



Press release

2014 First-Quarter Financial Information

- **First-quarter 2014 performance in line with the Group's transformation plan:**
 - Organic growth of +3.8%¹ despite continuing difficult market conditions in Europe in the building and medium- and low-voltage sectors, as well as a slowdown in South America.
 - Sales for the high-voltage business up 13.4%.
 - Marked growth in industrial markets, particularly for automotive harnesses where sales increased by over 10%.
- **Continued implementation of strategic initiatives:**
 - Return to operating break-even in the Pacific region thanks to intensive cost-reduction efforts.
 - Launch of restructuring in Europe.
 - Recovery of the submarine high-voltage business confirmed.
 - Continued progress on labor and materials cost competitiveness.
 - Disposal of Egyptian subsidiary completed.

Paris, May 6, 2014 – Today, Nexans announced first-quarter 2014 sales of 1,560 million euros at current non-ferrous metal prices (versus 1,668 million euros in the first three months of 2013). At constant non-ferrous metal prices, first-quarter sales came in at 1,107 million euros, representing year-on-year organic growth of 3.8% at constant exchange rates.

Europe reported 2.7% organic growth, with sales for the building sector relatively stable, and growth recorded by industrial cables – powered by the automotive harness, aeronautical and medical segments – more than outweighing the impact of the ongoing morose context for distribution activities (medium- and low-voltage cables).

The Transmission business posted an organic sales increase of more than 13% year on year, although this strong performance masks two opposing trends:

- land-based operations were down on the first quarter of 2013;
- the submarine cables segment advanced in line with expectations – especially the umbilicals activity which grew very strongly – thereby confirming the ongoing turnaround of its operating performance.

Emerging markets recorded an overall increase in sales, despite the slowdown in South America.

¹ Like-for-like first-quarter 2013 sales correspond to sales at constant non-ferrous metal prices, adjusted for the effects of exchange rates (negative 62 million euros) and changes in the scope of consolidation (negative 1 million euros).

The first quarter of 2014 marked a major step forward in the deployment of the 2015 reorganization plan in Europe, with the conclusion of labor protection measures in all countries concerned (France, Germany, Italy, Belgium and Switzerland) as well as the signature of related agreements with the trade unions. Consequently, the implementation phase of this plan was launched at the end of March 2014 and will continue through the end of 2015.

In tandem, the Asia-Pacific area is pursuing its streamlining measures in China and Australia.

The outcome of the antitrust investigations launched in 2009 by the European Commission in relation to the submarine and underground high-voltage power cable industry was announced on April 2nd.

In 2011, a 200 million euro provision was set aside in Nexans France's statutory financial statements and the Group's consolidated financial statements, to cover the potential consequences of these investigations. Nexans France has been issued a fine of 70.67 million euros.

In a press release on April 2nd, Nexans announced that it would review this decision, determine its next course of action, including a possible appeal which it has since decided to pursue, and evaluate the consequences of the decision for possible follow-on claims, as well as the impact of this decision and other recent developments in the other ongoing investigations in the same cable sector (in the United States, Canada, Brazil, Australia and Korea, for which provisions have not yet been set aside). As previously announced, the Group will communicate further at the time of its 2014 first-half results.

Commenting on the Group's first-quarter 2014 performance, Frédéric Vincent, Chairman and CEO, said:

"We have stepped up the pace of our many strategic initiatives under the impetus of a strengthened and focused management team, and this has contributed to the Group's performance over the quarter. The first fruits of these efforts are already visible in a certain number of businesses in terms of competitiveness and turnarounds. The entire Group remains actively committed to carrying through the transformation plan".

CONSOLIDATED SALES BY BUSINESS

| | Q1 2013 | Q1 2014 | Organic growth Q1 2014 vs. Q1 2013 | Currency effect |
|---|-------------------------------------|---|---|----------------------------|
| (in millions of euros) | At constant metal prices | At constant metal prices | | |
| Distributors & Installers | 295 | 271 | -1.6% | -6.7% |
| Industry | 294 | 291 | +3.1% | -2.1% |
| Transmission, Distribution & Operators | 470 | 470 | +5.8% | -6.5% |
| <i>o/w Distribution & Operators</i> | - | - | +1.5% | |
| <i>o/w Transmission</i> | - | - | +13.4% | |
| Other | 71 | 75 | +17.0% | - |
| Group total | 1,130 | 1,107 | +3.8% | -5.5% |

Distributors & Installers

The Distributors & Installers division posted sales of 271 million euros at constant non-ferrous metal prices for the first quarter of 2014, down 1.6% year on year on an organic basis.

