FIRST HALF 2018 RESULTS

- **Sales down -1.6% organically[1] at 3.28 billion euros in first half 2018, with +14.0% quarter-on-quarter organic growth in the second quarter**
- **Cable and wire activities up +2.7% (up +3.7% excluding Oil & Gas[2] activities); High Voltage & Projects activities down -19.6% organically**
- **EBITDA[3] of 153 million euros (versus 211 million euros in first half 2017) including a -9 million euro negative currency effect**
- **Net income attributable to owners of the parent company of 40 million euros, including -20 million euros of restructuring costs and approximately +20 million euros of net non-recurring items (including real estate capital gains and asset impairment losses)**
- **Consolidated net debt of 534 million euros at June 30, 2018, up 111 million euros year on year, reflecting the impact of restructuring payments (-58 million euros), equity transactions (-52 million euros), acquisitions (-25 million euros) and asset disposals (ca. +50 million euros). Year-on-year improvement in working capital, from 14.2% to 13.2% of sales**
- **Appointment of Christopher Guérin as Chief Executive Officer on July 3, 2018**

Paris La Défense, July 26, 2018 – Today, Nexans is issuing its financial statements for the six months ended June 30, 2018, as approved by the Board of Directors at its meeting chaired by Georges Chodron de Courcel on July 25, 2018.

Consolidated sales for the six months ended June 30, 2018 came to 3,282 million euros, compared to 3,206 million euros for the same period of 2017. At constant metal prices[4], first half 2018 sales amounted to 2,201 million euros, representing a -1.6% organic decrease. Excluding the High Voltage & Projects segment (-19.6%) and sales of cables for the Oil & Gas sector (-22.6%), other activities reported growth of +3.7%.

[1] The first half 2018 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 -99 million euros and +1 million euros respectively.
[2] Oil & Gas activities cover (i) cables for oil and gas exploration & production and refining and for Asian shipyards, and (ii) umbilical cables.
[3] Consolidated EBITDA is defined as operating margin before depreciation and amortization.

[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 prices for copper and aluminum.

BRINGS ENERGY TO LIFE

EBITDA amounted to 153 million euros versus 211 million euros in first half 2017, with the year-on-year decrease including a -9 million euro negative currency effect. EBITDA for the High Voltage & Projects segment contracted by -25 million euros, mainly due to lower volumes, and EBITDA for other activities retreated -23 million euros, impacted in particular by an acceleration in inflation. As a percentage of sales at constant metal prices, EBITDA represented 7.0% in the first half of 2018 versus 9.0% in the corresponding period of 2017. Over a rolling 12-month period, consolidated EBITDA was 354 million euros.

Operating margin totaled 82 million euros, representing 3.7% of sales at constant metal prices (against 6.0% in first half 2017).

The Group ended the first half of 2018 with **operating income** of 91 million euros, compared with 162 million euros in the first six months of 2017. As well as the effect of the lower operating margin, this decrease reflects:

- A positive core exposure effect but not as high as in first half 2017 (9 million euros versus 40 million euros).
- Stable restructuring costs (20 million euros).
- An 18 million euro asset impairment loss for the Group's activities in China.
- A 44 million euro gain on the sale of non-strategic real-estate assets and land.

Net financial expense totaled 31 million euros (compared with 36 million euros in first half 2017), primarily reflecting a decrease in interest expenses (9 million euros) following the refinancing operations carried out in April and May 2017 and the redemption of the bonds that matured in March 2018.

Net income attributable to owners of the parent company amounted to 40 million euros for the six months ended June 30, 2018, down by 51 million euros compared to the same period of 2017. This corresponds to an income before taxes of 59 million euros (versus 126 million euros in the first half of 2017). The income tax was -23 million euros (versus -34 million euros in the first half of 2017).

Consolidated net debt totaled 534 million euros at June 30, 2018, up 111 million euros over the last twelve months. This increase reflects (i) 168 million euros in operating cash flow, (ii) 130 million euros in capital expenditure net of proceeds from asset disposals, (iii) a 58 million euro cash outflow relating to restructuring plans, and (iv) a 77 million euro outflow for dividend payments, share buybacks, the exercise of stock options, and acquisitions. Operating working capital requirement was stable compared with the level at June 30, 2017, reflecting a year-on-year improvement in the WCR ratio for activities excluding projects (WCR to sales ratio of 14.6% at June 30, 2018 compared with 15.6% at June 30, 2017).

