

Consolidated income statement under IFRS

<i>in millions of euros</i>	2008	2007	2006
Net sales	6 799	7 412	7 489
<i>Metal price effect*</i>	(2 023)	(2 591)	(3 046)
<i>Net sales at constant metal prices*</i>	4 776	4 822	4 442
Cost of sales	(5 842)	(6 521)	(6 802)
<i>Cost of sales at constant metal prices*</i>	(3 819)	(3 930)	(3 756)
Gross profit	957	892	687
Administrative and selling expenses	(467)	(423)	(372)
R&D costs	(63)	(60)	(55)
<i>Operating margin*</i>	427	409	260
Core exposure effect**	(165)	20	107
Net asset impairment	(19)	(21)	(99)
Changes in fair value of non-ferrous metal derivatives	(12)	(36)	(7)
Net gains on asset disposals	4	4	151
Restructuring costs	(22)	(14)	(48)
Operating income	214	362	363
Cost of debt (gross)	(66)	(57)	(45)
Income from cash and cash equivalents	18	13	12
Other financial expenses	(31)	(37)	(36)
Share in net income of associates	(0)	-	3
Income before taxes	135	281	297
Income taxes	(50)	(84)	(48)
Net income from continuing operations	84	197	249
Net income / (loss) from discontinued operations	-	-	(4)
Net income	84	197	244
Attributable to equity holders of the Company	82	189	241
Attributable to minority interests	2	7	3
Attributable net income from continuing operations per share (in euros)			
- basic earnings per share	3,16	7,41	10,44
- diluted earnings per share	3,07	6,67	9,10
Net income/(loss) from discontinued operations per share (in euros)			
- basic loss per share	-	-	(0,19)
- diluted loss per share	-	-	(0,17)
Net income per share attributable to equity holders of the company (in euros)			
- basic earnings per share	3,16	7,41	10,25
- diluted earnings per share	3,07	6,67	8,93

* Performance indicators used to measure the Group's operational performance

** Effect relating to the revaluation of core exposure at weighted average cost.

Consolidated balance sheet under IFRS

At December 31, in millions of euros

	2008	2007	2006*
ASSETS			
Goodwill	400	192	174
Other intangible assets	85	101	110
Property, plant and equipment	997	858	830
Investments in associates	4	1	22
Other non-current financial assets	35	28	50
Deferred tax assets	91	48	97
Other non-current assets	4	-	-
NON-CURRENT ASSETS	1 616	1 227	1 283
Inventories and work in progress	922	1 158	1 328
Amounts due from customers on construction contracts	195	163	77
Trade receivables	1 110	1 092	1 272
Other current financial assets	320	125	105
Current income tax receivables	26	11	7
Other current non-financial assets	84	83	79
Cash and cash equivalents	398	622	287
Assets and groups of assets held for sale	1	150	60
CURRENT ASSETS	3 055	3 403	3 214
TOTAL ASSETS	4 671	4 630	4 497
EQUITY AND LIABILITIES			
Capital stock	28	26	25
Additional paid-in capital	1 256	1 133	1 127
Reserves	212	374	158
Net income attributable to equity holders of the Company	82	189	241
Equity excluding minority interests	1 578	1 722	1 551
Minority interests	39	36	39
TOTAL EQUITY	1 617	1 758	1 589
Pension and other retirement benefit obligations	317	322	336
Other long-term employee benefit obligations	13	15	17
Long-term provisions	27	25	27
Convertible bonds	271	258	247
Other long-term financial debt	389	353	7
Deferred tax liabilities	45	85	94
NON-CURRENT LIABILITIES	1 062	1 058	728
Short-term provisions	65	72	89
Short-term financial debt	274	301	665
Liabilities related to construction contracts**	111	138	71
Trade payables	908	866	956
Other current financial liabilities	376	180	174
Social Liabilities	160	133	116
Current income tax payables	43	32	39
Other current non-financial liabilities	54	47	47
Liabilities related to groups of assets held for sale	1	45	22
CURRENT LIABILITIES	1 992	1 814	2 180
TOTAL EQUITY AND LIABILITIES	4 671	4 630	4 497

* Taking into account the fair value adjustments made following the completion of the initial accounting for the Olex acquisition in relation to the Olex group's opening balance sheet.

