

# CONSOLIDATED INCOME STATEMENT

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015</b>
<b>Net sales</b>	<b>5,814</b>	<b>6,239</b>
Metal price effect <sup>1</sup>	(1,383)	(1,635)
<b>Sales at constant metal prices <sup>1</sup></b>	<b>4,431</b>	<b>4,604</b>
Cost of sales	(5,002)	(5,456)
Cost of sales at constant metal prices <sup>1</sup>	(3,619)	(3,821)
<b>Gross profit</b>	<b>812</b>	<b>783</b>
Administrative and selling expenses	(489)	(506)
R&D costs	(81)	(82)
<b>Operating margin <sup>1</sup></b>	<b>242</b>	<b>195</b>
Core exposure effect <sup>2</sup>	(6)	(52)
Other operating income and expenses <sup>3</sup>	(22)	(110)
Restructuring costs	(33)	(100)
Share in net income (loss) of associates <sup>4</sup>	4	1
<b>Operating income (loss)</b>	<b>185</b>	<b>(66)</b>
Cost of debt (net) <sup>5</sup>	(64)	(79)
Other financial income and expenses	(24)	(26)
<b>Income (loss) before taxes</b>	<b>97</b>	<b>(171)</b>
Income taxes	(37)	(25)
<b>Net income (loss) from continuing operations</b>	<b>60</b>	<b>(196)</b>
Net income (loss) from discontinued operations	-	-
<b>Net income (loss)</b>	<b>60</b>	<b>(196)</b>
- attributable to owners of the parent	61	(194)
- attributable to non-controlling interests	(1)	(2)
<b>Attributable net income (loss) per share (in euros)</b>		
- basic earnings (loss) per share	1.43	(4.55)
- diluted earnings (loss) per share	1.40	(4.55)

<sup>1</sup> Performance indicators used to measure the Group's operating performance.

<sup>2</sup> Effect relating to the revaluation of Core exposure at its weighted average cost.

<sup>3</sup> Other operating income and expenses included 8 million euros in net asset impairment in 2016 versus 129 million euros in 2015.

<sup>4</sup> The Group's share in the net income (loss) of associates whose operating activities are an extension of those of the Group is presented within "Operating income (loss)".

<sup>5</sup> Financial income amounted to 4 million euros in 2016 versus 6 million euros in 2015.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
<i>(in millions of euros)</i>		
<b>Net income (loss) for the period</b>	<b>60</b>	<b>(196)</b>
<b>Recyclable components of the comprehensive income</b>	<b>169</b>	<b>(15)</b>
- Available-for-sale financial assets	0	0
- Currency translation differences	56	17
- Cash flow hedges	113	(32)
<b>Tax impacts on recyclable components of comprehensive income</b>	<b>(26)</b>	<b>6</b>
<b>Non recyclable components of comprehensive income</b>	<b>9</b>	<b>(31)</b>
- Actuarial gains and losses on pension and other long-term employee benefit obligations	9	(31)
- Share of other non recyclable comprehensive income of associates	-	-
<b>Tax impacts on non recyclable components of comprehensive income</b>	<b>(2)</b>	<b>18</b>
<b>Total other comprehensive income (loss)</b>	<b>150</b>	<b>(22)</b>
<b>Total comprehensive income (loss)</b>	<b>210</b>	<b>(218)</b>
- attributable to owners of the parent	211	(218)
- attributable to non-controlling interests	(1)	(0)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(At December 31, in millions of euros)</i>	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Goodwill	254	250
Other intangible assets	146	148
Property, Plant and equipment	1,170	1,156
Investments in associates	30	30
Deferred tax assets	180	192
Other non-current assets	60	59
<b>Non-current assets</b>	<b>1,840</b>	<b>1,835</b>
Inventories and work in progress	926	881
Amounts due from customers on construction contracts	238	172
Trade receivables	996	924
Current derivatives assets	70	51
Other current assets	201	154
Cash and cash equivalents	1,025	1,012
Assets and groups of assets held for sale	0	0
<b>Current assets</b>	<b>3,456</b>	<b>3,194</b>
<b>Total assets</b>	<b>5,296</b>	<b>5,029</b>
<b>Equity and liabilities</b>		
Capital stock, additional paid-in capital, retained earnings and other reserves	1,253	1,153
Other components of equity	159	20
<b>Equity attributable to owners of the parent</b>	<b>1,412</b>	<b>1,173</b>
Non-controlling interests	57	54
<b>Total equity</b>	<b>1,469</b>	<b>1,227</b>
Pension and other long-term employee benefit obligations	430	453
Long-term provisions	100	86
Convertible bonds	263	255
Other long-term debt	504	604
Non-current derivative liabilities	10	37
Deferred tax liabilities	90	84
<b>Non-current liabilities</b>	<b>1,397</b>	<b>1,519</b>
Short-term provisions	110	151
Short-term debt	469	354
Liabilities related to construction contracts	209	185
Trade payables	1,244	1,163
Current derivative liabilities	47	98
Other current liabilities	351	332
Liabilities related to groups of assets held for sale	0	0
<b>Current liabilities</b>	<b>2,430</b>	<b>2,283</b>
<b>Total equity and liabilities</b>	<b>5,296</b>	<b>5,029</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015</b>
Net income (loss)	60	(196)
Depreciation, amortization and impairment of assets <i>(including goodwill)</i> <sup>(1)</sup>	141	266
Cost of debt (gross)	68	85
Core exposure effect <sup>(2)</sup>	6	52
Current and deferred income tax charge (benefit)	37	25
Net gains (losses) on asset disposals	6	14
Other restatements <sup>(3)</sup>	(63)	(26)
<b>Cash flows from operations before gross cost of debt and taxes<sup>(4)</sup></b>	<b>255</b>	<b>220</b>
Decrease (increase) in working capital	(105)	364
Income taxes paid	(37)	(37)
Impairment of current assets and accrued contract costs	17	33
<b>Net change in current assets and liabilities</b>	<b>(125)</b>	<b>360</b>
<b>Net cash generated from operating activities</b>	<b>130</b>	<b>580</b>
Proceeds from disposals of property, plant and equipment and intangible assets	11	6
Capital expenditures	(146)	(176)
Decrease (increase) in loans granted and short-term financial assets	1	(1)
Purchase of shares in consolidated companies, net of cash acquired	0	(4)
Proceeds from sale of shares in consolidated companies, net of cash transferred	23	2
<b>Net cash generated used in investing activities</b>	<b>(111)</b>	<b>(173)</b>
<b>Net change in cash and cash equivalents after investing activities</b>	<b>19</b>	<b>407</b>
Proceeds from (repayments of) long-term and short-term borrowings	17	(72)
<i>-Of which proceed from the 2016-2021 ordinary bonds</i>	248	-
<i>-Of which repayment of the OCEANE 2016 convertible/exchangeable bonds</i>	(213)	-
Cash capital increases (reductions)	24	9
Interest paid	(62)	(69)
Transactions with owners not resulting in a change of control	2	-
Dividends paid	(1)	(1)
<b>Net cash generated used in financing activities</b>	<b>(20)</b>	<b>(133)</b>
Net effect of currency translation differences	19	(63)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>18</b>	<b>211</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>998</b>	<b>787</b>
<b>Cash and cash equivalents at year-end</b>	<b>1,016</b>	<b>998</b>
<i>of which cash and cash equivalents recorded under assets</i>	1,025	1,012
<i>of which short-term bank loans and overdrafts recorded under liabilities</i>	(9)	(14)

