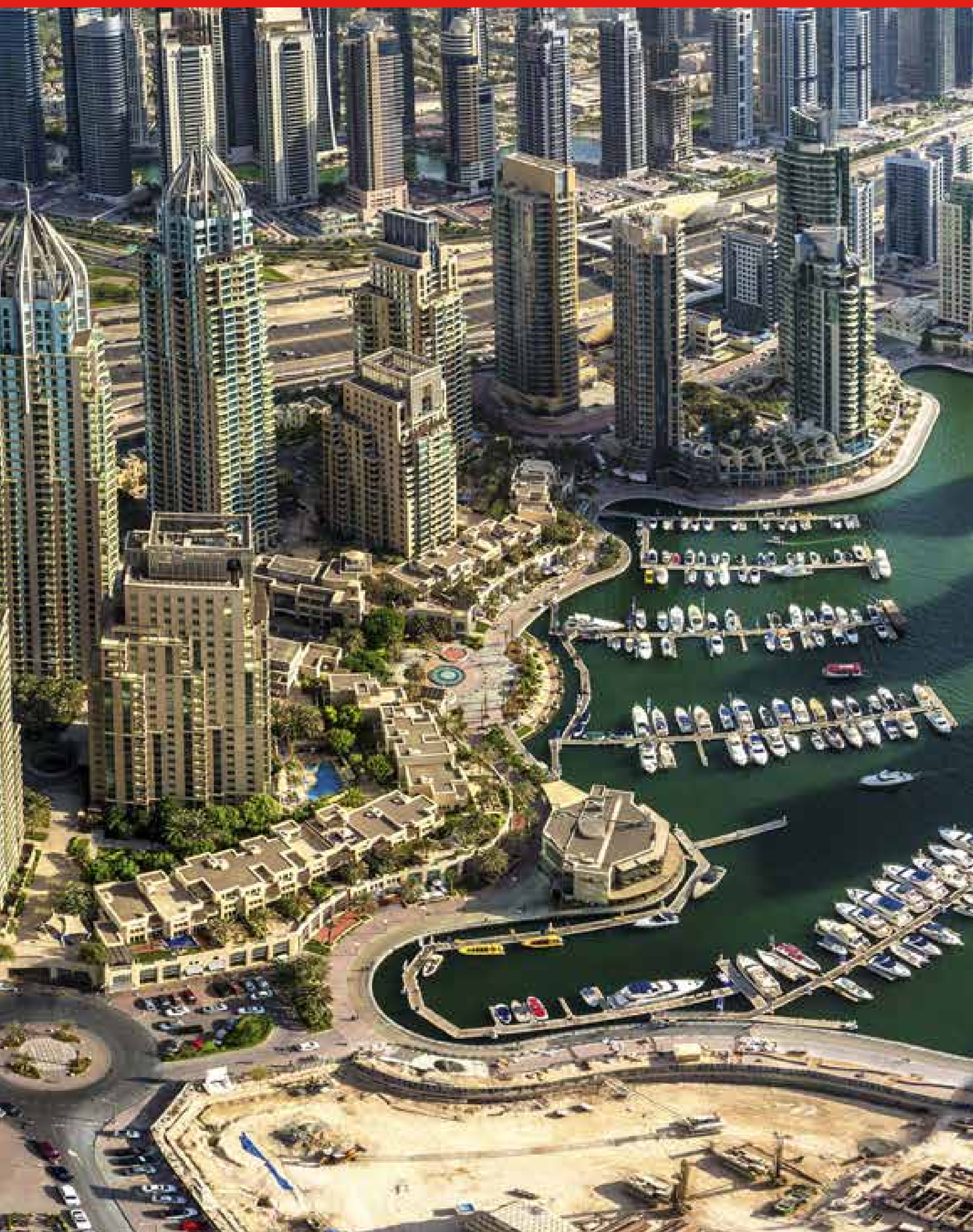
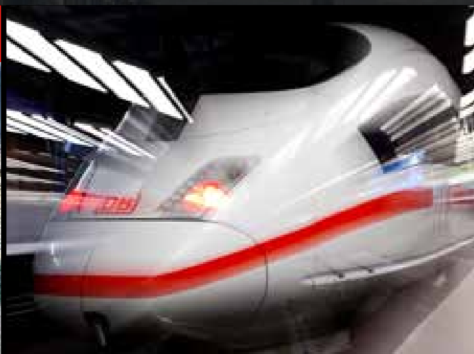
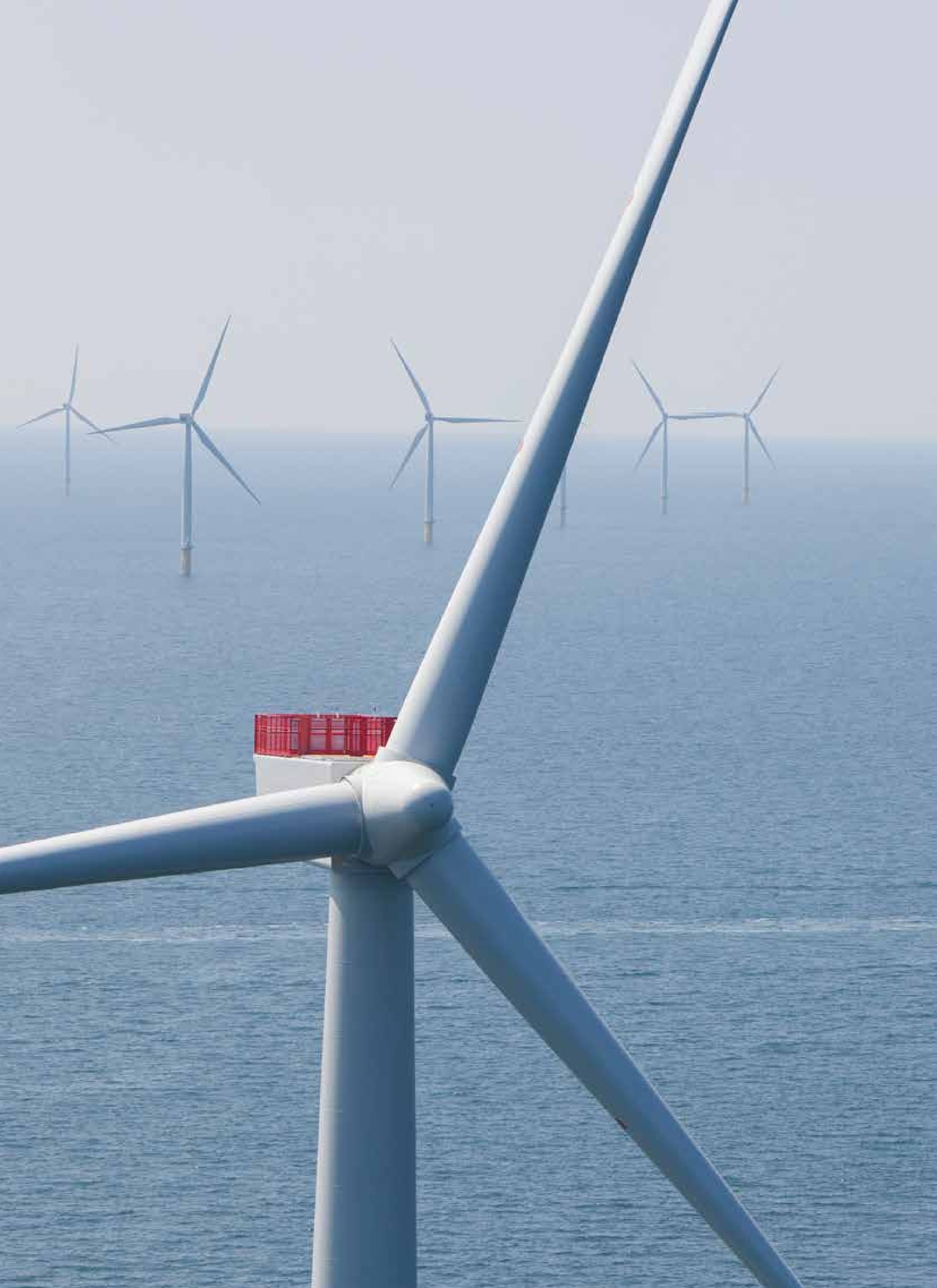
2017 HALF-YEAR FINANCIAL REPORT





Nexans

BRINGS ENERGY TO LIFE



Contents

2017 Half-year financial report

Significant events of first-half 2017	2
Operations during first-half 2017	3
Risk factors and main uncertainties	7
Related party transactions	7

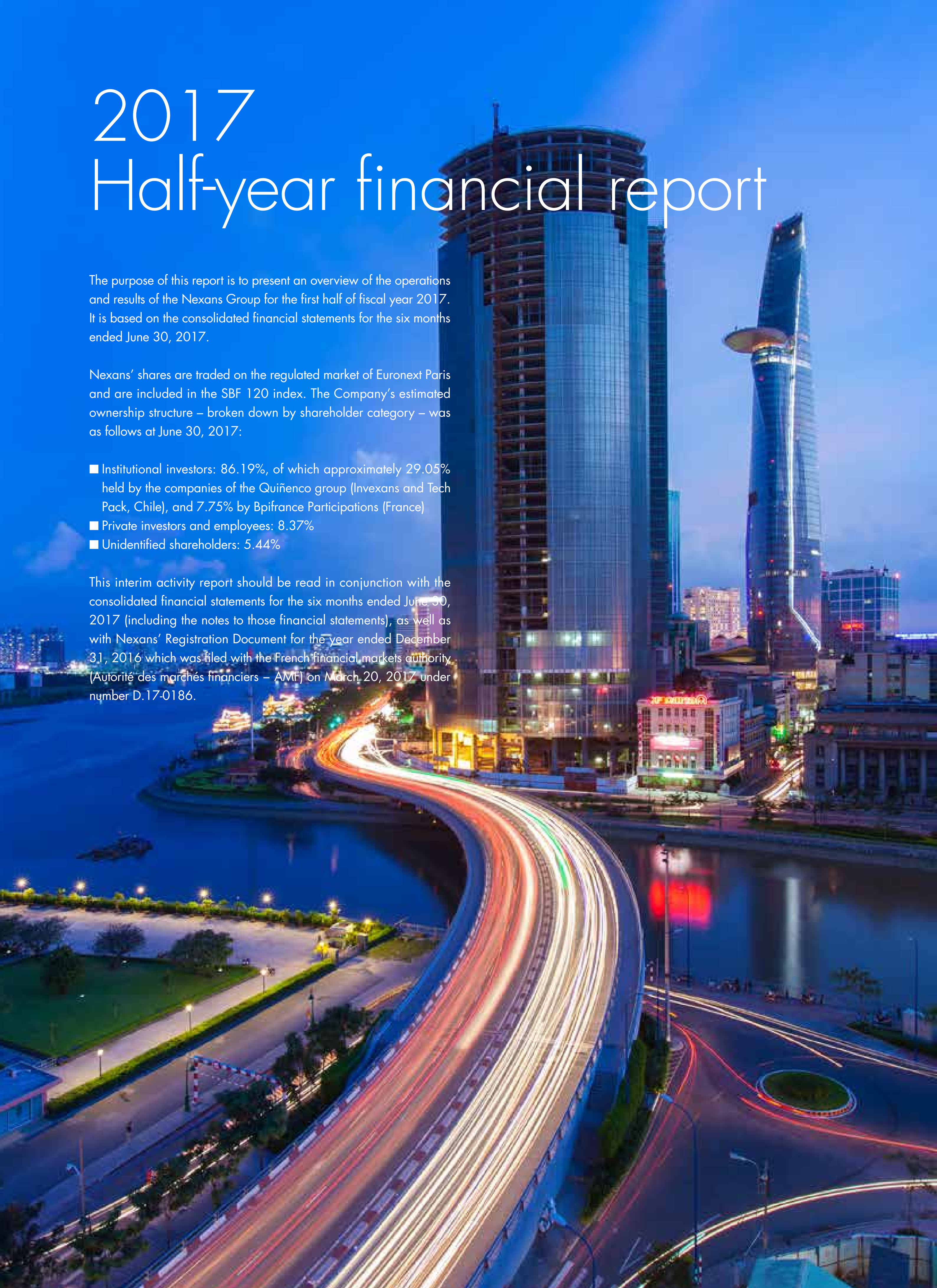
Condensed interim consolidated financial statements 8

