

2016 FIRST-QUARTER FINANCIAL INFORMATION

- **Organic sales down by 1.5%.¹**
- **Ongoing robust growth in the first quarter for automotive harnesses and LAN cables & systems, offsetting the continued deterioration in the oil and mining sectors.**
- **Sales for the submarine high-voltage business down 14% as expected, due to the effect of project timings.**
- **Start of a recovery in sales of medium- and low-voltage distribution cables to European energy operators.**
- **Satisfactory progress for all of the Group's strategic initiatives.**

Paris, May 3, 2016 –Today, Nexans announced that its sales for the first quarter of 2016 amounted to 1,433 million euros (versus 1,601 million euros for first-quarter 2015). At constant metal prices² the sales figure came to 1,104 million euros, representing an organic decrease of 1.5% year on year but 2.4% organic growth compared with the fourth quarter of 2015.

The year-on-year organic growth figure – which is in line with the Group's expectations – is mainly due to the anticipated effect of project timings in the submarine high-voltage business. Invoiced sales for this business were 14% lower than in the first quarter of 2015 but up 13% on the fourth quarter of 2015.

The general trends seen in late 2015 continued into the first three months of 2016, with ongoing mixed pictures across the various businesses:

- In high added-value businesses (automotive harnesses, LAN cables and systems), sales remained strong despite an unfavorable basis of comparison which resulted in weaker year-on-year organic growth rates than in 2015. For the submarine high-voltage business, the first quarter of 2016 was a pivotal moment between the end of existing contracts and the start-up of new contracts won in 2015.
- For businesses that were already in a negative growth phase in 2015 sales were once again very low, with Australia and the oil & gas sectors experiencing further reductions in business volumes. In Brazil, however, despite the country's persistent economic difficulties, the Group felt the positive impacts of new financed overhead power line contracts, which drove sharp sales growth of 32% compared with first-quarter 2015 and 13% versus fourth-quarter 2015.

¹ The first-quarter 2015 sales figure used for like-for-like comparisons corresponds to sales at constant non-ferrous metal prices adjusted for the effects of exchange rates and changes in the scope of consolidation. The currency effect on sales at constant non-ferrous metal prices for the first quarter of 2016 amounted to a negative 60 million euros and changes in the scope of consolidation had a negative 13 million euro impact.

² To neutralize the effect of fluctuations in non-ferrous metal prices and therefore measure the underlying sales trend, Nexans also calculates its sales using a constant price for copper and aluminum.

- The Group's other cable businesses continued to gradually recover in Europe and North America, and reported brisk momentum in the Middle East, Russia and Africa Area.

Commenting on the Group's performance for the first quarter of 2016, Arnaud Poupart-Lafarge, Nexans' Chief Executive Officer, said:

"The Group's performance for the first quarter of 2016 does not reflect any surprises in terms of trends and developments in our sales or markets.

As we are still operating in the same lackluster market environment as in 2015, our key aim now is to deliver the expected results of our strategic initiatives, particularly in relation to their three main objectives: reducing fixed and variable costs and optimizing margins.

We are therefore confident that by continuing to implement our current action plan, the operating margin as a percentage of sales should considerably be pushed up, even if sales volumes do not increase."

CONSOLIDATED SALES BY DIVISION

(in millions of euros)	Q1 2015	Q1 2016	Organic growth Q1 2016 vs. Q1 2015	Organic growth Q1 2016 vs. Q4 2015
	At constant metal prices	At constant metal prices		
Distributors & Installers	290	279	-0.6%	-0.3%
Industry	326	301	-5.2%	+2.2%
Transmission, Distribution & Operators	482	449	-1.6%	+1.2%
<i>o/w Distribution & Operators</i>	-	-	+4.6%	+0.4%
<i>o/w Transmission</i>	-	-	-9.9%	+2.6%
Other Activities	74	76	+11.8%	+24.6%
Group total	1,172	1,104	-1.5%	+2.4%

Distributors & Installers

The Distributors & Installers division posted sales of 279 million euros for the first quarter of 2016. This figure represented a slight organic decrease of 0.6% on the comparable prior-year period, following on from the 2.7% year-on-year contraction recorded for 2015.

