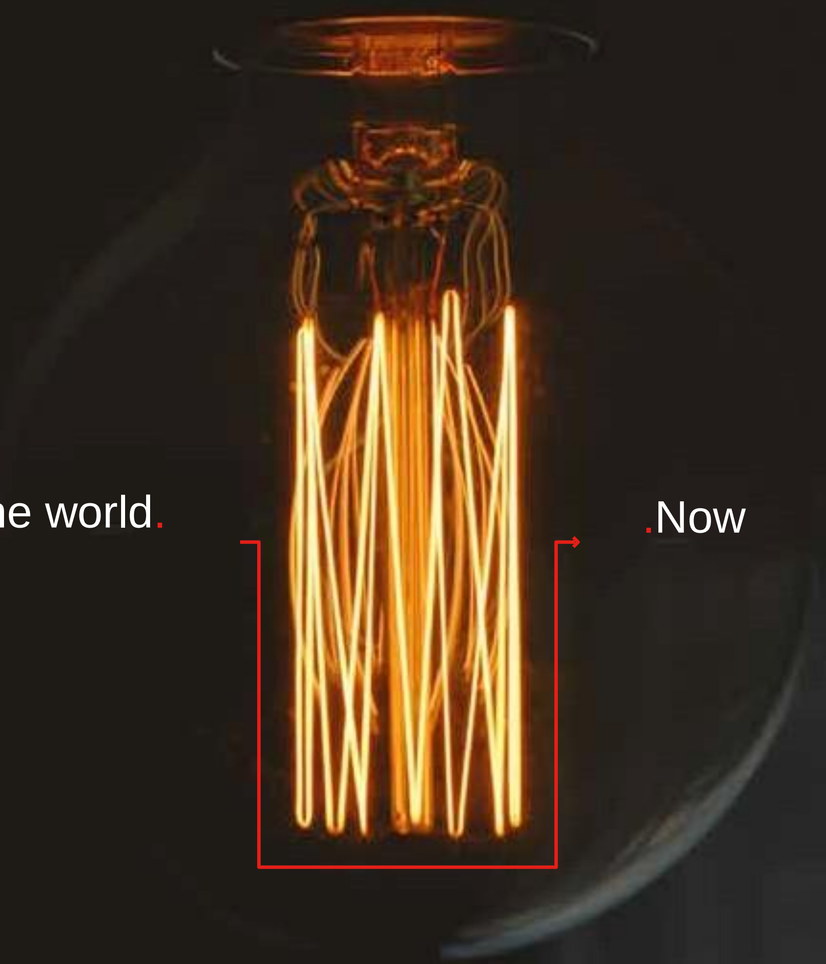
2019 HALF-YEAR FINANCIAL REPORT



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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 2019. It is based on the consolidated financial statements for the six months ended June 30, 2019.
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, 2019:

- institutional investors: 86.61%, of which 28.92% held by the companies of the Quiñenco group (Invexans and Tech Pack, Chile); 7.71% by Bpifrance Participations (France) and 5.51% pour DNCA (France)
- private investors and employees: 12.70%, of which 8.00% by individual shareholders and 4.70% by employees,
- treasury shares: 0.54%
- unidentified shareholders: 0.15%.

This interim activity report should be read in conjunction with the consolidated financial statements for the six months ended June 30, 2019 as well as with Nexans' Registration Document for the year ended December 31, 2018 which was filed with the French financial markets authority (Autorité des marchés financiers − AMF) on March 28, 2019 under number D.19-0218.

1 Significant events of first-half 2019

1.1 Governance

On March 19, 2019, Nexans Board of Directors decided to appoint a lead independent director in the person of Anne Lebel, chair of the Appointments, Compensation and Corporate Governance Committee of the Board.

The Shareholders' Meeting, held on May 15, 2019 renewed the term in office as member of the Board of Directors of Hubert Porte, independent director, and appointed as directors, for a four-year term, Jean Mouton, independent director, Oscar Hasbún Martinez, director proposed by the shareholder Invexans Limited (UK), and Bpifrance Participations, represented by Anne-Sophie Hérelle.

Following the Shareholders' Meeting, the Board of Directors appointed Jean Mouton as Chairman of the Board of Directors. He succeeded Georges Chodron de Courcel, who had reached the age limit set by the Company's bylaws.

The Board of Directors of May 15, 2019 also decided on the following changes in the composition of the Board committees:

- Audit, Accounts and Risk Committee: Kathleen Wantz-O'Rourke (Chairwoman), Hubert Porte and Francisco Perez Mackenna;
- Appointments, Compensation and Corporate Governance Committee: Anne Lebel, lead independent director (Chairwoman), Bpifrance Participations represented by Anne-Sophie Hérelle, Fanny Letier, Colette Lewiner and Francesco Perez Mackenna;
- Strategy and Sustainable Development Committee: Oscar Hasbún Martinez (Chairman), Bpifrance Participations represented by Anne-Sophie Hérelle, Marc Grynberg, Colette Lewiner and Francisco Perez Mackenna.

The composition of the Transformation Committee remained unchanged.

1.2 Repayment of the 2,5% 2019 OCEANE bonds

On February 29, 2012, the Company issued OCEANE bonds. This public issue involved 3,780,588 OCEANE bonds, each with a face value of 72.74 euros, and represented a total value of approximately 275 million euros (the "2.5% 2019 OCEANE bonds"). The prospectus for the issue was approved by the AMF on February 21, 2012 under number 12-083. The term of the bonds was set at six years and 307 days. The bonds bore interest at 2.5% per annum, payable in arrears on January 1 each year and their gross yield-to-maturity was 2.5% (if they were not converted and/ or exchanged for shares, and if they were not redeemed in advance). The option to convert or exchange the bonds could be exercised by the OCEANE bondholders at any time until the seventh business day preceding the scheduled or early redemption date. At December 31, 2018, 3,700,087 of the 2.5% 2019 OCEANE bonds were still outstanding, following in particular the early partial repayment from June 1, 2018.

On January 1, 2019, these 3,700,087 bonds were redeemed at their face value, i.e., 72.74 euros each, representing a total of 269 million euros.

1.3 Financing of the Aurora cable laying vessel

In 2018, the Group launched the construction of a new cable laying vessel, which should be delivered in 2021, to support the growth of the high-voltage submarine power cable business. The financing contracts for this cable laying vessel, worth €107 million, were signed on May 10, 2019.