Consolidated income statement	10
Consolidated statement of comprehensive income	11
Consolidated statement of financial position	12
Consolidated statement of cash flows	14
Consolidated statement of changes in equity	15

Notes to the interim consolidated financial statements 17

Statutory Auditors' review report 32

Statement by the person responsible 34



2017
Half-year financial report

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 2017. It is based on the consolidated financial statements for the six months ended June 30, 2017.

Nexans' shares are traded on the regulated market of Euronext Paris 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, 2017:

- Institutional investors: 86.19%, of which approximately 29.05% held by the companies of the Quiñenco group (Invexans and Tech Pack, Chile), and 7.75% by Bpifrance Participations (France)
- Private investors and employees: 8.37%
- Unidentified shareholders: 5.44%

This interim activity report should be read in conjunction with the consolidated financial statements for the six months ended June 30, 2017 (including the notes to those financial statements), as well as with Nexans' Registration Document for the year ended December 31, 2016 which was filed with the French financial markets authority (Autorité des marchés financiers – AMF) on March 20, 2017 under number D.17-0186.

1. Significant events of first-half 2017 2

2. Operations during first-half 2017 2

2.1. Overview 2

2.2. Analysis by business 3

2.3. Other items in the first-half 2017 consolidated income statement 5

2.3.1. Core exposure effect 5

2.3.2. Restructuring costs 5

2.3.3. Other operating income and expenses 5

2.3.4. Financial income and expenses 5

2.3.5. Income taxes 6

2.3.6. Principal cash flows for the period 6

2.3.7. Consolidated statement of financial position 6

3. Risk factors and main uncertainties 7

4. Related party transactions 7

1. Significant events of first-half 2017

BOND ISSUE IN THE AMOUNT OF 200 MILLION EUROS, MATURITY APRIL 5, 2024

Nexans successfully placed a €200 million bond issue. This fixed rated issue has a maturity of 7-years (April 5, 2024 term) and an annual coupon of 2.75% p.a.. The yield to maturity is 2.75% and the issue price is 100% of par value.

This successful bond issue was allotted to approximately 160 international institutional investors. HSBC and Société Générale were global coordinators and joint bookrunners, BNP Paribas and Banco Santander were joint bookrunners.

The bonds have been listed on the regulated market of Euronext Paris since April 5, 2017.

2. Operations during first-half 2017

2.1. OVERVIEW

Consolidated sales for the six months ended June 30, 2017 came to 3,206 million euros compared with 2,951 million euros for the same period of 2016. At constant metal prices[1], first-half 2017 sales amounted to 2,336 million euros, representing 2.4% organic growth. Excluding Oil & Gas sector activities – whose sales declined by 32% – year-on-year growth for the Group's other activities was 4.6%.

The Group pursued its strategic initiatives during the first six months of 2017 and, overall, they offset the negative 44 million euro cost/price squeeze effect, pushing up operating margin for the period by 43 million euros.

As a result, **consolidated operating margin** came in at 140 million euros (or 6% of sales at constant metal prices), on a par with the figures for first-half 2016 (135 million euros and 5.9%). The impacts of the various strategic initiatives were as follows:

- The Group's drive to reduce **fixed costs** had a 15 million euro positive impact on operating margin before inflation, adding to the 84 million euros worth of reductions already achieved in 2015 and 2016. This mainly reflects improved productivity in submarine high-voltage operations and lower fixed costs in Europe.
- Reductions in **variable costs** added 12 million euros to operating margin (compared with 25 million euros in first-half 2016). The program launched to scale back purchasing costs and step up industrial efficiency measures was continued but its overall effect was hampered by price rises for chemicals and plastics, which are generally passed on in sales prices but sometimes with a time lag.
- **"Market Leadership"** initiatives had a 16 million euro positive effect on operating margin for the first half of 2017. The main positive contributions came from submarine operations, telecom activities and industrial segments excluding the Oil & Gas sector (an aggregate 43 million euros), but their net impact was adversely affected by (i) a 13 million euro negative contribution from Oil & Gas sector activities, and (ii) an impact of some 17 million euros arising from an unfavorable basis of comparison with first-half 2016, when demand from Utilities was high in Europe and prices were favorable in the LAN markets in North America.

Overall, the higher cost/price squeeze effect in the first six months of 2017 (44 million euros versus 29 million euros in the first half of 2016), combined with the particularly positive first-half 2016 contributions from the LAN and energy operators segments, created an unfavorable basis of comparison for first-half 2017.

(1) 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 expects to see an inverse effect in the second half of 2017, and operating margin should exceed the 107 million euros reported for the second half of 2016.

EBITDA totaled 211 million euros versus 203 million in first-half 2016. As a percentage of sales at standard metal prices the figure was stable year on year, amounting to 9.0% (8.9% in the first half of 2016). Over a rolling 12-month period, EBITDA came to 383 million euros.

The Group ended the first half of 2017 with **operating income** of 162 million euros, versus 90 million euros in the first six months of 2016. This year-on-year increase primarily reflects the combined impact of a 40 million euro positive core exposure effect (against a 25 million euro negative effect in first-half 2016) and 20 million euros in restructuring costs (compared with 13 million euros in the first six months of 2016).

Net financial expense amounted to 36 million euros (compared with 44 million euros in first-half 2016).

The Group recorded **net income** of 92 million euros in the six months ended June 30, 2017, up 63 million euros on the same period of 2016. Tis corresponds to a **pre-tax profit** of 126 million euros (versus 46 million euros in the first-half of 2016), up 80 million euros, of which 65 million euros reflect the change in core exposure effects. The **income tax** expense was 34 million euros (versus 17 million euros).

Consolidated net debt totaled 423 million euros at June 30, 2017, up 50 million euros on June 30, 2016. This year-on-year rise was mainly attributable to the payment of dividends, share buybacks and external growth (which had an aggregate 45 million euro impact).

2.2. ANALYSIS BY BUSINESS

Distributors & Installers

The Distributors & Installers division posted sales of 906 million euros at current metal prices and 572 million euros at constant metal prices, representing a year-on-year organic decrease of 3.2%.

This performance mainly reflects an unfavorable basis of comparison with first-half 2016 for the LAN cables segment in the United States and China. However, the negative trends of 2016 saw a correction in the first half of 2017, with the division's sales for the period coming in 4% higher than in the second half of 2016.

Sales of **power cables** for the building market edged back 0.4% year on year on an organic basis, but were up 4.2% compared with the second half of 2016. Price pressure was noticeable in all geographic regions in the first half of 2017.

The Middle East/Africa Area reported 10.1% organic growth (with particularly positive trends in Lebanon and Turkey), which partially offset the weak sales volumes seen in other areas.

Business in Europe was stable in volume terms, down by 0.9% on first-half 2017, despite a context of sales price erosion. Profitability was adversely affected in this region by temporary additional costs incurred due to the Group's industrial preparation for the application of the new EU Construction Products Regulation (CPR) as from July 1, 2017.

Sales in North America declined 2.7% year on year, with the decrease in volumes in Canada that began in 2016 leveling off in the first half of 2017 but price pressure becoming tighter in the residential buildings segment. Positive developments in the United States were not sufficient to offset these effects.

In South America sales decreased 9.4%, as business was weighed down by the natural disasters that occurred in the first quarter of 2017 in Peru and Chile as well as by the unsettled political environment in Brazil.

In the Asia-Pacific Area, sales dipped 1.6% compared with first-half 2016, reflecting the combined impact of fiercer competition in Australia and growth in South Korea.

Sales of **LAN cables and systems** were down 11.4% on an organic basis (including volume and price effects), reflecting an unfavorable basis of comparison with first half 2016 when this segment's performance was particularly strong.

The Group launched Nexans Data Center Solutions (NDS) in the first half of 2017 – a new global business unit designed to support global hyperscale data centers – which is expected to have a positive impact on sales as from the second half of the year.

In this context, operating margin for the Distribution & Installers division fell from 52 million euros in first-half 2016 to 29 million euros in the first six months of 2017 (26 million euros in the second half of 2016). The year-on-year decrease was due both to the high basis of comparison for the first six months of 2016 – when sales of LAN cables were unusually high – and the fact that the recovery in sales of power cables for the building market in Europe is still in its early stages.

Industry

Sales for the Industry division totaled 691 million euros at current metal prices and 587 million euros at constant metal prices, representing a year-on-year organic decrease of 0.7%.

Sales of automotive harnesses continued to fare well, climbing 2.5%, fueled by business in Europe and China, but margins were eroded slightly due to the reorganization measures that were put in place during the period and are still in progress.

The Group plans to stop its harness manufacturing activities for the construction vehicles market in the third quarter of 2017.