In Europe, which accounted for over 40% of the division's sales, business remained very stable thanks to high growth in the Nordic countries contrasting with a negative performance in France.

In North America, sales of cables for the building sector were hampered by an exceptionally harsh winter. Conversely, the LAN business almost came back to last year's level, demonstrating the progression of the alliance with Leviton.

In South America the division experienced a sharp sales decline, with Brazil hit harder than neighboring countries due to an unfavorable basis of comparison in the context of a strong performance in the first half of 2013, followed by sluggish market conditions in the third and fourth quarters.

Asia-Pacific remained weighed down by a weak showing in Australia – to which the Group has responded by putting in place intensive restructuring measures – whereas the MERA Area (Middle East, Russia and Africa) posted a year-on-year sales rise driven by Morocco and Turkey.

Industry

Sales for the Industry division came to 291 million euros at constant non-ferrous metal prices, representing organic growth of 3.1% compared with the first quarter of 2013.

This solid performance was driven mainly by the transport sector which once again delivered double-digit growth, both for automotive harness cables and for cables for the aerospace and railroad businesses. The shipbuilding sector also advanced, driven by strong sales in Korea.

The energy resources sector continued to be severely affected by the difficult conditions in the mining industry in Australia and in Chile where sales suffered due to miners' strikes. However, the Oil & Gas sector was on an upward trend, notably in South Korea and for land-based drilling in the United States. In the renewable energy industry, sales are weak but expected to improve during the second half of the year, notably driven by the wind power sector in Brazil where the Group signed a contract with Suzlon, one of the world's leading wind turbine manufacturers, to deploy cable solutions for some 150 wind turbine generators.

In other industrial segments, automation cables showed promising developments and sales of cables for the medical industry rose steadily.

Transmission, Distribution & Operators

Sales generated by the Transmission, Distribution & Operators division totaled 470 million euros at constant non-ferrous metal prices, representing organic growth of 5.8% compared with the first quarter of 2013. This reflects a relatively stable performance for the Distribution segment, a marked increase in sales of cables to Operators, a sharp rise in the submarine high-voltage cables business and a significant decline in sales of land high-voltage cables.

Distribution

Sales in the Distribution business remained stable, although the performance was mixed across the various geographic regions.

Business trended down in Europe, following on from the decline observed since the third quarter of 2013. France, Greece and Italy, continued to experience the sharpest decreases whereas the Group's other European countries fared better.

Volumes were up in North America, Brazil, Lebanon and Morocco but Russia, Peru and Chile saw a contraction in sales.

In the Asia-Pacific area, continued growth in China was not sufficient to offset the low sales levels in Australia.

Operators

Sales for the telecommunications cables business continued to pick up, with strong growth for optical fiber cables in Europe. During the period Nexans entered into a partnership with TeliSwitch to develop an innovative Automatic Optical Distribution Frame (AODF) solution for FTTH operators.

Overall, sales of cables to Operators climbed by nearly 5% year on year.

Submarine high-voltage cables

Sales of submarine high-voltage cables jumped by over 20%, as a result of ongoing measures to improve production conditions, especially in umbilicals. In addition, the order book remained well stocked while the Group also tendered for a number of large-scale projects.

In view of the healthy order book, the sustained performance of the umbilicals business should continue through 2014.

Land high-voltage cables

As expected, sales of land high-voltage cables retreated in the first quarter of 2014, down by 16% due to the timing of project deliveries. In China, Yanggu turned in a strong showing but its sales volumes nevertheless remained limited pending the end of the qualification period for it to begin exporting.

Meanwhile, construction of the Charleston plant in the United States is on schedule.