2 Operations during first-half 2019

2.1 Overview

Consolidated sales for the six months ended June 30, 2019 came to 3,432 million euros, versus 3,282 million euros in the same period of 2018. At constant metal prices[1], first half 2019 sales amounted to 2,311 million euros, representing +5.0% organic growth. Excluding the High Voltage & Projects segment (-6.0%), the growth figure for cable sales was +7.0%.

EBITDA amounted to 195 million euros versus 153 million euros in the first six months of 2018. The transformation measures undertaken within the Group had an estimated positive impact of +48 million euros, which offset a price cost squeeze effect during the period estimated at a negative -30 million euros. The volume effect was a positive +28 million euros whereas non-recurring items had a negative impact of -18 million euros. Overall, EBITDA increased by 28 million euros on a comparable basis excluding IFRS 16.

Operating margin totaled 113 million euros, representing 4.9% of sales at constant metal prices (against 3.7% in first half 2018).

The Group ended the first half of 2019 with an **operating loss** of -54 million euros, compared with operating income of 91 million euros in the first six months of 2018. The year-on-year swing primarily reflects 182 million euros in restructuring costs, mainly reflecting provisions recognized for the European restructuring plan announced on January 24, 2019, for which the negotiation processes with the relevant employee representative bodies has now been completed.

Net financial expense came to -31 million euros, on a par with the first half 2018 figure.

The Group reported a -116 million euro **net loss attributable to owners of the parent** for first half 2019, compared with attributable net income of 40 million euros for the first six months of 2018. The first half 2019 figure corresponds to a -85 million-euro **loss before taxes** (versus +59 million euros in income before taxes in the first half of 2018). **Income tax expense** amounted to -27 million euros for first half 2019 (versus -23 million euros in the same period of 2018), reflecting the fact that the majority of the Group's restructuring costs do not generate immediate tax gains.

Consolidated net debt totaled 709 million euros at June 30, 2019, up +43 million euros on the June 30, 2018 figure. This increase corresponds to (i) 243 million euros in operating cash flow, (ii) 242 million euros in capital expenditure net of proceeds from asset disposals, (iii) a 77 million euro cash outflow relating to restructuring costs, and (iv) dividend payments, partially offset by a 3-million-euro inflow from an employee share issue. Operating working capital requirement fell by 65 million euros, due to a better positioning in the cash flow curve for high-voltage projects, despite the use of a portion of the down payments received in December 2018.

[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 constant prices for copper and aluminum.

2.2 2019-2021 Transformation plan

At end-June 2019, all of the projects provided for in the New Nexans transformation plan were in full operational phase:

- The information and consultation process concerning the restructuring plan announced on January 24, 2019 has been completed and the plan is being implemented. The plan will simplify the Group's current organizational structure significantly by reducing the number of hierarchical levels, removing certain regional structures and optimizing support functions.
- The SHIFT program – which corresponds to a global approach for sustainable transformation – has been implemented in 12 plants that are considered as priorities. It is being rolled out via a methodology developed in-house at Nexans, by dedicated centrally-managed teams.
- A new cost-savings plan aimed at reducing fixed costs other than salaries has been launched at all plants.
- A plan to improve industrial performance has been launched on a local basis, supported by dedicated on-site task forces.

The initial positive effects of the transformation plan can be seen in the Group's higher EBITDA figure. The strategic initiatives launched under the New Nexans plan have already generated a **48-million-euro** improvement in EBITDA during the period, breaking down as follows:

- Measures to reduce both fixed and variable costs had a **22-million-euro** positive impact on EBITDA.
- The net favorable impact of the SHIFT transformation program has been estimated at **14 million euros**, highly concentrated on the Building & Territories segment.
- Growth and value creation measures contributed **12 million euros**.

Lastly, the price cost squeeze effect represented a negative **30 million euros** for the period under review, and non-recurring items had a negative **-18-million-euro impact**.

2.3 Analysis by business

Building & Territories

EBITDA for the Buildings & Territories segment totaled 81 million euros in the first half of 2019, up +51% on the 52 million euros recorded in first half 2018. This year-on-year rise includes the effect of a +7.5% organic increase in sales, which in first half 2019 came to 1,423 million euros at current metal prices and 910 million euros at constant metal prices. It also reflects a +260-bp rise in EBITDA margin from 6.2% to 8.8% of sales at constant metal prices, achieved thanks to the improvement measures implemented across the Group.

All of the segment's business areas and geographic regions saw an improved performance during the period:

- The cost-reduction plans carried out in Asia Pacific, Brazil and Chile began to pay off. A rich pipeline of projects aimed at improving industrial performance that will be implemented in the second half of the year has been identified.
- Since the end of 2018, the transformation projects launched under the SHIFT program have mainly concerned the Building & Territories segment in Chile, Columbia, Peru, Lebanon, Turkey, and North America. Their impact on the segment's first half 2019 EBITDA is estimated at a positive 14 million euros.
- The segment also felt the benefit of a high volume effect, which generated around 20 million euros worth of EBITDA (most of which concerned the Group's Profit Drivers) whose growth has a positive impact on EBITDA. The volume effect excluding Profit Drivers mostly stemmed from the ongoing execution of contracts signed in prior periods.

The improved performance during the period led to an increase in EBITDA margin both for power cables for the building market and distribution cables and accessories.

High Voltage & Projects

EBITDA margin for the High Voltage & Projects segment remained stable year on year at 10.2% like-for-like (and 11.5% overall including the impact of IFRS 16), despite negative organic sales growth of -6.0%. Sales generated by this segment amounted to 350 million euros at current metal prices in first half 2019, or 324 million euros at constant metal prices.
In the **submarine high-voltage** business, operational execution of projects was fully on schedule. After a first quarter marked by lower cable-laying activity than in the same period of 2018, the second quarter of 2019 saw period-on-period organic growth of +65.8%. For the six months as a whole, sales decreased -2.5% on an organic basis, mainly attributable to a lower cable-laying workload at the beginning of the year.

For the **land high-voltage** business, the Group pursued its initiatives aimed at restoring its profitability on an adjusted basis.

- The closure of the Yanggu high-voltage plant in China will take place during the summer of 2019 once it has honored the last contracts in its order book. In Europe, the Group has announced the closure of the Hanover site, and the requisite negotiation procedure with the employee representative bodies has been completed.
- The transformation plan for this business focuses on improving the quality of existing project performance and enhancing the system for estimating future offers.