Commenting on the Group's first half 2018 results, Christopher Guérin, Nexans' Chief Executive Officer, said:

"I have full confidence in the fundamentals of our Paced For Growth plan, and in our Group's potential to create value. However, the disappointing performance thus far in 2018 requires corrective and transformative measures to simultaneously improve our short-term profitability and to stimulate growth over the longer term.
Our teams are already working to define these measures with a view to announcing them in October 2018."

Key figures for the first half of 2018

(in millions of euros)	H1 2017	H1 2018
Sales at current metal prices	3,206	3,282
Sales at constant metal prices	2,336	2,201
Operating margin	140	82
Operating margin as a % of sales at constant metal prices	6.0%	3.7%
EBITDA	211	153
Operating income	162	91
Net financial expense	(36)	(31)
Income taxes	(34)	(23)
Attributable net income	91	40
Diluted earnings per share (in euros)	1.97	0.90
Net debt	423	534

CONSOLIDATED SALES BY SEGMENT

(in millions of euros)	H1 2017 At constant metal prices	H1 2018 At constant metal prices	Organic growth H1 2018 vs. H1 2017	Organic growth Q2 2018 vs. Q1 2018
Building & Territories	883	846	+2.9%	+13.5%
High Voltage & Projects	446	348	-19.6%	+52.9%
Telecom & Data	270	249	-4.2%	+4.9%
Industry & Solutions	587	589	+1.1%	+2.3%
Other Activities	149	169	+21.2%	+6.3%
Group total	**2,336**	**2,201**	**-1.6%**	**+14.0%**

EBITDA BY SEGMENT

(in millions of euros)	H1 2017	H1 2018
Building & Territories	59	52
High Voltage & Projects	62	36
Telecom & Data	37	22
Industry & Solutions	50	45
Other Activities	3	(2)
Group total	**211**	**153**

Analysis by segment

Building & Territories

Sales generated by the Building & Territories segment amounted to 1,374 million euros at current metal prices and 846 million euros at constant metal prices for the first half of 2018. The +2.9% organic increase confirms the acceleration anticipated for the second quarter following a stable first quarter (organic growth of +0.2%).

Both sub-segments reported significant sales increases in the second quarter, with momentum stronger for the building cables market than for the distribution market (second quarter organic growth figures of +10.9% and +0.1% respectively).

Sales of **power cables for the building market** rose +8.0% organically in the first half of the year, marking a satisfactory increase in volumes. All of the Group's regions saw positive trends during the period, including South America.

- Sales in **Europe** were up +8.9% after recovering in the second quarter, with business levels returning to normal in the Nordics. In France, volumes were solid and growth was accentuated by the positive impact of business development plans launched for several product categories. Lastly, the Spanish market is showing signs of improvement.
- **North America** posted +8.8% growth, with continuously robust sales in both the United States and Canada, although price increases for certain commodities and higher transport costs could not easily be passed on in selling prices.
- In the **Middle East/Africa region** sales rose 4.4%. As in the first quarter of the year, growth was led by Turkey and sales in Lebanon contracted compared to a high basis of first half 2017.
- Sales in **South America** returned to growth in the first half (+6.1%) after a -1.7% organic decline in the first quarter. This improvement was driven by developments in Colombia and Chile, whereas business in Brazil suffered from lost opportunities following the truck drivers' strike in May and the partial availability of certain equipment transferred from the Americana plant, whose closure was announced in September 2017.
- **The Asia-Pacific region** reported +14.1% year-on-year growth, driven by higher sales to Australia's main distributors and strong take-up of Nexans' offering in South Korea. However, margins narrowed in Australia due to an unfavorable mix of delivered products.

After a weak first quarter (-4.7% organic decrease), sales of **distribution cables and accessories** advanced +16.8% in the second quarter, reducing the overall first half organic decrease to -2.2% despite loss of market share relating to several frame agreements.