** Including advances received related to long-term contracts.

Consolidated statement of cash flows under IFRS

<i>in millions of euros</i>	2008	2007	2006
Net income attributable to equity holders of the Company	82	189	241
Minority interests	2	7	3
Depreciation, amortization and impairment of assets (incl. goodwill)	125	122	178
Cost of debt (gross)	66	57	45
Core exposure impact*	165	(20)	(107)
Other restatements**	12	118	(70)
Cash flows from operations before gross cost of debt and tax***	453	473	290
Decrease (increase) in receivables	31	61	(181)
Decrease (increase) in inventories	174	129	(308)
Increase (decrease) in payables and accrued expenses	(59)	(6)	242
Income tax paid	(62)	(80)	(58)
Impairment of current assets and accrued contract costs	4	(4)	12
Net change in current assets and liabilities	88	100	(294)
Net cash generated from (used in) operating activities	541	573	(3)
Proceeds from disposals of property, plant and equipment and intangible assets	16	7	6
Capital expenditures	(172)	(168)	(171)
Decrease (increase) in loans granted	(187)	2	2
- of which margin calls related to metal derivatives	(140)	-	-
Purchase of shares in consolidated companies, net of cash acquired	(311)	(36)	(365)
Proceeds from sale of shares in consolidated companies, net of cash transferred	19	48	201
Net cash used in investing activities	(635)	(147)	(327)
Net change in cash and cash equivalents after investing activities	(94)	427	(330)
Proceeds from (repayment of) long-term borrowings	22	344	276
- of which issuance of borrowings	29	345	279
- of which repayment of borrowings	(7)	(1)	(3)
Proceeds from (repayment of) short-term borrowings	14	(409)	282
Proceeds from issuance of shares paid up in cash / capital (decreases)	(23)	7	8
Interest paid	(54)	(36)	(45)
Dividends paid	(52)	(32)	(23)
Net cash (used in) generated from financing activities	(93)	(125)	497
Net effect of currency translation differences	(19)	4	1
Impact of changes in scope of consolidation – discontinued operations	-	-	1
Net increase (decrease) in cash and cash equivalents	(206)	306	170
Cash and cash equivalents at beginning of year	594	287	117
Cash and cash equivalents at year-end	388	594	287
<i>Of which cash and cash equivalents recorded as assets in the balance sheet</i>	398	622	287
<i>Of which bank overdrafts</i>	(10)	(28)	-

* Impact relating to the revaluation of core exposure at weighted average cost – no cash impact.

** Other restatements for the year ended December 31, 2008 primarily concerned (i) offsetting the Group's income tax charge (+ 50 millions euros) and (ii) cancelling the expense recorded in the income statement for changes in fair value of metal and foreign exchange derivatives (- 28 millions euros).

In 2007, this item primarily related to : offsetting the Group's income tax charge (+84 million euros) and cancelling the expense recorded in the income statement for changes in fair value of metal and foreign exchange derivatives (+54 million euros).

In 2006, this item primarily related to : capital gains on the disposal of Electro-Matériel (-150 million euros), offsetting the income tax charge (+48 million euros), the non-cash impact of changes in fair value of derivatives (+16 million euros).

*** The Group also uses the "operating cash flow" concept which is calculated after adding back restructuring costs (respectively 24 millions euros, 22 millions euros and 40 millions euros in 2008, 2007 and 2006), and deducting gross cost of debt and current income tax charge.