Against this backdrop, the land high-voltage business posted a -15.9% organic sales decrease in first half 2019 (versus a -21.1% decrease in the first quarter of the year), but it registered an improvement in EBITDA.

EBITDA for the High Voltage & Projects segment came to 37 million euros in the first half of 2019 (33 million euros excluding the impact of IFRS 16), compared with 36 million euros in the equivalent period of 2018.

Telecom & Data

EBITDA margin for the Telecom & Data segment widened by +110 bps on a like-for-like basis in the first half of 2019, driven by a +7.7% year-on-year organic increase in sales, which totaled 301 million euros at current metal prices and 270 million euros at constant metal prices.

- The segment is benefiting from the impact of the indirect cost saving plans as well as the measures to improve industrial performance.
- The SHIFT program is currently being deployed in North America.
- Growth initiatives are having a positive impact on results, particularly in the Telecom Infrastructure and Submarine segments.

Sales of **LAN cables and systems** rose by +1.9%. Profitability increased in North America.

Sales for the **telecom infrastructure** business climbed +11.4% year on year.

Sales of **submarine telecom** cables advanced +18.5% on an organic basis, reflecting an upturn in business and the signature of new contracts.

EBITDA for the Telecom & Data segment came to 27 million euros in the first half of 2019, representing 9.8% of sales at constant metal prices (versus 22 million euros and 8.8% in first half 2018). This segment is not impacted by IFRS 16.

Industry & Solutions

EBITDA margin for the Industry & Solutions segment widened by +190 bps (with no significant impact arising from IFRS 16). Sales amounted to 714 million euros at current metal prices and 600 million euros at constant metal prices, representing a year-on-year organic increase of +2.2%.

Automotive harnesses turned in a better performance in first half 2019 than in the equivalent period of 2018, both in terms of sales and profitability. Sales rose +1.7%, led by the strong truck market in the United States, which offset the impact of a weak Chinese market. In Europe, the industrial reorganization projects carried out in 2018 and which aimed at achieving operational excellence have now been completed.

For other industrial cables, EBITDA margin increased by +270 bps year on year, with organic sales growth coming in at a contained +2.5%.

EBITDA for the Industry & Solutions segment as a whole stood at 56 million euros for the first half of 2019, representing 9.3% of sales at constant metal prices (versus 45 million euros and 7.7% in first half 2018).

- The cost saving plans in the USA, South Korea and in automotive harnesses as well as the measures to improve industrial performance had a favorable impact.
- The transformation projects launched under the SHIFT program have now been rolled out in China and South Korea and in the Amercable plant.
- Analyzed globally by sector, cables for the aeronautical, mining, rail and automotive harnesses sectors in the USA posted particularly strong growth. Some sectors saw volumes edge down, especially industrial automation activities in Germany.

Other activities

The “Other Activities” segment – which essentially corresponds to external sales of copper wires – reported sales of 205 million euros at constant metal prices, up +19.7% on an organic basis on the first half of 2018. Demand remained strong in Canada and France.

EBITDA for “Other Activities” was a negative -6 million euros in first-half 2019 against a negative -2 million euros in the same period of 2018. The first-half 2019 figure includes corporate structural costs that cannot be allocated to the other segments, notably the impacts of the restatements made on the first-time application of IFRS 16 for assets not allocated to specific activities. At June 30, 2019, IFRS 16 restatements had a total positive impact on EBITDA of 15 million euros, of which 10 million euros (mainly corresponding to buildings) was included in the “Other Activities” segment.

2.4 Other items in the first-half 2019 consolidated income statement

2.4.1 Core exposure effect

The core exposure effect represented income of 2 million euros for the six months ended June 30, 2019, compared with income of 9 million euros in first-half 2018. The positive impact over the first six months of 2019 is mainly explained by a favorable foreign exchange effect, due to the dollar appreciation against euro, emphasizing a positive price effect due to a slight increase in copper prices since the end of 2018.

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.

2.4.2 Reorganization costs

Reorganization costs came to 182 million euros in first-half 2019 versus 20 million euros in the corresponding prior-year period.
Out of the first-half 2019 figure, 154 million euros related to the project to reorganize the Group's operations in Europe announced on January 24, 2019. This amount primarily corresponds to provisions recognized for employee-related costs in Germany, France and Belgium. Reorganization costs recognized in first-half 2019 also included 4 million euros in costs directly related to the transformation program announced by the Group on November 9, 2018, and the remainder mainly related to reorganization plans in progress in the Asia-Pacific region, Brazil and North America.
In first-half 2018, the 20-million-euro expense corresponded to the provisioning of employee-related costs, particularly in Europe, as well as costs recognized on a cash basis in accordance with IFRS.

2.4.3 Other operating income and expenses

At June 30, 2019, other operating income and expenses represented net income of 13 million euros, mainly consisting of net proceeds of 10 million euros from the sales of real estates in France and Switzerland,

Other operating income and expenses for the first six months of 2018 represented an net income of 21 million euros:

- Net proceeds of 44 million euros from the sales of the Lyon industrial site,
- A 18 million euros impairment loss on individual items of property, plant and equipment within the “Asia-Pacific” Cash Generating Unit,
- An expense of 3 million euros mainly related to the costs of civil proceedings (related to local anti-trust investigations) against the Nexans Group’s South Korean local operating entities.

2.4.4 Financial income and expenses

The Group recorded a net financial result of 31 million euros in the first six months of 2019 stable compared with the first-half 2018.

The cost of debt was down to 19 million euros at the end of June 2019 versus 22 million euros at June 30, 2018, mainly due to the savings generated by 2018 bond refinancing and the convertible bond redemption in early January 2019, partially offset by the interest expenses arising from IFRS 16 first application.

Other financial income and expenses represented a net expense of 12 million euros in the first-half of 2019 compared with 9 million euros in first-half of 2018. The change was mainly due to more unfavorable currency effect.

2.4.5 Income taxes

The consolidated income tax expense for the period came to 27 million euros, with the Group recording a 85 million euros loss before taxes and share in net income of associates. In the first six months of 2018, the income tax expense was 23 million euros.

2.4.6 Principal cash flows for the period

Cash flows from operations before gross cost of debt and tax totaled 136 million euros in first-half 2019.

The 200 million euros increase in working capital requirement in the first-half of 2019 reflects a seasonal effect and the use of advances received on projects in 2018.

