2016 FULL-YEAR RESULTS

- **Operating margin up 24% year on year to 242 million euros despite a 1.2% organic[1] decrease[2] in sales volumes. Excluding the Oil & Gas sector[3] – which declined by 27% – overall consolidated sales rose by 0.7%.**
- **Return to profit for the Group, with 61 million euros in net income for the year versus a 194 million euro net loss in 2015.**
- **Net debt stable at 211 million euros at December 31, 2016, despite an 86 million euro cash outflow for restructuring costs.**
- **Proposed dividend of 0.5 euro per share.**

Paris, February 9, 2017 – Today, Nexans published its financial statements for the year ended December 31, 2016, as approved by the Board of Directors at its February 8, 2017 meeting chaired by Georges Chodron de Courcel.

I - Overview of 2016

Following a slack first half, when organic sales growth came in at just 0.2%, the second half of 2016 saw a slowdown in sales generated with the Oil & Gas and Mining sectors (umbilicals, onshore exploration in the United States and Asian shipyard operations – particularly floating platforms). Excluding these activities, the Group reported a slight 0.7% year-on-year increase in sales.

In spite of this operating backdrop, the Group posted higher operating margins for all of its businesses, paving the way for 2017 when it expects to see an overall return to organic sales growth.

Commenting on the Group's performance in 2016, Arnaud Poupart-Lafarge, Nexans' Chief Executive Officer, said:
"2016 was the second year of the rollout of our strategic plan. We consider that our performance was satisfactory in view of the operating context, marked by a depression in the Oil & Gas sector.
Despite lower sales volumes, our operating margin increased once again, particularly thanks to the effective implementation of our strategic initiatives which delivered the expected results.
These results, combined with the scheduled deliveries for major projects in the submarine high-voltage business in the coming months, mean that we are embarking on 2017 confident in our ability to grow both our sales and operating margin.

[1] Organic growth is defined as the difference between (i) standard sales for the current period of the current year (year Y) calculated at constant non-ferrous metal prices, and (ii) standard sales for the same period of the previous year (year Y-1), calculated at constant non-ferrous metal prices and applying the exchange rates prevailing in year Y and based on the year Y scope of consolidation.
[2] The 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. Exchange rates and changes in the scope of consolidation impacted sales at constant non-ferrous metal prices by -75 million euros and -45 million euros respectively.
[3] Sales for Oil & Gas sector activities were estimated by aggregating (i) sales of cables for oil and gas exploration, (ii) sales of umbilical cables, and (iii) sales generated by Asian shipyard activities.

Nexans
BRINGS ENERGY TO LIFE

Nexans is now in a good position to return to growth and to continue to position itself as a key player in the energy transition.
In view of the Group's return to profit, a dividend payment of 0.5 euro per share will be recommended at the upcoming Annual Shareholders' Meeting."

II - "Nexans brings Energy to Life" – the Group's vision in practice

Nexans brings solutions to the key issue of energy transition, as illustrated by some of the news releases of 2016 and the beginning of this year.

In the renewable energies sector, the Group plays a key role in the development of wind farm technologies. For example, DONG Energy Windpower A/S has selected Nexans' cables to equip Hornsea, located off the English coast. When it is completed, Hornsea will be the world's largest offshore wind farm, with an output of 1,200 MW and capable of meeting the annual electricity needs of a million homes. Similarly, ScottishPower Renewables has chosen Nexans' submarine high-voltage cables to carry energy onshore from its new 714 MW East Anglia ONE offshore wind farm. This new wind farm, which is due to be finished in 2020, will be made of up 102 wind turbines with a capacity to power around half a million homes in the UK. The contract is worth more than 180 million euros.
To date, Nexans' cables have enabled power grids to link up to offshore wind farms representing a total output capacity of over 2,600 MW covering the energy needs of nearly 2 million homes.

During 2016 Nexans achieved technological breakthrough in high-voltage direct current (HVDC) cable systems. These advances – which included the successful type testing of cross-linked polyethylene (XLPE) insulation designs at 525 kV and qualifying the first 600 kV mass impregnated cable with a paper-based insulation – are real milestones for energy operators. In this way Nexans is helping energy operators meet their specific challenges in an operating context where HVDC links will play a key role in reducing the global carbon footprint by allowing consumers to access renewable energy while minimizing transmission losses.

