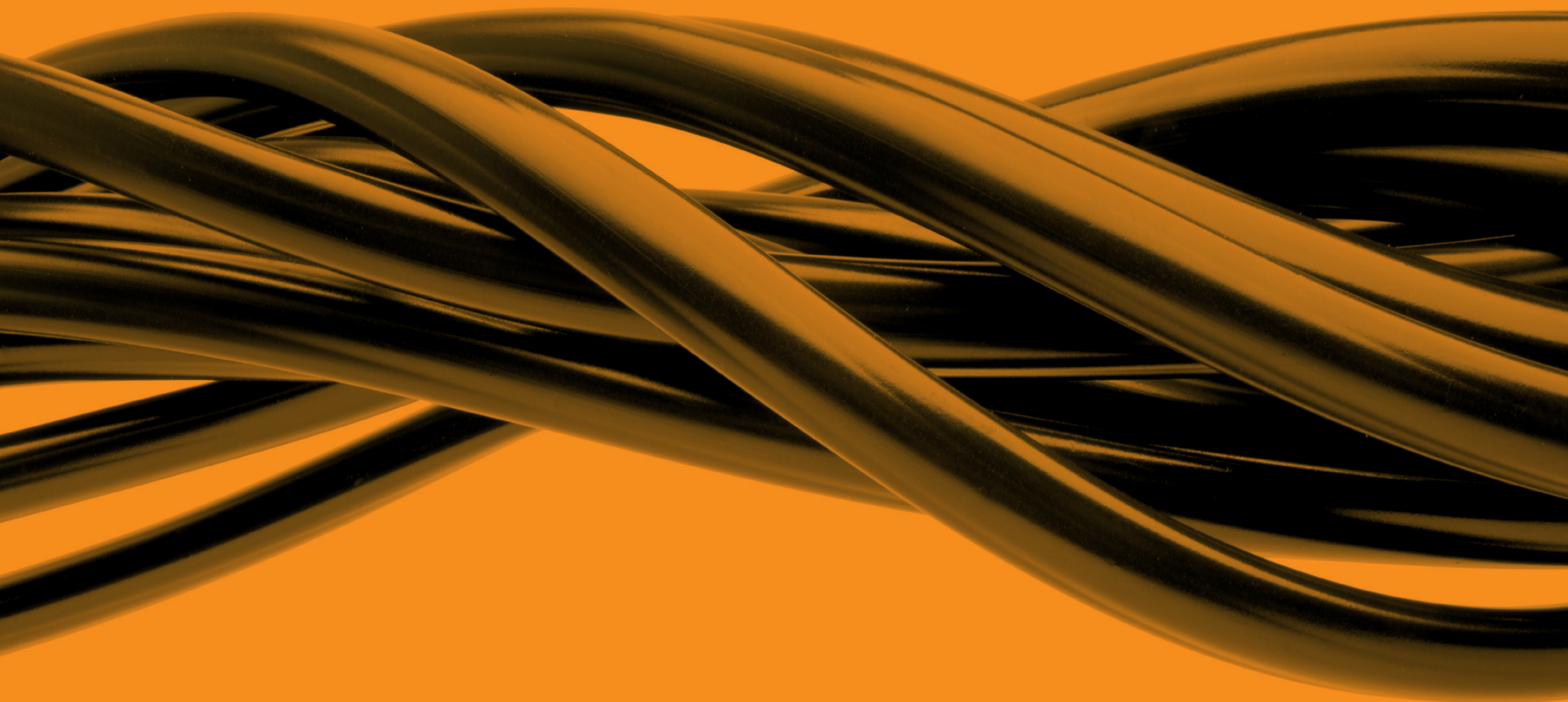
2013 HALF-YEAR FINANCIAL REPORT

AT THE CORE OF PERFORMANCE



Global expert in cables and cabling systems

The purpose of this report is to present an overview of the operations and results of the Nexans Group for the first half of fiscal year 2013. It is based on the consolidated financial statements for the six months ended June 30, 2013.

Nexans' shares are traded on the NYSE Euronext Paris market and are included in the SBF 120 index. The Company's estimated ownership structure – broken down by shareholder category – was as follows at June 30, 2013:

- Institutional investors: 85.2%, of which approximately 22.6% held by Madeco (renamed Invexans) which forms part of the Quiñenco group, 5.5% by Fonds Stratégique d'Investissement (France), 5.2% by Dodge & Cox (USA), 5.1% by Manning & Napier (USA) and 5.1% by Third Avenue Management (USA).
- Private investors and employees: 13.9%.
- Unidentified shareholders: 0.9%.

This interim activity report must be read in conjunction with the consolidated financial statements for the six months ended June 30, 2013 (including the notes to those financial statements), as well as with Nexans' Registration Document for the year ended December 31, 2012 which was filed with the French financial markets authority (Autorité des marchés financiers – AMF) on April 3, 2013 under number D.13-0273.

CONTENTS

1. Significant events of first-half 2013

1.1 Governance and Executive Management

Members of the Board of Directors of Nexans S.A.

At the Annual Shareholders' Meeting held on May 14, 2013, Nexans' shareholders re-elected as directors Jérôme Gallot and Francisco Pérez Mackenna (proposed by Nexans' principal shareholder, Madeco [renamed Invexans][1], in accordance with the shareholders' agreement between Nexans and Madeco). At the same meeting, the shareholders also elected Andrónico Luksic Craig (proposed by Madeco) as a director, to replace Guillermo Luksic Craig who has passed away. Nexans' Board of Directors has comprised 14 members since the close of that meeting.

Creation of a Strategy Committee

At its meeting of February 6, 2013, the Board of Directors decided to create a Strategy Committee to help instructing subjects for Board meetings. The new Committee's roles and responsibilities notably include examining the Group's three-year strategic plan before it is presented to the Board of Directors, annual follow-up of the progress of this plan, and reviewing the strategic considerations related to major projects of merger, acquisition, divestments and/or industrial investments which are reviewed by the Board of Directors in accordance with the Board's Internal Regulations. Robert Brunck, Jérôme Gallot, Colette Lewiner and Francisco Pérez Mackenna are members of the Strategy Committee which is chaired by Frédéric Vincent, Chairman and CEO of Nexans.

Appointment of Arnaud Poupart-Lafarge as Chief Operating Officer

The Group announced that Arnaud Poupart-Lafarge would be taking up the position of Chief Operating Officer during the summer of 2013. Mr. Poupart-Lafarge's arrival will strengthen Nexans' executive management team and falls within the scope of the Group's launch of its corporate development plan aimed at accelerating the deployment of its strategic initiatives.

All the Group's operational activities will come under his responsibility, and the following people will report to him in their current roles:

- Pascal Portevin – Senior Corporate Executive Vice President in charge of the Europe and MERA Areas and the Information Systems Department;
- Frédéric Michelland – Senior Corporate Executive Vice President, in charge of the High-Voltage and Underwater Cables Business Group and the North America and South America Areas;
- Nicholas Ballas – Executive Vice President, Asia-Pacific Area;
- Antoine Caillault – Senior Corporate Vice President, Manufacturing & Logistics, also responsible for Purchasing.

1.2 Australia: Evolving industrial positioning

The deterioration in the macroeconomic context in Australia has led the Group to perform a strategy analysis resulting in a proposed evolution in the industrial positioning of Australia within the Asia Pacific area. In this context, at June 30, 2013, the Group recorded an 80 million euro impairment loss for the "Australia" cash-generating unit (CGU):

- The "Australia" cash-generating unit corresponds to the activities of Nexans Olex in Australia and New Zealand.
- Like many other manufacturing companies in Australia, in recent years Nexans Olex has been confronted with tough competition from outside the region, exacerbated by the stronger Australian dollar and the elimination of import taxes.
- More recently, and particularly in the first half of 2013, the macro-economic environment has worsened significantly, which has impacted the three main markets of the entity: the mining activities' growth came to a sudden halt, the non-residential construction sector experienced a sharp slowdown, and reorganization plans were set up by energy operators following a steep falloff in electricity consumption.
- In response to this situation, Nexans – with the help of external advisors – launched a strategic analysis in order to put in place an appropriate action plan for the requisite change measures. The underlying objectives of this plan are to more deeply integrate Australian operations into the regional supply chain, cut costs drastically, and streamline the manufacturing and purchasing processes.
- The strategic analysis also revealed that the fair value of the Nexans Olex entity had decreased. Consequently, an 80 million euro impairment loss was recognized in the first half of 2013.

See also Note 5 and Note 10 to the condensed interim consolidated financial statements.

(1) Following a reorganization of its businesses in early 2013, the Madeco legal entity that holds this stake in Nexans was renamed Invexans S.A.

2. Operations during first-half 2013

2.1 Business review by operating segment (sales figures at constant non-ferrous metal prices and operating margin)

2.1.1 Overview

Sales for the first half of 2013 came to 3.412 billion euros at current non-ferrous metal prices compared with 3.577 billion euros for the same period of 2012. At constant non-ferrous metal prices[2], sales amount to 2.351 billion euros compared with 2.398 billion euros in 2012 that is a 3.4%[3] organic contraction for the Group as a whole.

The business performance is contrasted among the various areas and businesses:

- The improved production conditions for submarine high voltage cables result in double-digit revenue growth. Conversely, the unfavorable market conditions in the Middle East and Europe, as well as the lack of any installation activity in Libya resulted in land high voltage sales contracting;
- In the other businesses, the situation remains difficult in the European and North American building segment because of a lack of sales volume although in a context of relatively stable prices. In the infrastructure cable sector in Europe, the difficult situation is attributable to the drop in demand from the main operators and the overproduction of energy that exceptionally was a feature of this half year. On the other hand, special cables for industry reported growth driven by the strength of the transportation segments and the global Oil & Gas business.

The EBITDA margin[4] comes to 151 million euros, or 6.4% of sales at constant non-ferrous metal prices (6.7% in the first half of 2012).

The operating margin[5] comes to 75 million euros, or 3.2% of sales at constant non-ferrous metal prices, compared with 3.7% in the first half of 2012.

2.1.2 Analysis by business line

Distributors and Installers

The Distributors and Installers segment sales came to 596 million euros at constant non-ferrous metal prices, that is -7.3% on the first half of 2012.

In Europe, the sharp contraction in demand observed since the second half of last year led to a 9.5% contraction in sales compared with the first half of 2012, but the level of business is stable compared with the second half of last year.