Activities related to the Oil & Gas market were down 39.9% on an organic basis compared with first-half 2016. AmerCable reported a 5.5% year-on-year increase (10.4% versus the second half of 2016) but this was not sufficient to fully offset the contraction in business volumes in Asian shipyards, which adversely affected margins despite the restructuring measures carried out in South Korea.

Conversely, the wind farm, aeronautical, medical and robotics segments once again delivered double-digit growth (as they have for over a year now), propelled by growth markets which have resulted in solid order books. At the same time, sales in China were boosted by higher demand for train cables.

Despite the 0.7% overall organic sales decrease (due to a less favorable mix for harnesses and lower sales in China and South Korea), operating margin for the Industry division came to 33 million euros. This performance was more or less unchanged from first-half 2016, but represents an increase on the second half of 2016 when operating margin amounted to 25 million euros. As a percentage of sales at constant metal prices, operating margin remained stable in the first half of 2016 and 2017 at 5.7% - the drop in margins in shipbuilding being offset by strong momentum in the other segments.

Transmission, Distribution & Operators

Sales generated by the Transmission, Distribution & Operators division amounted to 1,198 million euros at current metal prices and 1,027 million euros at constant metal prices, representing 8.7% organic growth compared with the first six months of 2016. This overall growth masks a strong disparity between the performances delivered by (i) the Group's project-based activities (which account for 21% of Nexans' consolidated sales) and the Operators business, and (ii) the Distribution business.

Distribution

The generally low spending trend for energy operators that was seen in the second half of 2016 continued into the first half of 2017 and resulted in an overall year-on-year organic sales decrease of 9.7% for the Distribution business. The effect of this trend was felt in all geographic regions except Asia-Pacific and North America which reported sales rises of 10.5% and 20.8% respectively. However, the end of 2016 seems to have marked the low point as the business delivered organic growth of 1.5% compared to the second half of 2016.

In Europe, following an extremely morose end of 2016, with particularly significant volume contractions in France, Germany, Greece and Italy, business gradually picked up during the first half of 2017. Overall, sales decreased 17.7% year on year on an organic basis in this region but period-on-period organic growth came to 6.7%. Judging by the segment's current order books, volumes are expected to rise in the second half of 2017.

In South America, sales fell 27.5% on an organic basis, as the region continued to be adversely affected by the lack of overhead power line contracts in Brazil and the natural disasters in Peru and Chile. However, the Group expects to see an improvement during the third quarter of 2017.

Similarly, in the Middle East/Africa Area sales retreated by 19.7%, mainly in Morocco due to a decline in export sales and lower demand for power transformers.

Operators

Sales for this business climbed 12.5% year on year on an organic basis, continuing the robust momentum that began in the first half of 2016. This trend – which was seen in all geographic regions, albeit with a mixed picture across the various countries – helped push up operating margin for the Operators business in first-half 2017.

In Europe (which reported a 9.3% year-on-year sales increase), demand was strong in France and Belgium, both for optical fiber cables and telecom accessories. At the same time, the market in Switzerland showed signs of recovery whereas the Scandinavian markets (Norway and Denmark) slowed.

In the business's other geographic regions – where telecom-related operations are less prevalent – demand remained high, with some areas reporting double-digit sales growth.

Land high-voltage

The recovery that began for this segment in the first half of 2016 continued during the first six months of 2017, with organic sales growth coming in at 16.1%.

Submarine high-voltage

The submarine high-voltage segment delivered year-on-year organic sales growth of 38.8% (including the adverse impact that lower capital expenditure levels in the Oil & Gas sector had on sales of umbilical cables). As forecast, this robust performance was led by production and deliveries under contracts such as NordLink, Beatrice, Maritime Link and Monita. The positive trend is expected to continue into the second half of the year when the start-up of production and deliveries under orders for umbilical cables taken during the second half of 2016 will begin to contribute to the segment's sales figure.

The Group consolidated its production capacity in the first half of 2017 by taking over full ownership of its high-voltage plant in Japan (NVC).

Operating margin for the Transmission, Distribution & Operators division as a whole came to 79 million euros. This 27.8% organic increase compared with first-half 2016 was driven by the sharp rise in sales for the submarine high-voltage segment and demand for telecom infrastructure cables.

Other Activities

Other Activities – which essentially corresponds to sales of copper wires – reported sales of 149 million euros at constant metal prices, representing an organic decrease of 2.5% compared with first-half 2016.

Operating margin for this segment was a negative 1 million euros, reflecting the fact that this item includes central costs that cannot be allocated to the various businesses and which therefore offset the profit derived from sales of copper wires.

2.3. OTHER ITEMS IN THE FIRST-HALF 2017 CONSOLIDATED INCOME STATEMENT

2.3.1. Core exposure effect

The core exposure effect represented income of 40 million euros for the six months ended June 30, 2017, compared with an expense of 25 million euros in first-half 2016. This year-on-year change was mainly due to a sharp rise in copper prices since the end of 2016.

In the IFRS financial statements, inventories are measured using the weighted average unit cost method, leading to the recognition of a temporary difference between the carrying amount of the copper used in production and the actual value of this copper as allocated to orders through the hedging mechanism. This difference is exacerbated 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.

2.3.2. Restructuring costs

Restructuring costs came to 20 million euros in first-half 2017 versus 13 million euros in the corresponding prior-year period:

- The 20 million euros recorded in first-half 2017 concern (i) provisions recognized for employee-related costs, notably in Europe, and (ii) costs expensed as incurred, in accordance with IFRS.

- The 13 million euros recorded in first-half 2016 included (i) provisions recognized for employee-related costs, notably in the United-States and Europe, (ii) costs expensed as incurred, in accordance with IFRS, and (iii) proceeds from the sale of a land use right in China.

2.3.3. Other operating income and expenses

Other operating income and expenses for the first six months of 2017 represented an amount that was virtually nil.

In first-half 2016 this item represented a net expense of 10 million euros and chiefly comprised:

- An addition to a contingency provision relating to the potential cost of civil proceedings against the Group's local operating entities in South Korea.

- A 2 million euro net disposal loss arising primarily on the sale of Cabliance Belgium, Cabliance Maroc and Confecta GmbH in the first half of 2016.

2.3.4. Financial income and expenses

The Group recorded a net financial expense of 36 million euros in the first six months of 2017, compared with 44 million euros in first-half 2016.

The net cost of debt edged up to 33 million euros in first-half 2017 from 30 million euros in the first six months of 2016, mainly as a result of the time lapse between the Group's 200 million euro bond issue carried out in April 2017 and its redemption of 350 million euros worth of existing bonds in May 2017.

Other financial expenses were 11 million euros lower than in first-half 2016, essentially due to a more favorable currency effect, which represented a net foreign exchange gain of 1 million euros in the first six months of 2017 versus a net 6 million euro loss in first-half 2016.

2.3.5. Income taxes

The consolidated income tax expense for the period came to 34 million euros, with the Group recording 124 million euros in net income before taxes and share in net income of associates. In the first six months of 2016, the income tax expense was 17 million euros.

2.3.6. Principal cash flows for the period

Cash flows from operations before gross cost of debt and tax totaled 182 million euros in first-half 2017.

The increase in working capital requirement in the first half of 2017 primarily reflects a seasonal effect.

Net cash used in investing activities came to 79 million euros in first-half 2017, chiefly corresponding to purchases of property, plant and equipment.

Net cash used in financing activities totaled 170 million euros, mainly comprising a 199 million euro cash inflow from the Company's issue of long-term bonds, and cash outflows of 284 million euros for net repayments of external borrowings, 52 million euros in interest paid, (iii) 22 million euros in dividend paid and (iv) 11 million euros for share buy-back.

Overall, taking into account the effect of currency translation differences, net cash and cash equivalents decreased by 324 million euros during the period and stood at 692 million euros at June 30, 2017 (including 700 million euros in cash and cash equivalents recorded under assets and 8 million euros corresponding to short-term bank loans and overdrafts recorded under liabilities).

2.3.7. Consolidated statement of financial position

The Group's total consolidated assets decreased by 152 million euros to 5,144 million euros at June 30, 2017 from 5,296 million euros at December 31, 2016.

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

- Non-current assets totaled 1,776 million euros at June 30, 2017, versus 1,840 million euros at December 31, 2016.
- Operating working capital requirement (trade receivables plus inventories less trade payables and accounts related to long-term contracts) rose by 221 million euros between December 31, 2016 and June 30, 2017.
- Net debt increased by 212 million euros to 423 million euros at June 30, 2017 from 211 million euros at December 31, 2016.
- Provisions for contingencies and charges – including for pension and other long-term employee benefit obligations – decreased by 51 million euros in the six months between December 31, 2016 and June 30, 2017, to 589 million euros. The most significant changes during the period concerned provisions for restructuring costs and provisions for pension benefit obligations.
- Total equity stood at 1,461 million euros at June 30, 2017 compared with 1,469 million euros at December 31, 2016.

3. 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 antitrust investigations – is provided in Nexans' 2016 Registration Document, in Section 3.1, "Risk Factors", and in **Note 15** to the condensed interim consolidated financial statements at June 30, 2017.

Nexans considers that the main risks identified in the 2016 Registration Document have not changed significantly.

If these risks were to materialize they could have a significant adverse effect on the Group's operations, financial position, earnings and 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.

In addition to the risk factors described in Section 3.1 of the 2016 Registration Document and the main uncertainties detailed in Section 1.8, "2017-2018 Trends and Outlook" of that document, the principal uncertainties for the second half of 2017 primarily relate to:

- The current political crisis between Qatar and Saudi Arabia, the United Arab Emirates, Bahrain and Egypt (which have cut off land, sea and air links with Qatar since early June) is significantly impacting the raw materials supplies of the Group's Qatar-based joint venture (QICC) and is therefore affecting the performance of contracts under production in QICC's plant. In addition, QICC has a number of contracts with customers based in the Gulf States that have imposed the blockade on Qatar and the Group is currently endeavoring to propose solutions to these customers.
- The worsening political and economic situation and natural disasters in several South American countries (notably Peru and Chile) could lead to increased volatility in exchange rates and interest rates, a decrease in business volumes and higher credit risk in South America as a whole.
- In Europe, the rollout of the plan to streamline the Group's manufacturing base for Utilities customers (for low and medium-voltage cables) could temporarily prevent the Group from capitalizing on market opportunities in the countries concerned.
- Also in Europe, the new EU Construction Products Regulation (CPR) – which notably applies to cables installed in buildings and tunnels - came into force on July 1, 2017. It creates new differentiation opportunities for the Group thanks to higher value-added products offerings. However, there is a risk that the levels of productivity and, more generally, costs, for new CPRcompliant products in the second half of 2017 could be temporarily less favorable than they were for pre-CPR products.
- In the United States, there is a risk that volatile demand for projects in the LAN cables market could prevent the Group from meeting its growth targets in that market.
- Lastly, the two main factories of the Group's high-voltage cables business - Halden in Norway for submarine cables and Charleroi in Belgium for land cables - will be very busy in the second half. Any significant incident in one of these two plants could lead to delays in the execution of ongoing projects.