Nexans also provides solutions for the transition to cleaner energy in the industrial sector, such as the new medium-voltage cable EDRMAX by Nexans™. This cable has been eco-designed to reduce its environmental impact and it enables faster and easier grid connection of renewable energy sources.

In the Telecom sector, operators are facing an exponential increase in data transmission. Digital transformation requires agile IT infrastructure that provides reliable and efficient data access and exchange. In order to meet these challenges and respond to the need to fully anticipate migrations, manage energy consumption and reduce operating costs, network managers can now rely on Nexans' "Smart Choices for Digital Infrastructure" offering which helps them make smart decisions for their digital infrastructure.

Lastly, in the Building market, changes in the regulatory landscape are resulting in increasingly exacting requirements for energy efficiency, reliable installations and safety and security. One example of these stricter regulations that applies to cables is the E.U. Construction Products Regulation (CPR), which came into force in the first half of 2017. Nexans helps building industry participants incorporate these changes, both in terms of compliance with the new obligations and cable performance. And at the same time, our new solutions are reinforcing fire safety in buildings.

These commercial successes and technological innovations would not have been possible without the tireless work of our worldwide teams and their dedicated commitment to operational excellence in all areas.

III - Detailed business review for 2016

Sales for 2016 came to 5,814 billion euros at current metal prices and 4,431 billion euros at constant metal prices[4], representing a 1.2% organic decrease compared with 2015. Following the first nine months of the year when sales edged back 0.9% on an organic basis, the final quarter saw a period-on-period organic decrease of 0.5%, but a 9.3% upswing for low-voltage power cables for the building market and 13.4% growth for Transmission projects.

Operating margin totaled 242 million euros, up 47 million euros on the 195 million euros recorded for 2015 which was already an increase on the prior year figure. Operating margin for 2016 represented 5.5% of sales at constant metal prices versus 4.2% in 2015.

The Group’s sales performance for 2016 reflects mixed operating contexts across its different businesses:

- For the submarine high-voltage business, maintenance work weighed on sales at the beginning of the year but there are good growth prospects for 2017 as orders continued to pick up pace (backlog representing 1,794 million euros in 2016 versus 1,706 million euros in 2015).
- In the business segments related to the Oil & Gas sector (umbilicals, exploration and Asian shipbuilding operations), the difficult operating environment deteriorated even further in the first nine months of the year, with sales down 39% in the third quarter before leveling off.
- Sales of medium-voltage cables to energy operators were down 2.8% year on year on an organic basis, with the 4.2% increase seen in the first half canceled out by measures taken by the main energy operators to rebalance their expenditure in the second half of the year. This effect was compounded by an unfavorable basis of comparison with second-half 2015.
- LAN cables posted 5.1% organic sales growth, with contrasting trends in the two halves of the year due to the second half of 2015 being a very high basis of comparison in view of the sharp sales rise in that period.

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

Sales by geographic area can be analyzed as follows:

- Sales generated in Europe (excluding high-voltage projects and automotive harnesses) decreased 2.5% year on year, mainly due to energy operators' lower demand for low- and medium-voltage distribution cables.
- North America reported 1% growth, as high volumes of sales to energy operators and a strong performance by LAN cables and systems offset the continuing sharp decline in AmerCable's business.
- Sales in South America were up 6.2%, with a 19.9% jump in Brazil and ongoing growth in Colombia (10.2%), which more than offset the 9.1% decrease reported for Peru.
- Sales performance in the Asia-Pacific Area was down 9.4% as this Area was hit by lower volumes of business with shipbuilding (South Korea and China) and a slowdown in sales in the railway market (China). Sales of LAN cables rose during the year but were not sufficient to offset these two negative factors.
- Lastly, sales climbed 6.3% in the Middle East, Russia and Africa Area, with all countries contributing to the increase, except Morocco.

