sales at constant metal prices

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2012 in summary

Strategic initiatives	Submarine	Mixed environment
• One acquisition and one Greenfield in North America • One acquisition in China • Debt restructured to be more favorable	• Recovery plan in progress	– Depressed economic climate in Europe, Brazil & Australia in H2 – Higher competition in Land High Voltage + Resilient pricing in D&I Europe + Good resilience from Aerospace and Resources segments in OEM's

2012: transition year

Redefinition of mid-term perspective

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Financial results

Nicolas Badré

Chief Financial Officer

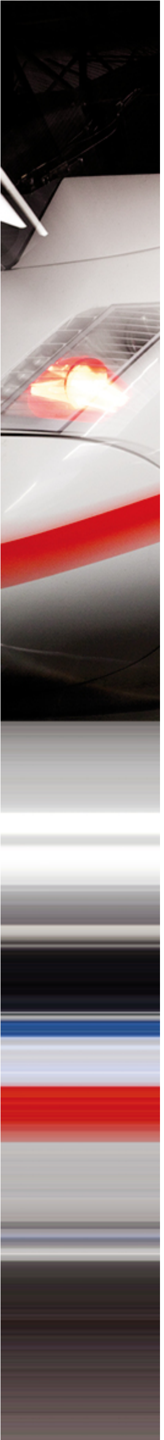
Early adoption of 'IAS 19 Revised'

- ✓ IAS19 Revised is the new rule for Pension provision which has to be implemented in all IFRS companies in 2013 at the latest

- ✓ Principles:
  - End of corridor mechanism and actuarial gains and losses amortization in P&L
  - Full recognition of actuarial gains and losses through equity

- ✓ Nexans optioned an early adoption

  - Net impact on FY 2012 **P&L**: 0 M€ *(+5 M€ on operating margin; -5 M€ on financial result)*
  - Net impact on FY 2012 **Pension provision**: +195 M€
  - Net impact on FY 2012 **Deferred tax assets**: +42 M€
  - Net impact on FY 2012 **Equity**: -153 M€



Key figures

Restated 2011 after adoption of IAS 19 Revised

In M€	**2011**	**2012**
Sales At current metal prices	6,920	7,178
Sales At constant metal prices	**4,594**	**4,872**
EBITDA(*)	397	351
Operating margin	261	202
Operating margin rate at constant metal prices	*5.7%*	*4.2%*
Operating margin rate at current metal prices	*3.8%*	*2.8%*
Restructuring	(22)	(21)
Net income (Group share)	**(178)**	**27**
Operational Cash Flow	**209**	**151**
Net debt	**222**	**606**

(*) *Operating margin before depreciation*

Income statement (1/3)

Restated 2011 after adoption of IAS 19 Revised

In M€	**2011**		**2012**	
Sales At constant metal prices	4,594		4,872	
Margin on variable costs	1,481	32.2%	1,487	30.5%
Indirect costs	(1,084)		(1,137)	
EBITDA(*)	**397**	*8.6%*	**351**	*7.2%*
Depreciation	(136)		(149)	
Operating margin	**261**	*5.7%*	**202**	*4.2%*
Core exposure impact	(40)		(11)	
Asset impairment	(34)		(20)	
Change in fair value of metal derivatives and other	(10)		(1)	
Capital gain and loss on asset divestitures(**)	2		(7)	
Restructuring	(22)		(21)	
Reserve for risk related to EU antitrust procedure	(200)		-	
Operating income	**(43)**		**142**	