Segment information

Information by business line

<i>In millions of euros</i>	Electrical wires	Energy	Telecom	Other (or not allocated)	Inter-segment eliminations*	Group total
December 31, 2008						
Net sales at current metal prices	2 084	5 292	594	14	(1 185)	6 799
Net sales at constant metal prices	710	3 929	508	14	(385)	4 776
Operating margin	(2)	402	40	(13)	-	427
Depreciation and amortization	(2)	(89)	(13)	(3)	-	(106)
Impairment losses	(5)	(15)	(1)	(2)	-	(23)
Reversals of impairment losses	-	2	-	2	-	4
EBITDA **	(1)	491	54	(11)	-	533
Restructuring costs	(2)	(19)	-	(1)	-	(22)
Capital expenditure	6	161	15	10	-	192
Property, Plant and equipment, net	18	866	100	13	-	997
Total segment assets ***	236	3 226	241	40	-	3 743
Total segment liabilities ****	149	1 018	83	57	-	1 307
Investments in associates	4	-	-	-	-	4
Share in net income of associates	-	-	-	-	-	-
Number of employees	899	19 319	2 183	1 079	-	23 480
December 31, 2007						
Net sales at current metal prices	2 603	5 270	638	11	(1 110)	7 412
Net sales at constant metal prices	845	3 780	529	11	(343)	4 822
Net sales at constant metal prices and 2008 exchange rates	826	3 684	509	11	(341)	4 689
Operating margin	9	365	49	(14)	-	409
Depreciation and amortization	(3)	(76)	(13)	(9)	-	(101)
Impairment losses	(34)	(21)	(7)	-	-	(63)
Reversals of impairment losses	-	38	4	-	-	42
EBITDA **	12	441	62	(5)	-	510
Restructuring costs	(3)	(8)	-	(2)	-	(14)
Capital expenditure	10	141	14	10	-	174
Property, Plant and equipment, net	13	759	98	22	-	893
Total segment assets ***	400	3 014	270	56	-	3 740
Total segment liabilities ****	281	879	85	84	-	1 329
Investments in associates	1	-	-	-	-	1
Share in net income of associates	-	-	-	-	-	-
Number of employees	779	18 089	2 183	847	-	21 898
December 31, 2006*****						
Net sales at current metal prices	3 438	4 298	781	9	(1 038)	7 489
Net sales at constant metal prices	1 133	2 983	648	9	(331)	4 442
Net sales at constant metal prices and 2007 exchange rates	1 163	3 104	472	9	(375)	4 373
Operating margin	(4)	233	48	(18)	-	260
Depreciation and amortization	(10)	(62)	(19)	(4)	-	(95)
Impairment losses	(54)	(61)	(9)	(4)	-	(128)
Reversals of impairment losses	-	19	8	-	-	27
EBITDA **	6	296	67	(14)	-	355
Restructuring costs	(5)	(19)	(24)	(1)	-	(48)
Capital expenditures	14	137	17	4	-	171
Property, Plant and equipment, net	23	643	143	20	-	829
Total segment assets ***	662	2 725	399	41	-	3 826
Total segment liabilities ****	416	732	100	50	-	1 298

Investments in associates	22	-	-	-	-	22
Share in net income of associates	3	-	-	-	-	3
Number of employees	1 140	15 952	3 276	782	-	21 150

* Inter-segment eliminations mostly stem from the upstream Electrical Wires business.

** Operating margin excluding depreciation and amortization.

*** Segment assets include property, plant and equipment and intangible assets, inventories, trade receivables & advances to suppliers, amounts due from customers on construction contracts, other operating receivables and goodwill. In 2008, segment assets included 1 million euro worth of assets owned by entities held for sale.

**** Segment liabilities include trade payables, amounts due to customers on construction contracts, customer deposits and advances, accrued contract costs and other operating liabilities (in particular social liabilities). In 2008, segment liabilities included 1 million euro worth of liabilities held by entities held for sale.

***** Taking into account the fair value adjustments made following the completion of the initial accounting for the Olex acquisition in relation to the Olex group's opening balance sheet.