2016 key figures

(in millions of euros)	At constant non-ferrous metal prices	
	2015	2016
Sales	**4,604**	**4,431**
Operating margin	**195**	**242**
Operating margin as a % of sales	**4.2%**	**5.5%**
Attributable net income/(loss)	(194)	61

Breakdown of sales by division

(in millions of euros)	2015 At constant non-ferrous metal prices	2016 At constant non-ferrous metal prices	Organic growth
Transmission, Distribution & Operators	1,935	1,842	-2.0%
Transmission			*-2.2%*
Distribution & Operators			*-1.9%*
Industry	1,250	1,171	-3.8%
Distributors & Installers	1,136	1,127	+0.6%
Other Activities	283	291	+8.3%
Group total	**4,604**	**4,431**	**-1.2%**

Operating margin by division

(in millions of euros)	2015	2016
Transmission, Distribution & Operators	108	122
Industry	57	59
Distributors & Installers	63	78
Other Activities	(33)	(17)
Group total	**195**	**242**

The Group continued to implement its **strategic initiatives** as planned and on schedule:

- The measures put in place to reduce **fixed costs** had a 22 million euro positive impact on operating margin before inflation, in addition to the 62 million euro effect already achieved in 2015. The drop in volumes during the year weighed down on the productivity of fixed costs, which explains why returns were lower in 2016 than the previous year. The major restructuring plans launched in the last three years have now all been completed.
- Reductions in **variable costs** added 58 million euros to operating margin (compared with 10 million euros in 2015). The focus in 2016 was reducing purchasing costs and stepping up industrial efficiency measures.
- **"Market Leadership"** initiatives generated savings of 39 million euros. The impact of these measures is expected to be even higher in 2017 due to the anticipated sales increase for submarine high-voltage cables.
- The majority of the Group's program to **selectively streamline its operations portfolio** has now been completed and operations representing an aggregate amount of over 300 million euros worth of capital employed have undergone divestments, site closures, or strategic refocusings to bring their profitability into line with the Group's expectations.

These strategic initiatives contributed an aggregate 119 million euros to consolidated operating margin in 2016, up on the 2015 figure of 106 million euros. The cost/price squeeze effect was estimated at a negative 78 million euros (versus 53 million euros in 2015), reflecting tighter market conditions, particularly in the second half of 2016.

Analysis by division

Transmission, Distribution & Operators

Sales generated by the Transmission, Distribution & Operators division amounted to 2,133 million euros at current metal prices and 1,842 million euros at constant metal prices, representing an organic decrease of 2%. This performance reflects a slowdown in sales in the second half stemming from a contraction reported by the Distribution & Operators segment (a 6.9% decrease compared with a 3.2% increase in the first half). The high-voltage segment posted 2.7% sales growth, however, versus a 6.5% decline in the first half.

Distribution

Sales of distribution cables gradually worsened during the second half of 2016, resulting in an overall 2.8% organic decrease for the year. This reflects the fact that the main energy distributors reduced their consumption during the second half to make up for the high levels consumed in the first six months of the year.
This trend was particularly pronounced in Europe, where sales fell 8% year on year (in Germany, Belgium and France), reflecting a 20% contraction in the second half.
The Group's other geographic areas posted overall sales growth of 0.4%, with Canada, Brazil and Russia leading the way.
The Group had anticipated this market situation in 2015 by launching restructuring programs in Europe and the Asia-Pacific Area, and implementing a selective commercial approach and industrial efficiency plans. These measures helped to improve operating margin both in absolute value terms and as a percentage of sales.

Operators

After a slow start to the year, with the Operators business reporting 2.4% negative growth for the first half, sales to telecommunications operators advanced 9.6% in the second half, driving a 3.3% overall organic increase for 2016. This sales rise also helped the business increase its operating margin in 2016.

Land high-voltage

Sales of land high-voltage cables continued their upward trend in 2016, coming in 18.6% higher than in 2015. The rise in sales has been steady for the past four quarters and has helped to increase margins.
However, operating margin for this business was still negative overall in 2016, due to a production incident in Europe concerning a cable for a project in China, as well as the fact that the Charleston and Yanggu plants in the United States and China are still working below full capacity.
At end-December 2016 the order book for the land high-voltage business represented 168 million euros worth of sales at constant metal prices.