In North America, business had contracted by the end of the first half. However, it was markedly stronger in the second quarter than in the first for building cables and LAN cables, reflecting for the latter the effect of the initial sales/marketing synergies derived from the partnership signed with Leviton at the end of February.

In South America, sales were up sharply compared with the previous year, driven by Brazil and Peru both of which experienced a strong start to the year.

In Asia-Pacific, the situation continues to reflect sharp differences between Australia where the commercial and industrial construction sector business worsened in the first half of 2013, and South Korea where sales have remained steady despite an increasingly strained market environment following the financial difficulties experienced by local construction companies.

Lastly, despite weaker domestic demand in Morocco, sales in the Middle East, Russia and Africa area remained virtually unchanged thanks to the good performance of Turkey due to the country's property boom, the repositioning in higher value added segments such as halogen-free cables, and the increased range of products for local networks.

The operating margin came to 24 million euros compared with 43 million euros in 2012, or 4.1% of sales. This change is mainly due to an unfavorable sales mix in North America triggered by the drop in LAN cable sales and the volume effect in Europe. The price environment remained stable overall in the first half of 2013.

Industry

Sales for specialty cables came to 622 million euros at constant non-ferrous metal prices compared with 585 million euros for the same period in 2012, which is an organic growth of 2.7%.

The resources sector saw a slight slowdown early in the year after a very dynamic 2012. This result reflects both the strong Oil & Gas business and slower mining activity resulting from the curtailment of investments by the main EPCs (Engineering Procurement and Construction Companies). Conversely, the renewable energy industry posted an excellent performance driven by wind power business.

Business continued at a very high level for automotive harnesses.

The transportation sector is still riding the crest of a wave resulting in excellent performances: in South Korea, shipbuilding and Oil & Gas platforms and in France where aeronautical business reported strong growth.

(2) To neutralize the effect of variations in the purchase price of non-ferrous metals and thus measure the underlying sales trend, Nexans also calculates its sales using a constant price for copper and aluminum.
(3) First-half 2012 sales on the basis of comparable data correspond to constant non-ferrous metal sales, restated after adjustments for comparable scope and exchange rates. The exchange effect on sales at constant non-ferrous metal prices amounts to a -21 million euros and the scope effect comes to 55 million euros.
(4) EBITDA is defined as Operating marging before depreciation (non-GAAP measure).
(5) A management indicator used by the Group to measure its operational performance. The operating margin rate is expressed as a percentage of sales at constant non-ferrous metal prices. Following the adoption of the revised IAS 19 accounting standard, the 2012 first-half consolidated accounts have been restated.

The other industrial application segments continue to suffer from sluggish market conditions. This is particularly the case in Europe where the bulk of handling, pump and other specialty cables business is located.

The operating margin for this segment came to 21 million euros, which is unchanged on a year earlier, or 3.4% of sales. The contribution of AmerCable continues to have an accretive effect.

Transmission, Distribution and Operators

2013 first-half sales for the Transmission, Distribution and Operators segment comes to 993 million euros at constant non-ferrous metal prices, an organic contraction of 3.9%.

Land high voltage

The market context remains difficult for land high voltage business, with sales down on the first half of 2012. Nonetheless, double-digit growth in sales was recorded from one quarter to the next buoyed by the start-up of production for the supply contract in Libya.

In China, the integration of Yanggu is continuing according to schedule. The competitive domestic market has led the Group to develop a business approach toward the EPC companies on the export front, as evidenced by the recent contract signed with Sino-Hydro for a project in Ecuador.

In the United States, the construction of the extra high voltage plant in Charleston, South Carolina, is progressing according to schedule with delivery planned for the third quarter of 2014. Tender activity has started in order to ensure the level of activity complies with the plan.

Submarine transmission

Submarine transmission sales continue to be very healthy since the return to normal operation, resulting in a 12% boost to sales compared with the same period in 2012.

The medium-term outlook for umbilical cable business remains very positive with the booking of new projects worth a total of 50 million euros that are deliverable in 2014 and 2015.

Distribution

Low and medium voltage power distribution cable sales contracted 9.8%; a trend that was felt in all areas.

In Europe, economic uncertainty has led to declining investments:

- In Italy, energy infrastructure expenditure has fallen by 30%;
- In France, after a period of strong activity in the past 18 months, business seems to have fallen back to a more recurrent level resulting in a drop in sales in the second quarter;
- The German economy, which was one of the expected growth drivers in Europe in 2013, did not really take off in the first half.

In Asia-Pacific, the good performance of South Korea did not offset Australia where the decline in electricity demand over the past two years has forced operators to curtail their investments. On the other hand, the level of activity in New Zealand is significantly higher because of the reconstruction of Christchurch, which had suffered extensive damage in the 2011 earthquake. In China, Nexans Yanggu New Rihui sales reached a very satisfactory level, in line with expectations.

The South America and Middle East, Russia and Africa areas both contracted compared with the first half a year earlier. However, the sequential double-digit growth in sales (second quarter 2013 compared with the first quarter 2013) reflects the resumption of projects in certain countries. In particular, in Brazil where the sequential increase in sales came to 70%.

The Accessories business again demonstrated its dynamism with another semester of growth.

Operators

Sales to operators remained unchanged compared with 2012 despite marked differences between copper cable business – which contracted sharply in South America – and fiber optic business driven by the growing demand for FTTH (Fiber To The Home) in Europe.

The operating margin of the Transmission, Distribution and Operators segment came to 34 million euros, or 3.4% of sales, compared with 23 million euros in 2012.

Other activities

The "Other Activities" segment reported sales of 140 million euros for the first half of 2013 at constant non-ferrous metal prices compared with 156 million euros for the same period in 2012. This segment mainly comprises electrical wire sales for which the Group is continuing to focus its strategy on internal requirements.

The operating margin is a negative 4 million euros, after incorporating the central costs not allocated to the business sectors.

2.2 Other items in the first-half 2013 consolidated income statement

2.2.1 Core exposure effect

Non-ferrous metal prices fell sharply in first-half 2013, generating a negative "Core exposure effect" of 27 million euros, compared with a positive 3 million euro effect for the six months ended June 30, 2012.

As a reminder, in the IFRS financial statements, non-ferrous metal inventories are measured using the weighted average unit cost method, leading to the recognition of a temporary price difference between the accounting value of the copper used in production and the actual value of this copper as allocated to orders through the hedging mechanism. This difference is reinforced by the existence of a permanent inventory of metal that is not hedged (called "Core exposure").

The accounting impact related to this difference is not included in operating margin and instead is accounted for in a separate line of the consolidated income statement, called "Core exposure effect". Within operating margin – which is a key performance indicator for Nexans – inventories consumed are valued based on the metal specific to each order, in line with the Group's policy of hedging the price of the metals contained in the cables sold to customers.

2.2.2 Net asset impairment

In the fourth quarter of each year, the Group carries out impairment tests on goodwill, property, plant and equipment and intangible assets, based on estimated medium-term data provided by its business units.

At June 30, 2013, Nexans carried out a review of these assets to identify any indications of impairment arisen since the tests carried out in the fourth quarter of 2012.

Based on this review, the Group wrote down the net assets of subsidiaries by a total of 92 million euros, including an 80 million euro impairment loss related to the net assets of the Australian subsidiary (see Note 5 and Note 10 to the condensed interim consolidated financial statements).

2.2.3 Restructuring costs

Restructuring costs came to 32 million euros in first-half 2013 (see Note 13 to the condensed interim consolidated financial statements) versus 8 million euros in the corresponding prior-year period.

The first-half figure corresponds to various restructuring plans launched in 2013 – notably in Australia, which accounted for 13 million euros of the total – as well as costs expensed as incurred (in accordance with IFRS), relating to restructuring plans launched in previous years, notably in France, Germany, Italy and Brazil.

The 8 million euros in restructuring costs recorded in first-half 2012 mainly correspond to plans in France and Italy (for asset relocations, employee redeployments, etc.).

2.2.4 Changes in fair value of non-ferrous metal derivatives

The Group's operating companies use futures contracts negotiated primarily on the London Metal Exchange (LME) to hedge its exposure to non-ferrous metal price fluctuations (copper, aluminum and, to a lesser extent, lead).

Due to the sharp volatility in non-ferrous metal prices, the Group has taken measures to enable a large portion of these derivative instruments to be classified as cash flow hedges as defined in IAS 39.

At end-June 2013, only a few of the Group's units – for which the amounts concerned are not considered material – did not fulfill the conditions enabling their derivatives to qualify for hedge accounting. For these units, gains and losses arising from fair value adjustments to non-ferrous metal derivatives are recognized in the income statement under "Changes in fair value of non-ferrous metal derivatives".

2.2.5 Gains and losses on asset disposals

Gains and losses on asset disposals were not material in either first-half 2013 or 2012.

2.2.6 Provision related to EU antitrust procedure

Following the Statement of Objections received from the European Commission's Directorate General for Competition on July 5, 2011 by Nexans and its subsidiary Nexans France SAS for alleged anticompetitive behavior, Nexans France SAS recorded a 200 million euro provision in its statutory financial statements for a potential fine that could be imposed on it, which provision was included in the Group's consolidated financial statements since June 30, 2011. As the outcome of the proceedings will likely be known within 12 months, the 200 million euro provision has been reclassified within current items in the 2013 interim consolidated financial statements.

Certain Group companies are also under investigation by the competition authorities of Australia, South Korea (in addition to an investigation into the domestic market), the United States, Brazil, and Canada, in the same sector of activity.

In a press release of February 12, 2009 and in its subsequent communications, the Company indicated that an unfavorable outcome of these proceedings as well as the associated consequences could have a material adverse effect on the results and thus the financial position of the Group, even excluding the potential fine that may be imposed by the European Commission.

See also Note 16 (Disputes and contingent liabilities) to the condensed interim consolidated financial statements.

2.2.7 Financial income and expenses

The Group recorded a net financial expense of 46 million euros in first-half 2013, compared with 58 million euros for the first six months of 2012. This 12 million euro year-on-year decrease primarily reflects (i) a reduction in the cost of net debt, (ii) a higher net foreign exchange gain, and (iii) a favorable basis of comparison due to the provisions recorded under financial expenses in the first half of 2012.