Information by geographic area

<i>In millions of euros</i>	France***	Germany	Other European countries	North America	Asia - Pacific	MERA*	South America**	Group total
December 31, 2008								
Net sales at current metal prices (before inter-segment elimination)	2 404	907	2 410	1 054	778	483	272	N/A
Inter-segment sales at current metal prices	(923)	(78)	(446)	(2)	(29)	(31)	-	N/A
Net sales at current metal prices	1 481	829	1 964	1 052	749	451	272	6 799
Net sales at constant metal prices	1 042	623	1 560	560	502	303	186	4 776
Operating margin	65	43	180	55	42	27	15	427
Capital expenditure	33	15	69	10	28	30	7	192
Property, Plant and equipment, net	143	118	289	83	137	106	121	997
Total segment assets ****	858	338	1 025	212	520	305	485	3 743
Number of employees	3 917	2 771	7 887	1 803	2 459	2 108	2 535	23 480
December 31, 2007								
Net sales at current metal prices (before inter-segment elimination)	2 871	935	2 390	1 333	886	453	138	N/A
Inter-segment sales at current metal prices	(1 032)	(83)	(432)	(1)	(15)	(31)	-	N/A
Net sales at current metal prices	1 839	852	1 958	1 332	871	422	138	7 412
Net sales at constant metal prices	1 083	621	1 511	662	571	277	97	4 822
Net sales at constant metal prices and 2008 exchange rates	1 083	621	1 483	620	514	271	97	4 689
Operating margin	61	65	123	78	50	23	8	409
Capital expenditure	35	28	55	10	16	26	3	174
Property, Plant and equipment, net	146	120	264	90	153	88	33	893
Total segment assets ****	973	386	1 062	307	640	310	62	3 740
Number of employees	3 919	2 862	8 407	1 870	2 269	2 067	504	21 898
December 31, 2006*****								
Net sales at current metal prices (before inter-segment elimination)	3 112	911	2 175	1 745	435	407	112	N/A
Inter-segment sales at current metal prices	(937)	(59)	(354)	(2)	(6)	(50)	-	N/A
Net sales at current metal prices	2 175	852	1 821	1 743	429	357	112	7 489
Net sales at constant metal prices	1 037	582	1 402	813	277	246	85	4 442
Net sales at constant metal prices and 2007 exchange rates	1 037	582	1 397	769	261	239	87	4 373
Operating margin	35	33	72	63	19	29	8	260
Capital expenditure	30	18	64	24	6	19	11	171
Property, Plant and equipment, net	158	105	235	88	153	65	26	829
Total segment assets ****	1 180	404	989	305	616	275	57	3 826
Number of employees	3 858	2 707	7 807	1 960	2 459	1 899	460	21 150

* MERA (Middle East, Russia and Africa) corresponds to the former « Rest of the world » area with the exception of Nexans Brazil which is now reported within the "South America" area. 2007 and 2006 information have been restated correspondingly, through the reclassification of amounts related to Nexans Brazil.

** The "South America" area gathers the cable activities of the Madeco group together with those of Nexans Brazil.

*** Including corporate activities.

**** Segment assets include property, plant and equipment and intangible assets, inventories, trade receivables & advances to suppliers, amounts due from customers on construction contracts, other operating receivables and goodwill.

***** Taking into account the fair value adjustments made following the completion of the initial accounting for the Olex acquisition in relation to the Olex group's opening balance sheet.

Net sales at current metal prices by geographic market

In millions of euros	France	Germany	Other European countries	North America	Asia - Pacific	MERA*	South America**	Group total
2008	812	677	1 982	1 078	918	1 004	329	6 799
2007, restated*	998	762	2 283	1 380	993	863	133	7 412
2006, restated*	987	852	2 512	1 729	512	761	135	7 489

* MERA (Middle East, Russia and Africa) corresponds to the former « Rest of the world » area with the exception of Nexans Brazil which is now reported within the "South America" area. 2007 and 2006 information have been restated correspondingly, through the reclassification of amounts related to Nexans Brazil.

** The "South America" area gathers the cable activities of the Madeco group together with those of Nexans Brazil.