Submarine high-voltage

Year-on-year organic sales growth for high-voltage cables came to 3.2%, but this figure is not representative due to the products' delivery schedules. Nexans expects to see very strong growth in 2017 both in terms of sales and operating margin, as deliveries start for the Beatrice, NordLink and NSL contracts.
Sales of umbilical cables were adversely effected in 2016 by lower capital expenditure levels in the Oil & Gas sector and were also hit on a one-off basis by the bankruptcy of a customer. However, a number of major orders were taken in the second half of the year which will fuel sales growth in 2017.
Combined sales of submarine high-voltage cables and umbilicals retreated 8.9% on an organic basis year on year, due to (i) the immobilization of the Group's cable-laying ship (Skagerrak) in the first quarter of 2016, and (ii) a decrease in sales of umbilicals in the second half.

Operating margin for the Transmission, Distribution & Operators division as a whole came to 122 million euros, or 6.6% of sales at constant metal prices, up 14 million euros on 2015.

Industry

Sales for the Industry division totaled 1,346 million euros at current metal prices and 1,171 million euros at constant metal prices, representing an organic decrease of 3.8%.

After three years of double-digit growth, sales of automotive harnesses stabilized at a high level, which automatically resulted in a lower year-on-year growth rate (1.6%).

The wind farm and aeronautical segments delivered double-digit growth, propelled by overall market growth trends and our customers' solid order books.

The depressed operating context for Oil & Gas weighed down the Group's businesses that are the most exposed to this sector, with sales of cables to Asian shipbuilding and extraction cable sales in the Americas falling over 30%. The situation for AmerCable seems to have stabilized, however, and its sales increased in the fourth quarter having troughed at end-September.

In the transport sector, sales were hampered by two more temporary factors in 2016 – a decrease in sales to shipbuilding in Europe, and a contraction in sales of cables for rolling stock in China pending new capital expenditure projects for the high-speed network.

Despite the overall 3.8% sales decrease for the Industry division, operating margin came to 59 million euros, representing 5% of sales at constant metal prices (versus 58 million euros and 4.6% in 2015).
This performance reflects very mixed trends across the division's geographic areas, however. Europe doubled its operating margin thanks to the combined positive impact of the measures taken to (i) streamline the region's portfolio to move towards a more favorable product mix and (ii) totally restructure the manufacturing base in the region, with the closure of three plants over the past three years. Conversely, operating margins in China and South Korea were severely affected by the sales decreases experienced in those countries. Across all of the division's regions, measures to improve operating performance had positive effects.

Distributors & Installers

The Distributors & Installers division posted sales of 1,619 million euros at current metal prices and 1,127 million euros at constant metal prices, representing a year-on-year organic increase of 0.6%.

Sales of **power cables** for the building market decreased 4.6% in the second half of the year compared with the first half, due to a very weak third quarter. Fourth-quarter sales were stable, however, compared with the fourth quarter of 2015, with all of the division's geographic regions seeing this period-on-period upturn.

- In Europe, where the 4.7% decrease in sales volumes affected most countries, the Group prepared for the incoming Construction Products Regulation (CPR) by enhancing its fire-resistant product offering.
- In North America, volumes were generally weak throughout the year (down 5%) despite signs of an upswing towards the end of the year in the United States.

- In South America, sales rose 1.6% year on year, driven particularly by strong momentum in Brazil and Chile towards the year end.
- The positive momentum observed in the first six months of 2016 continued into the second half of the year in the Middle East, Russia and Africa Area, where annual sales growth came to 10.5%.
- In the Asia-Pacific Area, overall year-on-year growth was close to zero although sales climbed nearly 10% in the second half against the first six months of the year.

Despite lower volumes in the second half of 2016, sales of LAN cables and systems continued to fare well and ended the year up 5.1%. The main growth drivers in 2016 were the United States and China, where the Group capitalized on its attractive offering for the growing data center market.