- In **Europe**, sales rose +2.9% organically, driven by better business levels in Northern Europe and Italy.
- Following a weak first three months of the year (when sales decreased -19.4%), **South America** posted second quarter growth for the region as a whole, but particularly in Brazil for overhead power lines. This meant that the overall sales decline was contained to -2.4% for the full six months.
- The **Middle East/Africa region** grew organically thanks to higher investments by energy operators in Morocco (including sales of transformers) and in Ghana.
- In the **Asia-Pacific region** – where sales edged up +0.6% – growth in New Zealand offset the contraction in China.

- **North America** reported a -15.4% organic sales decrease in the first half of 2018, compared with a -24.8% drop in the first quarter. The region's first half 2018 sales performance was adversely affected by a lower volume of projects in 2018 than in 2017 and higher commodities prices which impacted profitability levels. However, a contract in the current order book will overcome this shortfall in the second half of the year.

EBITDA for the Buildings & Territories segment amounted to 52 million euros, representing 6.2% of sales at constant metal prices (versus 59 million euros and 6.7% in first half 2017). Margins were notably affected by the difficulty in passing on inflationary pressure to customers. Good sales volumes in the building market helped offset this adverse impact but inflation and reduced volumes led to lower margins on sales to energy operators.

High Voltage & Projects

Sales generated by the High Voltage & Projects segment amounted to 379 million euros at current metal prices and 348 million euros at constant metal prices in the first half of 2018. Despite the strong +52.9% sales increase during the second quarter, organic growth for the six-month period remained negative at -19.6% (versus -30.5% in the first quarter).

The **submarine high voltage** business registered an -18.6% year-on-year organic sales decline, reflecting less scheduled contract work, as expected, and a lower workload for umbilicals. Against this backdrop, the contracts performed during the period were done so in optimal operating conditions.
In addition, during the first six months of 2018, certain projects were postponed to the second half of the year and a number of contracts already in the order book were deferred.

Following two years of strong growth, the **land high voltage** segment reported a -22.2% organic sales contraction for first half 2018. The decrease was particularly pronounced in Europe, where the business benefited from high volumes of internal subcontracting in 2017 for subsea terminations. The EBITDA was negatively impacted by non-recurring expenses related to the unfavorable outcome of a legal dispute of around ten million euros. Moreover, the low number of orders taken during the first half of 2018 points to a weak workload in the second half.

The situation is also difficult in Asia, with sales figures for the Yanggu plant remaining low and margins well below expectations. In light of this, the Group recognized an 18 million euro impairment loss against this business' high voltage assets in first half 2018.

Lastly, the Group's transformation of its Goose Creek facility in the USA into a submarine cables production plant is going according to plan and the level of future demand is becoming clearer.

EBITDA for the High Voltage & Projects segment was 36 million euros in the first half of 2018 compared with 62 million euros in the corresponding period of 2017, representing 10.4% of sales at constant metal prices versus 14.0%. Excluding the non-recurring impact of various legal disputes, margins for the submarine business were slightly down year on year due to lower volumes and land high voltage margins were adversely affected by a lower workload and an unfavorable mix.

Postponements of projects and deferred execution of contracts already in the order book are impacting this segment's workload in the second half of the year. The Group has hence put in place short-time working arrangements and measures to reduce the number of temporary workers.

Telecom & Data

The Telecom & Data segment's sales for the first half of 2018 totaled 283 million euros at current metal prices and 249 million euros at constant metal prices, representing a -4.2% organic decrease compared with the same period of 2017.

For **LAN cables and systems**, second quarter sales growth was below expectations. In North America, sales of LAN cables in the first six months of 2018 were -9.6% lower than for the first half of 2017 but +8.3% higher than in the second half of 2017.
Business in the Group's other markets (Europe and South America) was stable overall but significant cost pressure was felt during the period.

The **Special Telecom** (submarine) segment also posted negative organic growth (-22.0%), primarily due to lower sales to operators. However, sales of cables for remote operated vehicles (ROV), dependent on Oil & Gas cycles, rose during the period.