Cash flows from investing activities came to 122 million euros in first-half 2019, chiefly corresponding to purchases of property, plant and equipment for the period and including particularly investment for the Aurora cable laying vessel.

Cash flows from financing activities totaled 246 million euros, mainly comprising:

- 269 million euros of convertible bond redemptions;
- 55 million euros of short-term negotiable instruments issuance net of redemptions;
- 51 million euros of drawings on the loan financing the construction of the new cable-laying vessel;
- 29 million euros of interest paid; and
- 15 million euros of dividends paid.

Overall, taking into account the effect of currency translation differences, net cash and cash equivalents decreased by 451 million euros during the period and stood at 436 million euros at June 30, 2019 (including 464 million euros in cash and cash equivalents recorded under assets and 28 million euros corresponding to short-term bank loans and overdrafts recorded under liabilities).

2.4.7 Consolidated statement of financial position

The Group's total consolidated assets increased by 57 million euros to 5,176 million euros at June 30, 2019 from 5,119 million euros at December 31, 2018.

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

- Non-current assets totaled 1,976 million euros at June 30, 2019, versus 1,770 million euros at December 31, 2018.

- Operating working capital requirement (trade receivables plus inventories less trade payables and accounts related to long term contracts) rose by 194 million euros between December 31, 2018 and June 30, 2019.

- Net debt increased by 379 million euros to 709 million euros at June 30, 2019 from 330 million euros at December 31, 2018. The increase includes 123 million euros for future lease payments debt due to the application of IFRS 16.

- Provisions for contingencies and charges – including for pension and other long-term employee benefit obligations – increased by 139 million euros in the six months between December 31, 2018 and June 30, 2019, to 649 million euros, including a 140 million euros reserve due to the European reorganization project.

- Total equity stood at 1,254 million euros at June 30, 2019 compared with 1,367 million euros at December 31, 2018.

3 Outlook for 2019

In light of its first half 2019 results, the Company's outlook for full-year 2019 is as follows:

EBITDA estimated at between 360 and 390 million euros.

Consolidated net debt at year-end, impacted by the expected outflow for reorganization costs, should amount to approximately 600 million euros, including the c. 130 million euro effect of IFRS 16 restatements.

A net loss of around -110 million euros, given that a material portion of restructuring provisions are not tax deductible (particularly in France and Germany, where significant deferred tax assets have already been recognized).

4 Risk factors and main uncertainties

A detailed description of recurring risk factors relating to Nexans' business – notably risks related to antitrust investigations – is provided in Nexans 2018 Registration Document, in Section 3.1, "Risk factors", and in Note 15 "Disputes and contingent liabilities" to the condensed interim consolidated financial statements at June 30, 2019.

Nexans considers that the main risks identified in the 2018 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 2018 Registration Document and the risks inherent in the execution of the "New Nexans" Transformation Plan, the uncertainties for the second half of 2019 mainly include:

- The uncertain economic and political environments in the United States and Europe, with the risk of growth being slowed by potential major changes in US trade policy on one side of the Atlantic and the possible consequences of Brexit on the other.

- 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, particularly in certain countries or regions such as Qatar, Libya and Lebanon and the Persian/ Arabian Gulf.

- Political and economic uncertainty in Brazil and in Turkey, which is affecting the building market and major infrastructure projects as well as creating exchange rate volatility and an increased risk of customer default.

- 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 impacting net income.

- The impact of growing inflationary pressure, particularly on commodities prices (resins, steel,) and labor costs, which could affect competitiveness depending on the extent to which they can be passed on to customers in selling prices.

- The sustainability of high growth rates and/or market penetration in segments related to datacenters, to the development of renewable energy (wind and solar farms, interconnectors, etc.) and to transport.

- 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.

- Fluctuating oil and gas prices, which are leading Oil & Gas sector customers to revise their exploration and production capex programs at short notice. The considerable uncertainty about the implementation of these customers'' capex programs also creates uncertainty about the confirmation of cable orders booked by the Oil & Gas segment.

- The risk of the award or entry into force of submarine and land 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 (i) carrying out major turnkey projects for submarine high-voltage cables, which will be exacerbated in the coming years as this business becomes increasingly concentrated and centered on a small number of large- scale projects (Nordlink, NSL, East Anglia One, Hornsea 2 and DolWin6, which will be our first contract to supply and install HVDC extruded insulation cables), (ii) the high capacity utilization rates of the plants involved, and (iii) the projects' geographic location and the political, social and economic environments in the countries concerned (Venezuela, Philippines).

- The inherent risks associated with major capital 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 2021 objectives.

- The transformation and reorganization plan announced in the land high voltage and submarine medium voltage activity could lead to delays in implementation, customer delivery and/or generate additional costs that would question a rapid return to balance.

Without major operational impacts, the two following uncertainties may have an impact on the financial statements:

- Sudden changes in metal prices that may affect customers' buying habits in the short term;

- The impact of foreign exchange fluctuations on the translation of the financial statements of the Group's subsidiaries located outside the euro zone.

5 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 2018 Registration Document (Note 29 to the consolidated financial statements for the year ended December 31, 2018 and lists the related-party agreements and commitments remaining in force in 2018, executed in 2018 and submitted for approval at the May 2019 Annual Shareholders' Meeting).


Nexans

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Consolidated income statement

(in millions of euros)	Notes	First-half 2019[1]	First-half 2018
NET SALES	3 and 4	**3,432**	**3,282**
Metal price effect[2]		(1,122)	(1,081)
SALES AT CONSTANT METAL PRICES[2]	3 and 4	**2,311**	**2,201**
Cost of sales		(3,040)	(2,912)
Cost of sales at constant metal prices[2]		(1,918)	(1,832)
GROSS PROFIT		**392**	**370**
Administrative and selling expenses		(231)	(236)
R&D costs		(48)	(52)
OPERATING MARGIN[2]	3	**113**	**82**
Core exposure effect[3]		2	9
Other operating income and expenses[4]	5	13	21
Reorganization costs	13	(182)	(20)
Share in net income of associates		0	0
OPERATING INCOME		**(54)**	**91**
Cost of debt (net)		(19)	(22)
Other financial income and expenses	7	(12)	(9)
INCOME BEFORE TAXES		**(85)**	**59**
Income taxes	8	(27)	(23)
NET INCOME FROM CONTINUING OPERATIONS		**(113)**	**36**
Net income from discontinued operations		-	-
NET INCOME		**(113)**	**36**
▪ attributable to owners of the parent		(116)	40
▪ attributable to non-controlling interests		3	(3)
ATTRIBUTABLE NET INCOME PER SHARE (in euros)	9		
▪ Basic earnings per share		(2.67)	0.92
▪ Diluted earnings per share		(2.67)	0.90