Against this backdrop, operating margin for the Distributors & Installers division increased again in 2016, coming in at 78 million euros and representing 6.9% of sales at constant copper prices (versus 63 million euros and 5.5% in 2015).

Other Activities

The “Other Activities” segment – which essentially corresponds to external sales of copper wires – reported sales of 716 million euros at current metal prices and 291 million euros at constant metal prices, representing an organic increase of 8.3%.
Operating margin for this segment was a negative 17 million euros (versus a negative 33 million euros in 2015). The segment has a negative operating margin because it includes central costs that cannot be allocated to the other divisions and which therefore offset the profit derived from sales of copper wires.

IV- Analysis of net income/(loss) and other income statement items

(in millions of euros)	2015	2016
Operating margin	**195**	**242**
Core exposure effect	(52)	(6)
Restructuring costs	(100)	(33)
Other operating income and expenses	(110)	(22)
o/w net asset impairment	*(129)*	*(8)*
o/w other operating income and expenses	*19*	*(14)*
Share in net income of associates	1	4
Operating income/(loss)	**(66)**	**185**
Net financial expense	(105)	(88)
Income taxes	(25)	(37)
Attributable net income/(loss)	**(194)**	**61**

The Group's **operating income** came in at 185 million euros in 2016, compared with an operating loss of 66 million euros in 2015. This sharp rise was mainly due to the following:

- **The core exposure effect**, which represented an expense of 6 million euros compared with an expense of 52 million euros in 2015), was quite limited as weighted average prices of inventories did not vary significantly between end-2015 and end-2016. However, the rise in copper prices from mid-November had a positive impact of around 20 million euros in the second half of the year.

- **Restructuring costs** came to 33 million euros in 2016 versus 100 million euros in 2015. They mainly correspond to costs incurred under the previous plans for which provisions cannot be recorded and costs related to the closure of a site in the United States.

- **Asset impairment losses** were limited to 8 million euros after reaching 129 million euros in 2015 and concerned individual assets in the Asia-Pacific Area.

- **Other operating income and expenses** had a negative net impact of 14 million euros in 2016 compared to a positive impact of 19 million euros in 2015. They correspond to an unrealized gain on metal derivatives for 12 million euros, a net disposal loss of 6 million euros and a 20 million euro expense mainly corresponding to an addition to a contingency provision relating to the potential cost of the antitrust investigations.

Net financial expense amounted to 88 million euros, compared with 105 million euros in 2015, primarily reflecting lower interest expenses in connection with the Group's external refinancing strategy.

Income tax expense was 37 million euros, compared with 25 million euros in 2015, while income from ordinary activities before tax increased by 268 million euros.

The Group ended 2016 with attributable net income of 61 million euros (compared with a 194 million euro net loss the previous year).
In light of the above factors, the Board will propose the payment of a dividend of 0.5 euro per share in respect of 2016 to the Annual Shareholders' Meeting.

Net debt amounted to 211 million euros at December 31, 2016 against 201 million euros one year earlier. This near stable figure is mainly due to:

- Operating cash flow of 224 million euros, up 33 million euros year on year.
- Cash outflows related to restructuring plans of 86 million euros (versus 104 million euros in 2015).
- Cash payments for investments, net of disposals, of 135 million euros (down 35 million euros versus 2015).

- An increase in working capital requirement of 88 million euros. Working capital requirement for the cables business was down slightly and the increase was attributable to the project businesses. Working capital requirement for submarine projects was back at normal levels after the low levels observed at the end of 2015, due to favorable cash trends and significant prepayments. The increase for land-based projects reflects the increase in business volumes.
- The balance (75 million euros) mainly corresponds to income from sales of securities, the employee share ownership plan and the impact of exchange rates on net debt.

The presentation of the results will be available on the Nexans website at www.nexans.com from 9.00am (Paris time) today.

A Q&A session by conference call is scheduled today at 3:00 pm (Paris time).