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

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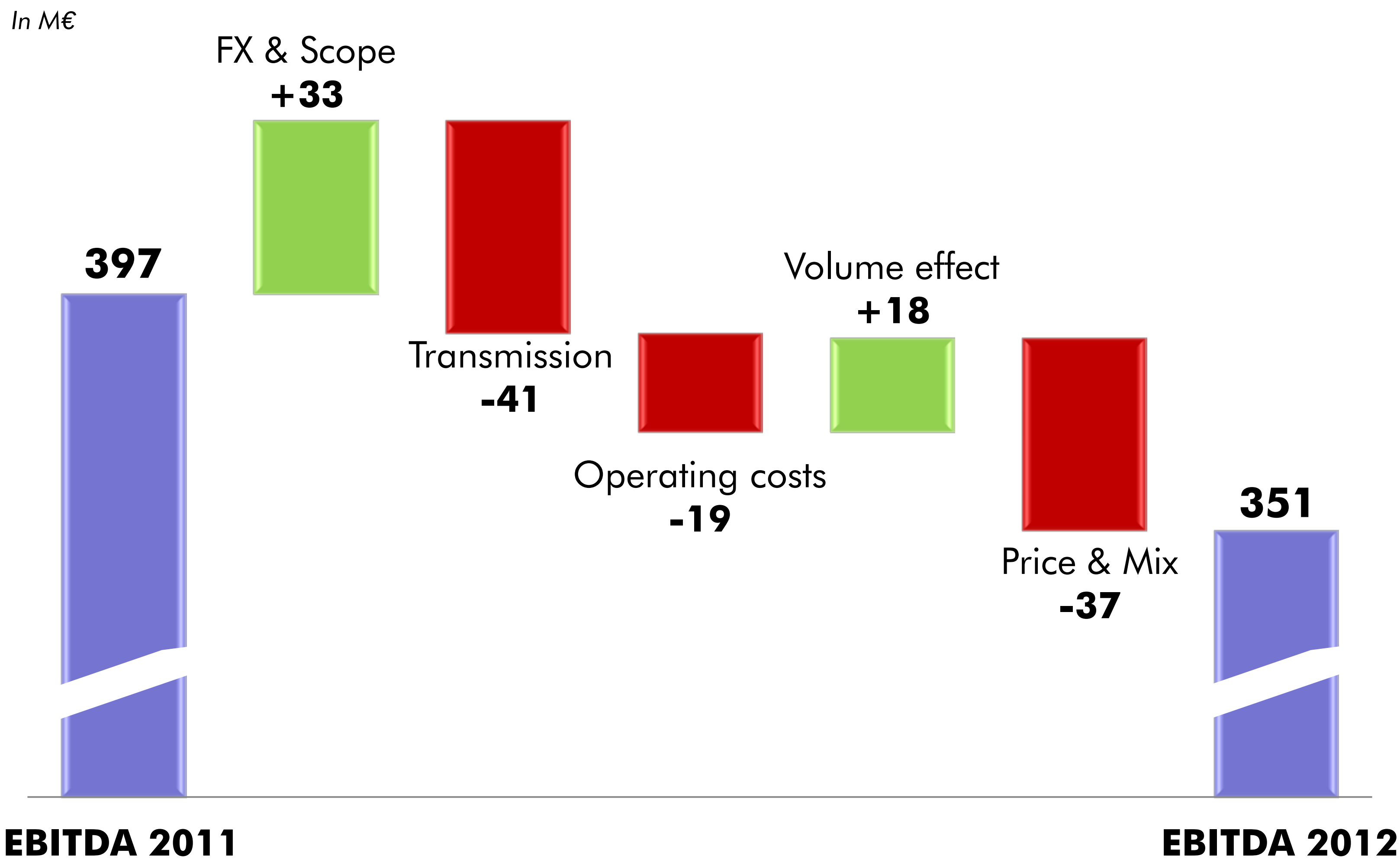
EBITDA evolution

Restated 2011 after adoption of IAS 19 Revised



Income statement (2/3)

Restated 2011 after adoption of IAS 19 Revised

In M€	**2011**		**2012**	
Sales At constant metal prices	4,594		4,872	
Margin on variable costs	1,481	32.2%	1,487	30.5%
Indirect costs	(1,084)		(1,137)	
EBITDA(*)	**397**	*8.6%*	**351**	*7.2%*
Depreciation	(136)		(149)	
Operating margin	**261**	*5.7%*	**202**	*4.2%*
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Restructuring	(22)		(21)	
Reserve for risk related to EU antitrust procedure	(200)		-	
Operating income	**(43)**		**142**	

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

Income statement (3/3)

Restated 2011 after adoption of IAS 19 Revised

In M€	**2011**	**2012**
Operating income	**(43)**	**142**
Financial charge	(*)(112)	(112)
Income before tax	**(155)**	**30**
Income tax	(31)	(5)
Net income from operations	**(186)**	**25**
Net income Group share	**(178)**	**27**

Proposed dividend of 0.50€ per share (**)

(*) *Of which (2 M€) on Share in net income of associates*
(**) *To be approved at the 2013 Annual Shareholders' meeting*