(1) *The Group applied IFRS 16 for the first time in its financial statements for the six months ended June 30, 2019, using the modified retrospective approach without restating prior-year comparative data (see **Note 1.B**).*

(2) *Performance indicators used to measure the Group's operating performance.*

(3) *Effect relating to the revaluation of Core exposure at its weighted average cost.*

(4) *As explained in **Note 5**, "Other operating income and expenses" included a 10-million-euro net disposal gain in first-half 2019. In first-half 2018, this item included a 44-million-euro net disposal gain and 18 million euros in net asset impairment.*

Consolidated statement of comprehensive income

(in millions of euros)	First-half	First-half 2018
NET INCOME	**(113)**	**36**
Recyclable components of comprehensive income	**30**	**(38)**
▪ Currency translation differences	15	(2)
▪ Cash flow hedges	16	(36)
Tax impacts on recyclable components of comprehensive income	**(3)**	**10**
Non-recyclable components of comprehensive income	**(10)**	**(0)**
▪ Actuarial gains and losses on pensions and other long-term employee benefit obligations	(10)	0
▪ Financial assets at fair value through other comprehensive income	-	(1)
▪ Share of other non-recyclable comprehensive income of associates	-	-
Tax impacts on non-recyclable components of comprehensive income	**3**	**(0)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**21**	**(28)**
TOTAL COMPREHENSIVE INCOME	**(92)**	**8**
▪ attributable to owners of the parent	(95)	11
▪ attributable to non-controlling interests	3	(3)

Consolidated statement of financial position

ASSETS

(in millions of euros)	Notes	June 30, 2019	December 31, 2018
Goodwill	10	241	243
Intangible assets		129	131
Property, plant and equipment(1)		1,326	1,135
Investments in associates		38	39
Deferred tax assets		162	162
Other non-current assets		79	60
NON-CURRENT ASSETS		**1,976**	**1,770**
Inventories and work in progress		1,238	1,110
Contract assets		115	95
Trade receivables		1,140	1,021
Current derivative assets		26	38
Other current assets		216	184
Cash and cash equivalents	14	464	901
Assets and groups of assets held for sale		0	0
CURRENT ASSETS		**3,200**	**3,349**
TOTAL ASSETS		**5,176**	**5,119**

(1) *At June 30, 2019, property, plant and equipment included 121 million euros in right-of-use assets recognized on the Group's first-time application of IFRS 16, "Leases" from January 1, 2019 (see* ***Note 1.B****).*

EQUITY AND LIABILITIES

(in millions of euros)	Notes	June 30, 2019	December 31, 2018
Capital stock, additional paid-in capital, retained earnings and other reserves		1,201	1,339
Other components of equity		13	(14)
Equity attributable to owners of the parent		**1,214**	**1,325**
Non-controlling interests		39	42
TOTAL EQUITY	**11**	**1,254**	**1,367**
Pensions and other long-term employee benefit obligations	12	363	363
Long-term provisions	13 and 15	94	84
Long-term debt[1]	14	928	778
Non-current derivative liabilities		6	11
Deferred tax liabilities		116	109
NON-CURRENT LIABILITIES		**1,507**	**1,345**
Short-term provisions	13 and 15	191	63
Short-term debt[1]	14	246	453
Contract liabilities		221	252
Current derivative liabilities		33	51
Trade payables		1,396	1,290
Other current liabilities		329	298
Liabilities related to groups of assets held for sale		0	0
CURRENT LIABILITIES		**2,415**	**2,407**
TOTAL EQUITY AND LIABILITIES		**5,176**	**5,119**

(1) At June 30, 2019, the Group's debt included 123 million euros in liabilities for future lease payments recognized on the Group's first-time application of IFRS 16, "Leases" from January 1, 2019 (see ***Note 1.B****).*

Consolidated statement of changes in equity

(in millions of euros)	Number of shares outstanding[4]	Capital stock	Additional paid-in capital	Treasury stock	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**
JANUARY 1, 2018[1]	**43,412,614**	**43**	**1,605**	**(4)**	**(286)**	**17**	**36**	**1,411**	**47**	**1,458**
Net income for the period	-	-	-	-	40	-	-	40	(3)	36
Other comprehensive income	-	-	-	-	0	(27)	(2)	(28)	0	(28)
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**40**	**(27)**	**(2)**	**11**	**(3)**	**8**
Dividends paid	-	-	-	-	(30)	-	-	(30)	(2)	(32)
Capital increases	-	-	-	-	-	-	-	-	-	-
Share buyback program	(702,336)	-	-	(24)	-	-	-	(24)	-	(24)
OCEANE bonds	12	0	-	-	(0)	-	-	(0)	-	(0)
Employee share-based and stock option plans:										
▪ Service cost[2]	-	-	-	-	7	-	-	7	-	7
▪ Proceeds from share issues	13,734	0	1	-	-	-	-	1	-	1
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	0	(0)	0	0	-	0
JUNE 30, 2018	**42,724,024**	**44**	**1,606**	**(27)**	**(270)**	**(11)**	**34**	**1,376**	42	**1,418**
JANUARY 1, 2019[3]	**43,371,996**	**44**	**1,606**	**(8)**	**(309)**	**(36)**	**22**	**1,319**	42	**1,361**
Net income for the period	-	-	-	-	(116)	-	-	(116)	3	(113)
Other comprehensive income	-	-	-	-	(7)	13	15	21	0	21
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**(122)**	**13**	**15**	**(95)**	**3**	**(92)**
Dividends paid	-	-	-	-	(13)	-	-	(13)	(2)	(15)
Capital increases	-	-	-	-	-	-	-	-	-	-
Share buyback program	-	-	-	-	-	-	-	-	-	-
OCEANE bonds	-	-	-	-	-	-	-	-	-	-
Employee share-based plans:										
▪ Service cost	-	-	-	-	4	-	-	4	-	4
▪ Proceeds from share issues	-	-	-	-	-	-	-	-	-	-
Transactions with owners not resulting in a change of control	-	-	-	-	-	-	-	-	(4)	(4)
Other	-	-	0	-	0	0	(1)	(1)	-	(1)
JUNE 30, 2019	**43,371,996**	**44**	**1,607**	**(8)**	**(441)**	**(23)**	**36**	**1,214**	**39**	**1,254**

(1) "Retained earnings and other reserves" at January 1, 2018 include the negative impact arising on the application of IFRS 9.
(2) Including a 2-million-euro expense related to the ACT 2018 plan.
(3) "Retained earnings and other reserves" at January 1, 2019 include in particular the impacts of the application of IFRIC 23.
(4) The number of shares outstanding at June 30, 2019 corresponds to 43,606,320 issued shares less 234,324 shares held in treasury.

