

## 2012 first quarter financial information

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- **Continuation of growth in the various segments and geographical areas resulting in a 6.4% organic growth excluding High Voltage activities**
- **Delays in invoicing in High Voltage due to slower than expected rate of production in submarine high voltage cables and persistence of a competitive situation for underground cables that impacts margins. These elements will affect the operating margin rate at June 30, 2012 that should be around 3.5%<sup>1)</sup> at half-year.**
- **Organic growth of +0.6% in all activities compared with the first quarter 2011**
- **Consolidation of AmerCable on March 1<sup>st</sup>, 2012 and starting up of the integration plan**
- **New business segmentation, aligned on the new organization of the Group<sup>2)</sup>**

**Paris, April 25, 2012** – Nexans today announced 2012 first-quarter sales of 1,752 million euros, that is, 1,169 million euros at constant non-ferrous metal prices<sup>3)</sup>, reflecting an annual growth of +0.6% at constant exchange rates and comparable scope<sup>4)</sup>. As a reminder, the organic growth rate for the first quarter of 2011 was 13%.

Effective January 1, 2012, the business segmentation is aligned on the Group's organization by market, which principally aims at reinforcing the proximity to customers.

The energy and telecom infrastructure activities have been grouped together to form the "**Transmission, Distribution and Operators**" business. The Building and LAN businesses have been grouped together to form the "**Distributors and Installers**" business. The "**Industry**" segment remains unchanged while the "**Others**" segment now also includes Electrical Wires<sup>2)</sup>.

1) Operating margin rate on sales at constant non-ferrous metal prices.

2) For comparison purposes, the appendix 2 of this press release provides the quarterly sales of the exercise 2011 according to this new segmentation.

3) 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.

4) 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 rate effect on sales at constant non-ferrous metal prices, at the end of 2011 first quarter sales is 22 million euros, the scope effect is 11 million euros.

The market trends observed in 2011 have carried forward into the first months of 2012. The “Distributors and Installers” business has gained almost 9% compared with the first quarter 2011.

For Industry, the increase is 6%, driven by the automotive and oil & gas activities.

The “Transmission, Distribution and Operators” business has contracted by 6%. It results from the joint effect of a strong growth in the Distribution (Medium Voltage) and Operators (+7%) segments and of a decrease in the Transmission segment (High Voltage). The latter is mainly attributable to a slower than expected production rate of submarine high voltage cables. In underground transmission, the political situation in Libya does not allow yet resumption of local installation works which would have been able to compensate partly for the situation in submarine. These elements will weigh on the profitability of the activity and of the Group at June 30, 2012.

“Others” activity (formerly Electrical Wires) has contracted by nearly 5%, with the Group internal sales favored at the expense of external clients.

At the end of March 2012, net debt came to 566 million euros compared with 222 million euros at the end of December 2011. This increase is mainly due to the acquisition of AmerCable, finalized on February 29, 2012, for an enterprise value of 211 million euros. The increase was also compounded by the seasonal rise in working capital cumulated with the significantly higher raw material prices in the first quarter 2012 compared with the last quarter 2011.

## CONSOLIDATED SALES BY BUSINESS

	Q1 2011	Q1 2012	
(in million of euros)	At constant metal prices	At constant metal prices	Organic growth Q1 2012 vs Q1 2011
Transmission, Distribution and Operators	502	481	-6.1%
Industry	245	281	+6.1%
Distributors et Installers	299	332	+8.9%
Other	83	75	-4.8%
<b>Total Group</b>	<b>1,129</b>	<b>1,169</b>	<b>+0.6%</b>

- **Transmission, Distribution and Operators**

The “Transmission, Distribution and Operators” business reported an organic contraction in the first quarter 2012 of 6.1%. This decrease is attributable to the lower invoicing on the quarter in the Transmission activities, whereas the growth of segments Distribution of energy and Operators Telecom remained strong.

Regarding submarine transmission activity, the Group experienced in the quarter a slower than expected rate in commencing certain production runs: the Group has to face increasingly large projects, a source of greater complexity, and a high workload level.

The fundamentals of this activity are not affected and tendering activity continued steadily during the quarter, in particular for offshore wind projects. The Group recently won a significant submarine cable contract in Belgium (Northwind) for offshore wind turbines. With the other contracts awarded so far, totaling more than 1,000 km of submarine cables for the wind power market, the Group has acquired outstanding experience in this market segment.

In underground transmission, business remains competitive. In Libya, however, in spite of the attribution of new contracts, the political situation has not yet sufficiently stabilized to allow work to resume onsite.

The Group's Distribution activity has increased in the first quarter of 2012 compared with the same period a year earlier. In Europe, growth was driven by the ongoing major investment program in France and a favorable climate factor in Scandinavia. North America reported a recovery in the quarter. South Korea was the main source of growth in the Asia-Pacific area. Sales rose sharply in the Middle East, Russia and Africa area as a result of ongoing large-scale investment plans in Russia and Lebanon and a positive base effect in Egypt and Morocco. Finally, after a period of strong growth in 2011, the South America area remained steady at a high level thanks to ongoing overhead power line projects in Brazil.