Sales of LAN cables and systems (which represent around one-quarter of the division's business) continued the steady increase begun five quarters ago. At end-March 2016, this upward trend had reached all geographic areas, especially the United States, Europe and China, where demand for data center projects is still high.

Sales of low-voltage power cables retreated 3.4% year on year on an organic basis, but remained stable compared with the fourth quarter of 2015 (down 0.9%).

In Europe, the division pursued its measures to selectively streamline its portfolio against a backdrop of stable sales in the Group's main markets since the fourth quarter of 2015.

Markets remained flat in North America, Brazil and Australia, but were buoyant in the rest of South America and in the Middle East, Russia and Africa.

In all of the Distributors & Installers division's geographic areas, sales teams are being mobilized and measures implemented to optimize the customer/product portfolio with a view to offering customers higher value-added solutions.

Industry

Sales for the Industry division amounted to 301 million euros in the first quarter of 2016, down 5.2% year on year on an organic basis but up 2.2% on the fourth quarter of 2015.

The automotive harnesses segment continued to perform well, although at 3% its year-on-year growth rate slowed by base effect.

Sales for the wind farm and aeronautical segments also continued to trend upwards thanks to an order book that is still very solid.

Conversely, business volumes contracted in the division's other segments. In particular, the persistent marked decline in the price of crude oil that began in the second half of 2015 resulted in a sharp drop in sales of cables for the oil industry. Consequently, the Group's US subsidiary, AmerCable, reported an organic year-on-year decrease of around 30% in first-quarter 2016 although sales for the period were stable compared with the fourth quarter of 2015. The oil price crunch, which continued to impact the oil & gas sector's entire value chain (notably exploration), also drove down business for Asian shipyards involved in cabling oil platforms. This situation weighed heavily on the Group's sales in this sector in China and South Korea.

Against this backdrop of negative growth for the division, the Group is pursuing its policy of reducing fixed costs, optimizing margins and moving towards a more favorable product mix in order to improve its margins.

Transmission, Distribution & Operators

Sales generated by the Transmission, Distribution & Operators division came to 449 million euros in the first quarter of 2016, representing an organic decrease of 1.6% compared with the same period of 2015 but a 1.2% organic increase versus the fourth quarter of 2015.

Distribution

Sales of distribution cables rose by 6.5% on an organic basis in the first three months of 2016, with higher business volumes in all geographic areas apart from the Asia-Pacific Area.

In Europe year-on-year growth came to 5.2%, in line with the gradual improvement seen in late 2015 and reflecting the slightly better trends in the Group's main domestic markets in the area. The Group continued to apply a selective commercial approach in the first quarter of 2016 and lower aluminum premiums had a positive effect on costs during the period.

Sales in the Middle East, Russia and Africa Area jumped 41%, primarily led by (i) the Lebanese market, which only began to pick up towards the end of the second quarter of 2015, (ii) particularly high demand for cables for transformers in Morocco during first-quarter 2016, and (iii) successful measures taken in Russia to streamline the customer/product portfolio.

Sales in South America were also up significantly (by 29.5%), reflecting the completion of a large-scale overhead power line project in Brazil for which pre-financing was obtained in late 2015.

In North America, sales held firm but nonetheless remained at a low level.

Sales declined once again in the Asia-Pacific Area, driven down by the difficult operating contexts in both Australia and China. In Australia, the Distribution segment's sales fell at a faster pace than in 2015 as it continued to suffer from the weak capital expenditure levels of local energy operators, and in China, the Group decided to adopt a more restrictive credit policy, which resulted in a reduction in volumes.

Operators

Sales to telecommunications operators are mainly generated in Europe. In first-quarter 2016, the Operators segment reported a 2.2% year-on-year decrease in this area, reflecting a slow start-up of business at the beginning of the year in countries where the Group still has a copper cable offering for telecommunications networks (Sweden, Norway and Switzerland).