4. Related party transactions

The Company considers that there were no significant changes in its main transactions with related parties compared with those described in the 2016 Registration Document in **Note 29** to the consolidated financial statements for the year ended December 31, 2016.

Condensed interim consolidated financial statements

Six months ended June 30, 2017

Consolidated income statement 10

Consolidated statement of comprehensive income ... 11

Consolidated statement of financial position 12

Consolidated statement of changes in equity 14

Consolidated statement of cash flows 16

Notes to the interim consolidated financial statements:

1.	Summary of significant accounting policies	18
2.	Significant events of the period	19
3.	Operating segments	20
4.	Other operating income and expenses	22
5.	Net asset impairment	22
6.	Other financial income and expenses	22
7.	Income taxes	23
8.	Earnings per share	24
9.	Goodwill	24
10.	Equity	25
11.	Pension and other long-term employee benefit obligations	25
12.	Provisions	26
13.	Net debt	27
14.	Derivative instruments	29
15.	Disputes and contingent liabilities	30
16.	Subsequent events	31

Consolidated income statement

(in millions of euros)	Notes	First-half 2017	First-half 2016
NET SALES	3	**3,206**	**2,951**
Metal price effect(1)		(870)	(674)
SALES AT CONSTANT METAL PRICES(1)	3	**2,336**	**2,277**
Cost of sales		(2,756)	(2,520)
Cost of sales at constant metal prices(1)		(1,886)	(1,846)
GROSS PROFIT		**450**	**431**
Administrative and selling expenses		(260)	(256)
R&D costs		(50)	(40)
OPERATING MARGIN(1)	3	**140**	**135**
Core exposure effect(2)		40	(25)
Restructuring costs		(20)	(13)
Other operating income and expenses	4	0	(10)
Share in net income of associates		2	3
OPERATING INCOME		**162**	**90**
Cost of debt (net)		(33)	(30)
Other financial income and expenses	6	(3)	(14)
INCOME BEFORE TAXES		**126**	**46**
Income taxes	7	(34)	(17)
NET INCOME FROM CONTINUING OPERATIONS		**92**	**29**
Net income (loss) from discontinued operations		-	-
NET INCOME		**92**	**29**
■ attributable to owners of the parent		91	30
■ attributable to non-controlling interests		1	(1)
ATTRIBUTABLE NET INCOME PER SHARE *(in euros)*	8		
■ basic earnings per share		2.21	0.69
■ diluted earnings per share		1.97	0.68

(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.

Consolidated statement of comprehensive income

(in millions of euros)	First-half 2017	First-half 2016
NET INCOME FOR THE PERIOD	**92**	**29**
Recyclable components of comprehensive income	(75)	74
■ Available-for-sale financial assets	-	-
■ Currency translation differences	(87)	16
■ Cash flow hedges	12	58
Tax impacts on recyclable components of comprehensive income(1)	(4)	(12)
Non-recyclable components of comprehensive income	15	(26)
■ Actuarial gains and losses on pension and other long-term employee benefit obligations	15	(26)
■ Share of other non-recyclable comprehensive income of associates	-	-
Tax impacts on non-recyclable components of comprehensive income(1)	(2)	5
Total other comprehensive income (loss)	(66)	41
TOTAL COMPREHENSIVE INCOME	**26**	**70**
■ attributable to owners of the parent	27	70
■ attributable to non-controlling interests	(1)	0

(1) Note 7.B provides a breakdown of the tax impacts on other comprehensive income.

Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	June 30, 2017	December 31, 2016
Goodwill	9	242	254
Other intangible assets		139	146
Property, plant and equipment		1,121	1,170
Investments in associates		29	30
Deferred tax assets		174	180
Other non-current assets		71	60
NON-CURRENT ASSETS		**1,776**	**1,840**
Inventories and work in progress		1,090	926
Amounts due from customers on construction contracts		243	238
Trade receivables		1,089	996
Current derivative assets	14	44	70
Other current assets		202	201
Cash and cash equivalents	13	700	1,025
Assets and groups of assets held for sale		0	0
CURRENT ASSETS		**3,368**	**3,456**
TOTAL ASSETS		**5,144**	**5,296**

EQUITY AND LIABILITIES

(in millions of euros)	Notes	June 30, 2017	December 31, 2016
Capital stock, additional paid-in capital, retained earnings and other reserves		1,330	1,253
Other components of equity		85	159
Equity attributable to owners of the parent		**1,415**	**1,412**
Non-controlling interests		46	57
TOTAL EQUITY	10	1,461	1,469
Pension and other long-term employee benefit obligations	11	410	430
Non-current provisions	12 and 15	92	100
Non-current convertible bonds	13	-	263
Other non-current debt	13	451	504
Non-current derivative liabilities	14	4	10
Deferred tax liabilities		98	90
NON-CURRENT LIABILITIES		1,055	1,397
Current provisions	12 and 15	87	110
Current debt	13	672	469
Liabilities related to construction contracts		162	209
Trade payables[(1)]		1,331	1,244
Current derivative liabilities	14	39	47
Other current liabilities		337	351
Liabilities related to groups of assets held for sale		0	0
CURRENT LIABILITIES		2,628	2,430
TOTAL EQUITY AND LIABILITIES		**5,144**	**5,296**

(1) At June 30, 2017, trade payables included approximately 306 million euros (281 million euros at December 31, 2016) related to copper purchases whose payment periods can be longer than usual for such supplies.

Consolidated statement of changes in equity

(in millions of euros)	Number of shares outstanding	Capital stock	Additional paid-in capital	Treasury stock
JANUARY 1, 2016	**42,597,718**	**43**	**1,577**	**-**
Net income (loss) for the year	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-
Distribution of dividends	-	-	-	-
Capital increases	-	-	-	-
Equity component of OCEANE bonds	-	-	-	-
Employee share-based payments:				
■ Service cost[1]	-	-	-	-
■ Proceeds from share issues	70,655	0	3	-
Transactions with owners not resulting in a change of control	-	-	-	-
Other	-	-	-	-
JUNE 30, 2016	**42,668,373**	**43**	**1,580**	**-**
JANUARY 1, 2017	**43,411,421**	**43**	**1,601**	**-**
Net income (loss) for the period	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		-	-	-
Distribution of dividends	-	-	-	-
Capital increases	-	-	-	-
Share buyback program	(224,489)	-	-	(11)
Equity component of OCEANE bonds	-	-	-	-
Employee share-based payments :				
■ Service cost	-	-	-	-
■ Proceeds from share issues	24,570	0	1	-
Transactions with owners not resulting in a change of control	-	-	-	-
Other	-	-	-	-
JUNE 30, 2017	**43,211,502**	**43**	**1, 602**	**(11)**

(1) Including a 0.7 million euro expense related to the ACT2016 plan.

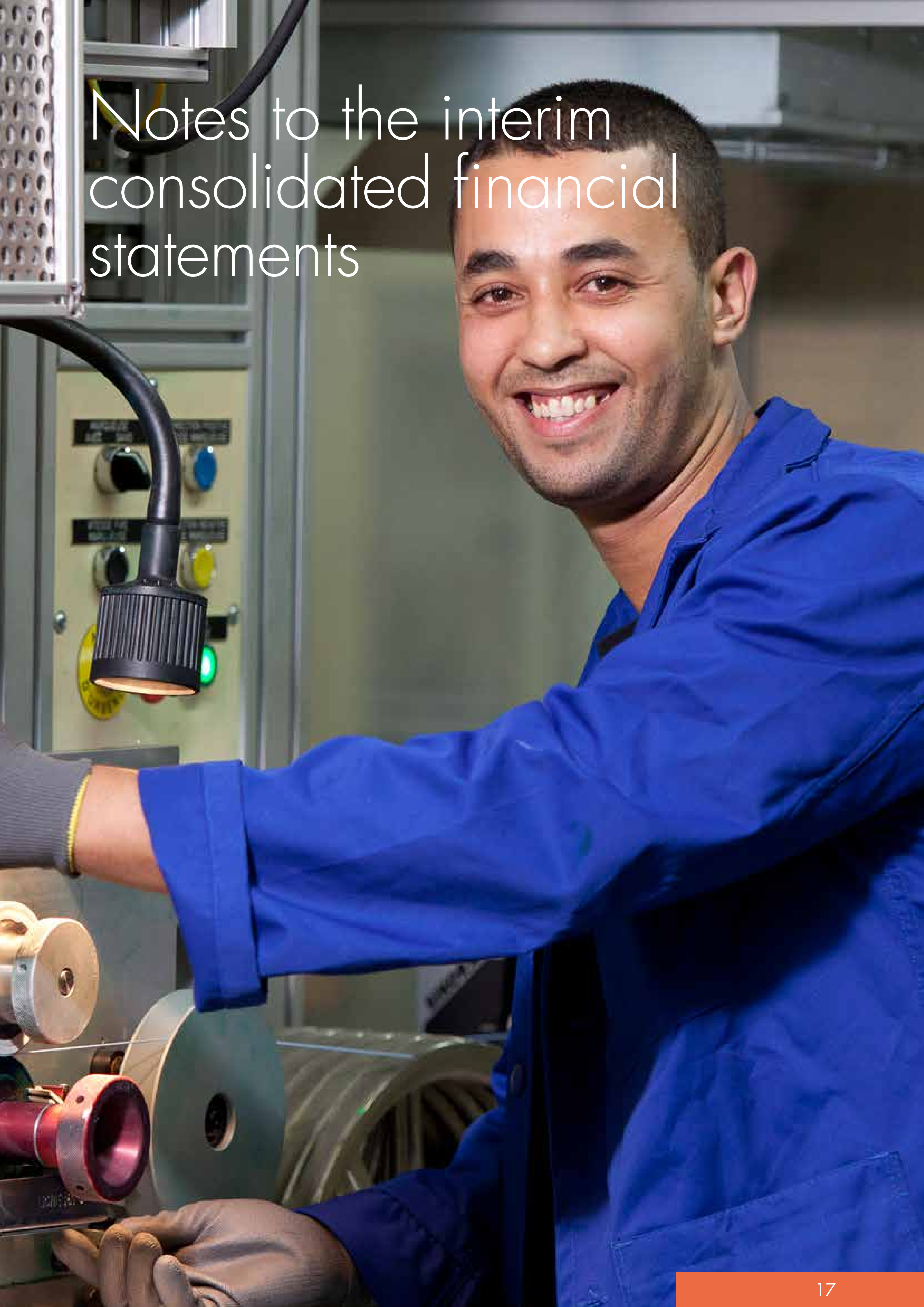
Retained earnings and other reserves	Changes in fair value and other	Currency translation differences	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(467)	**(90)**	**110**	**1,173**	**54**	**1,227**
30	-	-	30	(1)	29
(21)	45	16	40	1	41
9	**45**	**16**	**70**	**0**	**70**
-	-	-	-	(1)	(1)
-	-	-	-	-	-
-	-	-	-	-	-
2	-	-	2	-	2
0	-	-	3	-	3
1	-	(0)	1	(1)	0
-	-	-	-	0	0
(455)	**(45)**	**126**	**1,249**	**52**	**1,301**
(392)	**(3)**	**163**	**1,412**	**57**	**1,469**
91	-	-	91	1	92
13	9	(86)	(64)	(2)	(66)
104	**9**	**(86)**	**27**	**(1)**	**26**
(22)	-	-	(22)	(1)	(23)
-	-	-	-	-	-
-	-	-	(11)		(11)
-	-	-	-	-	-
4	-	-	4	-	4
0	-	-	1	-	1
1	-	2	3	(9)	(6)
1	-	(0)	1	0	1
(304)	**6**	**79**	**1,415**	**46**	**1,461**