By contrast, the **Telecom infrastructure** market confirmed its potential. **Sales to telecom operators** increased by +1.7% organically in the first half of 2018 after a weak first quarter (-2.1%). Europe was the main growth driver with its single mode optical fiber cable offering. The Group has secured its supplies of optical fiber but does not currently have enough industrial capacity to fully leverage demand. Consequently, it has decided to make a further investment in this area of around 10 million euros.

EBITDA for the Telecom & Data segment amounted to 22 million euros in the first half of 2018 (8.8% of sales at constant metal prices) versus 37 million euros in the corresponding period of 2017 (13.6% of sales at constant metal prices). This decrease was due to weak sales volumes and narrower margins for LAN cables in the USA. Margins for the Telecom infrastructure segment remained stable.

Industry & Solutions

The Industry & Solutions segment posted sales of 705 million euros at current metal prices and 589 million euros at constant metal prices, representing a year-on-year organic increase of +1.1%.

Sales of automotive harnesses rose by +4.1% in line with the pace of growth in registrations in Europe and double-digit growth in the USA, reflecting strong demand in the truck market. Production costs for this business were not yet optimized during the first half of 2018 in Europe and North Africa where production is currently being redeployed between the various plants.

Sales of other industrial cables were stable over the first half, with a sequential growth of +5.4% in the second quarter. The transportation segment in general and robotic cables in Europe posted sales increases of +3.5% and +10.8% year on year respectively, whereas sales for the resources segment were still down (by -12.2%).

In the **Transportation** segment:

- Growth was fueled by railway cables which saw exceptional sales increase of +29.3%. The Group completed major contracts in Europe (particularly in France and Germany) and the Suzhou plant in China continued to reap the benefits of robust demand for train cables.
- Sales of cables for shipyards (off-shore segment) continued to decline in first half 2018 (-21.2%), due to slower markets in South Korea and China, which eroded margins. Sales and marketing initiatives are being rolled out in both these countries to diversify the business of the sites concerned.

In the **Resources** segment, the mining cables recovery took hold in North America, Australia and Chile, with sales rising +3.8%. However, in the oil sector, despite more favorable economic conditions pushing up oil prices, the number of projects was limited and sales retreated -17% year on year, affecting South Korean operations in particular.

EBITDA for the Industry & Solutions segment totaled 45 million euros in the first half of 2018 (compared with 50 million euros in the corresponding period of 2017), representing 7.7% of sales at constant metal prices (versus 8.5%). Profitability for automotive harnesses was weighed down during the period by the temporary extra costs generated by the industrial transformation process currently under way in Europe. For industrial cables, the adverse impact of the off-shore segment on results in South Korea could not be offset by the solid profitability levels seen in Europe and the improvements reported by Amercable in the USA.

Other Activities

The "Other Activities" segment – which essentially corresponds to external sales of copper wires – registered sales of 169 million euros at constant metal prices, representing an organic increase of +21.2% on the first half of 2017, with Canada and France leading the way.

EBITDA for “Other Activities” was a negative 2 million euros in first half 2018 (versus a positive 3 million euros in the first six months of 2017), after taking into account the fixed costs of the Group’s holding company that are not allocated to the various segments.

A conference call is scheduled today at 9:00 a.m. (Paris time).
To take part, please dial one of the following numbers:

- *In France: +33 (0)1* 76 77 22 88
- *In the United Kingdom: +44(0)* 330 336 9128
- *In the United States: +1* 646-828-8144

Confirmation code: 9601756

Financial calendar

November 8, 2018: Third-quarter 2018 financial information

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 2017 annual results to analysts as well as the 2017 financial statements and Registration Document, which include a description of the Group's risk factors – particularly those related to the investigations into anti-competitive behavior launched in 2009 and the Group's outlook. Readers can also refer to chapter 3 of the half-year financial report, "Risk factors and main uncertainties".