Conversely, the production of optical fiber cables rose sharply and sales of connection accessories for telecommunications networks also increased.

Land high-voltage cables

The land high-voltage business delivered slight year-on-year growth in first-quarter 2016, with sales up 3.2%. Its order book was strengthened during the period, which is expected to lead to an increase in volumes as from the second quarter. The North American plant in Charleston is still under capacity but its workload rose during the first three months of 2016.

Submarine high-voltage cables

Sales of submarine high-voltage cables were 14.1% lower than in first-quarter 2015.

This figure reflects the fact that NSN and Nordlink – the two major contracts won by the Group in 2015 – had not yet entered the production phase in first-quarter 2016. In addition, there were no major installation phases for the business's other contracts during the period, unlike in the first quarter of 2015 when there was a significant amount of installation work for projects such as the Italy-Montenegro, Malta-Sicily, and Mallorca-Ibiza power links. Consequently, maintenance was carried out on the Group's cable-laying ship (Skagerrak) during first-quarter 2016, immobilizing it for part of the period.

Despite the slowdown in capital spending in the oil & gas sectors, which negatively affected the order book, invoicing levels for umbilical cables remained strong in the first three months of 2016 (relating to new contracts won in 2015).

Other Activities

The "Other Activities" segment – which essentially corresponds to external sales of copper wires – reported sales of 76 million euros, up 11.8% on the first quarter of 2015. All of the segment's geographic areas contributed to this increase.

Additional Information

During the three months ended March 31, 2016 the Group continued its program to selectively streamline its operations portfolio and as a result has decided to close, in the near future, its plant specialized in the production of wires and cables for the US defense sector.

Lastly, the plan announced in June 2015 to reduce the Group's support functions and decrease capacity for medium-voltage cables in Europe has now been launched and the related measures are being implemented as expected.

There will be a telephone conference (in English) today at 3.30 p.m. (CET).

The local numbers to call are:

- *In France: +33 (0)1 70 77 09 35*
- *In the UK: +44 (0) 203 367 9453*
- *In the US: +1 855 402 7761*

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

- *In France: +33 (0)1 72 00 15 00*
- *In the UK: +44 (0) 203 367 9460*
- *In the US: +1 877 642 3018*

To listen to the conference, when requested, please enter 301032 followed by the hash (#) sign.

Financial calendar

May 12, 2016: Annual Shareholders' Meeting

July 28, 2016: 2016 First-Half Results

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.

Nexans is an active member of Europacable, the European Association of Wire & Cable Manufacturers, and a signatory of the Europacable Industry Charter. The Charter expresses its members' commitment to the principles and objectives of developing ethical, sustainable and high-quality cables.

We have an industrial presence in 40 countries and commercial activities worldwide, employing close to 26,000 people and generating sales in 2015 of 6.2 billion euros.

Nexans is listed on NYSE Euronext Paris, compartment A.

For more information, please visit www.nexans.com

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Appendices

(in millions of euros)

	First-quarter	
	2015	2016
Sales at current metal prices by division		
Transmission, Distribution & Operators	560	513
Industry	393	343
Distributors & Installers	457	396
Other Activities	191	180
Group total	1,601	1,433
Sales at constant metal prices by division		
Transmission, Distribution & Operators	482	449
Industry	326	301
Distributors & Installers	290	279
Other Activities	74	76
Group total	1,172	1,104

Impact of changes in the scope of consolidation and exchange rates on sales at constant metal prices

	First-quarter 2015	Currency effect	Organic growth	Effect of changes in scope of consolidation	First-quarter 2016
Transmission, Distribution & Operators	482	(20)	(7)	(6)	449
Industry	326	(6)	(16)	(3)	301
Distributors & Installers	290	(11)	(2)	2	279
Other Activities	74	(3)	8	(3)	76
Total	1,172	(40)	(17)	(10)	1,104