Consolidated statement of cash flows

(in millions of euros)	Notes	First-half 2019[1]	First-half 2018
Net income		(113)	36
Depreciation, amortization and impairment of assets (including goodwill)		82	89
Cost of debt (gross)		21	24
Core exposure effect[2]		(2)	(9)
Current and deferred income tax charge (benefit)		28	23
Net (gains) losses on asset disposals	5	(10)	(44)
Other restatements[3]		128	(52)
CASH FLOWS FROM OPERATIONS BEFORE GROSS COST OF DEBT AND TAX[4]		**136**	**67**
Decrease (increase) in working capital[5]		(203)	(112)
Income taxes paid		(21)	(24)
Impairment of current assets and accrued contract costs		3	(1)
NET CHANGE IN CURRENT ASSETS AND LIABILITIES		**(220)**	**(137)**
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		**(85)**	**(70)**
Proceeds from disposals of property, plant and equipment and intangible assets		12	47
Capital expenditure		(133)	(82)
Decrease (increase) in loans granted and short-term financial assets		0	(6)
Purchase of shares in consolidated companies, net of cash acquired		-	(12)
Proceeds from sale of shares in consolidated companies, net of cash transferred		0	-
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		**(122)**	**(53)**
NET CHANGE IN CASH AND CASH EQUIVALENTS AFTER INVESTING ACTIVITIES		**(207)**	**(123)**
Proceeds from (repayments of) long-term and short-term borrowings	14	(199)	(99)
▪ *of which redemption of 2016-2019 OCEANE bonds*		*(269)*	-
▪ *of which redemption of 2012-2018 ordinary bonds*		-	*(250)*
Cash capital increases (reductions)[6]		-	(23)
Interest paid		(29)	(39)
Transactions with owners not resulting in a change of control		(4)	-
Dividends paid		(15)	(32)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		**(246)**	**(193)**
Net effect of currency translation differences		3	(2)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(451)**	**(318)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14	886	794
CASH AND CASH EQUIVALENTS AT PERIOD-END	14	436	475
▪ *Of which cash and cash equivalents recorded under assets*		*464*	*483*
▪ *Of which short-term bank loans and overdrafts recorded under liabilities*		*(28)*	*(8)*

*(1) The Group applied IFRS 16 for the first time in its financial statements for the six months ended June 30, 2019, using the retrospective approach without restating prior-year comparative data (see **Note 1.B**).*

(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, 2019 primarily included (i) a positive 116 million euros to cancel the net change in operating provisions (including provisions for pensions and restructuring costs), and (ii) a positive 2 million euros to cancel the effect of changes in fair value of metal and foreign exchange derivatives, and (iii) a positive 4 million euros to cancel the expense relating to share-based payments. 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 euros 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.

(4) The Group also uses the "operating cash flow" concept, which is mainly calculated after adding back cash outflows relating to reorganization costs (44 million euros and 28 million euros for the first six months of 2019 and 2018 respectively) and deducting gross cost of debt and current income tax paid during the period.

(5) During the first-half of 2018, the Group had sold tax receivables which had a net cash impact of 20 million euros. As the sales concerned transferred substantially all the risks and rewards of ownership, they had met the derecognition criteria in IAS 39 and had therefore been derecognized.

(6) During the first-half of 2018, the Group had bought back 784,413 of its own shares, representing a cash outflow of 24 million euros.

Notes to the interim consolidated financial statements:

Note 1. Summary of significant accounting policies

A. GENERAL PRINCIPLES

Nexans S.A. (the "Company") 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 Le Vinci, 4 allée de l'Arche, 92070 Paris La Défense Cedex, 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 were approved by Nexans' Board of Directors on July 23, 2019. They are presented in euros rounded to the nearest million. Rounding may in some cases lead to non-material differences in totals or year-on-year changes.

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
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, 2018.

Standards and interpretations applied

The accounting policies adopted for the financial statements at June 30, 2019 are consistent with those applied in the annual consolidated financial statements for the year ended December 31, 2018, except where (i) new standards and interpretations were applied as from January 1, 2019 (see **Note 1.B** below) and (ii) specific conditions apply relating to the preparation of interim financial statements (see **Note 1.C** below).

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

The IASB has not issued any new standards, amendments or interpretations that have been endorsed by the European Union but which are not yet effective.

The IASB has issued the following amendments that have not yet been endorsed by the European Union and are potentially applicable by the Group:
- Amendments to References to the Conceptual Framework in IFRS Standards.
- Amendments to IFRS 3, "Definition of a Business".
- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture".
- Amendments to IAS 1 and IAS 8, "Definition of Material".

The Group does not expect its application of these amendments to have a material impact on its consolidated financial statements.

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, income and expenses.

The main sources of uncertainty relating to estimates used to prepare the interim consolidated financial statements for first-half 2019 were the same as those described in the full-year 2018 consolidated financial statements. During the first six months of 2019, Management reviewed its estimates concerning:

- The recoverable amount of certain items of property, plant and equipment, goodwill and other intangible assets (see **Note 6** and **Note 10**).
- Deferred tax assets not recognized in prior periods relating to unused tax losses (see **Note 8**).
- Margins to completion and percentage of completion on long-term contracts.
- The measurement of pension liabilities and other employee benefits (see **Note 12**).
- Provisions and contingent liabilities (see **Note 13** and **Note 15**).
- The measurement of derivative instruments and their qualification as cash flow hedges.

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. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Group has applied all of the new standards, amendments and interpretations that were mandatory for the first time in the fiscal year beginning January 1, 2019, and which were as follows:

- IFRS 16, "Leases", which replaces IAS 17 "Leases" and all related interpretations. IFRS 16 applies to all of the Group's lease contracts. The Group's application of this standard is described in detail below.
- IFRIC 23, "Uncertainty over Income Tax Treatments".
- Amendments to IFRS 9, "Prepayment Features with Negative Compensation".
- Annual Improvements to IFRS Standards 2015–2017 Cycle.
- Amendments to IAS 19, "Plan Amendment, Curtailment or Settlement".
- Amendments to IAS 28, "Long-term Interests in Associates and Joint Ventures".