Consolidated statement of cash flows

(in millions of euros)	Notes	First-half 2017	First-half 2016
Net income		92	29
Depreciation, amortization and impairment of assets (including goodwill)(1)		72	67
Cost of debt (gross)		35	33
Core exposure effect(2)		(40)	25
Current and deferred income tax charge (benefit)		34	17
Net gains (losses) on assets disposals	4	-	3
Other restatements(3)		(12)	(38)
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX(4)		**182**	**136**
Decrease (increase) in working capital(5)		(215)	(229)
Income tax paid		(28)	(19)
Impairment of current assets and accrued contract costs		(4)	15
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		**(247)**	**(233)**
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		**(65)**	**(97)**
Proceeds from disposals of property, plant and equipment and intangible assets		4	5
Capital expenditure		(70)	(65)
Decrease (increase) in loans granted and short-term financial assets		(7)	(6)
Purchase of shares in consolidated companies, net of cash acquired		(6)	(2)
Proceeds from sale of shares in consolidated companies, net of cash transferred		-	7
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		**(79)**	**(61)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		**(144)**	**(158)**
Proceeds from (repayments of) long-term and short-term borrowings	13	(86)	24
■ Of which proceed from the 2016-2021 ordinary bonds		-	248
■ Of which proceed from the 2017-2024 ordinary bonds		199	-
■ Of which repayment of the OCEANE 2016 convertible/exchangeable bonds		-	(213)
■ Of which repayment of the 2007-2017 ordinary bonds		(350)	-
Cash capital increases (reductions)(6)		(10)	3
Interest paid		(52)	(53)
Transactions with owners not resulting in a change of control		-	1
Dividends paid		(22)	(0)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		**(170)**	**(25)**
Net effect of currency translation differences		(10)	12
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(324)**	**(171)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,016**	**998**
CASH AND CASH EQUIVALENTS AT PERIOD-END		**692**	**827**
■ Of which cash and cash equivalents recorded under assets		700	846
■ Of which short-term bank loans and overdrafts recorded under liabilities		(8)	(19)

(1) At December 31, 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 the six months ended June 30, 2016.
(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, 2017 primarily included (i) a negative 36 million euros to cancel the net change in operating provisions (including provisions for pensions, restructuring costs) and (ii) a positive 24 million euros to cancel the effect of changes in fair value of metal and foreign exchange derivatives.
Other restatements for the six months ended June 30, 2016 primarily included a negative 30 million euros to cancel the net change in operating provisions (including provisions for pensions, restructuring costs and antitrust proceedings).
(4) The Group also uses the "operating cash flow" concept which is mainly calculated after adding back cash outflows relating to restructurings (34 million euros and 40 million euros for the first half of 2017 and 2016, respectively), and deducting the gross cost of debt and the current income tax paid during the period.
(5) During the first half of 2016 the Group sold tax receivables for a net cash impact of 9 million euros. As the sales concerned transferred substantially all the risks and rewards of ownership, they meet the derecognition criteria in IAS 39 and have therefore been derecognized.
(6) During the first half of 2017, the Group bought 224,489 treasury shares generating a 11 million euro cash outflow.

Notes to the interim consolidated financial statements



Note 1. Summary of significant accounting policies

A. GENERAL PRINCIPLES

Nexans S.A. 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 4, allée de l'Arche, 92400 Courbevoie, France.

Nexans S.A. is listed on Euronext Paris (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. They were approved by Nexans' Board of Directors on July 26, 2017.

Compliance with IAS 34

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: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en
The application of IFRS as issued by the IASB would not have a material impact on the financial statements presented.

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, 2016.

Standards and interpretations

The accounting policies adopted for the financial statements at June 30, 2017 are consistent with those applied in the annual consolidated financial statements for the year ended December 31, 2016, except where specific conditions apply relating to the preparation of interim financial statements (see **Note 1.B** below).

The Group has applied the new standards and interpretations effective as of January 1, 2017. The nature and the effect of these changes are not material in the Group consolidated financial statements.

New standards, amendments and interpretations published by the IASB but not yet effective

The IASB has issued the following new standards, amendments and interpretations which have been endorsed by the European Union:
- IFRS 9, "Financial Instruments", and amendments to IFRS 9;
- IFRS 15, "Revenue from Contracts with Customers".

The IASB has also issued the following new standards, amendments and interpretations which have not yet been endorsed by the European Union:
- IFRS 16, "Leases";
- Amendments to IFRS 15 "Clarifications to IFRS 15";
- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture";
- Amendments to IAS 12, "Recognition of Deferred Tax Assets for Unrealised Losses";
- Amendments to IAS 7, "Disclosure Initiative";
- Amendments to IFRS 2, "Classification and measurement of share-based payment transactions";
- Annual Improvements to IFRSs 2014-2016 Cycle;
- Amendments to IAS 40: "Transfers of Investment Property";
- IFRIC 22, "Foreign Currency Transactions and Advance Consideration".

The Group is currently analyzing the potential impacts of the new standards IFRS 9, 15 and 16 while working on the transition.

Specifically, the Group is still analyzing the potential impacts of adopting the new standard IFRS 15 and assessing the implications of switching to the cost to cost method. The Group will comment on the impacts of IFRS 15 in the second half of 2017 and confirm its choice in respect of the transition method.

Accounting estimates and judgments

The preparation of interim consolidated financial statements requires Management to exercise its judgment and make estimates and assumptions that could have a material impact on the reported amounts of assets, liabilities, incomes and expenses.

The main sources of uncertainty relating to estimates used to prepare the interim consolidated financial statements for first-half 2017 were the same as those described in the full-year 2016 consolidated financial statements. During the first six months of 2017, Management reviewed its estimates concerning:

- The recoverable amount of certain items of property, plant and equipment, goodwill and other intangible assets (see Note 5 and Note 9);
- Deferred tax assets not recognized in prior periods relating to unused tax losses (see Note 7);
- Margins to completion and percentage of completion on long-term contracts;
- The measurement of pension liabilities and other employee benefits (see Note 11);
- Provisions and contingent liabilities (see Note 12 and Note 15);
- The measurement of derivative instruments and their qualification as cash flow hedges (see Note 14).

These estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances and are reviewed on an ongoing basis. They serve as the basis for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources. Due to the inherent uncertainties of any valuation process, it is possible that actual amounts reported in the Group's future financial statements may differ from the estimates used in these financial statements. 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 Note 1.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.

- The net provision recognized for pension and other long-term employee benefit obligations is calculated based on the latest valuations available at the previous period-end. Expenses recognized during the period for pension and other long-term employee benefit obligations are calculated based on half of the estimated amount for the full year. Adjustments of actuarial assumptions are performed on the main contributing plans in order to take into account any significant fluctuations or one-time events that may have occurred during the six-month period. The fair value of the main plan assets is reviewed at the period end.

Note 2. Significant events of the period

BOND ISSUE IN THE AMOUNT OF 200 MILLION EUROS, MATURITY APRIL 5, 2024

Nexans successfully placed a €200 million bond issue with a maturity date of April 5, 2024. This fixed rated bond has an annual coupon of 2.75%. The yield to maturity is 2.75% and the issue price is 100% of par value.

This successful bond issue was allotted to approximately 160 international institutional investors. HSBC and Société Générale were global coordinators and joint bookrunners, BNP Paribas and Banco Santander were joint bookrunners.

The bonds have been listed on the regulated market of Euronext Paris since April 5, 2017.

Note 3. Operating segments

The Group has the following three reportable segments within the meaning of IFRS 8 (after taking into account the aggregations authorized by the standards):

- **"Transmission, Distribution & 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 & 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 "Distributors & 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 Activities"** 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.

A total of 90% of the sales at constant metal prices recorded in the "Other Activities" column in first-half 2017 were generated by the Group's Electrical Wires business (compared with 92% in first-half 2016).

Transfer prices between the various operating 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 consolidated financial statements for the year ended December 31, 2016.

A. INFORMATION BY REPORTABLE SEGMENT

First-half 2017 *(in millions of euros)*	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other Activities	Group Total
Net sales at current metal prices	1,198	691	906	412	3,206
Net sales at constant metal prices	1,027	587	572	149	2,336
Operating margin	79	33	29	(1)	140
Depreciation and amortization	(37)	(17)	(13)	(4)	(71)
Net impairment of non-current assets (including goodwill)	(1)	-	-	-	(1)

First-half 2016 *(in millions of euros)*	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other Activities	Group Total
Net sales at current metal prices	1,086	687	820	358	2,951
Net sales at constant metal prices	945	602	580	150	2,277
Net sales at constant metal prices and first-half 2017 exchange rates	969	610	589	153	2,321
Operating margin	63	34	52	(14)	135
Depreciation and amortization	(35)	(16)	(13)	(4)	(68)
Net impairment of non-current assets (including goodwill)	-	-	-	-	-

The Management Board and the Management Council also analyze the Group's performance based on geographic area.