The Group's outlook for second half 2018 and the Group's 2018-2022 Paced For Growth strategic plan are subject to major uncertainties relating to (i) the geopolitical and macroeconomic environment, (ii) potential changes in market trends, and (iii) performance risks. They mainly include:

- *Uncertainty relating to the economic and political environment in Europe, including the possible consequences of Brexit, which could weaken growth.*
- *The impact of protectionist trade policies (such as those implemented by the current US government), as well as growing pressure to increase local content requirements.*
- *Geopolitical instability, including the embargoes in Qatar and Iran, political instability in Libya and Côte d'Ivoire and persistent tensions in Lebanon, the Persian/Arabian Gulf and the Korean Peninsula.*
- *Political and economic uncertainty in South America, particularly in Brazil, which is affecting the building market and major infrastructure projects in the region as well as creating exchange rate volatility and an increased risk of customer default.*
- *Sudden fluctuations in non-ferrous metal prices that could affect customer purchasing patterns in the short term.*
- *A marked drop in non-ferrous metal prices resulting in the impairment of Core exposure, not having an impact on cash or operating margin, but on net income.*
- *The impact of growing inflationary pressure, particularly on commodities prices (resins, steel, etc.) and labor costs, which could affect competitiveness depending on the extent to which they can be passed on to customers in selling prices.*
- *The impact of exchange rate fluctuations on the conversion of the financial statements of Group subsidiaries located outside the Eurozone.*
- *The sustainability of high growth rates and/or market penetration in segments related to the development of renewable energy (wind and solar farms, interconnectors, etc.).*
- *The rapidity and extent of market take up of LAN cables and systems in the USA and the Group's capacity to seize opportunities relating to the very fast development of data centers.*
- *The risk that the sustained growth expected on the North American automotive markets and on the global electric vehicle market does not materialize.*
- *The Group's capacity to adapt to changes to Oil & Gas customers' investments in exploration and production activities in response to fluctuations in oil and gas prices.*
- *The risk that certain programs designed to improve the Group's competitiveness, such as design to cost programs, fixed cost reductions, certain R&D and innovation programs, or certain business development plans targeting new markets experience delays in receiving customer approvals due to technology transfer speeds or do not fully meet their objectives.*
- *The risk of the award or entry into force of submarine cables contracts being delayed or advanced, which could interfere with schedules or give rise to low or exceptionally high capacity utilization rates in a given year.*
- *Inherent risks related to carrying out major turnkey projects for submarine cables. These risks could be exacerbated in the coming years as this business becomes increasingly concentrated and centered on a small number of large-scale projects (Beatrice, Nordlink, NSL, East Anglia One and DolWin6, which will be our first contract to supply and install HVDC extruded insulation cables), resulting in high capacity utilization rates for the plants involved.*
- *The inherent risks associated with major investment projects, particularly the risk of completion delays. These risks notably concern the construction of a new submarine cable laying ship and the extension of the Goose Creek plant in North America to increase the production of submarine high-voltage cables, two projects that will be instrumental in ensuring that we fulfill our 2022 objectives.*

About Nexans

As a global leader in advanced cabling and connectivity solutions, Nexans brings energy to life through an extensive range of best-in-class products and innovative services. For over 120 years, innovation has been the company's hallmark, enabling Nexans to drive a safer, smarter and more efficient future together with its customers. Today, the Nexans Group is committed to facilitating energy transition and supporting the exponential growth of data by empowering its customers in four main business areas: Building & Territories (including utilities, smart grids, e-mobility), High Voltage & Projects (covering off-shore wind farms, submarine interconnections, land high voltage), Telecom & Data (covering data transmission, telecom networks, hyperscale data centers, LAN), and Industry & Solutions (including renewables, transportation, Oil & Gas, automation and others).
Corporate Social Responsibility is a guiding principle of Nexans' business activities and internal practices. In 2013, Nexans became the first cable player to create a Foundation supporting sustainable initiatives bringing access to energy to disadvantaged communities worldwide. The Group's commitment to developing ethical, sustainable and high-quality cables drives its active involvement within several leading industry associations, including Europacable, the National Electrical Manufacturers Association (NEMA), the International Cablemakers Federation (ICF) and CIGRE to name just a few.