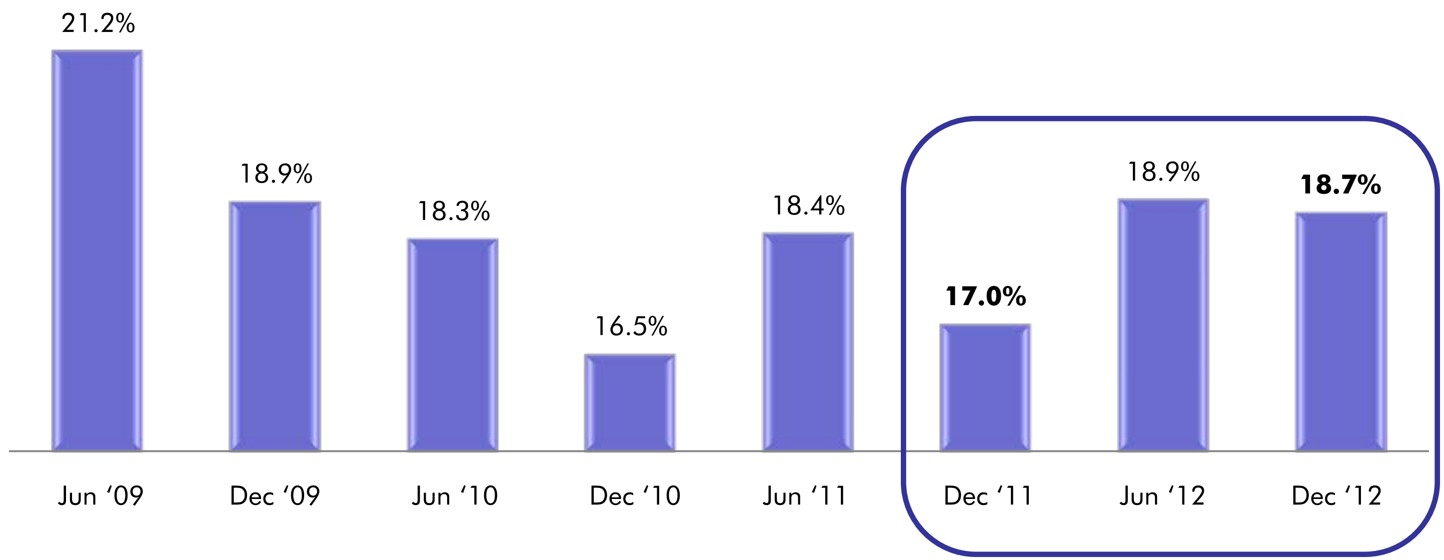
Balance Sheet

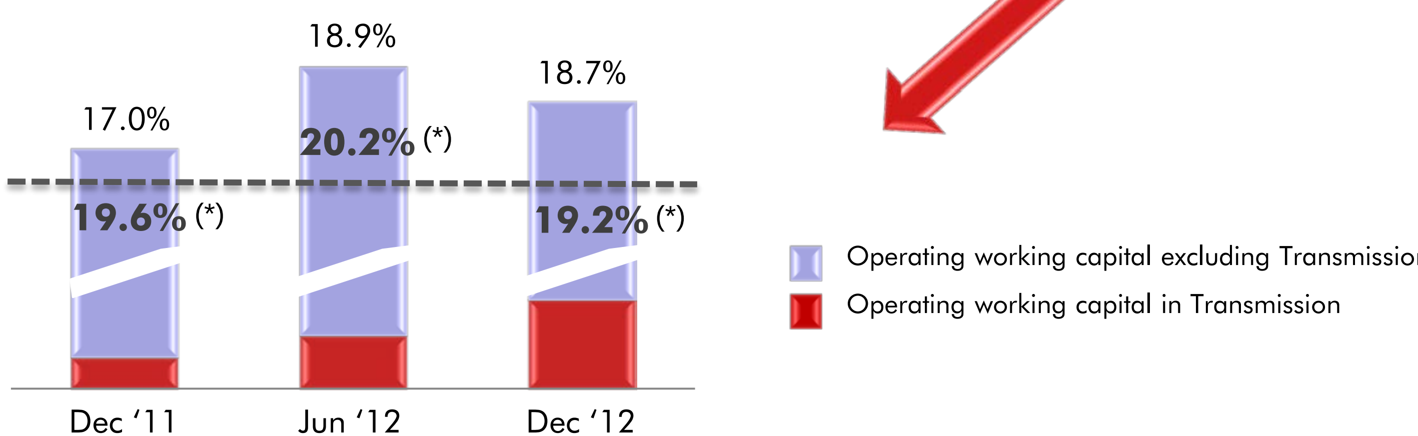
Restated 2011 after adoption of IAS 19 Revised