B. INFORMATION BY MAJOR GEOGRAPHIC AREA

First-half 2017 *(in millions of euros)*	France	Germany	Norway	Other[2]	Group Total
Net sales at current metal prices[1]	532	421	436	1,817	3,206
Net sales at constant metal prices[1]	352	377	408	1,199	2,336

(1) Based on the location of the Group's subsidiaries.
(2) Countries that do not individually account for more than 10% of the Group's net sales at constant metal prices.

First-half 2016 *(in millions of euros)*	France	Germany	Norway	Other[2]	Group Total
Net sales at current metal prices[1]	448	411	328	1,764	2,951
Net sales at constant metal prices[1]	332	375	305	1,265	2,277
Net sales at constant metal prices and first-half 2017 exchange rates[1]	332	375	311	1,303	2,321

(1) Based on the location of the Group's subsidiaries.
(2) 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 first-half 2017 or first-half 2016.

Note 4. Other operating income and expenses

(in millions of euros)	Notes	First-half 2017	First-half 2016
Net asset impairment	5	(1)	-
Changes in fair value of non-ferrous metal derivatives		1	(2)
Net gains (losses) on asset disposals		(0)	(2)
Acquisition-related costs		-	-
Expenses and provisions for antitrust investigations	15	0	(6)
OTHER OPERATING INCOME AND EXPENSES		**0**	**(10)**

Note 5. Net asset impairment

The Group carries out impairment tests on goodwill at least once a year and on other intangible assets and property, plant and equipment whenever there is an indication that they may be impaired.

At June 30, 2017, Nexans carried out a review of these assets to identify any indications of impairment that may have arisen over the period as well as any new strategic developments.

No indications of impairment requiring an impairment test were identified at June 30, 2017.

As determined in the Group policy, impairment tests will be performed on goodwill for the year-end closing at the level of the Cash Generating Units to which they are affected.

Sensitivity analyses

The Group did not carry out any sensitivity analyses at June 30, 2017 as no impairment tests were performed following the above-mentioned impairment review.
See Note 6 of the full-year 2016 consolidated financial statements for the tests performed and the sensitivity analyses.

Note 6. Other financial income and expenses

(in millions of euros)	First-half 2017	First-half 2016
Dividends received from non-consolidated companies	1	1
Provisions	1	(1)
Foreign exchange gain (loss)	1	(6)
Net interest expense on pension and other long-term employee benefit obligations	(3)	(5)
Other	(3)	(3)
OTHER FINANCIAL INCOME AND EXPENSES	**(3)**	**(14)**

Note 7. Income taxes

Nexans S.A. heads up a tax group in France that comprised 11 companies in first-half 2017. Other tax groups have been set up where possible in other countries, including in Germany, North America, Italy and South Korea.

A. EFFECTIVE INCOME TAX RATE

The effective income tax rate was as follows for first-half 2017 and first-half 2016:

Tax proof *(in millions of euros)*	First-half 2017	First-half 2016
Income before taxes	126	46
▪ of which share in net income of associates	2	3
INCOME BEFORE TAXES AND SHARE IN NET INCOME (LOSS) OF ASSOCIATES	124	43
Standard tax rate applicable in France (in %)	34.43%	34.43%
THEORETICAL INCOME TAX EXPENSE	(43)	(15)
Effect of:		
▪ Difference between foreign and French tax rates	12	7
▪ Change in tax rates for the period	(0)	0
▪ Net effect unrecognized deferred tax assets	1	(5)
▪ Taxes calculated on a basis different from "Income before taxes"	(5)	(3)
▪ Other permanent differences	1	(1)
ACTUAL INCOME TAX EXPENSE	(34)	(17)
EFFECTIVE TAX RATE (IN %)	27.69%	39.17%

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

B. TAXES RECOGNIZED DIRECTLY IN OTHER COMPREHENSIVE INCOME

Taxes recognized directly in other comprehensive income in the first half of 2017 can be analyzed as follows:

(in millions of euros)	Dec. 31, 2016	Gains (losses) generated during the period[1]	Amounts recycled to the income statement[1]	Total other comprehensive income (loss)	June 30, 2017
Available-for-sale financial assets	0	-	-	-	0
Currency translation differences	(5)	(1)	-	(1)	(6)
Cash flow hedges	1	(9)	6	(3)	(2)
TAX IMPACTS ON RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME[2]	**(4)**	**(10)**	**6**	**(4)**	**(8)**
Actuarial gains and losses on pension and other long-term employee benefit obligations	57	(2)	N/A	(2)	55
Share of other non-recyclable comprehensive income of associates	-	-	N/A	-	-
TAX IMPACTS ON NON-RECYCLABLE COMPONENTS OF COMPREHENSIVE INCOME	**57**	**(2)**	**N/A**	**(2)**	**55**

(1) The tax effects relating to cash flow hedges and available-for-sale financial assets, as well as the gains and losses generated during the period and amounts recycled to the income statement are presented in the consolidated statement of changes in equity in the "Changes in fair value and other" column.
(2) These taxes will be recycled to the income statement in the same periods as the underlying transactions to which they relate (see Notes 1.C and 1.F.k to the full-year 2016 consolidated financial statements).

C. UNRECOGNIZED DEFERRED TAX ASSETS

At June 30, 2017 and December 31, 2016, deferred tax assets in the respective amounts of 514 million euros and 526 million euros – primarily corresponding to unused tax losses – were not recognized as the Group deemed that their recovery was not sufficiently probable in the medium-term (typically five years).

Note 8. Earnings per share

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

	First-half 2017	First-half 2016
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT *(in millions of euros)*	91	30
Interest expense on OCEANE bonds, net of tax	(5)	Anti-dilutive
ADJUSTED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT *(in millions of euros)*	96	30
ATTRIBUTABLE NET INCOME FROM DISCONTINUED OPERATIONS	-	-
Average number of shares outstanding	43,292,231	42,619,900
Average number of dilutive instruments	5,283,858	999,954
Average number of diluted shares	48,576,089	43,619,854
ATTRIBUTABLE NET INCOME PER SHARE *(in euros)*		
▪ basic earnings per share	2.21	0.69
▪ diluted earnings per share	1.97	0.68

Note 9. Goodwill

The decrease in goodwill in first-half 2017 (to 242 million euros at June 30, 2017 from 254 million euros at December 31, 2016) is attributable to changes in exchange rates as the majority of the Group's goodwill is denominated in foreign currencies because it relates to 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 2016 consolidated financial statements. No goodwill impairment losses were recognized in first-half 2017, first-half 2016 or in full year 2016.

Note 10. Equity

A. COMPOSITION OF CAPITAL STOCK

At June 30, 2017, Nexans S.A.'s capital stock comprised 43,435,991 fully paid-up shares with a par value of 1 euro each (43,411,421 shares at December 31, 2016). The Company's shares have not carried double voting rights since said rights were removed by way of a resolution passed at the Shareholders' Meeting of November 10, 2011.

In the first half of 2017 24,570 stock options were exercised, whereas 70,655 were exercised in first-half 2016.

B. DIVIDENDS

At the Annual Shareholders' Meeting held on May 11, 2017 to approve the financial statements for the year ended December 31, 2016, the Company's shareholders authorized payment of a dividend of 0.50 euro per share – representing a total of 22 million euro which was paid out on May 19, 2017.

At the Annual Shareholders' Meeting held on May 12, 2016 to approve the financial statements for the year ended December 31, 2015, the Company's shareholders approved the Board's proposal not to pay a dividend for 2015.

C. TREASURY SHARES

As of June 30, 2017, Nexans holds 224,489 treasury shares. As of December 31, 2016, Nexans did not hold any treasury shares.

D. STOCK OPTIONS

At June 30, 2017, there were 229,460 stock options outstanding, each exercisable for one newly-issued share, i.e., 0.5% of the Company's capital stock. At December 31, 2016, a total of 254,030 options were outstanding, exercisable for 0.6% of the Company's capital stock.

E. FREE SHARES AND PERFORMANCE SHARES

At June 30, 2017 there were 1,094,177 free shares and performance shares outstanding, each entitling their owner to one share on vesting, representing a total of 2.5% of the Company's capital stock (886,859 at December 31, 2016, representing a total of 2.0% 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 3.2 million euro expense was recognized in the income statement for the six months ended June 30, 2017 whereas a 2.6 million euro expense was recognized in the income statement for the six months ended June 30, 2016.

Note 11. Pension and other long-term employee benefit obligations

The net provision recognized for pension and other long-term employee benefit obligations is calculated based on the latest valuations available at the previous year-end. Adjustments of actuarial assumptions are performed on the main contributing plans in order to take into account any significant fluctuations or one-time events that may have occurred during the six-month period. At June 30, 2017 the benefit obligations and plan assets for the main contributing plans located mainly in France, Switzerland, Germany, Canada and the United States were remeasured mostly based on the applicable discount rates and fair value of the plan assets.

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 main countries concerned are listed below:

Discount rate	June 30, 2017	December 31, 2016	June 30, 2016
France	1.70%	1.70%	1.50%
Germany	1.70%	1.70%	1.50%
Switzerland	0.60%	0.60%	0.25%
Canada	3.55%	3.55%	3.45%
United States	4.35%	4.35%	3.75%

Change in net provision for pension and other long-term employee benefit obligations

(in millions of euros)	2017	2016
NET PROVISION RECOGNIZED AT JANUARY 1	**428**	**449**
■ *Of which pension net assets*	*(2)*	*(4)*
■ *Of which pension net liabilities*	*430*	*453*
Net cost for the period	13	16
Actuarial gains and losses	(15)	26
Contributions and benefits paid	(15)	(17)
Other	(4)	2
NET PROVISION RECOGNIZED AT JUNE 30	**407**	**476**
■ *Of which pension net assets*	*(3)*	*(5)*
■ *Of which pension net liabilities*	*410*	*481*

Note 12. Provisions

(in millions of euros)	TOTAL	Accrued contract costs	Restructuring provision	Other provision
AT DECEMBER 31, 2016	**210**	**39**	**81**	**90**
Additions	18	5	11	2
Reversals (utilized provisions)	(31)	(4)	(25)	(2)
Reversals (surplus provisions)	(14)	(6)	(4)	(4)
Business combinations	-	-	-	-
Foreign exchange differences and other	(4)	(2)	(1)	(1)
AT JUNE 30, 2017	**179**	**32**	**62**	**85**

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.E.a to the full-year 2016 consolidated financial statements.

Restructuring costs came to 20 million euros in first-half 2017 versus 13 million euros in the corresponding prior-year period.

- The 20 million euro costs recorded in first-half 2017 concerns (i) provisions recognized for employee-related costs notably in Europe, and (ii) costs expensed as incurred, in accordance with IFRS.
- The 13 million euro costs recorded in first-half 2016 concerns (i) provisions recognized for employee-related costs notably in the United-States and Europe, (ii) costs expensed as incurred, in accordance with IFRS and (iii) proceeds from the sale of a land use right in China.