Nexans employs nearly 26,000 people and has an industrial footprint in 34 countries and commercial activities worldwide. In 2017, the Group generated 6.4 billion euros in sales.
Nexans is listed on Euronext Paris, compartment A.
For more information, please visit: 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

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	First half 2018	First half 2017
Net sales	**3,282**	**3,206**
Metal price effect[1]	(1,081)	(870)
Sales at constant metal prices[1]	**2,201**	**2,336**
Cost of sales	(2,912)	(2,756)
Cost of sales at constant metal prices[1]	(1,832)	(1,886)
Gross profit	**370**	**450**
Administrative and selling expenses	(236)	(260)
R&D costs	(52)	(50)
Operating margin[1]	**82**	**140**
Core exposure effect[2]	9	40
Restructuring costs	(20)	(20)
Other operating income and expenses[3]	21	0
Share in net income of associates	0	2
Operating income	**91**	**162**
Cost of debt (net)	(22)	(33)
Other financial income and expenses	(9)	(3)
Income before taxes	**59**	**126**
Income taxes	(23)	(34)
Net income from continuing operations	**36**	**92**
Net income from discontinued operations	-	-
Net income	**36**	**92**
- attributable to owners of the parent	40	91
- attributable to non-controlling interests	(3)	1
Attributable net income per share (in euros)		
- basic earnings per share	0.92	2.21
- diluted earnings per share	0.90	1.97

(1) Performance indicators used to assess 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 a 44 million euro net disposal gain and -18 million euros in net asset impairment losses in first half 2018.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in millions of euros)	June 30, 2018	December 31, 2017 (restated)(1)
Goodwill	244	236
Intangible assets	123	127
Property, plant and equipment	1,153	1,129
Investments in associates	40	40
Deferred tax assets	145	135
Other non-current assets	77	100
NON-CURRENT ASSETS	**1,782**	**1,767**
Inventories and work in progress	1,195	1,107
Contract assets	136	134
Trade receivables	1,151	1,033
Current derivative assets	49	59
Other current assets	190	177
Cash and cash equivalents	483	805
Assets and groups of assets held for sale	0	0
CURRENT ASSETS	**3,204**	**3,315**
TOTAL ASSETS	**4,986**	**5,082**

Equity and liabilities

(in millions of euros)	June 30, 2018	December 31, 2017 (restated)(1)
Capital stock, additional paid-in capital, retained earnings and other reserves	1,353	1,367
Other components of equity	23	52
Equity attributable to owners of the parent	**1,376**	**1,419**
Non-controlling interests	42	48
TOTAL EQUITY	**1,418**	**1,468**
Pensions and other long-term employee benefit obligations	371	387
Non-current provisions	94	94
Non-current convertible bonds	-	267
Other non-current debt	455	451
Non-current derivative liabilities	0	3
Deferred tax liabilities	105	102
NON-CURRENT LIABILITIES	**1,025**	**1,304**
Current provisions	65	79
Current debt	562	420
Contract liabilities	143	165
Trade payables	1,417	1,280
Current derivative liabilities	31	36
Other current liabilities	326	331
Liabilities related to groups of assets held for sale	0	0
CURRENT LIABILITIES	**2,543**	**2,310**
TOTAL EQUITY AND LIABILITIES	**4,986**	**5,082**

(1) *Restatements of consolidated data at December 31, 2017 are related to IFRS 15 application.*

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	**First half 2018**	**First half 2017**
Net income	36	92
Depreciation, amortization and impairment of assets (*including goodwill)*	89	72
Cost of debt (gross)	24	35
Core exposure effect[(1)]	(9)	(40)
Current and deferred income tax charge (benefit)	23	34
Net (gains) losses on asset disposals	(44)	-
Other restatements[(2)]	(52)	(12)
Cash flows from operations before gross cost of debt and tax[(3)]	**67**	**182**
Decrease (increase) in working capital[(4)]	(112)	(215)
Income taxes paid	(24)	(28)
Impairment of current assets and accrued contract costs	(1)	(4)
Net change in current assets and liabilities	**(137)**	**(247)**
Net cash generated from (used in) operating activities	**(70)**	**(65)**
Proceeds from disposals of property, plant and equipment and intangible assets	47	4
Capital expenditure	(82)	(70)
Decrease (increase) in loans granted and short-term financial assets	(6)	(7)
Purchase of shares in consolidated companies, net of cash acquired	(12)	(6)
Proceeds from sale of shares in consolidated companies, net of cash transferred	-	-
Net cash generated from (used in) investing activities	**(53)**	**(79)**
Net change in cash and cash equivalents after investing activities	**(123)**	**(144)**
Proceeds from (repayments of) borrowings[(5)]	(99)	(86)
• of which repayment of the 2012-2018 ordinary bonds	(250)	-
• of which proceeds from 2017-2024 ordinary bond issue	-	199
• of which repayment of the 2007-2017 ordinary bonds	-	(350)
Cash capital increases (reductions)[(6)]	(23)	(10)
Interest paid	(39)	(52)
Transactions with owners not resulting in a change of control	-	-
Dividends paid	(32)	(22)
Net cash generated from (used in) financing activities	**(193)**	**(170)**
Net effect of currency translation differences	(2)	(10)
Net increase (decrease) in cash and cash equivalents	**(318)**	**(324)**
Cash and cash equivalents at beginning of period	**794**	**1,016**
Cash and cash equivalents at period-end	**475**	**692**
Of which cash and cash equivalents recorded under assets	*483*	*700*
Of which short-term bank loans and overdrafts recorded under liabilities	*(8)*	*(8)*