The "Other activities" segment reported first-quarter 2014 sales of 75 million euros, reflecting organic growth of 17% compared with the first quarter of 2013.

There will be a telephone conference (in English) today at 3.00 p.m. (CET).

The local numbers to call are:

- In France: 01 70 77 09 40
- In the UK: +44 203 367 9457
- In the US: +1 855 402 7764

The local numbers to call to listen to a replay of the conference (available within 2 hours) are:

- In France: 01 72 00 15 00 (in English)
- In the UK: +44 203 367 9460
- In the US: +1 877 642 3018

To listen to the conference, when requested, please enter 287143 followed by the hash (#) sign.

Financial calendar

May 15, 2014: Annual Shareholders' Meeting

July 25, 2014: 2014 First-Half Year results

Readers are also invited to log on to the [Group's website](#) where they can view and download the presentation of the annual results to analysts and the 2013 financial statements and Registration Document, which include a description of the Group's risk factors. These risk factors notably include the risks related to investigations launched by the European Commission, on which a decision was handed down on April 2, 2014, and the ongoing investigations led by the competition authorities in the United States, Canada, Brazil, Australia and South Korea (in addition to ongoing investigations into local operations) for alleged anticompetitive behavior in the sector of submarine and underground power cables. An unfavorable outcome of these investigations as well as the associated consequences, which could include follow-on claims, could have a material adverse effect on the results and thus the financial position of the Group, even excluding the fine imposed by the European Commission. Nexans France had recorded a 200 million euro provision in its company financial statements (which has also been recorded in the consolidated financial statements since June 30, 2011) for the risk of the fine by the European Commission.

This press release contains forward-looking statements which are subject to various risks and uncertainties that could affect the Company's future performance. Actual results could therefore differ significantly from those currently expected or anticipated.

In addition to risk factors, the main uncertainties for 2014 concern the following:

- The realization of cost-saving plans in Europe and Asia.
- The operating performance of the high voltage business, in particular compliance with delivery lead times and successful results of tests requested by customers, as well as positive outcomes for claims management procedures related to turnkey projects.
- A sufficient level of demand and prices being maintained in Europe and North America.
- The economic environment in certain emerging markets (China, Brazil).
- The potential impact in 2014 of the antitrust investigations begun in 2009, consistent with the accounting options applied by the Group.
- The Group's ability to integrate newly-acquired entities, leverage its partnerships and carry out its planned divestments in the best conditions.
- Increased customer credit risks, which in some cases cannot be insured, or fully insured, in Southern Europe and North Africa and in some customer segments in China.

About Nexans

Nexans brings energy to life through an extensive range of cables and cabling solutions that deliver increased performance for our customers worldwide. Nexans' teams are committed to a partnership approach that supports customers in four main business areas: Power transmission and distribution (submarine and land), Energy resources (Oil & Gas, Mining and Renewables), Transportation (Road, Rail, Air, Sea) and Building (Commercial, Residential and Data Centers). Nexans' strategy is founded on continuous innovation in products, solutions and services, employee development, customer training and the introduction of safe, low-environmental-impact industrial processes.

In 2013, Nexans became the first cable player to create a Foundation to promote initiatives for access to energy for disadvantaged communities worldwide.

We have an industrial presence in 40 countries and commercial activities worldwide, employing close to 26,000 people and generating sales in 2013 of nearly 6.7 billion euros.

Nexans is listed on NYSE Euronext Paris, compartment A.

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

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Appendix
(in millions of euros)

| | First-quarter | |
|---|----------------------|--------------|
| | 2013 | 2014 |
| At current metal prices | 1,668 | 1,560 |
| At constant metal prices | 1,130 | 1,107 |
| Sales at current metal prices by business | | |
| Transmission, Distribution & Operators | 581 | 551 |
| Industry | 377 | 358 |
| Distributors & Installers | 513 | 448 |
| Other | 197 | 203 |
| Group total | 1,668 | 1,560 |
| Sales at constant metal prices by business | | |
| Transmission, Distribution & Operators | 470 | 470 |
| Industry | 294 | 291 |
| Distributors & Installers | 295 | 271 |
| Other | 71 | 75 |
| Group total | 1,130 | 1,107 |