The Group's net financial expense for the first six months of 2013 mainly included 45 million euros in debt service costs (net of income from cash management), a 7 million euro net foreign exchange gain, and 7 million euros in net finance costs for pensions.

2.2.8 Income taxes

The Group recorded an income tax expense of 21 million euros in the first half of 2013, despite reporting a pre-tax loss of 124 million euros. In addition to the current tax charge of profit-making entities, this corresponds to the non-recognition of deferred taxes on impairment charges and the recognition in the consolidated financial statements of taxes not directly related to net income.

2.3 Principal cash flows for the period

Cash flows from operations before gross cost of debt and tax totaled 118 million euros in first-half 2013.

The increase in working capital requirement in the first half of 2013 reflects the seasonal increase in working capital requirement as well as the deferral of a payment for a high-voltage submarine cable project to August 2013 (when the Group expects to see a significant fall in working capital requirement).

At 84 million euros, capital expenditure was up year on year in view of the construction of the extra high-voltage terrestrial cables plant in Charleston, South Carolina (USA). Other cash flows from investing activities were not material during the period.

Having carried out a partial buyback of its OCEANE 2013 convertible/exchangeable bonds in February 2012, in January 2013 the Group redeemed the remainder of these bonds for 85 million euros. Debt also continued to be scaled back for certain entities that are not members of the centralized financing system, notably in Morocco and Turkey. Total repayments of borrowings – net of proceeds from new borrowings – came to 99 million euros, including the redemption of the OCEANE 2013 bonds. Other cash flows from financing activities correspond to 32 million euros in interest paid and 15 million euros in dividends paid.

Overall, taking into account the effect of currency translation differences, net cash and cash equivalents decreased by 319 million euros during the period and stood at 499 million euros at June 30, 2013 (including 534 million euros in cash and cash equivalents recorded under assets and 35 million euros corresponding to short-term bank loans and overdrafts recorded under liabilities).

2.4 Consolidated statement of financial position

The Group's total consolidated assets decreased to 5,488 million euros at June 31, 2013 from 5,854 million euros at December 31, 2012.

Changes in the structure of the Group's statement of financial position between those two reporting dates were as follows:

- Non-current assets totaled 2,048 million euros at June 30, 2013, versus 2,210 million euros at December 31, 2012. Out of the total decrease, 92 million euros corresponds to actual reductions in the value of non-current assets (notably due to the impairment of the net assets of the Australian subsidiary) and 70 million euros to a negative foreign currency effect.

- Operating working capital requirement (trade receivables plus inventories less trade payables and accounts related to long-term contracts) rose by 142 million euros between December 31, 2012 and June 30, 2013. This increase, combined with the 84 million euros in capital expenditure incurred during the period, constituted the primary reason for the rise in consolidated net debt to 820 million euros at June 30, 2013 from 606 million euros at end-2012.

- Provisions for contingencies and charges – including for pensions and other retirement benefit obligations – remained relatively stable during the period, amounting to 764 million euros at June 30, 2013 versus 772 million euros at December 31, 2012.

- Total equity decreased to 1,572 million euros at June 30, 2013, taking into account (i) the 145 million euro net loss for the period, (ii) 65 million euros in negative currency translation differences, and (iii) a 49 million euro negative impact due to changes in fair value of derivatives classified as cash flow hedges.

3. Trends and outlook for the second half of 2013

Business in the first half of 2013 was relatively weak as anticipated at the start of the year. Nonetheless, there was a sharp upturn in the second quarter compared with the first. However, the market environment remains difficult, especially in Europe and the Middle East. The action plan implemented and aimed at achieving a structural recovery in the profitability of submarine high voltage business is beginning to pay off with production returning to a normal level in this first half year. Order backlog is still solid and provides more than two years' visibility for this activity.

The Group's transformation is stepping up in particular with a strengthened executive management team and a structure specifically tasked with tracking the rollout of strategic initiatives.

The operating margin in the second half of 2013 should be higher than that of the first half of the year and be at a level in the same order of magnitude as that for 2012, subject to a stabilized environment in Europe. Additionally, the cost saving plans under consideration could result in reserves that could produce a net loss in the second half.

Net debt at year-end, on the basis of copper prices as currently observed, should be similar to that at December 31, 2012.

Please also see section 4 below, "Risk factors and main uncertainties".

4. Risk factors and main uncertainties

Nexans operates in a context of risk and uncertainty as a result of the general economic environment as well as the specific nature of its own business activities. A detailed description of risk factors and uncertainties – notably risks related to the antitrust investigations launched in 2009 – is provided in section 6 of the Management Report in Nexans' 2012 Registration Document entitled "Risk factors", on pages 34 to 41 and 185 to 197. If these risks were to materialize they could have a significant adverse effect on the Group's operations, financial position, earnings or outlook. Nexans may be exposed to other risks that were not identified at the date of this report, or which are not currently considered material.

Nexans considers that the main risks identified in the 2012 Registration Document have not changed significantly.

Readers should also refer to **Note 16** to the condensed interim consolidated financial statements, especially for the risks related to the antitrust investigations.

In addition to these risk factors, the main uncertainties for the second half of 2013 primarily relate to:

- The cost-saving plans currently under study, which could lead to consultation procedures with the employee representative bodies in the second half of the year, and which could have a negative impact on the balance sheet and the net profit, and significant negative consequences for operations.
- The operational performance in the High-Voltage business, in particular compliance with delivery times and successful results of the tests requested by customers, together with the positive outcomes from managing turnkey projects claim management.
- In Libya, the resumption of High-Voltage projects that had been postponed.
- Customers' maintaining their Oil & Gas projects in North America and an upturn in the LAN market in the United States.
- A sufficient level of demand in Europe.
- Volumes level in Australia where demand slowed in the first half and where Nexans has implemented actions aimed at improving its competitiveness.
- Preservation of assets values in unstable economies, such as Argentina and Egypt.
- Increased customer credit risks, which is some cases cannot be insured, or fully insured, in Southern Europe – notably Greece – and in some customer segments in China.
- The assumption of a possible impact in 2013 of the antitrust investigations begun in 2009, consistent with the accounting options retained by the Group.

5. Related party transactions

The Company considers that there were no significant changes in its main transactions with related parties compared with those described on pages 46 to 54 of the 2012 Registration Document and **Note 31** to the consolidated financial statements for the year ended December 31, 2012.

July 24, 2013

The Board of Directors
represented by Frédéric Vincent
Chairman and CEO

Condensed interim consolidated financial statements

Six months ended June 30, 2013

Consolidated income statement

(in millions of euros)	Notes	First-half 2013	First-half 2012 Restated***
NET SALES	(4)	3,412	3,577
Metal price effect*		(1,061)	(1,179)
SALES AT CONSTANT METAL PRICES*	(4)	2,351	2,398
Cost of sales		(3,016)	(3,170)
Cost of sales at constant metal prices*		(1,954)	(1,991)
GROSS PROFIT		397	407
Administrative and selling expenses		(282)	(278)
R&D costs		(40)	(40)
OPERATING MARGIN*	(4)	75	89
Core exposure effect**		(27)	3
Net asset impairment	(5)	(92)	(2)
Changes in fair value of non-ferrous metal derivatives		(2)	(1)
Net gains on asset disposals		0	(1)
Acquisition-related costs		(0)	(4)
Restructuring costs		(32)	(8)
OPERATING INCOME (LOSS)		(78)	76
Cost of debt (gross)		(48)	(51)
Income from cash and cash equivalents		3	4
Other financial income and expenses	(6)	(1)	(11)
Share in net income (loss) of associates		0	(0)
INCOME (LOSS) BEFORE TAXES		(124)	18
Income taxes	(8)	(21)	(5)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(145)	13
Net income (loss) from discontinued operations		-	-
NET INCOME (LOSS)		(145)	13
- attributable to owners of the parent		(145)	13
- attributable to non-controlling interests		(0)	0
ATTRIBUTABLE NET INCOME (LOSS) PER SHARE (in euros)	(9)		
- basic earnings (loss) per share		(4.92)	0.47
- diluted earnings (loss) per share		(4.92)	0.46

* Performance indicators used to measure the Group's operating performance.
** Effect relating to the revaluation of Core Exposure at its weighted average cost.
*** Details of the restatements made to the first-half 2012 consolidated income statement are presented in Note 3.

Consolidated statement of comprehensive income

(in millions of euros)	First-half 2013	First-half 2012 Restated*
NET INCOME (LOSS) FOR THE PERIOD	(145)	13
Available-for-sale financial assets	(0)	(0)
- Gains (losses) generated during the period (net of tax**)	(0)	(0)
- Amounts recycled to the income statement (net of tax**)	-	-
Currency translation differences	(65)	24
- Gains (losses) generated during the period (net of tax**)	(67)	24
- Amounts recycled to the income statement (net of tax**)	2	-
Cash flow hedges	(49)	10
- Gains (losses) generated during the period (net of tax**)	(67)	10
- Amounts recycled to the income statement (net of tax**)	18	0
Share of other comprehensive income of associates that will be recycled to the income statement, net of tax**	-	-
Total other comprehensive income (loss) that will be recycled to the income statement	(114)	34
Actuarial gains and losses on pension and other retirement benefit plans (net of tax**)	2	(30)
Share of other comprehensive income of associates that will not be recycled to the income statement, net of tax**	-	-
Total other comprehensive income (loss)	(112)	4
Total comprehensive income (loss)	**(257)**	**17**
- attributable to owners of the parent	(257)	17
- attributable to non-controlling interests	0	0

* Details of the restatements made to the first-half 2012 consolidated income statement are presented in Note 3.
** Note 8.b provides a breakdown of the tax impacts on comprehensive income.

Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	June 30, 2013	December 31, 2012
Goodwill	(10)	442	509
Other intangible assets		235	238
Property, plant and equipment		1,169	1,256
Investments in associates		14	13
Other non-current financial assets		48	50
Deferred tax assets		137	141
Other non-current assets		3	3
NON-CURRENT ASSETS		2,048	2,210
Inventories and work in progress		1,094	1,125
Amounts due from customers on construction contracts		354	335
Trade receivables		1,201	1,080
Other current financial assets*		107	113
Current income tax receivables		22	31
Other current non-financial assets		101	112
Cash and cash equivalents	(14)	534	847
Assets and groups of assets held for sale	(7)	27	1
CURRENT ASSETS		3,440	3,644
TOTAL ASSETS		**5,488**	**5,854**

* Of which 38 million euros and 60 million euros of fair value of derivatives at June 30, 2013 and December 31, 2012, respectively (see Note 15).