Other than IFRS 16, the first-time application of the above amendments and interpretation did not have a material impact on the Group's consolidated financial statements.

Application of IFRS 16

IFRS 16, "Leases" – which is effective from January 1, 2019 – requires lessees to account for leases covered by the standard by recognizing:

- right-of-use assets, under property, plant and equipment; and
- lease liabilities, under debt, for future lease payments.

The application of IFRS 16 also resulted in the following changes in presentation:

- In the income statement, lease payments, which were previously recognized as expenses within "Operating margin", are now recognized as (i) depreciation of the right-of-use asset, included in "Operating margin", and (ii) interest on the lease liability, included in "Cost of debt (net)".
- In the statement of cash flows, lease payments were previously all included in cash flows from operating activities, whereas in accordance with IFRS 16, the portion corresponding to the repayment of lease liabilities is now recognized under "Proceeds from (repayments of) long-term and short-term borrowings" and the portion corresponding to the payment of interest on lease liabilities is recognized under "Interest paid", with both of these portions recognized in cash flows from financing activities.

The Group has elected to use the modified retrospective approach for its transition to IFRS 16. Under this approach, comparative data is not restated and any cumulative effect of first-time application of the standard is recognized as an adjustment to equity at the date of initial application. The Group has also applied the simplified options provided for in the standard. Consequently, lease payments corresponding to a low-value asset or a short-term lease (less than or equal to 12 months) are recognized directly as expenses. The following practical expedients were also applied for the transition to IFRS 16:

- No assets or liabilities were recognized for leases with a residual term of less than 12 months from January 1, 2019.
- The discount rates applied at the transition date were based on the Group's incremental borrowing rate to which a spread was added to take into account the economic environments specific to each country. These discount rates were determined taking into consideration the residual terms of the leases from the date of the Group's first-time application of IFRS 16, i.e., January 1, 2019.

The impact of applying IFRS 16 at January 1, 2019 resulted in a 126 million euro increase in the Group's debt and a corresponding 126 million euro increase in property, plant and equipment.
The table below shows an opening-balance reconciliation at January 1, 2019 between (i) lease liabilities recognized under IFRS 16 (representing the value of future lease payments), and (ii) the amount recognized for future lease payments at December 31, 2018 for operating leases, as defined in IAS 17.

(in millions of euros)	**Future payments under non-cancelable operating leases**	Exemption for short-term leases	Exemption for leases relating to low-value assets	Portion of leases corresponding to services	Change in estimates of lease terms	Discounting of lease payments	**Lease liabilities under IFRS 16**
JANUARY 1, 2019	**156**	(6)	(1)	(4)	3	(22)	**126**

The first-time application of IFRS 16 led to a 15-million-euro increase in EBITDA compared with the first-half of 2018.

At both January 1, 2019 and June 30, 2019, the Group's lease contracts that resulted in the recognition of right-of-use assets and lease liabilities manly corresponded to real estate leases.

As a result of the first-time application of IFRS 16, the following paragraph has been added to **Note 1.F** to the consolidated financial statements for the year ended December 31, 2018:

Leases

Leases are recognized in the statement of financial position at their inception for an amount corresponding to the present value of the future lease payments. The discount rates used are based on the Group’s incremental borrowing rate to which a spread is added to take into account the economic environments specific to each country.
This present value is recognized under “Lease liabilities” on the liabilities side of the statement of financial position and “Right-of-use assets” on the assets side. The right-of-use asset recognized for a lease is then depreciated over the term of the lease, which generally corresponds to the non-cancelable period of a lease, together with optional periods, i.e., periods where the Group is reasonably certain that it will exercise an extension option or not exercise a termination option.

In view of the above-described accounting treatment in the statement of financial position, leases are accounted for as follows in the income statement: depreciation expense on lease assets is included in “Operating margin” and interest is recorded as a financial expense. The tax impact of the restatements carried out on consolidation is accounted for via the recognition of deferred taxes.

In the statement of cash flows, lease payments are presented in cash flows from financing activities under “Proceeds from (repayments of) long-term and short-term borrowings” for the portion corresponding to the repayment of lease liabilities and under “Interest paid” for the portion corresponding to the payment of interest on lease liabilities.
Payments under leases corresponding to low-value assets or short-term leases are recognized directly as expenses.

C. 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

A. FINANCING THE CONSTRUCTION OF THE AURORA CABLE-LAYING VESSEL

In 2018, the Group launched the construction of a new cable laying vessel, which should be delivered in 2021, to support the growth of the high-voltage submarine power cable business. The financing contracts for this cable laying vessel, worth 107 million euros (1,050 million Norwegian krone), were signed on May 10, 2019.
Refer to **Note 14** for further detail.

B. REDEMPTION OF BONDS CONVERTIBLE INTO NEW SHARES AND/OR EXCHANGEABLE FOR EXISTING SHARES (OCEANE BONDS)

All of the remaining OCEANE 2019 bonds were redeemed in early January 2019 as they had reached maturity. The total amount paid was 276 million euros, including accrued interest on the bonds.

C. EUROPEAN REORGANIZATION PROJECT

On January 24, 2019, Nexans initiated an information and consultation process and unveiled a European restructuring plan that should make it possible to:

- overhaul the organization by focusing on core businesses, eliminating regional structures and streamlining the overall structure;
- create a more agile and more efficient Nexans by reducing the number of reporting levels.

This plan should enable Nexans to:

- resize corporate business activities at head office level;
- pool certain functional activities between countries; and n adapt selected manufacturing infrastructure.

This plan should also enhance the way Innovation and Technology is organized within the Group alongside the shift to more scaleable and versatile businesses and services.

The restructuring plan could lead to 939 job cuts and the creation of 296 new positions. The main social impact would be in Germany, France, Switzerland and, to a lesser extent, Belgium, Norway and Italy.

Nexans is working closely with all stakeholders to minimize the social impact of the plan, in accordance with the applicable laws. Nexans is deeply committed to working closely with the affected employees and the union representatives to provide the appropriate support.

As a consequence, the Groupe recorded 154 million euros of net restructuring costs in the income statement for the six months ended June 30, 2019, including a provision which stood at 140 million euros in the balance sheet as of June 30, 2019 (see **Note 13)**.