As was the case in previous year, wherever possible the restructuring plans implemented by the Group in the first half of 2017 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

The "Other provisions" column mainly includes provisions set aside for antitrust investigations. At June 30, 2017, this item amounted to 60 million euros (see **Note 15**).

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).

See also **Note 15** on disputes and contingent liabilities.

Note 13. Net debt

At June 30, 2017, the Group's long-term debt was rated BB by Standard & Poor's with a stable outlook (BB- with a stable outlook at December 31, 2016).

A. ANALYSIS BY NATURE

(in millions of euros)	June 30, 2017	December 31, 2016
NON-CURRENT – ORDINARY BONDS(1)	447	498
NON-CURRENT – CONVERTIBLE BONDS(1)	-	263
Other non-current borrowings(1)	4	5
CURRENT – ORDINARY BONDS(1)	249	350
CURRENT – CONVERTIBLE BONDS(1)	267	-
Other current borrowings and short-term accrued interest not yet due	148	111
Short-term bank loans and overdrafts	8	9
GROSS DEBT	**1,123**	**1,236**
Current financial assets	-	-
Cash	(561)	(376)
Cash equivalents	(139)	(649)
NET DEBT/(CASH)	**423**	**211**

(1) Excluding short-term accrued interest not yet due.

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 is now contractually capped at 80 million euros (the "ON balance-sheet" program).

There were no material cash and cash equivalent balances held by subsidiaries that were considered as not available for use by the Group in accordance with IAS 7 at either June 30, 2017 or December 31, 2016.

B. BONDS

At June 30, 2017 *(in millions of euros)*	Carrying amount	Face value at issue date	Maturity date	Nominal interest rate	Strike price[3] *(in euros)*
OCEANE 2019 convertible/exchangeable bonds	271	275	January 1, 2019	2.50%	72.74
TOTAL CONVERTIBLE BONDS[1]	**271**	**275**			
Ordinary bonds redeemable in 2018	252	250	March 19, 2018	4.25%	N/A
Ordinary bonds redeemable in 2021	249	250	May 26, 2021	3.25%	N/A
Ordinary bonds redeemable in 2024	199	200	April 5, 2024	2.75%	N/A
TOTAL ORDINARY BONDS[2]	**700**	**700**			

(1) Including 3 million euros in short-term accrued interest.
(2) Including 5 million euros in short-term accrued interest.
(3) Redemption price at par value. The conversion ratio is 1.1250 shares for OCEANE 2019.

As the holders of the OCEANE bonds redeemable in 2019 have an option to redeem the bonds in advance, which expires on June 1, 2018, these OCEANE bonds have been classified as current debt. This classification will be reviewed at December 31, 2017 in line with the probability of the option to be exercised or not.

On May 2, 2017, all of the 5.75% 2017 ordinary bonds were redeemed in cash as they had reached maturity. The total amount paid was 370 million euro including accrued interests on the bonds.

The 4.25% 2018 ordinary bonds were reclassified to current debt at June 30, 2017, as their maturity was within twelve months of that date.

On April 5, 2017, Nexans carried out a 200 million euro bond issue with a maturity date of April 5, 2024. The issue price was 100.00 % of the bonds' par value.

On January 4, 2016, all of the 4% 2016 OCEANE convertible / exchangeable bonds were redeemed in cash as they had reached maturity. The total amount paid was 221 million euro including accrued interest on the bonds.

The 5.75% 2017 ordinary bonds were reclassified to current debt at June 30, 2016 as their maturity was within twelve months of that date.

On May 26, 2016 Nexans carried out a 250 million euro bond issue with a maturity date of May 26, 2021. The issue price was 100.00 % of the bonds' par value.

C. COMMITTED CREDIT FACILITIES

On December 14, 2015, Nexans set up a 600 million euro five-year syndicated credit facility, therefore extending its access to liquidity until 2020. This new agreement superseded the facility set up by the Group in 2011 which was due to expire in December 2016.

At June 30, 2017, Nexans and its subsidiaries therefore have access to a medium-term confirmed credit facility of 600 milllion euros.

The 600 million euros syndicated credit facility, which expires on December 14, 2020, contains the following covenants:

- the consolidated net debt to equity ratio (including non controlling interests) ratio must not exceed 1.10; and
- consolidated debt must not exceed 3x consolidated EBITDA.

For the purpose of this calculation consolidated EBITDA is defined as operating margin before depreciation.

These ratios were well within the specified limits at both June 30, 2017 and December 31, 2016.

Note 14. Derivative instruments

The market 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, 2017	December 31, 2016
ASSETS		
Foreign exchange derivatives - Cash flow hedges[1]	26	39
Metal derivatives - Cash flow hedges[1]	14	21
Foreign exchange derivatives - Held for trading[1]	8	16
Metal derivatives - Held for trading[1]	2	2
DERIVATIVES ASSETS	**50**	**78**
LIABILITIES		
Foreign exchange derivatives - Cash flow hedges[1]	21	31
Metal derivatives - Cash flow hedges[1]	3	13
Foreign exchange derivatives - Held for trading[1]	18	12
Metal derivatives – Held for trading[1]	1	1
DERIVATIVES LIABILITIES	**43**	**57**

(1) Within the meaning of IAS 32/39.

Derivatives primarily comprise forward purchases and sales.

Note 15. Disputes and contingent liabilities

A. ANTITRUST INVESTIGATIONS

On April 7, 2014, Nexans France SAS and the Company were notified of the European Commission's decision which found that Nexans France SAS had directly participated in a breach of European antitrust legislation in the submarine and underground high voltage power cables sector. The Company was held jointly liable for the payment of a portion of the fine imposed by the European Commission. Nexans France SAS appealed the European Commission's decision to the General Court of the European Union.

In early July 2014, Nexans France SAS paid the 70.6 million euro fine imposed by the European Commission.

As an indirect consequence of the decision, one of the Group's competitors which has been sued by customers for follow-on damages claims in the United Kingdom in 2015, has filed contribution claims against the other cable producers sanctioned by the European Commission, including Nexans France SAS and the Company.

In November 2015, the United States Department of Justice Antitrust Division closed its investigation into the submarine and underground power cable industry without any prosecution or sanctions being taken against any Nexans Group company. This was the same outcome as in previous years for the investigations initially launched in Japan, New Zealand and Canada. Likewise in Australia, on July 20, 2016 the Australian trial court rendered its judgment in relation to the Australian proceedings and dismissed the case of Australian Competition and Consumer Commission (the "ACCC") against the Company. ACCC did not appeal the verdict.

Certain Group companies in this sector of business are still under investigation by the antitrust authorities in South Korea (in addition to ongoing investigations into local operations as described below) and Brazil.

In addition, as mentioned above, two of Nexans' Korean subsidiaries are being investigated by local antitrust authorities in relation to activities other than high-voltage power cables.

As explained in the Group's previous communications, as part of several procedures related to the antitrust investigations carried out by South Korea's antitrust authority (the "KFTC"), in recent years fines of approximately 4 million euros have been imposed on two Nexans subsidiaries in South Korea, and customers have subsequently filed claims. In the first of these cases judged in January 2015, a Korean civil court issued a judgment pursuant to which the Korean subsidiaries concerned paid a customer the equivalent of 2 million euros. The subsequent appeals court judgment requires the Korean subsidiaries to pay an additional amount equivalent to 4 million euros. Nexans subsidiaries in South Korea and all other defendants have appealed this judgment to Korean Supreme Court.

Nexans' local Korean subsidiaries are cooperating with the KFTC in additional investigations into businesses other than the high-voltage business. The KFTC has exempted the Korean subsidiaries from paying a fine because of its cooperation in 5 cases on which a decision has been taken (the most recent decision on 2 cases having been published by KFTC on January 20, 2017). Customer claims have followed the decisions taken in 2015.

Investigations have also been launched in Australia and Spain concerning businesses other than the high-voltage business. The Group's Australian subsidiary Olex Australia Pty Ltd was included in a court proceedings brought by the ACCC against cable wholesalers and other manufacturers in Australia, which related to initiatives taken in 2011 to deal with supply chain inefficiencies involving Olex's wholesaler customers for low-voltage cables, which the ACCC alleges involved competition law violations. Following a trial in 2015 and 2016, the court issued its judgment in 2017 in favor of Olex, which obtained partial reimbursement of its legal fees from the ACCC.

In Spain, in early July 2015 Nexans Iberia received a request for information as part of an investigation carried out by the Spanish competition authority ("CNMC") in relation to low and medium voltage power cables. On December 16, 2016, Nexans Iberia and the Company, in its quality of parent company, have been notified by the CNMC that they were part of a formal investigation. This notification was received more than nine months after the other investigated companies being formally notified. On January 3, 2017, Nexans Iberia and the Company received a Statement of Objections which was answered on January 30, 2017, within the time limit fixed by the applicable Spanish regulation. CNMC notified on April 20, 2017 Nexans Iberia and the Company of a proposal of decision. On May 19, 2017, Nexans Iberia and the Company submitted in due time an answer to CNMC. A decision is expected to take place by the end of 2017.

A global provision of 60 million euros have been booked to cover all the investigations mentioned above as well as the consequences, direct or indirect, of decisions or judgments rendered or to be rendered and in particular the follow-on damages claims (actual or future). The provision is based on assumptions that take into account consequences in similar cases as well as on management's estimates using currently available information. There is still uncertainty as to the extent of the risks related to potential claims and/or fines. The final costs related to these risks could therefore be significantly different from the amount of the provision recorded in the accounts.

While the Group has put in place risk management rules and procedures, including in particular its compliance program (see the section on Policies and Procedures of Risk Management in the Chairman Report 2016) that have been reinforced over the past year, the Group cannot guarantee that all risks and problems related to behavior or actions not in compliance with the Group Code of Conduct have been completely controlled and eliminated. The compliance program includes means of detection which could generate internal investigations, and even external investigations. As consistently communicated by the Company in the past, unfavorable outcome for antitrust proceedings and/or investigations as well as the associated consequences could have a material adverse effect on the results and thus on the financial position of the Group.

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 the resolution of the disputes and proceedings concerned will not materially impact the Group's results in light of the provisions recorded in the financial statements. 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. The most significant of these cases is as follows:

In 2013, a Group subsidiary received a claim alleging that the manufacture and sale of "top drive service loop" products infringed certain industrial property rights. The subsidiary refuted this claim. Since then, there has been no further contact with the holder of the industrial property rights concerned. Even though no lawsuits have been filed in connection with this alleged infringement of industrial property rights, this does not in any way prejudge the outcome of the claim. However, in view of the subject matter of the claim, the Company has reserved its rights to claim compensation from a third party, which has been duly notified of the case. It cannot be ruled out that a lawsuit will be filed and that it will involve an amount higher than the compensation claimable from the third party.

