

Consolidated income statement

<i>(in millions of euros)</i>	2011	2010
NET SALES	6,920	6,179
<i>Metal price effect*</i>	<i>(2,326)</i>	<i>(1,870)</i>
SALES AT CONSTANT METAL PRICES*	4,594	4,309
Cost of sales	(6,093)	(5,439)
<i>Cost of sales at constant metal prices*</i>	<i>(3,767)</i>	<i>(3,569)</i>
GROSS PROFIT	827	740
Administrative and selling expenses	(496)	(462)
R&D costs	(75)	(71)
OPERATING MARGIN*	256	207
Core exposure effect**	(40)	89
Net asset impairment	(34)	(43)
Changes in fair value of non-ferrous metal derivatives	(10)	(4)
Net gains on asset disposals	3	15
Acquisition-related costs	(1)	(2)
Restructuring costs	(22)	(67)
Reserve for risk related to EU antitrust procedure***	(200)	-
OPERATING INCOME (LOSS)	(48)	195
Cost of debt (gross)	(83)	(79)
Income from cash and cash equivalents	12	11
Other financial expenses	(34)	(16)
Share in net income (loss) of associates	(2)	(1)
INCOME (LOSS) BEFORE TAXES	(155)	110
Income taxes	(31)	(26)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(186)	84
Net income (loss) from discontinued operations	-	-
NET INCOME (LOSS)	(186)	84
- attributable to owners of the parent	(178)	82
- attributable to non-controlling interests	(8)	2
ATTRIBUTABLE NET INCOME PER SHARE (in euros)		
- basic earnings (loss) per share	(6.21)	2.92
- diluted earnings (loss) per share	(6.21)	2.84

* Performance indicators used to measure the Group's operating performance.

** Effect relating to the revaluation of Core Exposure at its weighted average cost. In 2010, this line also included a 37 million euro negative impact arising from a sharp reduction in the volume of Core Exposure during the period following the restructuring of Nexans' European metallurgy operations, as well as the Group's ongoing efforts to reduce working capital requirement. This effect was offset by a 37 million euro positive impact recorded in the operating margin.

*** A 200 million euro provision was set aside for a fine that may be imposed on Nexans following the Statement of Objections received from the European Commission's Directorate General for Competition on July 5, 2011 for alleged anticompetitive behavior.

Consolidated statement of comprehensive income

	2011	2010
<i>(in millions of euros)</i>		
NET INCOME (LOSS) FOR THE YEAR	(186)	84
Available-for-sale financial assets	(0)	-
- Gains (losses) generated during the year (net of tax)	(0)	-
- Amounts recycled to the income statement (net of tax)	-	-
Currency translation differences	(8)	179
- Gains (losses) generated during the year (net of tax)	(9)	178
- Amounts recycled to the income statement (net of tax)	1	1
Cash flow hedges	(67)	21
- Gains (losses) generated during the year (net of tax)	(67)	78
- Amounts recycled to the income statement (net of tax)	-	(57)
Share of other comprehensive income of associates	-	-
Total other comprehensive income (expense)	(75)	200
Total comprehensive income (loss)	(261)	284
- attributable to owners of the parent	(253)	279
- attributable to non-controlling interests	(8)	5

Consolidated statement of financial position

<i>at December 31, in millions of euros</i>	2011	2010
ASSETS		
Goodwill	386	378
Other intangible assets	184	193
Property, plant and equipment	1,160	1,170
Investments in associates	7	7
Other non-current financial assets	44	44
Deferred tax assets	96	82
Other non-current assets	38	23
NON-CURRENT ASSETS	1,915	1,897
Inventories and work in progress	1,051	1,059
Amounts due from customers on construction contracts	293	189
Trade receivables	1,168	1,126
Other current financial assets*	134	322
Current income tax receivables	29	18
Other current non-financial assets	94	106
Cash and cash equivalents	859	795
Assets and groups of assets held for sale	1	1
CURRENT ASSETS	3,629	3,616
TOTAL ASSETS	5,544	5,513
EQUITY AND LIABILITIES		
Capital stock	29	29
Additional paid-in capital	1,286	1,283
Retained earnings and other reserves	396	603
Other components of equity	174	249
Equity attributable to owners of the parent	1,885	2,164
Non-controlling interests	35	43
TOTAL EQUITY	1,920	2,207
Pension and other retirement benefit obligations	300	308
Other long-term employee benefit obligations	16	16
Long-term provisions**	229	58
Convertible bonds	499	479
Other long-term debt	356	354
Deferred tax liabilities	102	130
NON-CURRENT LIABILITIES	1,502	1,345
Short-term provisions	86	92
Short-term debt	277	255
Liabilities related to construction contracts	319	202
Trade payables	1,051	1,077
Other current financial liabilities	109	97
Accrued payroll costs	200	179
Current income tax payables	51	27
Other current non-financial liabilities	29	32
Liabilities related to groups of assets held for sale	0	1
CURRENT LIABILITIES	2,122	1,961
TOTAL EQUITY AND LIABILITIES	5,544	5,513

* Of which short-term financial assets included in the calculation of consolidated net debt: 50 million euros at December 31, 2011 and 150 million euros at December 31, 2010.

** Including a 200 million euro provision set aside over the first half of 2011 to cover the risk relating to the European Commission's current proceedings for anticompetitive behavior.