EQUITY AND LIABILITIES

(in millions of euros)	Notes	June 30, 2013	December 31, 2012
Capital stock		30	30
Additional paid-in capital		1,301	1,301
Retained earnings and other reserves		119	275
Other components of equity		72	187
Equity attributable to owners of the parent		1,522	1,793
Non-controlling interests		50	50
TOTAL EQUITY	(11)	1,572	1,843
Pension and other retirement benefit obligations	(12)	432	444
Other long-term employee benefit obligations	(12)	18	19
Long-term provisions	(13) and (16)	29	232
Convertible bonds	(14)	441	433
Other long-term debt	(14)	597	595
Deferred tax liabilities		99	114
NON-CURRENT LIABILITIES		1,616	1,837
Short-term provisions	(13) and (16)	285	77
Short-term debt	(14)	316	425
Liabilities related to construction contracts		194	210
Trade payables		1,119	1,136
Other current financial liabilities*		126	65
Accrued payroll costs		201	202
Current income tax payables		16	28
Other current non-financial liabilities		41	31
Liabilities related to groups of assets held for sale	(7)	2	0
CURRENT LIABILITIES		2,300	2,174
TOTAL EQUITY AND LIABILITIES		**5,488**	**5,854**

* Of which 67 million euros and 29 million euros of fair value of derivatives at June 30, 2013 and December 31, 2012, respectively (see Note 15).

Consolidated statement of cash flows

(in millions of euros)	Notes	First-half 2013	First-half 2012
Net income (loss) attributable to owners of the parent		(145)	13
Net income (loss) attributable to non-controlling interests		(0)	0
Depreciation, amortization and impairment of assets (including goodwill)(1)		170	75
Cost of debt (gross)		48	51
Core exposure effect(2)		27	(3)
Other restatements(3)		18	15
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX(4)		118	151
Decrease (increase) in receivables		(190)	(149)
Decrease (increase) in inventories		(32)	(31)
Increase (decrease) in payables and accrued expenses		54	(35)
Income tax paid		(24)	(50)
Impairment of current assets and accrued contract costs		2	(9)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		(190)	(274)
NET CASH USED IN OPERATING ACTIVITIES		(72)	(123)
Proceeds from disposals of property, plant and equipment and intangible assets		3	3
Capital expenditures		(84)	(62)
Decrease (increase) in loans granted and short-term financial assets		(5)	48
- of which margin calls on metal derivatives		*(0)*	*3*
Purchase of shares in consolidated companies, net of cash acquired(5)		(2)	(215)
Proceeds from sale of shares in consolidated companies, net of cash transferred		1	0
NET CASH USED IN INVESTING ACTIVITIES		(87)	(226)
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		(159)	(349)
Proceeds from long-term borrowings(6)	(14)	2	280
Repayments of long-term borrowings	(14)	(0)	(1)
Proceeds from (repayment of) short-term borrowings	(14)	(99)	(237)
- of which repayments of the OCEANE 2013 convertible/exchangeable bonds(6)	(14)	*(85)*	*(241)*
Cash capital increases (reductions)		0	1
Interest paid		(32)	(60)
Transactions with owners not resulting in a change of control		-	-
Dividends paid		(15)	(32)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		(144)	(49)
Net effect of currency translation differences		(16)	3
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(319)	(395)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		818	840
CASH AND CASH EQUIVALENTS AT PERIOD-END		499	445
of which cash and cash equivalents recorded under assets		*534*	*466*
of which short-term bank loans and overdrafts recorded under liabilities		*(35)*	*(21)*

(1) Including the portion of restructuring costs corresponding to impairment of non-current assets.

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

(3) Other restatements for the six months ended June 30, 2013 included (i) a positive 21 million euros in relation to offsetting the Group's income tax charge and (ii) a positive 1 million euros to cancel the net change in operating provisions (including provisions for pensions and restructuring costs).
Other restatements for the six months ended June 30, 2012 included (i) a positive 5 million euros in relation to offsetting the Group's income tax charge and (ii) a negative 9 million euros to cancel the net change in operating provisions (including provisions for pensions and restructuring costs).

(4) The Group also uses the "operating cash flow" concept which is mainly calculated after adding back cash outflows relating to restructurings (20 million euros and 15 million euros for the first half of 2013 and 2012, respectively), and deducting gross cost of debt and the current income tax paid over the period.

(5) Of which 211 million euros (net of cash acquired) in disbursements in the first half of 2012 with respect to the cash-only acquisition of AmerCable on February 29, 2012.

(6) In late February 2012, the Company carried out (i) a partial buyback of its OCEANE 2013 bonds, representing an aggregate amount of 241 million euros, and (ii) a 275 million euro new issue of OCEANE bonds maturing in 2019. In early January 2013, the Company redeemed its outstanding OCEANE 2013 bonds at maturity, for an amount of 85 million euros.

Consolidated statement of changes in equity

(in millions of euros)	Number of shares outstanding	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and other reserves	Changes in fair value and other	Currency translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total equity
January 1, 2012 restated	28,723,080	29	1,286	-	308	(19)	193	1,797	35	1,832
Net income (loss) for the period	-	-	-	-	13	-	-	13	0	13
Other comprehensive income (loss)	-	-	-	-	(30)	10	24	4	-	4
Total comprehensive income (loss)	-	-	-	-	(17)	10	24	17	-	17
Dividends paid	-	-	-	-	(32)	-	-	(32)	(1)	(33)
Capital increases	-	-	-	-	-	-	-	-	-	-
Equity component of OCEANE bonds	-	-	-	-	25	-	-	25	-	25
Employee stock option plans:										
- Service cost	-	-	-	-	2	-	-	2	-	2
- Proceeds from share issues	37,630	0	1	-	-	-	-	1	-	1
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	4	1	-	5	-	5
June 30, 2012 restated*	28,760,710	29	1,287	-	290	(8)	217	1,815	34	1,849
January 1, 2013	29,394,042	30	1,301	-	275	7	180	1,793	50	1,843
Net income (loss) for the period	-	-	-	-	(145)	-	-	(145)	(0)	(145)
Other comprehensive income (loss)	-	-	-	-	2	(49)	(66)	(113)	1	(112)
Total comprehensive income (loss)	-	-	-	-	(143)	(49)	(66)	(258)	1	(257)
Dividends paid	-	-	-	-	(15)	-	-	(15)	(0)	(15)
Capital increases	-	-	-	-	-	-	-	-	-	-
Equity component of OCEANE bonds	-	-	-	-	-	-	-	-	-	-
Employee stock option plans:										
- Service cost	-	-	-	-	1	-	-	1	-	1
- Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	1	0	0	1	(1)	0
June 30, 2013	29,394,042	30	1,301	-	119	(42)	114	1,522	50	1,572

* Details of the restatements made to the first-half 2012 consolidated income statement are presented in Note 3.

Notes to the interim consolidated financial statements

Note 1: Summary of significant accounting policies

a. General principles

Nexans is a French joint stock corporation (société anonyme) governed by the laws and regulations applicable to commercial companies in France, notably the French Commercial Code (Code de commerce). The Company was formed on January 7, 1994 (under the name Atalec) and its headquarters are at 8, rue du Général Foy, 75008 Paris, France.

Nexans is listed on the NYSE Euronext Paris market (Compartment A) and forms part of the SBF 120 index.

These condensed interim consolidated financial statements are presented in euros rounded to the nearest million.

These condensed interim consolidated financial statements were approved by Nexans' Board of Directors on July 24, 2013.

• Compliance with IAS 34

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not contain all the disclosures required for annual financial statements and should therefore be read in conjunction with the Group's annual financial statements for the year ended December 31, 2012.

The condensed interim consolidated financial statements of the Nexans Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The standards adopted by the European Union can be viewed on the European Commission website at:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The application of IFRS as issued by the IASB would not have a material impact on the financial statements presented.

• Standards and interpretations

The accounting policies adopted for the financial statements at June 30, 2013 are consistent with those applied in the annual consolidated financial statements for the year ended December 31, 2012, except where specific conditions apply relating to the preparation of interim financial statements (see Note 1.b) below.

The Group has adopted the following which are applicable in 2013:

- Amendment to IFRS 1, *First-time Adoption of International Financial Reporting Standards: Government Loans.*

- Amendments to IFRS 1, *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters.*

- Amendment to IAS 12, *Income Taxes – Deferred Tax: Recovery of Underlying Assets.*

- Amendments to IFRS 7, *Disclosures, relating to offsetting financial assets and liabilities.*

- IFRS 13, *Fair Value Measurement.* At June 30, 2013, the Group assessed counterparty risk in relation to the fair value of its derivatives. As the resulting estimations were not material, no amounts were recognized in the consolidated financial statements.

For the financial statements at December 31, 2012, the Group early adopted the **revised version of IAS 19**, Employee Benefits, and the **amendments to IAS 1**, *Presentation of Items of Other Comprehensive Income.*

The Group has not early adopted the following standards and amendments which were published by IASB, endorsed by the European Union and whose application is not mandatory in 2013:

- *IFRS 10, Consolidated Financial Statements.*

- *IFRS 11, Joint Arrangements.*

- *IFRS 12, Disclosure of Interests in Other Entities.*

- *Amendments following IFRS10, 11, 12 on **IAS 28**, Investments in Associates and Joint Ventures, and **transition amendments to** IFRS 10, 11, 12.*

- *Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities.*

• Accounting estimates and judgments

The preparation of interim consolidated financial statements requires Management to exercise its judgment and make estimates and assumptions.

The main sources of uncertainty relating to estimates used to prepare the interim consolidated financial statements for first-half 2013 were the same as those described in the full-year 2012 consolidated financial statements. During the first six months of 2013, Management reviewed its estimates concerning:

- The recoverable amount of certain items of property, plant and equipment, intangible assets and goodwill (see Note 5 and Note 10);

- Deferred tax assets not recognized in prior periods relating to unused tax losses (see Note 8);

- Margins to completion and percentage of completion on long-term contracts;

- The measurement of pension liabilities and other employee benefits (see Note 12);

- Provisions and contingent liabilities (see Note 13 and Note 16);

- The measurement of derivative instruments and their qualification as cash flow hedges (see Note 15).

These estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources. Actual amounts may differ from these estimates. The impact of changes in accounting estimates is recognized in the period of the change if it only affects that period or over the period of the change and subsequent periods if they are also affected by the change.

b. Specific issues concerning the preparation of interim financial statements

For the purpose of preparing the Group's condensed interim consolidated financial statements, the following calculations and estimates are applied in addition to the recognition, measurement and presentation rules described in paragraph a):

- The current and deferred tax charge for the period is calculated by applying the estimated average annual tax rate for the current fiscal year to the first-half pre-tax income figure for each entity or tax group. This average annual rate includes, where appropriate, the impact of transactions affecting the legal structure of the Group during the period, such as mergers.

- Net liabilities on pension and on other employee benefits are calculated using the latest valuation as at the previous year-end. Adjustments of actuarial assumptions are performed on main contributing plans to take into account significant fluctuations or one-time events that occurred during the six-month period. The fair value of main plan assets is reviewed at the closing date.

Note 2: Significant events of the period

a. Governance and Executive Management

Members of the Board of Directors of Nexans S.A.

At the Annual Shareholders' Meeting held on May 14, 2013, Nexans' shareholders re-elected as directors Jérôme Gallot and Francisco Pérez Mackenna (nominated by Nexans' principal shareholder, Madeco [renamed Invexans][1], in accordance with the shareholders' agreement between Nexans and Madeco). At the same meeting, the shareholders also elected Andronico Luksic Craig (proposed by Madeco) as a director, to replace Guillermo Luksic Craig who has passed away. Nexans' Board of Directors has comprised 14 members since the close of that meeting.

(1) Following a reorganization of its businesses in early 2013, the Madeco legal entity that holds this stake in Nexans was renamed Invexans S.A.

Creation of a Strategy Committee

At its meeting of February 6, 2013, the Board of Directors decided to create a Strategy Committee to help instructing subjects for Board meetings. The new Committee's roles and responsibilities notably include examining the Group's three-year strategic plan before it is presented to the Board of Directors, annual follow-up of the progress of this plan, and reviewing the strategic considerations related to major project of merger, acquisition, divestments and/or industrial investments which are reviewed by the Board of Directors in accordance with the Board's Internal Regulations. Robert Brunck, Jérôme Gallot, Colette Lewiner and Francisco Pérez Mackenna are members of the Strategy Committee which is chaired by Frédéric Vincent, Chairman and CEO of the Nexans Group.

Appointment of Arnaud Poupart-Lafarge as Chief Operating Officer

The Group announced that Arnaud Poupart-Lafarge would be taking up the position of Chief Operating Officer during the summer of 2013. Mr. Poupart-Lafarge's arrival will strengthen Nexans' executive management team and falls within the scope of the Group's launch of its corporate development plan aimed at accelerating the deployment of its strategic initiatives.

All the Group's operational activities will come under his responsibility, and the following people will report to him in their current roles:

- Pascal Portevin – Senior Corporate Executive Vice President in charge of the Europe and MERA Areas and the Information Systems Department.

- Frédéric Michelland – Senior Corporate Executive Vice President, in charge of the High-Voltage and Underwater Cables Business Group and the North America and South America Areas.

- Nicholas Ballas – Executive Vice President, Asia-Pacific Area.

- Antoine Caillault – Senior Corporate Vice President, Manufacturing & Logistics, also responsible for Purchasing.

b. Australia: Evolving industrial positioning

The deterioration in the macroeconomic context in Australia has led the Group to perform a strategy analysis resulting in a proposed evolution in the industrial positioning of Australia within the Asia Pacific area. In this context, at June 30, 2013, the Group recorded an 80 million euro impairment loss for the "Australia" cash-generating unit (CGU):

- The "Australia" cash-generating unit corresponds to the activities of Nexans Olex in Australia and New Zealand.

- Like many other manufacturing companies in Australia, in recent years Nexans Olex has been confronted with tough competition from outside the region, exacerbated by the stronger Australian dollar and the elimination of import taxes.

- More recently, and particularly in the first half of 2013, the macro-economic environment has worsened significantly, which has impacted the three main markets of the entity: the mining activities' growth came to a sudden halt, the non-residential construction sector experienced a sharp slowdown, and reorganization plans were set up by energy operators following a steep falloff in electricity consumption.

- In response to this difficult situation, Nexans – with the help of external advisors – launched a strategic analysis in order to put in place an appropriate action plan for carrying out the requisite change measures. The underlying objectives of this plan are to more deeply integrate Australian operations into the regional supply chain, cut costs drastically, and streamline the manufacturing and purchasing processes.

- The strategic analysis also revealed that the fair value of the Nexans Olex entity had decreased. Consequently, an 80 million euro impairment loss was recorded in the first half of 2013.

See also Note 5 and Note 10.

Note 3: Changes in accounting methods: IAS 19 Revised

The Group decided to early adopt the revised version of IAS 19, Employee Benefits (IAS 19R), in its financial statements for the year ended December 31, 2012. The revised standard was applied retrospectively to the six months ended June 30, 2012.

The main impacts of applying IAS 19R are as follows:

- Interest income on defined benefit plan assets is determined by multiplying the fair value of the plan assets by the discount rate. The difference between the interest income on plan assets and the return on plan assets is included in the remeasurement of the net defined benefit liability (asset).

- All actuarial gains and losses on defined benefit plans are recognized in "Other comprehensive income", whereas under the corridor method which was used previously, the portion of actuarial gains and losses that exceeded 10% of the greater of the defined benefit obligation and the fair value of corresponding plan assets was amortized in the income statement over the expected average remaining working lives of the employees participating in the plan.

- Past service cost must be recognized as an expense when the plan amendment or curtailment occurs.

- Actuarial gains and losses related to jubilee benefits are recognized directly in the income statement.

- Deferred tax assets are recognized based on the period until the underlying actuarial gains and losses are expected to be realized.

Restatement of the consolidated income statement

(in millions of euros)	First-half 2012 Reported	Change in accounting method used for pensions and other long-term employee benefit	First-half 2012 Restated
NET SALES	3,577	-	3,577
Metal price effect	(1,179)	-	(1,179)
SALES AT CONSTANT METAL PRICES	2,398	-	2,398
Cost of sales	(3,171)	1	(3,170)
Cost of sales at constant metal prices	(1,992)	1	(1,991)
GROSS PROFIT	406	1	407
Administrative and selling expenses	(279)	1	(278)
R&D costs	(40)	-	(40)
OPERATING MARGIN*	87	2	89
Core exposure effect	3	-	3
Net asset impairment	(2)	-	(2)
Changes in fair value of non-ferrous metal derivatives	(1)	-	(1)
Net gains (losses) on asset disposals	(1)	-	(1)
Acquisition-related costs	(4)	-	(4)
Restructuring costs	(8)	-	(8)
OPERATING INCOME	74	2	76
Cost of debt (gross)	(51)	-	(51)
Income from cash and cash equivalents	4	-	4
Other financial income and expenses**	(9)	(2)	(11)
Share in net income (loss) of associates	(0)	-	(0)
INCOME BEFORE TAXES	18	0	18
Income taxes	(5)	-	(5)
NET INCOME FROM CONTINUING OPERATIONS	13	0	13
Net income (loss) from discontinued operations	-	-	-
NET INCOME	13	0	13
- attributable to owners of the parent	13	-	13
- attributable to non-controlling interests	0	-	0
ATTRIBUTABLE NET INCOME PER SHARE (in euros)			
- basic earnings per share	0.47	-	0.47
- diluted earnings per share	0.46	-	0.46

* The 2 million euro positive effect on this item for the six months ended June 30, 2012 is due to the removal of the corridor method and consequently the elimination of amortizing actuarial gains and losses.

** The 2 million euro negative effect on this item for the six months ended June 30, 2012 is due to net interest being determined using the discount rate rather than the expected long-term rate of return on plan assets.

Restatement of the consolidated statement of comprehensive income

(in millions of euros)	First-half 2012 Reported	Change in accounting method used for pensions and other long-term employee benefit	First-half 2012 Restated
NET INCOME FOR THE PERIOD	13	-	13
Available-for-sale financial assets	**(0)**	**-**	**(0)**
- Gains (losses) generated during the period (net of tax)	(0)	-	(0)
- Amounts recycled to the income statement (net of tax)	-	-	-
Currency translation differences	**24**	**-**	**24**
- Gains generated during the period (net of tax)	24	-	24
- Amounts recycled to the income statement (net of tax)	-	-	-
Cash flow hedges	**10**	**-**	**10**
- Gains generated during the period (net of tax)	10	-	10
- Amounts recycled to the income statement (net of tax)	0	-	0
Share of other comprehensive income of associates that will be recycled to the income statement, net of tax	**-**	**-**	**-**
Total other comprehensive income (loss) that will be recycled to the income statement	34	-	34
Actuarial gains and losses on pension and other retirement benefit plans (net of tax)	-	(30)	(30)
Share of other comprehensive income of associates that will not be recycled to the income statement, net of tax	-	-	-
Total other comprehensive income (loss)	34	(30)	4
Total comprehensive income (loss)	**47**	**(30)**	**17**
- attributable to owners of the parent	47	(30)	17
- attributable to non-controlling interests	0	0	0

Restatement of consolidated statement of changes in equity

(in millions of euros)	Number of shares outstanding	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and other reserves	Changes in fair value and other	Currency translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total equity
June 30, 2012 reported	28,760,710	29	1,287	-	408	(8)	217	1,933	34	1,967
Change in accounting method used for pensions and other long-term employee benefit					(118)			(118)		(118)
June 30, 2012 restated	28,760,710	29	1,287	-	290	(8)	217	1,815	34	1,849

Note 4: Operating segments

The Group's three operating segments as defined in accordance with IFRS 8 are as follows :

- **"Transmission, Distribution and Operators"**, comprising power cables for energy infrastructures (low-, medium- and high-voltage cables and related accessories), as well as copper and optical fiber cables for public telecommunications networks.
  The "Transmission, Distribution and Operators" reportable segment is made up of four operating segments: power cables, power cable accessories, cables for telecom operators, and high-voltage & underwater cables.

- **"Industry"**, comprising specialty cables for industrial customers, including harnesses, and cables for the shipbuilding, railroad and aeronautical manufacturing industries, the oil industry and the automation manufacturing industry.
  The "Industry" reportable segment is made up of three operating segments: harnesses, industrial cables, and infrastructure & industrial projects.