The "Operators" activity (formerly Telecom Infrastructure) reported strong growth for the first quarter 2012 for copper cables in South America and fiber cables and components in Scandinavia and France.

Overall, , the profitability of the « Transmission, Distribution and Operators » segment will decline to June 30, 2012 compared to the first half 2011.

- **Industry**

In the first quarter 2012, organic growth for "Industry" came to 6.1% compared with the first quarter 2011.

For Automotive harnesses, which account for about one third of the "Industry" activity, sales continued their double-digit growth, driven by the strength of the German high end auto industry.

The transportation-related activities reflect significant contrasts: the recovery was confirmed for shipbuilding, activity is stable in aeronautics, and the railways segment is still suffering from weak demand in China. Demand was weaker for the capital goods and the automation market segments.

Finally, in the area of resources, the Group is continuing to enjoy very strong growth, largely attributable to the oil & gas and mining industries.

AmerCable, which has leading positions in the oil and gas and mining industries in North America was incorporated into the Group on 1<sup>st</sup> March 2012. Its contribution to Group sales at constant metal prices in the first quarter 2012 was 16 million euros for the period. The integration plan has been implemented and is proceeding to schedule. The first benefits from synergies are expected in the second half of 2012.

- **Distributors and Installers**

Sales at a constant exchange rate and scope rose by 8.9% compared with the first quarter 2011. The trend for the power cable business is very well oriented whereas the LAN cable business has contracted.

Power cable business is very strong across all geographical areas, including Europe. In the Asia-Pacific area, the Group continues to benefit from the dynamic mining sector in Australia and strong activity in South Korea. Figures for the Middle East, Russia and Africa area reflect a positive base effect (the first quarter 2011 had been affected by the Arab Spring). For South America, the Group has reported growth in Brazil, Chile, Colombia and Peru. In North America, sales rose by more than 10% driven by vigorous demand. Finally, in Europe, sales progressed by more than 5%. The Group benefits from its high exposure to the Northern European economies, while activity in Italy and Spain continues to deteriorate.

- **Other activities**

This segment mainly includes the former “Electrical Wires” business.

In the first quarter of 2012, sales fell by 4.8% compared with the first quarter 2011 with the Group internal sales favored at the expense of external clients.

## **Other information**

In order to assist Madeco in its equity method accounting for its shares in Nexans at the end of the first quarter, the following non operational accounting data are published : change in equity related to the fair value of hedging instruments on metal (+ 23 million Euros), change in equity related to currency translation differences (-2 million Euros), change in equity related to the OCEANE convertible / exchangeable bond issued in February 2012 (+27 million Euros) and Core exposure effect (+10 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 38
- Call from UK = +44 203 367 9456
- Call from USA = +1 866 907 5924

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 276853 followed by #

*Readers should also consult the Group's Web site on which are available in particular the presentation of the annual results to financial analysts, the full financial statements and the 2011 management report, which includes the Group's risk factors and confirmation of the risks relating to the antitrust investigations in Europe, United States, Canada, Brazil, Australia and Korea in relation to anticompetitive behavior in the sector of submarine and underground power cables as well as 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.*

## **Financial calendar**

May 15, 2012: Annual Shareholders' Meeting

June 6, 2012: Individual shareholder information meeting in Tours\*

July 25, 2012: 2012 first-half financial results (pre-market)

\*Tentative date subject to change

## **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](http://www.nexans.com) or [www.nexans.mobi](http://www.nexans.mobi)

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## ***Appendices***

1. 2012 First quarter sales by business
2. 2011 sales by quarter according to the new segmentation

## Appendix 1

(in millions of euros)

	First quarter	
	2011	2012
<b>At current metal prices</b>	<b>1,754</b>	<b>1,752</b>
<b>At constant metal prices</b>	<b>1,129</b>	<b>1,169</b>
<b>Sales at current metal prices by business</b>		
Transmission, Distribution and Operators	610	582
Industry	320	364
Distributors and Installers	553	579
others	271	228
<b>Total Group</b>	<b>1,754</b>	<b>1,752</b>
<b>Sales at constant metal prices by business</b>		
Transmission, Distribution and Operators	502	481
Industry	245	281
Distributors and Installers	299	332
Others	83	75
<b>Total Group</b>	<b>1,129</b>	<b>1,169</b>

## Appendix 2

(in millions of euros)

	Q1 2011	Q2 2011	Q3 2011	Q4 2011
<b>At current metal prices</b>	<b>1,754</b>	<b>1,774</b>	<b>1,711</b>	<b>1,682</b>
<b>At constant metal prices</b>	<b>1,129</b>	<b>1,158</b>	<b>1,127</b>	<b>1,180</b>
<b>Sales at current metal prices by business</b>				
Transmission, Distribution and Operators	610	649	618	674
Industry	320	335	323	317
Distributors and Installers	553	558	551	519
Others	271	232	219	172
Total Group	1,754	1,774	1,711	1,682
<b>Sales at constant metal prices by business</b>				
Transmission, Distribution and Operators	502	522	501	566
Industry	245	254	248	244
Distributors and Installers	299	305	307	306
Others	84	77	71	65
Total Group	1,129	1,158	1,127	1,180