



Press release

**Nexans announces its new governance structure
and the acceleration of its strategic action plans
to pave the way for the future**

Paris, October 1, 2014

The long-term outlook for the cable industry is very positive. Cables are not only a vital component of urban construction and the development of energy networks but more than ever they hold the keys to the future of industry. The cable sector is a crucial participant in providing the innovative solutions required to drive worldwide growth and meet the new industrial challenges of the twenty-first century.

As one of the world's leading cable companies, Nexans plays a central role in spearheading these solutions. For nearly 100 years our corporate mission has been to bring energy to people. The cables we design and manufacture are crucial to modern living and lie at the very heart of today's cities, connecting people with their jobs and other activities by carrying electricity, enabling the transport of individuals and goods, ensuring the security of infrastructure and buildings, and guaranteeing the supply of power for telecommunications networks.

Energy is the first pillar of our business, from its generation through to transmission and distribution. Our principal challenge is therefore to facilitate energy transition by optimizing the way in which all forms of energy are managed.

The second pillar of our business is contributing to the construction of urban areas, including buildings and both intra- and inter-urban transport systems. Our aim in this respect is to participate in the development of more reliable, free-flowing and ecological transport systems by supplying the best cables to major industries and guaranteeing the security of people's homes and workplaces on a daily basis.

Going forward, we have set ourselves the objective of strengthening our positions in **four growth markets: energy transmission and distribution, the development of fossil and renewable energies, transport networks and the building market.** We already have numerous competitive advantages in these markets, including recognized technological expertise and a strong brand image with our customers.

While the long-term outlook is positive thanks to a number of powerful trends in today's society, including urbanization in developing countries, growing requirements for interconnection and the development of electrical infrastructure, and the global expansion of renewable energies, **the short-term outlook is more problematic.**

We expect growth to remain lackluster in Europe (apart from for certain niche products), and the recovery in the U.S. markets is likely to stay muted. Two thirds of the forecast growth in our markets for the next two to three years will come from emerging countries.

The Group's exposure to Europe and the USA of almost 60% and the persistent slowdown in South America and the Asia-Pacific region (Australia), have weighed on the Group's performance over the last 18 months, and this trend is set to continue during the rest of 2014. In view of this situation, Nexans now forecasts sales to decrease by around 4% on an organic basis in the third quarter of 2014, and growth to be flat for the year as a whole. Operating margin for full-year 2014 is expected, at this point, at a level similar to that of 140 million euros in 2013.

This short-term outlook means that it is more than ever necessary to put in place or accelerate measures to enable the Group **to create value in the long term**. These measures are based on four strategic objectives:

- **Regaining our competitiveness** by turning around businesses in difficulty, drastically cutting costs and optimizing working capital.
- **Strengthening the Group's leadership in its four markets**, by stimulating innovation in order to be able to offer a range of high-quality solutions that meet our customers' new requirements.
- **Pro-actively managing our portfolio** in order to support and speed up growth for highly profitable businesses and transform or sell lower-performing businesses.
- **Changing our corporate culture** through a new governance structure and new operating methods.

Nexans is now represented by the recently-formed executive team led by **Arnaud Poupart-Lafarge, Chief Executive Officer**.

Arnaud Poupart-Lafarge holds all of the Group's operational and functional powers and responsibilities. His new, leaner Management Board was chosen to have new members, tried and tested operational experience, and a focus on driving performance and transforming the Group :

- Pascal Portevin, Senior Corporate Executive Vice President, International and Operations;
- Christopher Guerin, Senior Executive Vice President in charge of Europe;
- Dirk Steinbrink, Senior Executive Vice President in charge of High Voltage & Underwater Cable Business Group;
- Nicolas Badré, Chief Financial Officer;
- Anne-Marie Cambourieu, Senior Corporate Vice President, Human Resources.

Arnaud Poupart-Lafarge is supported in his work by **Frédéric Vincent, the Chairman of Nexans' Board of Directors** who relays the strategic experience he has acquired since the Group was founded.

As Nexans' Chairman, three key roles of Frédéric Vincent will be to (i) act as a liaison between the Board of Directors and the Management Board, (ii) chair the Board of Directors' Strategy Committee, and (iii) in conjunction with the Management Board, represent and defend Nexans' interests vis-à-vis public decision-makers, major customers, public authorities and professional associations.

Commenting on the Group's new governance structure, Frédéric Vincent said: "*I have every confidence that the executive team headed by Arnaud Poupart-Lafarge will be able to drive the transformation that the Group needs to secure its future*".

Arnaud Poupart-Lafarge added: "*Nexans is a brand of reference in the cable industry and I am convinced that we have the means to ensure a transformation resulting in improved Group performance. We possess the teams, the expertise and the commitment to succeed*".

About Nexans

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

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

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

Nexans is listed on NYSE Euronext Paris, compartment A.

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

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