- **"Distributors & Installers"**, comprising equipment cables for the building market as well as cables for private telecommunications networks.
  The "Distribution & Installers" reportable segment is made up of a single operating segment, as the Group's power and telecom (LAN) products are marketed to customers through a single sales structure.

The Group's segment information also includes a column entitled **"Other"** which corresponds to (i) certain specific or centralized activities carried out for the Group as a whole which give rise to expenses that are not allocated between the various segments, and (ii) the Electrical Wires business, comprising wirerods, electrical wires and winding wires production operations.

Two specific factors were reflected in this column in first-half 2012 and 2013 :

- 87% of the sales at constant metal prices recorded in the "Other" column in first-half 2013 were generated by the Group's Electrical Wires business (compared with 90% in first-half 2012).

- In both the first-half of 2013 and the first-half of 2012 the Group incurred non-recurring expenses for the organization of its legal defense following investigations launched by a number of competition authorities against Nexans and other cable manufacturers.

Transfer prices between the various segments are generally the same as those applied for transactions with parties outside the Group.

Operating segment data are prepared using the same accounting policies as for the consolidated financial statements, as described in the notes to the Group's annual financial statements for the year ended December 31, 2012.

a. Information by reportable segment

First-half 2013 (in millions of euros)	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other	Group total
Contribution to net sales at current metal prices	1,225	789	1,016	382	3,412
Contribution to net sales at constant metal prices	993	622	596	140	2,351
Operating margin	34	21	24	(4)	75
Depreciation, amortization and impairment of assets (including goodwill)*	(46)	(21)	(16)	(85)	(168)

* Depreciation, amortization and impairment for the "Other" segment includes an 80 million euro impairment charge to net assets and goodwill in respect of Nexans Olex in Australia. The impairment charge will be allocated to the appropriate operating segments during the second half of 2013.

First-half 2012 (in millions of euros)	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other	Group total
Contribution to net sales at current metal prices	1,234	757	1,133	453	3,577
Contribution to net sales at constant metal prices	1,006	585	652	156	2,398
Contribution to net sales at constant metal prices and first-half 2013 exchange rates	995	584	645	153	2,377
Operating margin*	23	21	43	2	89
Depreciation, amortization and impairment of assets (including goodwill)	(36)	(17)	(17)	(5)	(75)

* The first-half 2012 operating margin of the "Other" segment has been restated due to the Group's application of IAS 19 Revised, which had a 2 million euro positive impact. See Note 3 for further details.

b. Information by major geographic area

First-half 2013 (in millions of euros)	France**	Germany	Norway	Other***	Group total
Contribution to net sales at current metal prices*	497	356	323	2,236	3,412
Contribution to net sales at constant metal prices*	357	300	290	1,404	2,351

* 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 prices.

First-half 2012 (in millions of euros)	France**	Germany	Norway	Other***	Group total
Contribution to net sales at current metal prices*	567	360	304	2,346	3,577
Contribution to net sales at constant metal prices*	392	293	269	1,444	2,398
Contribution to net sales at constant metal prices and first-half 2013 exchange rates*	392	293	270	1,422	2,377

* 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 prices.

c. Information by major customer

The Group does not have any customers that individually accounted for over 10% of its sales in the first-half 2013 or first-half 2012.

Note 5: Net asset impairment

In the fourth quarter of each year the Group carries out impairment tests on goodwill, property, plant and equipment and intangible assets, based on estimated medium-term data provided by its business units.

At June 30, 2013, Nexans carried out a review of these assets to identify any indications of impairment arisen since the tests carried out in the fourth quarter of 2012.

Accordingly, in the first half of 2013 the Group recognized an 80 million euro impairment charge against goodwill for 43 million euros and property, plant and equipment for 37 million euros of the "Australia" cash-generating unit, which includes Nexans' activities in Australia and New Zealand acquired in December 2006.

Like many other manufacturing companies in Australia, in recent years Nexans Olex has been confronted with tough competition from outside the region, exacerbated by the stronger Australian dollar and the elimination of import taxes.

More recently, and particularly in the first half of 2013, the macro-economic environment has worsened significantly, which has impacted the three main markets of the entity: the mining activities' growth came to a sudden halt, the non-residential construction sector experienced a sharp slowdown, and reorganization plans were set up by energy operators following a steep falloff in electricity consumption.

In calculating the impairment charge, the Group used a discount rate of 8.5% (0.5 percentage points lower than the discount rate used in 2012 to reflect the decrease in the risk-free rate in Australia) and a perpetuity growth rate of 3% (OECD's GDP growth rate for Australia over the 2018-2030 period).

The residual 12 million euro impairment charge concerns property, plant and equipment and financial assets with the following characteristics: investments during the period related to CGUs subject to impairment at December 31, 2012, property, plant and equipment located in countries with a worsening economic outlook and uncertain political context, and non-consolidated investments whose market value is below the carrying amount.

Sensitivity analyses

Impairment calculations are based on the latest projections approved by Group Management as well as the main assumptions described above.

A 50 basis point increase in the discount rate applied would have a 20 million euro negative impact on the impairment charge for the "Australia" CGU.

Note 6: Other financial income and expenses

(in millions of euros)	First-half 2013	First-half 2012 restated
Dividends received from non-consolidated companies	0	0
Provisions	(0)	(4)
Net foreign exchange gain (loss)	7	3
Net interest expense on pension and other long-term employee benefit obligations	(7)	(8)
Other	(1)	(2)
Other financial income and expenses	**(1)**	**(11)**

Note 7: Assets and groups of assets held for sale

The Group has actively initiated a disposal process for its Egypt-based entity, International Cable Company. The disposal is expected to be completed within one year, and the Group has already received expressions of interest from industrial operators.

At June 30, 2013, International Cable Company is therefore shown under "Assets and groups of assets held for sale".

In accordance with IFRS 5, the Group has measured this disposal group and all of its constituent assets at the lower of its carrying amount and fair value less costs to sell.

Statement of financial position

(in millions of euros)	June 30, 2013
Inventories and work in progress, net	7
Trade receivables	18
Other assets	2
Total assets and groups of assets held for sale	27
Trade payables	2
Other liabilities	0
Liabilities related to groups of assets held for sale	2

At June 30, 2013, reserves for currency translation differences in respect of International Cable Company amounted to a positive 2 million euros.

Note 8: Income taxes

Nexans S.A. heads up a tax group in France that comprised 11 companies in first-half 2013. Other tax groups have been set up where possible in other countries, including in Germany, North America and South Korea.

a. Effective income tax rate

The effective income tax rate was as follows for first-half 2013 and first-half 2012:

Tax proof (in millions of euros)	**First-half 2013**	First-half 2012
Income (loss) before taxes	(124)	18
- of which share in net income (loss) of associates	0	(0)
Income (loss) before taxes and share in net income (loss) of associates	(124)	18
Standard tax rate applicable in France (in %)	36.10%	36.10%
Theoretical income tax benefit (charge)	45	(6)
Effect of:		
- Difference between foreign and French tax rates	(4)	3
- Change in tax rates for the period	(0)	0
- Unrecognized deferred tax assets	(46)	(1)
- Taxes calculated on a basis different from "Income before taxes"	(6)	(2)
- Other permanent differences	(10)	1
Actual income tax benefit (charge)	(21)	(5)
Effective tax rate (in %)	-16.99%	28.37%

The theoretical income tax benefit (charge) is calculated by applying the parent company's tax rate to consolidated income (loss) before taxes and share in net income (loss) of associates.

b. Taxes recognized directly in other comprehensive income

At June 30, 2013, taxes recognized directly in other comprehensive income break down as follows:

		Jan.1, 2013	Gains (losses) generated during the period*	Amounts recycled to the income statement*	**Total other comprehensive income (expense)**	June 30, 2013
Cash flow hedges	Gross value	12	(86)	22	(64)	(52)
	Tax effect	(6)	19	(4)	15	9
	Net impact	6	(67)	18	(49)	(43)
Available-for-sale financial assets	Gross value	0	(0)	-	(0)	0
	Tax effect	**(0)**	**0**	**-**	**0**	**(0)**
	Net impact	0	0	-	0	0
Currency translation differences**	Gross value	203	(67)	2	(65)	138
	Tax effect	**(4)**	**0**	**0**	**0**	**(4)**
	Net impact	199	(67)	2	(65)	134
Actuarial gains and losses on pension and other retirement benefit plans	Gross value	(187)	3	N/A	3	(184)
	Tax effect	**41**	**(1)**	N/A	**(1)**	**40**
	Net impact	(146)	2	N/A	2	(144)
Gross value		28	(150)	24	(126)	(98)
Tax effect		**31**	**18**	**(4)**	**14**	**45**
- of which current taxes		(1)				(1)
- of which deferred taxes		32				46
Net Impact		59	(132)	20	(112)	(53)
- attributable to owners of the parent		*41*				*(72)*
- attributable to non-controlling interests		*18*				*19*

* For the gross balances and tax effects relating to cash flow hedges and available-for-sale financial assets, the gains and losses generated and the amounts recycled during the period are presented in the consolidated statement of changes in equity within the "Changes in fair value and other" column.
** Currency translation differences are presented in the consolidated statement of changes in equity within the "Currency translation differences" column.

These taxes will be recycled to the income statement in the same periods when as the underlying transactions to which they relate.

c. Taxes recognized directly in equity

Taxes recognized directly in equity correspond to deferred taxes recognized on the conversion option component of the Group's OCEANE bonds at their respective issue dates. In June 2009, the Group recognized deferred tax liabilities related to the OCEANE bonds redeemable in 2016, amounting to 13 million euros.

In the first half of 2012, the following transactions generated movements in deferred taxes recognized directly in retained earnings and other reserves:

- Buyback of a portion of the OCEANE 2013 bonds in February 2012 (see Note 14): deferred tax liabilities were reduced by 1.3 million euros, recognized directly in equity.
- During the issue in February 2012 of the OCEANE 2019 bonds (see Note 14), the related liability was classified for accounting purposes between the liability and equity components, reflecting the recognition of the conversion options as equity instruments. Nexans recognized a deferred tax liability in the amount of 14.2 million euros directly in equity based on the equity instruments as at the issue date.

d. Unrecognized deferred tax assets

At June 30, 2013 and December 31, 2012, deferred tax assets in the respective amounts of 366 million euros and 309 million euros – primarily corresponding to tax losses – were not recognized as the Group deemed that their recovery was not sufficiently probable in the medium-term (typically five years).

