



Press release

2011 third quarter financial information

Continued business evolution in the third quarter reflects the trends reported in the first half of the year

Organic growth of 3.9% in the third quarter and of 6.8% in the first nine months of 2011

Paris, October 27, 2011 – Nexans today announced 2011 third quarter sales of 1,711 million euros (at current non-ferrous metal prices), or 1,127 million euros at constant non-ferrous metal prices*, which corresponds to organic growth of 3.9%**.

For the first nine months of the year, the organic growth in sales was 6.8% compared with 8.2% at the end of June 2011. These figures reflect the continued trends reported during the first half 2011 in all the Group's businesses.

In the energy infrastructure business, the distribution segment (low and medium voltage cables and related accessories) reported a significant improvement in the third quarter for all geographic areas.

In the transmission segment (High Voltage), the terrestrial activity started to benefit from the end of the third quarter from resumptions of contracts in the Gulf. The recent events in Libya will result in the resumption of business in that country in 2012. In the submarine business, bidding activity remains strong and 2011 revenues will be up despite delayed revenue recognition related to cables requiring additional tests.

As a whole, activity level in High Voltage in 2011 should be comparable to that of 2010.

A positive trend is also confirmed in the Industry speciality cables activity with organic growth of sales close to 10% in the third quarter and of about 14% in the first nine months. The automotive harnesses activities kept growing strongly (+27% in the first nine months). The other segments (transportation, resources...) reported organic growth close to 9% over the same period.

The Building segment took advantage of the favorable market environment with organic growth close to 7% in the third quarter and 9% over the first nine months of 2011. However, the situation varies significantly depending on the area: there was

(*) 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 constant price for copper and aluminum.

(**) 2010 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 rate effect on sales at constant non-ferrous metal prices, at the end of September 2010 is 10 million euros, the scope effect is -6 million euros.

strong growth in North America, more limited growth in Europe, Asia-Pacific and South America and stable sales in the Middle East.

Provided market conditions remain the same, the Group confirms its targets of organic sales growth of between 5 and 7% and operating margin rate of approximately 5.5% with a stronger contribution from the Industry and Building activities and to a lesser extend from the Infrastructure segment.

Net financial debt amounts to 378 million euros at the end of September 2011 and is stable compared with the position at the end of June 2011. The Group confirms its target to reduce net financial debt to about 300 million euros at the end of December 2011.

2011 THIRD QUARTER CONSOLIDATED SALES

(in millions of euros)	2010	2011
	At constant metal prices (*)	At constant metal prices (*)
3rd quarter	1,094	1,127
2 nd quarter	1,129	1,158
1 st quarter	971	1,129
Total at September 30	3,194	3,414

Organic growth

	H1 2011	Q3 2011	Sept. 30, 2011
ENERGY			
Energy Infrastructures	4.8%	2.8%	4.1%
Industry	15.8%	9.6%	13.7%
Building	9.3%	7.4%	8.7%
TELECOMS			
Telecom Infrastructures	17.2%	6.0%	13.3%
Private networks (LAN)	1.0%	2.9%	1.7%
Sub-total : cable business	8.5%	5.2%	7.4%
Electrical wires	3.9%	-13.8%	-2.3%
Group total	8.2%	3.9%	6.8%

ENERGY

Energy business sales came to 946 million euros in the third quarter 2011. At constant exchange rates and scope, this figure is 5.5% higher than in 2010.

- **Energy Infrastructures: growth accelerating in distribution cables and accessories, slight decline in transmission**

Sales figure was 477 million euros, up 2.8% in the third quarter and up 4.1% over the first nine months of 2011.

Transmission activities sales were slightly down over the first nine months of 2011 as the growth in submarine high voltage cables did not manage to offset the weakness in terrestrial high voltage cables.

Activity remained weak during the third quarter in high voltage terrestrial activities. The very recent improvement of the political situation in the Middle East did not allow the Group to recover its historical activity level. The number of international tenders remains very high for submarine high voltage cables (offshore wind market and interconnections in Europe) as well as for underground cables (growing share of Europe compared with the Middle East).

The order book for transmission activities is stable compared with the end of June 2011 and represents about 18 months of activity.

For low and medium voltage cables and accessories, growth accelerated during the third quarter. Trends reported in the first half of 2011 in Asia-Pacific, South America and Europe were confirmed. In the Middle East, Russia and Africa area, sales have grown significantly over the quarter thanks to public investments resuming in Egypt and stronger growth in Russia.

- **Industry: further growth**

Third quarter sales representing 10% growth in organic terms, are evidence of the strength of Industry activities.

As far as automotive harnesses are concerned, sales continued to grow despite the rate of growth being limited by high comparison bases (+17% over the quarter, +27% over the first nine months of 2011). The Group benefited from its strong market positions with high-end German carmakers who continued to enjoy strong demand in emerging countries.

The underlying railways market remained strong despite the recent slowdown of sales in China. Aeronautics benefited from a favorable environment thanks to the progressive ramp-up of manufacturing at the Group's clients. In shipbuilding activities, sales recovered after several quarters of decline.

Industrial activities for capital goods grew further during the quarter continuing the trend reported in the first half of 2011. Robotics reported a higher than 20% growth over the quarter. The positive trend reported during the first half in Oil & Gas businesses, nuclear, mining and renewable energies was also confirmed.