(1) In 2016, the Group changed its presentation of impairment losses related to restructuring operation to record them on the line "Other restatements". The reclassification was performed for 2015.

(2) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact.

(3) Other restatements in 2016 primarily included a negative 70 million euros to cancel the net change in operating provisions (including provisions for pensions, restructuring costs and antitrust proceedings). Other restatements in 2015 primarily included (i) a negative 54 million euros to cancel the net change in operating provisions (including provisions for pensions, restructuring costs and antitrust proceedings) and (ii) a positive 19 million euros related to the cash impact of hedges.

(4) The Group also uses the "operating cash flow" concept which is mainly calculated after adding back cash outflows relating to restructurings (86 million euros and 104 million euros in 2016 and 2015 respectively), and deducting gross cost of debt and the current income tax paid during the year.

## INFORMATION BY REPORTABLE SEGMENT

<i>2016 (in millions of euros)</i>	<b>Transmission, Distribution &amp; Operators</b>	<b>Industry</b>	<b>Distributors &amp; Installers</b>	<b>Other</b>	<b>Group total</b>
Net sales at current metal prices	2,133	1,346	1,619	716	<b>5,814</b>
Net sales at constant metal prices	1,842	1,171	1,127	291	<b>4,431</b>
Operating margin	122	59	78	(17)	<b>242</b>
Depreciation and amortization	(69)	(32)	(26)	(6)	<b>(133)</b>
Net impairment of non-current assets (including goodwill)	(8)	-	-	-	<b>(8)</b>

<i>2015 (in millions of euros)</i>	<b>Transmission, Distribution &amp; Operators</b>	<b>Industry</b>	<b>Distributors &amp; Installers</b>	<b>Other</b>	<b>Group total</b>
Net sales at current metal prices	2,262	1,500	1,749	728	<b>6,239</b>
Net sales at constant metal prices	1,935	1,250	1,136	283	<b>4,604</b>
Net sales at constant metal prices and 2016 exchange rates	1,880	1,240	1,115	278	<b>4,513</b>
Operating margin	108	57	63	(33)	<b>195</b>
Depreciation and amortization	(72)	(33)	(27)	(6)	<b>(138)</b>
Net impairment of non-current assets (including goodwill)	(32)	(62)	(35)	-	<b>(129)</b>

## INFORMATION BY MAJOR GEOGRAPHIC AREA

<i>2016 (in millions of euros)</i>	<b>France</b>	<b>Germany</b>	<b>Norway</b>	<b>Other***</b>	<b>Group total</b>
Net sales at current metal prices*	864	807	634	3,509	<b>5,814</b>
Net sales at constant metal prices*	630	735	587	2,479	<b>4,431</b>
Non-current assets (IFRS 8)* (at December 31)	161**	179	153	1,107	<b>1,600</b>

\* Based on the location of the assets 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 price.

<i>2015 (in millions of euros)</i>	<b>France</b>	<b>Germany</b>	<b>Norway</b>	<b>Other***</b>	<b>Group total</b>
Net sales at current metal prices*	877	814	705	3,843	<b>6,239</b>
Net sales at constant metal prices*	612	718	657	2,617	<b>4,604</b>
Net sales at constant metal prices and 2016 exchange rates*	612	718	635	2,548	<b>4,513</b>
Non-current assets (IFRS 8)* (at December 31)	148**	148	162	1,126	<b>1,584</b>

\* Based on the location of the assets 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 price.

## INFORMATION BY MAJOR CUSTOMER

The Group does not have any customers that individually accounted for over 10% of its sales in 2016 and in 2015.