To take part, please dial one of the following numbers and ask for "Nexans Conference Call":

- From France: +33 (0)1 70 77 09 38
- From other European countries: +44 (0) 203 367 9454
- From the United States: +1 855 402 7764

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 English)
- In other European countries: +44 (0) 203 367 9460
- In the United States: +1 877 642 3018

To listen to the conference, when requested, please enter 305960 followed by the hash (#) sign.

Financial calendar

May 3, 2017: 2017 First-Quarter Financial Information
May 11, 2017: Annual Shareholders' Meeting
July 27, 2017: 2017 First-Half Results

NB: Any discrepancies are due to rounding

This press release contains forward-looking statements which are subject to various expected or unexpected risks and uncertainties that could have a material impact on the Company's future performance.
Readers are also invited to log onto the Group's website where they can view and download the presentation of the annual results to analysts and the 2016 financial statements, which include in particular the risks related to the investigations on anti-competitive behavior launched in 2009 (see Note 30 a) to the consolidated financial statements, "Antitrust Investigations").

The Group's outlook for 2017-2018 is subject to several major uncertainties:

- *The economic and political environment in the European Union and the United States, with potential major changes in trade policies (customs protection, embargoes, etc.) and tax systems, as well as in certain emerging countries where Nexans generates – or plans to generate – significant sales volumes, notably Brazil, China, Ivory Coast, Lebanon, Libya, Nigeria and Turkey;*
- *The impact of flat prices for oil, natural gas and numerous minerals which is triggering a sharp decline in capital expenditure projects for oil exploration and drilling as well as in the gas and mining sectors, and is destabilizing the economies of countries that are highly dependent on these commodities;*
- *The crisis in shipbuilding and the construction of offshore platforms, particularly in Asia;*
- *The impact of Brexit on the European economy in general and on the financing of major electricity infrastructure projects in the United Kingdom, for which Nexans offers high-voltage cable systems solutions;*
- *The risk that market conditions will prevent the projected restructuring of the Group's business portfolio from being carried out at the planned pace;*
- *The risk that measures aimed at reigniting growth for the Group might not achieve the targeted sales increases due to worse-than-expected market trends and/or difficulties in implementing the measures concerned;*

- *Inherent risks related to carrying out major turnkey projects for high-voltage submarine cables, which will be exacerbated in the coming years as this business is becoming increasingly concentrated and centered on a low number of large-scale projects (Maritime Link, Nordlink, Beatrice, NSL, East Anglia One);*
- *The risk that certain R&D and innovation programs or programs designed to improve the Group's competitiveness experience delays or do not fully meet their objectives.*

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, acting for the energy transition, has an industrial presence in 40 countries, commercial activities worldwide, is employing close to 26,000 people and generating sales in 2016 of 5.8 billion euros.
Nexans is listed on Euronext Paris, compartment A.
For more information, please consult: www.nexans.com

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Appendices

1. Consolidated income statement
2. Consolidated statement of comprehensive income
3. Consolidated statement of financial position
4. Consolidated statement of cash flows
5. Information by reportable segment
6. Information by major geographic area
7. Information by major customer

The audit procedures have been carried out and the Statutory Auditors' report is being issued.

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	2016	2015
Net sales	**5,814**	**6,239**
Metal price effect [1]	*(1,383)*	*(1,635)*
Sales at constant metal prices [1]	***4,431***	***4,604***
Cost of sales	(5,002)	(5,456)
Cost of sales at constant metal prices [1]	*(3,619)*	*(3,821)*
Gross profit	**812**	**783**
Administrative and selling expenses	(489)	(506)
R&D costs	(81)	(82)
Operating margin [1]	**242**	**195**
Core exposure effect [2]	(6)	(52)
Other operating income and expenses[3]	(22)	(110)
Restructuring costs	(33)	(100)
Share in net income (loss) of associates[4]	4	1
Operating income (loss)	**185**	**(66)**
Cost of debt (net) [5]	(64)	(79)
Other financial income and expenses	(24)	(26)
Income (loss) before taxes	**97**	**(171)**
Income taxes	(37)	(25)
Net income (loss) from continuing operations	**60**	**(196)**
Net income (loss) from discontinued operations	-	-
Net income (loss)	**60**	**(196)**
- attributable to owners of the parent	61	(194)
- attributable to non-controlling interests	(1)	(2)
Attributable net income (loss) per share (in euros)		
- basic earnings (loss) per share	1.43	(4.55)
- diluted earnings (loss) per share	1.40	(4.55)