Note 9: Earnings per share

The following table presents a reconciliation of basic earnings (loss) per share and diluted earnings (loss) per share:

	First-half 2013	First-half 2012
Net income (loss) attributable to owners of the parent (in millions of euros)	**(145)**	**13**
Interest expense (OCEANE bonds), net of tax	Anti-dilutive	Anti-dilutive
Adjusted net income (loss) attributable to owners of the parent (in millions of euros)	**(145)**	**13**
Attributable net income (loss) from discontinued operations	**-**	**-**
Average number of shares outstanding	29,394,042	28,747,787
Average number of dilutive instruments	0 (Anti-dilutive instruments)	148,990
Average number of diluted shares	29,394,042	28,896,777
Attributable net income (loss) per share (in euros)		
- basic earnings (loss) per share	(4.92)	0.47
- diluted earnings (loss) per share	(4.92)	0.46

Note 10: Goodwill

The decrease in goodwill in first-half 2013 (to 442 million euros at June 30, 2013 from 509 million euros at December 31, 2012) is chiefly attributable to the impairment of Nexans Olex goodwill within the "Australia" CGU, the purchase price allocation of Shandong Yanggu New Rihui (since renamed Nexans Yanggu New Rihui), as well as changes in exchange rates insofar as the Group's goodwill is denominated in foreign currencies following the acquisitions of Olex in Australia, Madeco in South America and AmerCable in North America.

Goodwill is tested for impairment at least once a year and whenever there is an indication that it may be impaired, using the methods and assumptions described in the notes to the full-year 2012 consolidated financial statements. A 43 million euro impairment loss was recognized against the "Australia" CGU during the first half of 2013, as a result of strong competitive pressure in that region (see Note 5). No goodwill impairment losses were recognized in first-half 2012.

Purchase price allocation for Nexans Yanggu New Rihui

The difference between the 22 million euros in provisional goodwill on Nexans Yanggu New Rihui recognized in the published consolidated financial statements at December 31, 2012 and the 18 million euros in goodwill recognized after the definitive purchase price allocation can be analyzed as follows:

(in millions of euros)		
Provisional Nexans Yanggu New Rihui goodwill at December 31, 2012	22	
Allocation to trademarks	(5)	a) 1
Allocation to customer relationships	(4)	a) 2
Net deferred tax liabilities	3	b)
Minority Interests	2	c)
Goodwill after purchase price allocation at June 30, 2013	18	

a) In the first half of 2013, Nexans measured the intangible assets of Nexans Yanggu New Rihui. Two significant categories of intangible assets were identified and their values were assessed with the assistance of independent valuers:
   1. Trademarks, which are considered as having indefinite useful lives and which are therefore not amortized.
   2. Customer relationships, which are considered as having finite useful lives.

b) Deferred taxes recognized in connection with the purchase price allocation process (corresponding to the deferred taxes recognized on the allocation of goodwill to the intangible assets acquired).

c) As Nexans acquired a 75% interest in Shandong Yanggu New Rihui, the purchase price allocation also had an impact on non-controlling interests.

Note 11: Equity

a. Composition of capital stock

At June 30, 2013 and December 31, 2012, Nexans' capital stock comprised 29,394,042 fully paid-up shares with a par value of 1 euro each. The Company's shares no longer carry double voting rights, following the resolution passed at the Shareholders' Meeting held on November 10, 2011.

No stock options were exercised in the first half of 2013 (37,630 stock options exercised in first-half 2012).

b. Dividends

At the Annual Shareholders' Meeting held on May 14, 2013 to approve the financial statements for the year ended December 31, 2012, the Company's shareholders authorized payment of a dividend of 0.5 euro per share – representing a total of 14.7 million euros – which was paid out on May 22, 2013.

At the Annual Shareholders' Meeting held on May 15, 2012 to approve the financial statements for the year ended December 31, 2011, the Company's shareholders authorized payment of a dividend of 1.1 euro per share – representing a total of 31.6 million euros – which was paid out on May 23, 2012.

c. Treasury shares

Nexans did not hold any treasury shares at either June 30, 2013 or December 31, 2012.

d. Stock options

At June 30, 2013, there were 1,385,795 stock options outstanding, each exercisable for one newly-issued share, i.e., 4.7% of the Company's capital stock. At December 31, 2012, a total of 1,389,395 options were outstanding, exercisable for 4.7% of the Company's capital stock.

The expense recognized in first-half 2013 and first-half 2012 relating to stock options amounted to 0.2 million euros and 0.6 million euros, respectively.

e. Free shares and performance shares

At June 30, 2013 there were 231,905 free shares and performance shares outstanding, each entitling their owner to one share, representing a total of 0.8% of the Company's capital stock (232,400 at December 31, 2012, representing a total of 0.8% of the Company's capital stock).

The fair value of free shares and performance shares is recorded as a payroll expense on a straight-line basis from the grant date to the end of the vesting period, with a corresponding adjustment to equity. A 1 million euro expense was recognized in the income statement for the six months ended June 30, 2013.

Note 12: Pensions and other employee benefits

Net liabilities on pension and on other employee benefits are calculated using the latest valuation as at the previous year-end. Adjustments of actuarial assumptions are performed on main contributing plans to take into account significant fluctuations or one-time events that occurred during the six-month period. As there was no material change in the discount rate during the period, the Group did not remeasure its benefit obligations and plan assets in light of the discount rate at June 30, 2013. However, the fair value of main plan assets was reviewed at the closing date.

Main assumptions

The basic assumptions used for the actuarial calculations required to measure obligations under defined benefit plans are determined by the Group in conjunction with its external actuary. Demographic and other assumptions (such as for staff turnover and salary increases) are set on a per-company basis, taking into consideration local job market trends and forecasts specific to each entity.

The weighted average rates used for the geographic areas are listed below:

Discount rate*	June 30, 2013	December 31, 2012	June 30, 2012
France	3.25%	3.25%	3.75%
Germany	3.25%	3.25%	3.75%
Norway	3.75%	3.75%	3.75%
Switzerland	2.00%	2.00%	2.00%
Canada	4.25%	4.25%	4.75%
United States	3.75%	3.75%	4.50%

* In accordance with IAS 19 Revised, interest income on plan assets has been calculated based on the applicable discount rate rather than the expected return on plan assets.

Change in net provision for pensions and other employee benefits

(in millions of euros)	2013	2012
Net provision recognized at January 1	462	392
Net cost for the period	19	21
Actuarial gains and losses	(3)	40
Contributions and benefits paid	(24)	(25)
Other	(5)	2
Net provision recognized at June 30	449	430

Note 13: Provisions

(in millions of euros)	Total	Accrued contract costs	Restructuring provisions*	Other provisions
January 1, 2013	309	38	43	228
Of which non-current	*232*	*0*	*13*	*219*
Additions	27	5	20	2
Reversals (utilized provisions)	(18)	(4)	(12)	(2)
Reversals (surplus provisions)	(2)	(2)	(0)	(0)
Business combinations	-	-	-	-
Other	(2)	(1)	(1)	(0)
June 30, 2013	314	36	50	228
Of which non-current	*29*	*0*	*11*	*18*

* Of which 18 million euros and 23 million euros in redundancy costs at December 31, 2012 and June 30, 2013 respectively.

The above provisions have not been discounted as the effect of discounting would not have been material.

Provisions for accrued contract costs are primarily set aside by the Group as a result of its contractual responsibilities, particularly relating to customer warranties, loss-making contracts and penalties under commercial contracts. They do not include provisions for construction contracts in progress, as expected losses on these contracts are recognized as contract costs in accordance with the method described in Note 1.g to the full-year 2012 consolidated financial statements.

Restructuring costs came to 32 million euros in first-half 2013 versus 8 million euros in the corresponding prior-year period. The first-half 2013 figure corresponds to various restructuring plans launched in 2013 – notably in Australia, which accounted for 13 million euros of the total – as well as costs expensed as incurred (in accordance with IFRS), relating to restructuring plans launched in previous years, notably in France, Germany, Italy and Brazil.

Specific internal and external analyses are currently being carried out in relation to the Group's high-voltage terrestrial cable operations and Europe Industry segment, which may lead to structural changes in these activities and therefore result in significant impacts in terms of restructuring costs and/or impairment charges. As of June 30, 2013, no such structural changes had been identified.

As was the case in previous years, all of the restructuring plans set up by the Group in 2013 included assistance measures negotiated with employee representative bodies and, where appropriate, the relevant authorities, aimed at reducing the impact of the plans on the employees concerned.

The "Other provisions" column primarily includes the 200 million euro provision recognized for the fine that may be imposed on Nexans France SAS following the Statement of Objections received from the European Commission's Directorate General for Competition on July 5, 2011 for alleged anticompetitive behavior. As the outcome of the proceedings will likely be known within 12 months, the 200 million euro provision has been reclassified within current items in the 2013 interim consolidated financial statements.

Surplus provisions are reversed when the related contingency no longer exists or has been settled for a lower amount than the estimate made based on information available at the previous period-end (including provisions for expired customer warranties).

The line item "Other" includes the impact of fluctuations in exchange rates as well as reclassifications of restructuring provisions that correspond to provisions for impairment of assets to the appropriate line of the consolidated statement of financial position.

See also Note 16 on disputes and contingent liabilities.

Note 14: Net debt

At June 30, 2013, the Group's long-term debt was rated BB by Standard & Poor's with a negative outlook. It was rated BB with a stable outlook at December 31, 2012.

a. Analysis by nature

(in millions of euros)	June 30, 2013	December 31, 2012
Redeemable bonds*	604	608
Convertible bonds*	445	530
Other long-term borrowings*	6	4
Short-term borrowings*	264	281
Short-term bank loans and overdrafts	35	30
Gross debt	1,354	1,453
Short-term financial assets	-	-
Cash	(458)	(521)
Cash equivalents	(76)	(326)
Net debt	**820**	**606**

* Including accrued interest (long- and short-term).

Since the second quarter of 2010, short-term borrowings have included a securitization plan set up by Nexans France involving the sale of euro-denominated trade receivables, which was contractually capped at 110 million euros at June 30, 2013 (the "ON balance-sheet" program).