In M€	**31 Dec. 2011**	**31 Dec. 2012**
Long-term fixed assets	**1,785**	**2,069**
of which goodwill	*386*	*509*
Deferred tax assets	122	141
Non-current assets	**1,907**	**2,210**
Working Capital	961	1,124
Total to finance	**2,868**	**3,335**
Net financial debt	**222**	**606**
Reserves	710	772
Deferred tax liabilities	104	114
Shareholders' equity and Minority interests	**1,832**	**1,843**
Total financing	**2,868**	**3,335**

Operating Working capital evolution

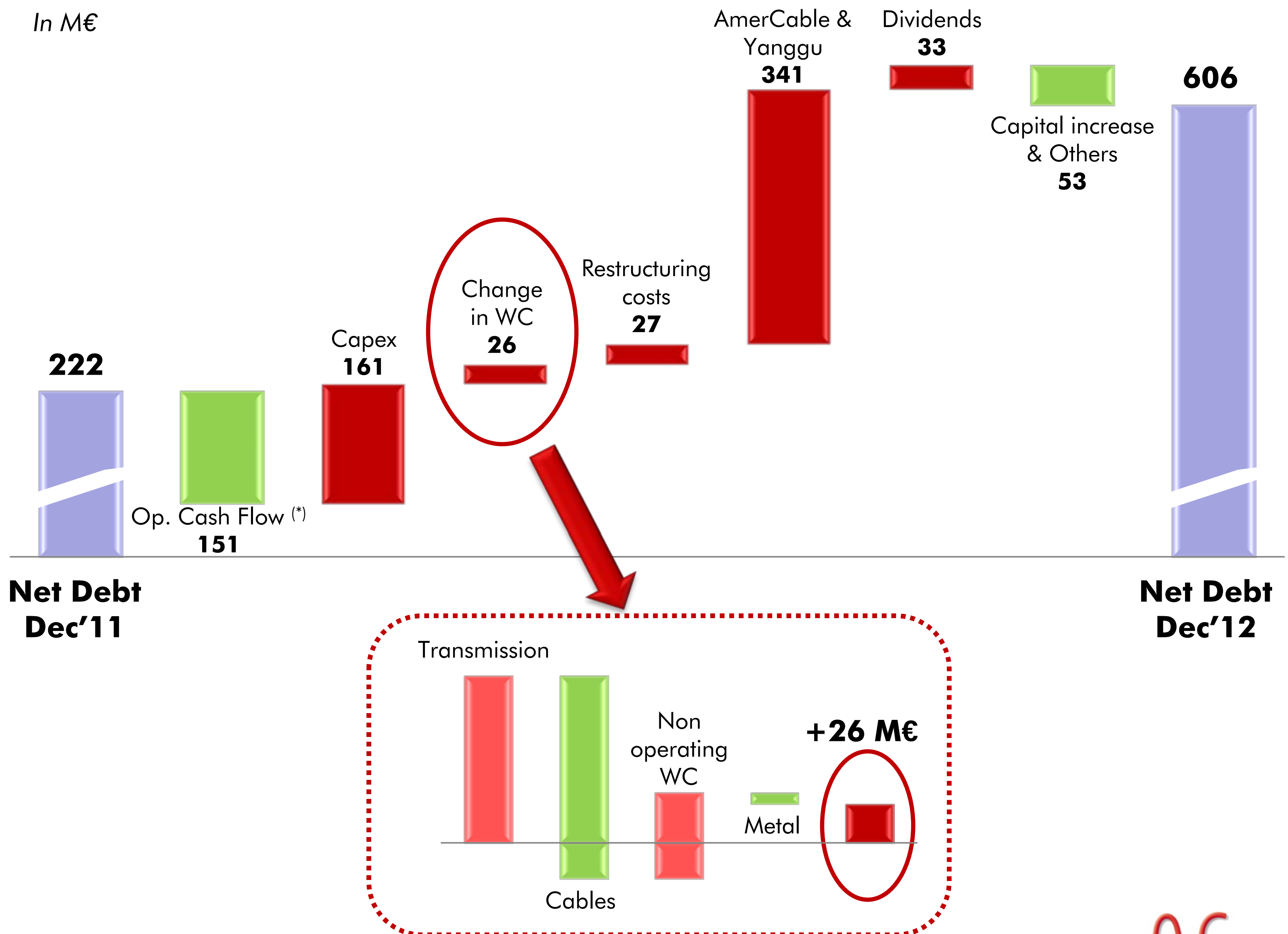
*% of current sales, based on last 3 month sales*4*