During the third quarter, except in the Chinese railways market, the Group did not witness a slowdown in demand for any of its industrial cables activities.

- **Building: sustained growth**

Sales were up about 7% during the third quarter and up close to 9% over the first nine months of 2011.

In Europe, business was driven by the high level of industrial investments, especially in France, and sustained demand in Scandinavia and in UK. Benelux was slightly down due to the weakness of the Dutch market. In southern Europe, business was stable.

In North America, sales grew strongly. The Group benefited from its strong positions on the Canadian market. In South America, demand remained strong but sales growth was moderated by the Group's selective approach in these markets. In Asia Pacific, the business environment remained positive, especially in Australia.

Finally, in the Middle East, Russia and Africa area, sales were impacted by the weakness of the market in Turkey.

TELECOM

Sales of the Telecom activities reached 110 million euros in the third quarter 2011. At constant exchange rates and scope, they are up 4.3% compared with 2010.

- **Telecom Infrastructures: sales growth accelerating in copper cables, slowdown in optical fiber cables and components**

During the third quarter, telecom infrastructure cable sales rose by 6% resulting in 13% growth over the first nine months. Growth was driven by copper cables in Europe and South America, whereas sales of fiber optic cables and components slowed down during the third quarter.

- **Private networks: sustained growth in North America**

During the third quarter, sales of cables for private networks were up 2.9% at constant exchange rates and scope. However, the business environment is very uneven with strong growth in North America and demand still weak in Europe.

ELECTRICAL WIRES: external sales down due to strong internal demand

Sales of the Electrical Wires activity reached 65 million euros during the third quarter 2011, down 13.8% in organic terms. The drop in external sales is mainly due to the Group's decision to give priority to its internal needs in terms of copper rod.

Financial calendar:

November 23rd, 2011: individual shareholder meeting in Toulouse

November 10, 2011: General shareholders' meeting and special shareholders' meeting for the holders of shares with double voting rights (implementation of the Madeco agreement)

February 8, 2012: 2011 Annual Results

The reader is invited to refer to the 2010 Registration Document which contains a Risk Factors section which provides details in particular of the risks linked to the competition authority investigations opened in January 2009 in Europe and in certain other countries for anti-competitive behavior in the sector of submarine and underground power cables and related accessories and services. If the outcome of these investigations is unfavorable, together with the consequences thereof, could have a material adverse effect on the results and the financial situation of the Group. The reader is also invited to refer to the 2011 Half Year Financial Report which highlights that a 200 million euros provision was recorded after the receipt of a Statement of Objections from the European Commission's Directorate General for Competition.

About Nexans:

With energy as the basis of its development, Nexans, worldwide leading expert in the cable industry, offers an extensive range of cables and cabling systems. The Group is a global player in the infrastructure, industry, building and Local Area Network markets. Nexans addresses a series of market segments: from energy, transport and telecom networks to shipbuilding, oil and gas, nuclear power, automotives, electronics, aeronautics, material handling and automation. 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 engagement, 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 23,700 people and had sales in 2010 of more than 6 billion euros. Nexans is listed on NYSE Euronext Paris, compartment A. For more information, please consult www.nexans.com or <http://www.nexans.mobi>

Additional information :

Financial Communication

Michel Gédéon

Tel : +33 (0)1 73 23 85 31

e-mail : michel.gedeon@nexans.com

Angéline Afanoukoe

Tél : + 33 (0)1 73 23 84 56

e-mail : angeline.afanoukoe@nexans.com

Jean-Marc Bouleau

Tél : + 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

Céline Révillon

Tel : + 33 (0)1 73 23 84 12

e-mail : celine.revillon@nexans.com

APPENDIX 1

	Q3		Sep YTD	
	2010	2011	2010	2011
At actual metal prices	1 566	1 711	4 521	5 238
At constant metal prices	1 094	1 127	3 194	3 414
Sales at actual metal prices by business segment				
Energy	1 212	1 359	3 542	4 111
Energy Infrastructures	551	608	1 626	1 818
Industry	280	310	821	960
Building	381	441	1 095	1 333
Telecom	126	134	368	407
Telecom Infrastructure	52	59	147	180
Local Area Network (LAN)	74	75	221	227
Others	8	7	23	26
Electrical Wires	220	211	588	694
Group total	1 566	1 711	4 521	5 238
Sales at constant metal prices by business segment				
Energy	900	946	2 643	2 851
Energy Infrastructures	460	477	1 357	1 430
Industry	217	234	644	722
Building	223	235	642	699
Telecom	109	110	315	331
Telecom Infrastructure	46	49	130	150
Local Area Network (LAN)	63	61	185	181
Others	8	6	21	23
Electrical Wires	77	65	215	209
Group total	1 094	1 127	3 194	3 414
Sales at actual metal prices by geographical area				
Europe	806	855	2 399	2 720
North America	255	263	677	805
Asia-Pacific	195	231	559	678
Middle East, Russia, Africa	120	151	372	391
South America	192	213	519	650
Corporate area	-2	-2	-5	-6
Group total	1 566	1 711	4 521	5 238
Sales at constant metal prices by geographical area				
Europe	629	647	1 889	2 036
North America	131	129	364	380
Asia-Pacific	135	144	391	421
Middle East, Russia, Africa	84	92	249	235
South America	117	117	306	348
Corporate area	-2	-2	-5	-6
Group total	1 094	1 127	3 194	3 414

(in million euros)