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

[2] *Effect relating to the revaluation of Core exposure at its weighted average cost.*

[3] *Other operating income and expenses included 8 million euros in net asset impairment in 2016 versus 129 million euros in 2015.*

[4] *The Group's share in the net income (loss) of associates whose operating activities are an extension of those of the Group is presented within "Operating income (loss)".*

[5] *Financial income amounted to 4 million euros in 2016 versus 6 million euros in 2015.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	2016	2015
Net income (loss) for the period	**60**	**(196)**
Recyclable components of the comprehensive income	**169**	**(15)**
- Available-for-sale financial assets	0	0
- Currency translation differences	56	17
- Cash flow hedges	113	(32)
Tax impacts on recyclable components of comprehensive income	**(26)**	**6**
Non recyclable components of comprehensive income	**9**	**(31)**
- Actuarial gains and losses on pension and other long-term employee benefit obligations	9	(31)
- Share of other non recyclable comprehensive income of associates	-	-
Tax impacts on non recyclable components of comprehensive income	**(2)**	**18**
Total other comprehensive income (loss)	**150**	**(22)**
Total comprehensive income (loss)	**210**	**(218)**
- attributable to owners of the parent	211	(218)
- attributable to non-controlling interests	(1)	(0)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(At December 31, in millions of euros)	**2016**	**2015**
Assets		
Goodwill	254	250
Other intangible assets	146	148
Property, Plant and equipment	1,170	1,156
Investments in associates	30	30
Deferred tax assets	180	192
Other non-current assets	60	59
Non-current assets	**1,840**	**1,835**
Inventories and work in progress	926	881
Amounts due from customers on construction contracts	238	172
Trade receivables	996	924
Current derivatives assets	70	51
Other current assets	201	154
Cash and cash equivalents	1,025	1,012
Assets and groups of assets held for sale	0	0
Current assets	**3,456**	**3,194**
Total assets	**5,296**	**5,029**
Equity and liabilities		
Capital stock, additional paid-in capital, retained earnings and other reserves	1,253	1,153
Other components of equity	159	20
Equity attributable to owners of the parent	**1,412**	**1,173**
Non-controlling interests	57	54
Total equity	**1,469**	**1,227**
Pension and other long-term employee benefit obligations	430	453
Long-term provisions	100	86
Convertible bonds	263	255
Other long-term debt	504	604
Non-current derivative liabilities	10	37
Deferred tax liabilities	90	84
Non-current liabilities	**1,397**	**1,519**
Short-term provisions	110	151
Short-term debt	469	354
Liabilities related to construction contracts	209	185
Trade payables	1,244	1,163
Current derivative liabilities	47	98
Other current liabilities	351	332
Liabilities related to groups of assets held for sale	0	0
Current liabilities	**2,430**	**2,283**
Total equity and liabilities	**5,296**	**5,029**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	2016	2015
Net income (loss)	60	(196)
Depreciation, amortization and impairment of assets (*including goodwill*)(1)	141	266
Cost of debt (gross)	68	85
Core exposure effect(2)	6	52
Current and deferred income tax charge (benefit)	37	25
Net gains (losses) on asset disposals	6	14
Other restatements(3)	(63)	(26)
Cash flows from operations before gross cost of debt and taxes(4)	**255**	**220**
Decrease (increase) in working capital	(105)	364
Income taxes paid	(37)	(37)
Impairment of current assets and accrued contract costs	17	33
Net change in current assets and liabilities	**(125)**	**360**
Net cash generated from operating activities	**130**	**580**
Proceeds from disposals of property, plant and equipment and intangible assets	11	6
Capital expenditures	(146)	(176)
Decrease (increase) in loans granted and short-term financial assets	1	(1)
Purchase of shares in consolidated companies, net of cash acquired	0	(4)
Proceeds from sale of shares in consolidated companies, net of cash transferred	23	2
Net cash generated used in investing activities	**(111)**	**(173)**
Net change in cash and cash equivalents after investing activities	**19**	**407**
Proceeds from (repayments of) long-term and short-term borrowings	17	(72)
-Of which proceed from the 2016-2021 ordinary bonds	*248*	-
-Of which repayment of the OCEANE 2016 convertible/exchangeable bonds	*(213)*	-
Cash capital increases (reductions)	24	9
Interest paid	(62)	(69)
Transactions with owners not resulting in a change of control	2	-
Dividends paid	(1)	(1)
Net cash generated used in financing activities	**(20)**	**(133)**
Net effect of currency translation differences	19	(63)
Net increase (decrease) in cash and cash equivalents	**18**	**211**
Cash and cash equivalents at beginning of year	**998**	**787**
Cash and cash equivalents at year-end	**1,016**	**998**
of which cash and cash equivalents recorded under assets	*1,025*	*1,012*
of which short-term bank loans and overdrafts recorded under liabilities	*(9)*	*(14)*