The Group considers that the other existing or probable disputes for which provisions were recorded at June 30, 2017 do not individually represent sufficiently material amounts to require specific disclosures in the consolidated financial statements.

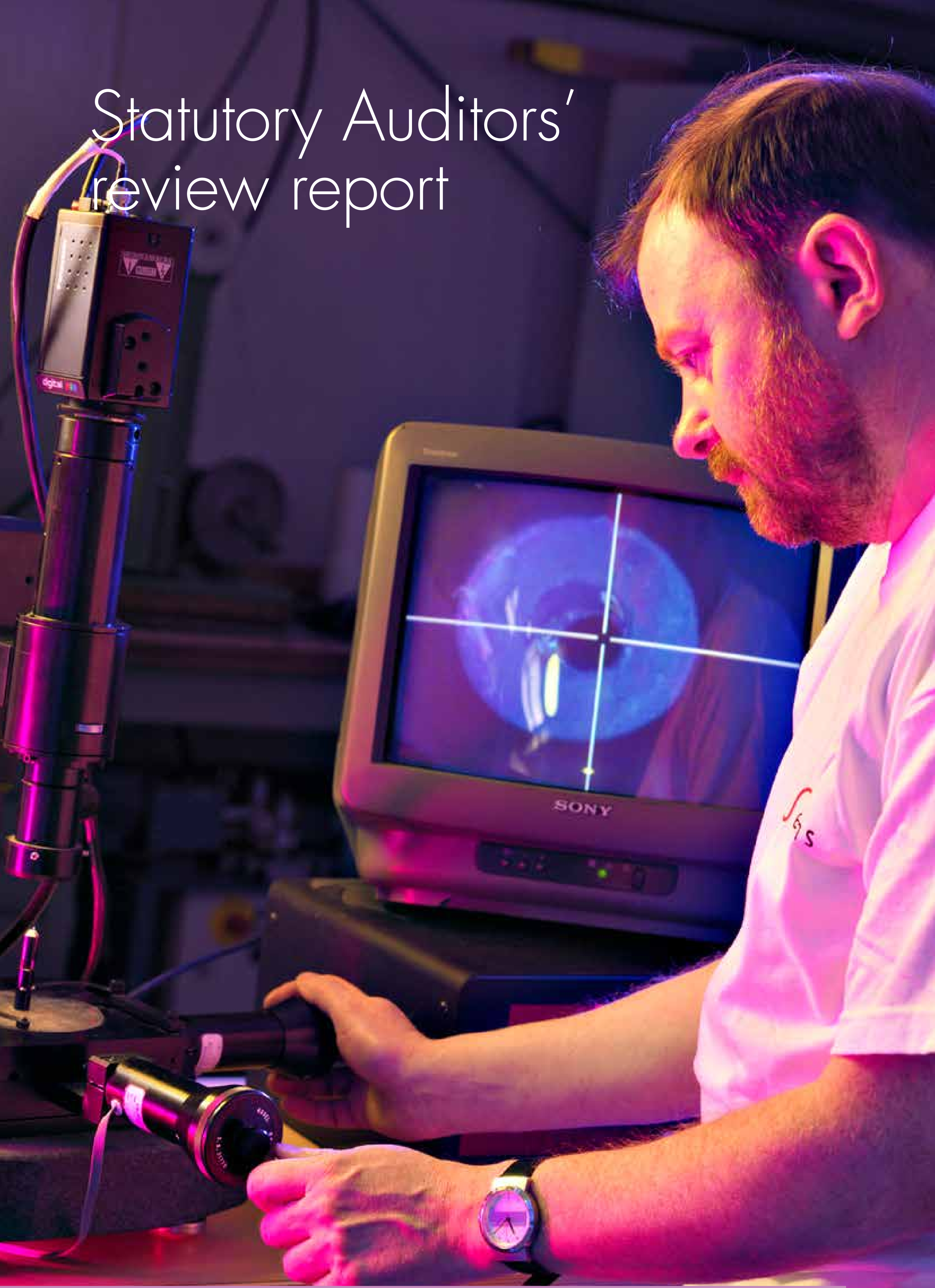
C. CONTINGENT LIABILITIES RELATING TO DISPUTES AND PROCEEDINGS

As at June 30, 2017, certain contracts entered into by the Group could lead to performance difficulties, although the Group currently considers that those difficulties do not justify the recognition of provisions as such in the financial statements or specific disclosure as contingent liabilities.

Note 16. Subsequent events

No significant event for which disclosure is required has occurred since June 30, 2017.

Statutory Auditors' review report



Statutory Auditors' review report on the 2017 interim financial information

(For the six months ended June 30, 2017)

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.

To the Shareholders,
Nexans
4, allée de l'Arche
92400 Courbevoie, France

In compliance with the assignment entrusted to us by your Shareholders' Meeting 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, 2017;
- the verification of the information contained in the interim management 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 Note 15.A, "Antitrust investigations", to the condensed interim consolidated financial statements, which describes the consequences of the decision of the European Commission.

II - SPECIFIC VERIFICATION

We have also verified the information given in the interim management 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.

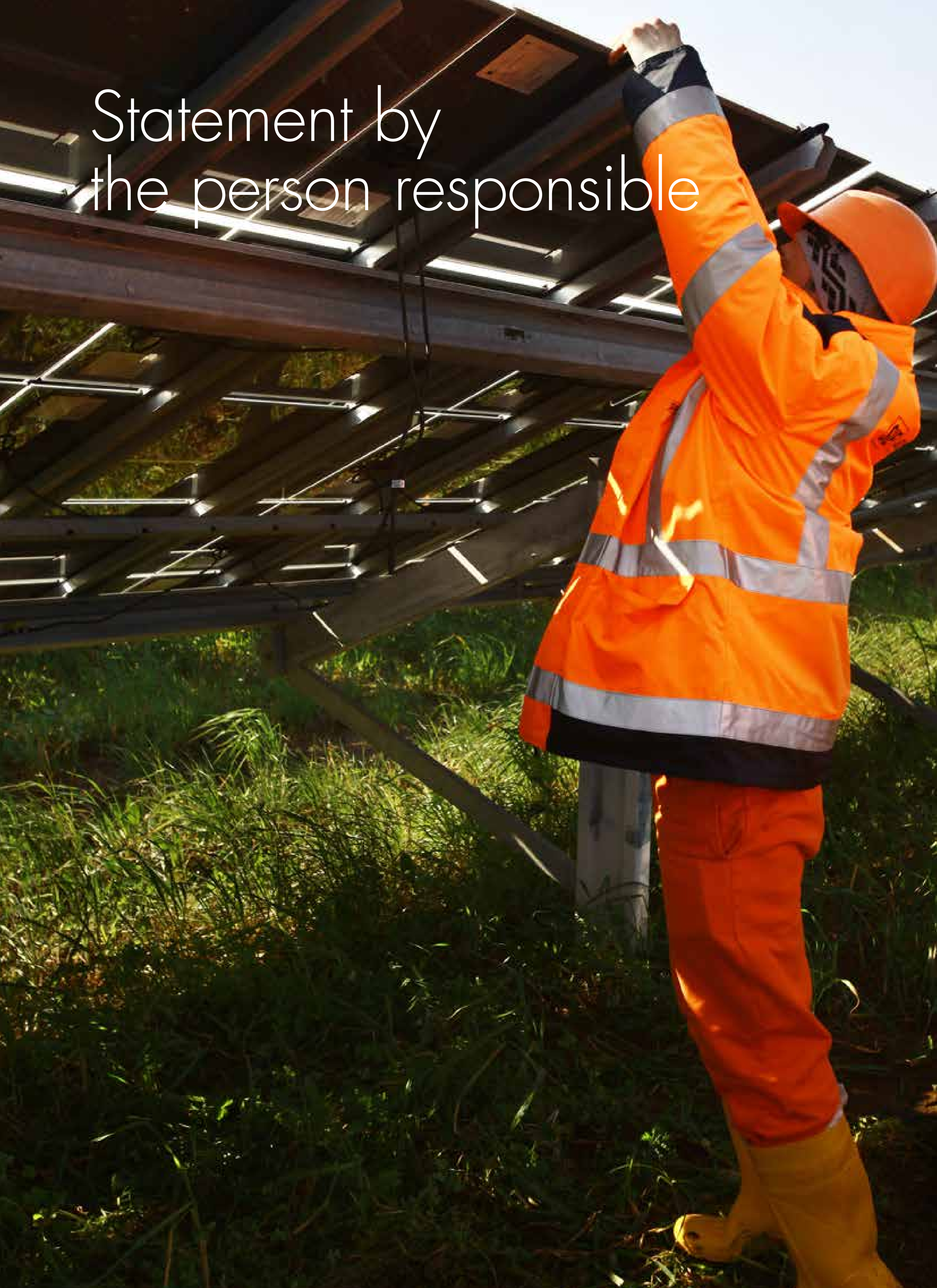
The Statutory Auditors

Neuilly-sur-Seine and Paris La Défense, July 26, 2017

PricewaterhouseCoopers Audit
Xavier Belet
Partner

Mazars
Isabelle Sapet
Partner

Statement by the person responsible



Statement by the person responsible for the 2017 half-year financial report

Paris, July 26, 2017

I hereby declare that to the best of my knowledge, the condensed interim consolidated financial statements for the six months ended June 30, 2017, 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 all the other companies included in the scope of consolidation, and the interim activity report presented herein provides a fair view of significant events of half-year 2017 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.

Arnaud Poupart-Lafarge
Chief Executive Officer

Every day, our energy and data cables make it possible for millions of people to take action, make things, get around, stay informed, communicate, have fun and stay healthy.

Our mission: to design, produce and market cables and cabling systems that transport the electricity and data we need in our daily lives and societies safely, reliably, efficiently and sustainably.

On the leading edge of our industry for over a century, we provide solutions for the most complex applications in the most demanding environments.
Through our combination of technological leadership, global expertise and local presence, we can effectively partner our customers' development projects, offering them the best conditions for achieving their objectives while respecting the highest levels of safety and taking the greatest possible care of people and the environment.

A world leader in the cable industry, we bring energy to life.

Nexans is listed on the regulated market of Euronext Paris.

www.nexans.com

Nexans
BRINGS ENERGY TO LIFE