(*) Operating Working Capital excluding Transmission on last 3 months of current sales*4

Debt evolution



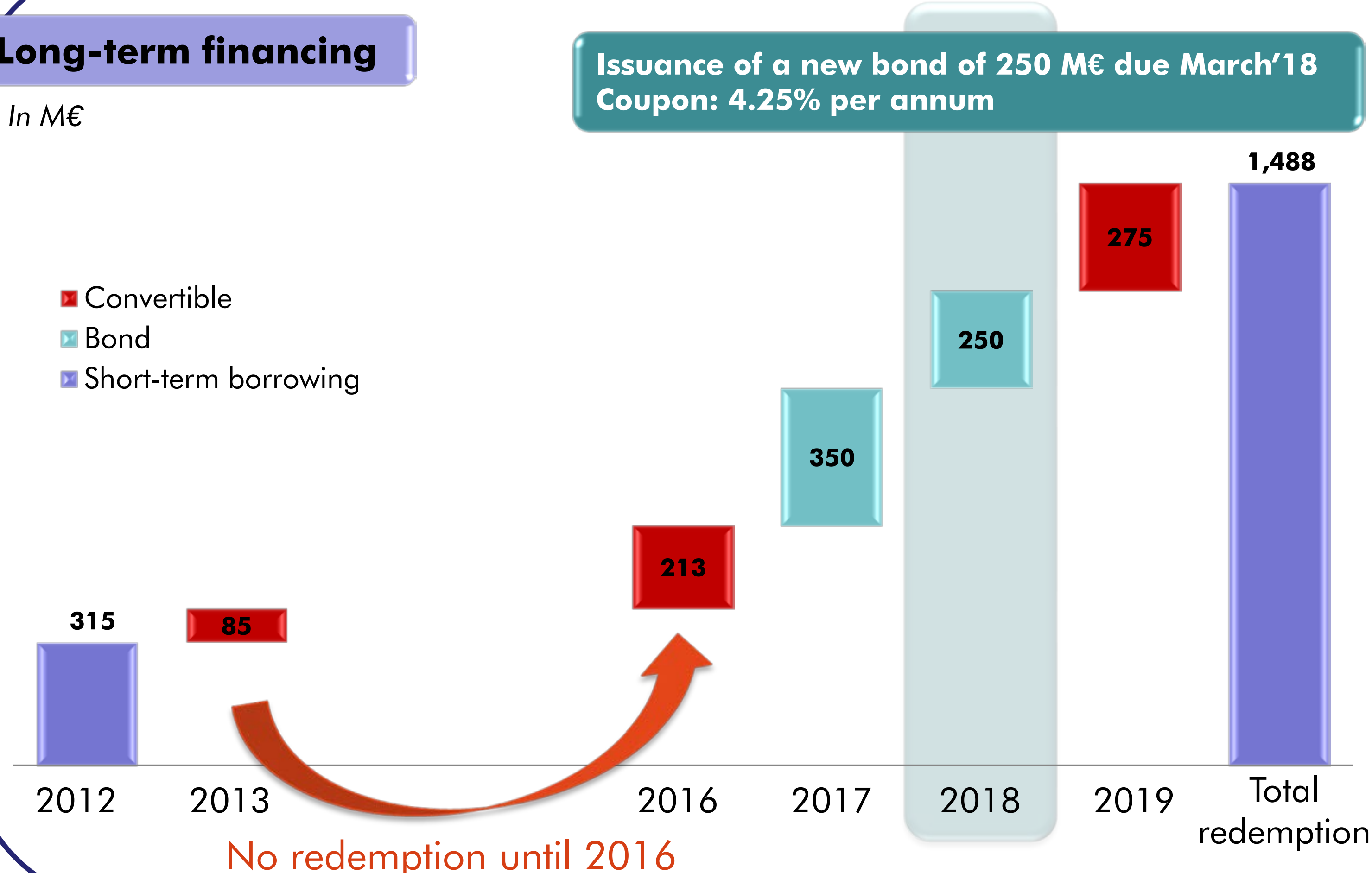
(*) *Operating cash flow is defined in note 4 to the Consolidated statement of cash-flows*