Cash and cash equivalent balances held by subsidiaries and that are considered as not available for use by the Group in accordance with IAS 7 were not significant either at June 30, 2013 or December 31, 2012.

b. Bonds

(At June 30, 2013 in millions of euros)	Accounting value	Nominal value at issuance date	Maturity date	Nominal interest rate	Strike price
OCEANE 2016 convertible/exchangeable bonds	204	213	January 1, 2016	4.00%	53.15
OCEANE 2019 convertible/exchangeable bonds	241	275	January 1, 2019	2.50%	72.74
Total of convertible/ exchangeable bonds	445	488			
Bonds redeemable in 2017	351	350	May 2, 2017	5.75%	N/A
Bonds redeemable in 2018	253	250	March 19, 2018	4.25%	N/A
Total of redeemable bonds	604	600			

c. Committed credit facilities

In accordance with the announcement made on December 7, 2012 in connection with the increase of its committed credit facility, on February 5, 2013, the Group signed a second addendum to its December 1, 2011 syndicated loan agreement. The agreement as modified includes a new lender and the committed credit facility is increased by 57 million euros, bringing the total amount of this secured source of financing with term on December 1, 2016 to 597 million euros.

The syndicated loan agreement is subject to two financial ratio covenants:

- The Group's debt to equity ratio must be below 1.10 ; and
- Consolidated debt must not exceed 3x EBITDA. In December 2012, Nexans negotiated with its lending banks to increase this EBITDA multiple to 3.50, effective from January 1, 2013 to December 31, 2014.

Nexans amply complied with these covenants at June 30, 2013 and December 31, 2012.

Note 15: Derivative Instruments

The fair value of the derivative instruments used by the Group for its operational hedges of foreign exchange risk and the risk associated with fluctuations in non-ferrous metal prices is presented in the following table:

(in millions of euros)	June 30, 2013	December 31, 2012
Assets		
Foreign exchange derivatives – Cash flow hedges*	18	34
Metal derivatives – Cash flow hedges*	2	10
Foreign exchange derivatives – Held for trading*	18	16
Metal derivatives – Held for trading*	0	0
Total – Assets	38	60
Liabilities		
Foreign exchange derivatives – Cash flow hedges*	28	14
Metal derivatives – Cash flow hedges*	28	5
Foreign exchange derivatives – Held for trading*	11	10
Metal derivatives – Held for trading*	0	0
Total – Liabilities	67	29

* Within the meaning of IAS 32/39.

These amounts are included in "Other current financial assets" and "Other current financial liabilities" in the consolidated statement of financial position. Derivatives primarily comprise forward purchases and sales.

For derivatives qualified as "cash flow hedges", the opening and closing positions in the consolidated statement of financial position cannot be directly reconciled with amounts recorded in equity under "Changes in fair value and other" as certain positions may notably be rolled over while retaining the cash flow hedge accounting qualification.

Note 16: Disputes and contingent liabilities

a. Antitrust investigations

Following the Statement of Objections received from the European Commission's Directorate General for Competition on July 5, 2011by Nexans and its subsidiary Nexans France SAS for alleged anticompetitive behavior, Nexans France SAS recorded a 200 million euro provision in its statutory financial statements for a potential fine that could be imposed on it, which provision was included in the Group's consolidated financial statements since June 30, 2011.

The details of the investigation and the various procedural stages are described in Note 32 to the consolidated financial statements for the year ended December 31, 2012 (on page 211). There have been no material developments in this procedure since December 31, 2012.

As the outcome of the proceedings will likely be known within 12 months, the 200 million euro provision has been reclassified within current items in the 2013 interim consolidated financial statements.

Certain Group companies are also under investigation by the Competition Authorities of Australia, South Korea (in addition to an investigation into the domestic market), the United States, Brazil, and Canada, in the same sector of activity. The proceedings in each of these countries are still under way. The Group is unable to determine at this stage the outcome of these other proceedings or the ensuing financial consequences and therefore has not make any provision in its accounts for any investigations other than for the potential fine that may be imposed by the European Commission.

In a press release of February 12, 2009 and in its subsequent communications, the Company indicates that an unfavorable outcome for these various proceedings as well as the associated consequences could have a material adverse effect on the results and thus the financial situation of the Group, even excluding the potential fine that may be imposed by the European Commission.

b. Other disputes and proceedings giving rise to the recognition of provisions

For cases where the criteria are met for recognizing provisions, the Group considers that the provisions recorded in the financial statements are sufficient to cover the related contingencies and does not believe that the resolution of the disputes and proceedings concerned will materially impact the Group's results. Depending on the circumstances, this assessment takes into account the Group's insurance coverage, any third-party guarantees or warranties and, where applicable, evaluations by the independent counsel of the probability of judgment being entered against the Group:

- In 2009, during the performance of a contract for high-voltage submarine cables a ship operated by a Chinese subcontractor involved in the cable-laying process accidentally damaged a submarine optical fiber link owned by the Chinese army. The Chinese army then impounded the ship and would not allow the equipment on board – which belonged to a Group company – to be unloaded. The subcontractor is claiming the payment of invoices for the leasing costs of its equipment during the period when it was impounded by the Chinese army. Conversely, the Group company concerned is claiming from the subcontractor compensation for losses caused by the accident (notably delays in the project). This dispute has been referred for arbitration in Singapore.

- When the Purchase Agreement for the Madeco group's cables business was signed on February 21, 2008, the Madeco group gave a seller's warranty. The Company and its Brazilian subsidiary Nexans Brasil subsequently made claims under this warranty and a settlement agreement was entered into between the three parties on November 26, 2012 concerning the amounts payable by the Madeco group to Nexans Brasil in relation to the outcome of civil, employment law and tax proceedings in Brazil.

  Under the terms of this agreement Madeco undertook to pay Nexans Brasil a lump sum of around BRL 23.6 million (approximately 9.4 million euros). In return, the Madeco group will not be required to pay any compensation with respect to the civil and employment law proceedings still in progress that were specified in the settlement agreement, except if the total amount of related losses incurred by the Company exceeds a certain limit. Some of the tax proceedings in Brazil relating to the period prior to the acquisition, or in progress at the time of the acquisition and still ongoing at the date of the settlement agreement, will remain governed by the terms of previous agreements entered into between the parties.

  In view of this settlement agreement and the capping of Madeco's compensation liability, Nexans Brasil has recorded provisions to cover the civil and employment law proceedings still under way.

The Group considers that the other existing or probable disputes for which provisions were recorded at June 30, 2013 and December 31, 2012 do not represent sufficiently material amounts when taken individually to require specific disclosures in the consolidated financial statements.

c. Contingent liabilities relating to disputes and proceedings

The main cases for which the Group has not recognized provisions are as follows:

- The dispute concerning cables manufactured by one of the Group's European subsidiaries and sold to a harness manufacturer working for an automotive equipment manufacturer is described in Note 32 to the consolidated financial statements for the year ended December 31, 2012 (on page 213). There have been no material developments in this dispute since December 31, 2012.

- In 2012, Nexans Inc. filed a procedure to invalidate a number of patents held by Belden for data network cables, and Belden has lodged infringement lawsuits against Nexans Inc. Although the outcome of these proceedings is not yet known, the Group believes that they will not have a material impact on its consolidated earnings although such a possibility cannot be entirely ruled out.

- A European transmission link owner has made a claim against Nexans for reimbursement of significant historical repair costs and future costs of a replacement cable in relation to a cable installed more than 10 years ago and which installation is beyond the period of guaranty. Formal proceedings have been threatened. Nexans has confirmed that it is not responsible and will contest vigorously any claim made in formal proceedings.

At June 30, 2013, the Group considered that certain of its contracts could give rise to performance difficulties but these were not sufficiently significant for the Group to recognize provisions in the financial statements or disclose them as contingent liabilities.

Note 17: Subsequent events

No significant events for which disclosure is required have occurred since June 30, 2013.

Statutory Auditors' review report on the 2013 interim financial information

(For the six months ended June 30, 2013)

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

KPMG Audit
1, cours Valmy
92923 Paris-La Défense Cedex

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Nexans
8, rue du Général Foy
75008 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Nexans for the six months ended June 30, 2013;
- the verification of the information contained in the interim activity report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 - "Interim Financial Reporting", as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to the "Antitrust investigations" section of Note 16.a. to the condensed interim consolidated financial statements, which describes the antitrust investigations launched against the Group.

II - Specific verification

We have also verified the information given in the interim activity report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

The Statutory Auditors

Neuilly-sur-Seine and Paris-La Défense, July 24, 2013

PricewaterhouseCoopers Audit

Éric Bulle
Partner

KPMG Audit
Département de KPMG S.A.

Valérie Besson
Partner

Statement by the person responsible

Statement by the person responsible for the 2013 half-year financial report

Paris, July 24, 2013

I hereby declare that to the best of my knowledge, (i) the condensed interim consolidated financial statements for the six months ended June 30, 2013, have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and its subsidiaries, and (ii) the interim activity report presented herein provides a fair view of significant events of half-year 2012 and their impact on the financial statements, the main related party transactions and the principal risks and uncertainties for the remaining six months of the year.

The Statutory Auditors' review report on the condensed interim consolidated financial statements for the six months ended June 30, 2013 presented on pages 38 and 39 of the 2013 Half-year Financial Report contains the following observation: Without qualifying our conclusion, we draw your attention to the "Antitrust investigations" section of Note 16.a. to the condensed interim consolidated financial statements, which describes the antitrust investigations initiated against the Group.

Frédéric Vincent,
Chairman and Chief Executive Officer

Nexans is one of the top two cable manufacturers in the world. The Group is a major player in the energy sector and operates in three key markets: Energy Infrastructure (transmission and distribution), Industry and Building. Nexans works with a wide range of businesses and provides solutions for the most complex applications and the most demanding environments. In close collaboration with its clients, which specialize in networks, energy production, mining, engineering, equipment manufacturing, infrastructure, building, installation and distribution, Nexans develops comprehensive offerings for each market segment. Its services cover the entire value chain: analysis, design, production, installation, training, related services, and monitoring and control of facilities. With its technological leadership, worldwide expertise and local presence, Nexans satisfies essential needs while maintaining the highest levels of performance, safety, and respect for people and the environment.

www.nexans.com