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

(2) *Other restatements for the six months ended June 30, 2018 primarily included (i) a negative 39 million euros to cancel the net change in operating provisions (including provisions for pensions and restructuring costs), (ii) a negative 24 million to cancel the effect of changes in fair value of metal and foreign exchange derivatives, and (iii) a positive 7 million euros to cancel the expense relating to share-based payments. 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 and restructuring costs), and (ii) a positive 24 million euros to cancel the effect of changes in fair value of metal and foreign exchange derivatives.*

(3) *The Group also uses the "operating cash flow" concept, which is mainly calculated after adding back cash outflows relating to restructurings (28 million euros and 34 million euros for the first six months of 2018 and 2017 respectively), and deducting gross cost of debt and current income tax paid during the period.*

(4) *During the first half of 2018 the Group sold tax receivables which had a net cash impact of 20 million euros (9 million euros in first half 2017). 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.*

(5) *The first half 2018 figure for this item includes a 6 million impact from the partial redemption of the Group's 2019 OCEANE bonds.*

(6) *During first half 2018, the Group bought back 784,413 of its own shares, representing a cash outflow of 24 million euros (versus 224,489 shares generating a cash outflow of 11 million euros in the first half of 2017).*

INFORMATION BY REPORTABLE SEGMENT

First half 2018 (in millions of euros)	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	1,374	379	283	705	541	**3,282**
Net sales at constant metal prices	846	348	249	589	169	**2,201**
Operating margin	28	16	16	28	(7)	**82**
Depreciation and amortization	(24)	(20)	(5)	(17)	(5)	**(71)**
Net impairment of non-current assets (including goodwill)	0	(18)	0	0	0	**(18)**

First half 2017 *(in millions of euros)*	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other Activities	Group total
Net sales at current metal prices	1,326	479	298	691	412	**3,206**
Net sales at constant metal prices	883	446	270	587	149	**2,336**
Net sales at constant metal prices and first half 2018 exchange rates	832	431	254	575	144	**2,236**
Operating margin	33	43	31	33	(1)	**140**
Depreciation and amortization	(26)	(19)	(5)	(17)	(4)	**(71)**
Net impairment of non-current assets (including goodwill)	0	(1)	0	0	0	**(1)**

INFORMATION BY MAJOR GEOGRAPHIC AREA

First half 2018 *(in millions of euros)*	France	Germany	Norway	Others[2]	Group total
Net sales at current metal prices[1]	553	427	354	1,947	**3,282**
Net sales at constant metal prices[1]	337	381	323	1,160	**2,201**

(1) *Based on the location of the Group's subsidiaries.*

(2) *Countries that do not individually account for more than 10% of the Groups net sales at constant metal prices.*

First half 2017 *(in millions of euros)*	France	Germany	Norway	Others[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**
Net sales at constant metal prices[1] and 2018 exchange rates	352	377	390	1,117	**2,236**

(1) *Based on the location of the Group's subsidiaries.*

(2) *Countries that do not individually account for more than 10% of the Groups net sales at constant metal prices.*

INFORMATION BY MAJOR CUSTOMER

The Group does not have any customers that individually accounted for over 10% of its sales in first half 2018 or first half 2017.