Debt: reinforcement of liquidity structure

RCF: extension from 540 M€ to c.600 M€ with covenant more flexible over 2013 and 2014

Long-term financing

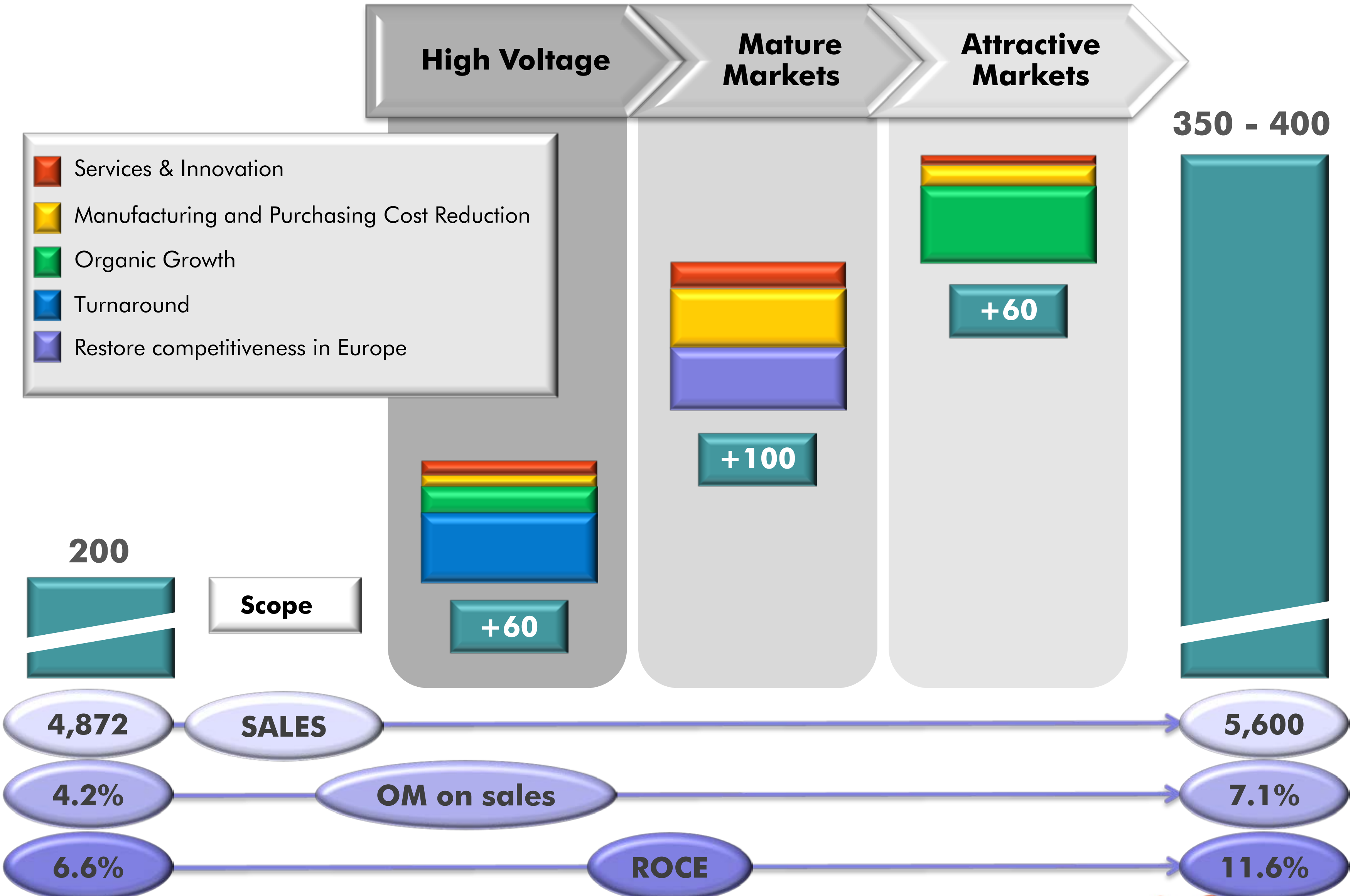
In M€



Ambitions for the future

Frédéric Vincent
Chairman and CEO

Ambitions : OM and ROCE X 2 by 2015



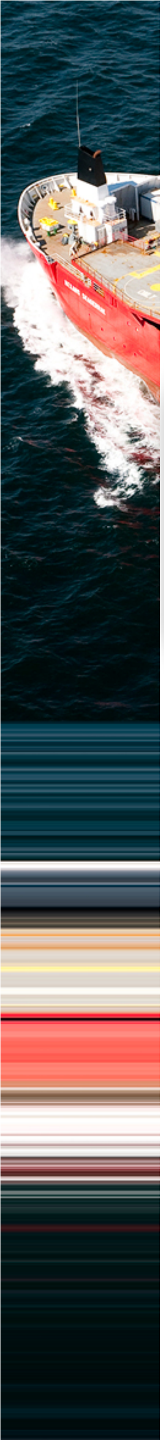
Scope | **High Voltage** *Submarine* | Mature Markets | Attractive Markets

Objective for Submarine High Voltage : get back to the forefront

- Achieve double digit topline growth rate as early as FY'13
- Target double digit profitability at the end of the stabilization period
- Leverage on "Nexans High Voltage Submarine" as a valued and recognized brand name, to capture further growth opportunities

On-going plan

1. **Strengthen the current operating model**
2. **Reinforce key skills and formalize knowledge**
3. **Adapt mindset and attitudes to new business requirements**



Scope → **High Voltage *Land*** → Mature Markets → Attractive Markets

Objective for Land High Voltage: remain a key player in Europe and develop in China and the US

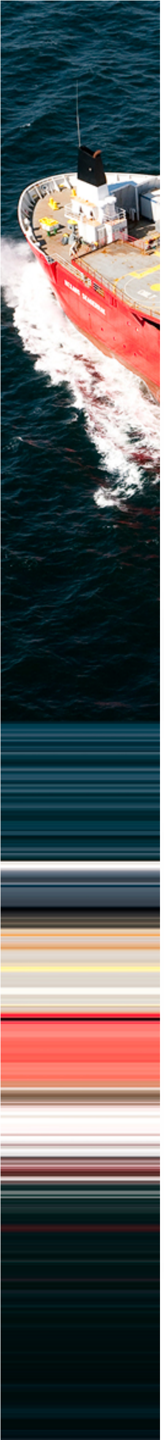
- **Europe**: refer to 'Mature markets'
- Launch the Charleston Greenfield factory in **North America** (HV & EHV)
- Develop Yanggu in **China** and leverage for export in South East Asia and Middle-East

Greenfield in USA

- Plant commissioned end Q3'14
- Objective: sales >40 M€ in 2015

China

- Upgrade Yanggu HV capabilities and transfer Nexans Best Practices
- Strengthen the position at SGCC at 220kV
- Address export markets (SEA) and Chinese EPC



Scope → High Voltage → **Mature Markets** *Restore competitiveness* → Attractive Markets