(1) In 2016, the Group changed its presentation of impairment losses related to restructuring operation to record them on the line "Other restatements". The reclassification was performed for 2015.

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

(3) Other restatements in 2016 primarily included a negative 70 million euros to cancel the net change in operating provisions (including provisions for pensions, restructuring costs and antitrust proceedings). Other restatements in 2015 primarily included (i) a negative 54 million euros to cancel the net change in operating provisions (including provisions for pensions, restructuring costs and antitrust proceedings) and (ii) a positive 19 million euros related to the cash impact of hedges.

(4) The Group also uses the "operating cash flow" concept which is mainly calculated after adding back cash outflows relating to restructurings (86 million euros and 104 million euros in 2016 and 2015 respectively), and deducting gross cost of debt and the current income tax paid during the year.

INFORMATION BY REPORTABLE SEGMENT

2016 *(in millions of euros)*	**Transmission, Distribution & Operators**	**Industry**	**Distributors & Installers**	**Other**	**Group total**
Net sales at current metal prices	2,133	1,346	1,619	716	**5,814**
Net sales at constant metal prices	1,842	1,171	1,127	291	**4,431**
Operating margin	122	59	78	(17)	**242**
Depreciation and amortization	(69)	(32)	(26)	(6)	**(133)**
Net impairment of non-current assets (including goodwill)	(8)	-	-	-	**(8)**

2015 *(in millions of euros)*	**Transmission, Distribution & Operators**	**Industry**	**Distributors & Installers**	**Other**	**Group total**
Net sales at current metal prices	2,262	1,500	1,749	728	**6,239**
Net sales at constant metal prices	1,935	1,250	1,136	283	**4,604**
Net sales at constant metal prices and 2016 exchange rates	1,880	1,240	1,115	278	**4,513**
Operating margin	108	57	63	(33)	**195**
Depreciation and amortization	(72)	(33)	(27)	(6)	**(138)**
Net impairment of non-current assets (including goodwill)	(32)	(62)	(35)	-	**(129)**

INFORMATION BY MAJOR GEOGRAPHIC AREA

2016 *(in millions of euros)*	**France**	**Germany**	**Norway**	**Other*** **	**Group total**
Net sales at current metal prices*	864	807	634	3,509	**5,814**
Net sales at constant metal prices*	630	735	587	2,479	**4,431**
Non-current assets (IFRS 8)* (at December 31)	161**	179	153	1,107	**1,600**

* 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 price.

2015 *(in millions of euros)*	**France**	**Germany**	**Norway**	**Other*** **	**Group total**
Net sales at current metal prices*	877	814	705	3,843	**6,239**
Net sales at constant metal prices*	612	718	657	2,617	**4,604**
Net sales at constant metal prices and 2016 exchange rates*	612	718	635	2,548	**4,513**
Non-current assets (IFRS 8)* (at December 31)	148**	148	162	1,126	**1,584**

* *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 price.*

INFORMATION BY MAJOR CUSTOMER

The Group does not have any customers that individually accounted for over 10% of its sales in 2016 and in 2015.