Consolidated statement of cash flows

	2011	2010
<i>(in millions of euros)</i>		
Net income (loss) attributable to owners of the parent	(178)	82
Net income (loss) attributable to non-controlling interests	(8)	2
Depreciation, amortization and impairment of assets (including goodwill) ⁴	172	196
Cost of debt (gross)	84	79
Core exposure effect ¹	40	(89)
Other restatements ²	185	(2)
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX³	295	268
Decrease (increase) in receivables	(146)	(75)
Decrease (increase) in inventories	(34)	(126)
Increase (decrease) in payables and accrued expenses	108	197
Income tax paid	(53)	(62)
Impairment of current assets and accrued contract costs	5	5
NET CHANGE IN CURRENT ASSETS AND LIABILITIES	(120)	(61)
NET CASH GENERATED FROM OPERATING ACTIVITIES	175	207
Proceeds from disposals of property, plant and equipment and intangible assets	17	13
Capital expenditures	(148)	(129)
Decrease (increase) in loans granted and short-term financial assets	89	(157)
- of which margin calls on metal derivatives	(3)	(1)
Purchase of shares in consolidated companies, net of cash acquired	(8)	0
Proceeds from sale of shares in consolidated companies, net of cash transferred	6	19
NET CASH USED IN INVESTING ACTIVITIES	(44)	(253)
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES	131	(46)
Proceeds from (repayment of) long-term borrowings	1	(2)
- of which proceeds from new borrowings	2	0
- of which repayments	(1)	(2)
Proceeds from (repayment of) short-term borrowings	25	43
Cash capital increases (reductions)	4	22
Interest paid	(68)	(38)
Transactions with owners not resulting in a change of control	-	-
Dividends paid	(33)	(32)
NET CASH USED IN FINANCING ACTIVITIES	(70)	(7)
Net effect of currency translation differences	(4)	26
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57	(27)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	783	810
CASH AND CASH EQUIVALENTS AT YEAR-END	840	783
- of which cash and cash equivalents recorded under assets	859	795
- of which short-term bank loans and overdrafts recorded under liabilities	(19)	(12)

¹ Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact.

² Other restatements in 2011 primarily included (i) a positive 200 million euro adjustment to eliminate the reserve relating to the European Commission proceeding for anticompetitive behavior (ii) a positive 31 million euros in relation to offsetting the Group's income tax charge and (iii) a negative 56 million euros to cancel the net change in other provisions (including provisions for pensions and restructuring costs).

Other restatements in 2010 included among others (i) a positive 26 million euros in relation to offsetting the Group's income tax charge, (ii) a negative 61 million euros to cancel the net change in operating provisions (including provisions for restructuring costs) and (iii) a positive 24 million euros to cancel the effect of changes in fair value of metal and foreign exchange derivatives.

³ The Group also uses the "operating cash flow" concept which is mainly calculated after adding back cash outflows relating to restructurings (48 million euros and 68 million euros in 2011 and 2010 respectively), and deducting gross cost of debt and the current income tax paid over the period.

⁴ Including the portion of restructuring costs corresponding to impairment of non-current assets

Information by reportable segment

<i>2011 (in millions of euros)</i>	Electrical wires	Energy	Telecom	Other	Group total
Contribution to Net sales at current metal prices	858	5,484	544	34	6,920
Contribution to Net sales at constant metal prices	266	3,852	446	30	4,594
Operating margin	11	223	30	(8)	256
Depreciation, amortization and impairment of assets (including goodwill)	(8)	(144)	(14)	(5)	(171)

<i>2010 (in millions of euros)</i>	Electrical wires	Energy	Telecom	Other	Group total
Contribution to Net sales at current metal prices	817	4,833	501	29	6,179
Contribution to Net sales at constant metal prices	289	3,568	426	26	4,309
Contribution to Net sales at constant metal prices and 2011 exchange rates	287	3,587	423	26	4,323
Operating margin	7	188	25	(13)	207
Depreciation, amortization and impairment of assets (including goodwill)	(2)	(163)	(13)	(3)	(181)

Information by major geographic area

<i>2011 (in millions of euros)</i>	France**	Germany	Norway	Other***	Group total
Contribution to Net sales at current metal prices*	1,057	757	660	4,446	6,920
Contribution to Net sales at constant metal prices*	742	601	605	2,646	4,594
Non-current assets IFRS 8* (at December 31)	139	129	180	1,289	1,737

* Based on the location of the assets

** Including Corporate activities

*** Geographic areas individually representing less than 10% of the Group's Net sales at constant metal prices

<i>2010 (in millions of euros)</i>	France**	Germany	Norway	Other***	Group total
Contribution to Net sales at current metal prices*	962	640	577	4,001	6,179
Contribution to Net sales at constant metal prices*	735	520	531	2,523	4,309
Contribution to Net sales at constant metal prices and 2011 exchange rates*	735	520	545	2,523	4,323
Non-current assets IFRS 8* (at December 31)	143	126	157	1,322	1,748

* Based on the location of the assets

** Including Corporate activities

*** Geographic areas individually representing less than 10% of the Group's Net sales at constant metal prices

Information by major customer

The Group does not have any customers that individually accounted for over 10% of its sales in 2011 or 2010.