Cost reduction and organization rationalization to help improve financial performance and restore competitiveness

Cost saving study in 2013 with the objective of c. 70 M€ beyond 2015 (subject to consultation of representative bodies)

Study targets means to offset a tough environment:

- **Land high voltage:** strong pressure on prices due to overcapacity, and decrease of demand in Middle-East
- **Special cables:** shrinkage of the European market on some specific segments hence the necessity to adapt our industrial tools
- **General and administrative structure**: rethink its role and missions given the level of business activity

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Scope → High Voltage → **Mature Markets** *Cost reduction and differentiation* → Attractive Markets

Increase Operating margin in Mature Markets mainly from:

- Improvement in manufacturing performance and purchasing excellence in North America and Europe
- Innovation & Services development

Manufacturing

- Product redesign-to-cost:
  - Redesign of all conductors
  - Compound harmonization
- Manufacturing performance
  - Excellence in Maintenance
  - Energy efficiency
  - Nexans Excellence Technology

Purchasing

- Make or Buy
  - Revisit our Make or Buy approach
  - More local sourcing on Copper Rod
- Nexans Excellence Way in Purchasing
  - Reinforce the Purchasing Function
  - Develop low cost country sourcing
  - Implement KPI's & Standard Processes
  - Eliminate mono supplier risks

Services Offers

- More focus on key accounts
- Cable cut to length
- Cable kits, pre-connecting, harnesses
- Inventory /Drums Management
- Cable installation
- Maintenance & Repair

- Dedicated Service Engineers being deployed in some organizations

Scope → High Voltage → Mature Markets → **Attractive Markets** (1)

Focus on key markets within selected countries and benefit from expansion of AmerCable sales out of North America

Nexans AmerCable
New organization to leverage strong market growth in SAM, MERA and APAC in Mining and Oil & Gas

MERA | +6.1 % | 12 Bn€

Russia
Caspian Sea
Turkey
South Africa

Transmission
Distribution
Building
Mining / O&G
MV Submarine

Nexans Yanggu
Investment in a new factory to capture growth in industrial segments

SAM | +5.7 % | 4 Bn€

Brazil
Peru
Chile

Off shore
O&G
Railway, Wind
Telecom, LAN
LV, MV

APAC | +5.2 % | 56 Bn€

China
Australia
South Korea
South East Asia

Submarine
Subsea
Industry
Offshore

CAGR (2) **2011-2015** | 2011 market size (3)

(1) Excluding HV
(2) in volume
(3) Data source : CRU July '12

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GUIDANCE 2013

+

- Progressive recovery in Submarine (not yet normative)
- Strong push of Nexans AmerCable
- Positive outlook in North America
- Positive expectations on China

–

- Nexans Yanggu ramp up and Falcon start up costs
- H1'13 probably low (Europe, Brazil)
- Legal costs unpredictable, possibly higher

At this early stage, assumption of a 2013 OM equivalent to 2012

Debt

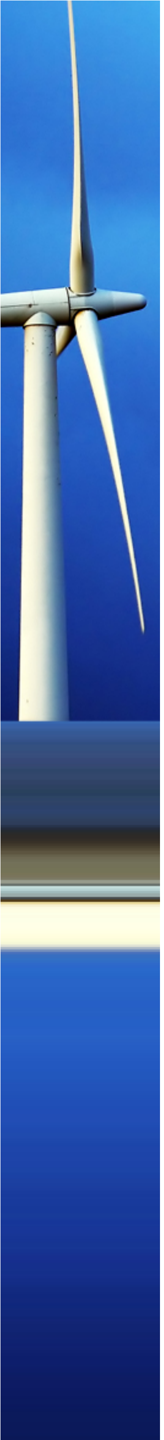
- \+ Recovery on working capital HV
- – CAPEX increase related to Falcon
- ? EEU fine

Target at year end 2013: STABLE DEBT (*)

(*) excluding EEU fine, proceeds from disposals, at stable non ferrous metal prices

Questions & Answers

Appendices



Sales and profitability by segment

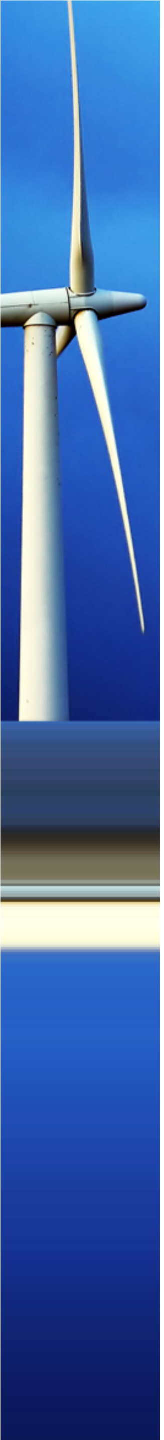
Restated 2011 after adoption of IAS 19 Revised

	2011			2012		
In M€	Sales	OM	OM %	Sales	OM	OM %
Transmission, Distribution & Operators	2,090	143	6.8%	2,088	70	3.4%
Industry	991	36	3.6%	1,195	44	3.7%
Distributors and Installers	1,217	70	5.8%	1,285	78	6.1%
Others	296	12	4.1%	304	10	3.3%
Total Group	**4,594**	**261**	**5.7%**	**4,872**	**202**	**4.2%**

Impact of foreign exchange and consolidation scope

Restated 2011 after adoption of IAS 19 Revised

In M€	2011	FX	Organic growth	Scope	2012
Transmission, Distributors & Operators	2,090	56	(84)	26	2,088
Industry	991	21	38	145	1,195
Distributors & Installers	1,217	45	23	-	1,285
Others	296	13	9	(14)	304
Total Group	**4,594**	**135**	**(14)**	**157**	**4,872**



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