Note 3. Operating segments

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

- **Building & Territories:** This segment provides reliable cabling systems and smart energy solutions enabling buildings and territories to be more efficient, sustainable and people-friendly. It covers the following markets: building, smart cities/grids, e-mobility, local infrastructure, decentralized energy systems and rural electrification.

- **High Voltage & Projects:** This segment partners its customers from the start of the cycle (design, engineering, financing, asset management) right through to the end (systems management) to help them find the cabling solution that is the best suited to their needs in terms of efficiency and reliability. It covers the following markets: offshore wind farms, subsea interconnections, land high-voltage, and smart solutions for the oil and gas sector (direct electric heating, subsea heating cables).

- **Telecom & Data:** This segment helps customers to easily deploy copper and fiber optic infrastructure thanks to plug-and-play cabling and connection solutions. It encompasses the following activities: data transmission (subsea, fiber, FTTx), telecom networks, hyperscale data centers and LAN cabling solutions.

- **Industry & Solutions:** This segment provides support to OEMs and industrial infrastructure project managers in personalizing their cabling and connection solutions to enable them to meet their electrification, digitization and automation requirements. It covers the following markets: transport (aeronautics, rail, shipbuilding, automotive), automatic devices, renewable energy (solar and wind power), resources (oil and gas, mining) and other sectors (nuclear, medical, handling, etc.).

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 wire rods, electrical wires and winding wire production operations.

Two specific facts should be noted for the "Other Activities" column:
- A total 93% of the sales at constant metal prices recorded under "Other Activities" in first-half 2019 were generated by the Group's Electrical Wires business (compared with 93% in first-half 2018).
- Operating margin for "Other Activities" was a negative 21 million euros in first-half 2019, reflecting the combined impact of profit generated from sales of copper wires and certain centralized Group costs that are not allocated between the segments (such as holding company expenses).

Transfer prices between the various operating segments are generally the same as those applied for transactions with parties outside the Group.

Operating segment data were prepared using the same accounting policies as for the consolidated financial statements for the year ended December 31, 2018 (described in the notes to those financial statements), as amended by **Note 1.B** above. Consequently, consolidated EBITDA corresponds to operating margin before depreciation and amortization and the figures for first-half 2019 include the impacts of applying IFRS 16, "Leases".

A. INFORMATION BY REPORTABLE SEGMENT

First-half 2019 *(in millions of euros)*	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other	Group total
Net sales at current metal prices	1,423	350	301	714	644	3,432
Net sales at constant metal prices	910	324	270	600	205	2,311
EBITDA	81	37	27	57	(6)	195
Depreciation and amortization	(24)	(19)	(6)	(19)	(15)	(82)
Operating margin	57	18	21	38	(21)	113
Net impairment of non-current assets (including goodwill) (see **Note 6**)	-	-	-	-	-	-

First-half 2018 *(in millions of euros)*	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other	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
Net sales at constant metal prices and first-half 2019 exchange rates	847	345	251	592	172	2,206
EBITDA	52	36	22	45	(2)	153
Depreciation and amortization	(24)	(20)	(5)	(17)	(5)	(71)
Operating margin	28	16	16	28	(7)	82
Net impairment of non-current assets (including goodwill) (see **Note 6**)	-	(18)	-	-	-	(18)

The Executive Committee also analyzes the Group's performance based on geographic area.

B. INFORMATION BY MAJOR GEOGRAPHIC AREA

First-half 2019 *(in millions of euros)*	France	Germany	Norway	Other[2]	Group total
Net sales at current metal prices[1]	557	412	352	2,111	3,432
Net sales at constant metal prices[1]	346	371	322	1,271	2,311

(1) Based on the location of the assets 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 2018 *(in millions of euros)*	France	Germany	Norway	Other[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
Net sales at constant metal prices and first-half 2019 exchange rates[1]	337	381	318	1,169	2,206

(1) Based on the location of the assets 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 did not have any customers that individually accounted for more than 10% of its sales in first-half 2019 or first-half 2018.

Note 4. Sales

Consolidated sales can be analyzed as follows:

First-half 2019 *Sales (in millions of euros)*	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other	Group total
Performance obligations satisfied at a point in time	1,423	45	301	714	644	3,127
Performance obligations satisfied over time	-	305	-	-	-	305
NET SALES AT CURRENT METAL PRICES	**1,423**	**350**	**301**	**714**	**644**	**3,432**
Performance obligations satisfied at a point in time	910	37	270	600	205	2,022
Performance obligations satisfied over time	-	287	-	-	-	287
NET SALES AT CONSTANT METAL PRICES	**910**	**324**	**270**	**600**	**205**	**2,311**

First-half 2018 *Sales (in millions of euros)*	Building & Territories	High Voltage & Projects	Telecom & Data	Industry & Solutions	Other	Group total
Performance obligations satisfied at a point in time	1,374	55	283	705	541	2,958
Performance obligations satisfied over time	-	324	-	-	-	324
NET SALES AT CURRENT METAL PRICES	**1,374**	**379**	**283**	**705**	**541**	**3,282**
Performance obligations satisfied at a point in time	846	48	249	589	169	1,901
Performance obligations satisfied over time	-	300	-	-	-	300
NET SALES AT CONSTANT METAL PRICES	**846**	**348**	**249**	**589**	**169**	**2,201**

Note 5. Other operating income and expenses

(in millions of euros)	Notes	First-half 2019	First-half 2018
Net asset impairment	6	-	(18)
Changes in fair value of non-ferrous metal derivatives		4	0
Net gains (losses) on asset disposals		10	(44)
Acquisition-related costs (completed and planned acquisitions)		(0)	(2)
Expenses and provisions for antitrust investigations	15	(0)	(3)
OTHER OPERATING INCOME AND EXPENSES		**13**	**21**

During the first-half of 2019, “Net gains (losses) on asset disposals” included mainly related to the sale of real estate assets respectively in France and in Switzerland.

In first-half 2018, “Net gains (losses) on asset disposals” included 44 million euros from the sale of the Group’s plant in Lyon.

The expenses recognized for antitrust investigations in first-half 2018 primarily corresponded to the cost of civil proceedings (related to local antitrust investigations) brought against the Group’s local operating entities in South Korea (see **Note 15**).

Note 6. Net asset impairment

The Group carries out impairment tests on goodwill and intangible assets with indefinite useful lives 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, 2019, Nexans carried out a review of its main assets in order to identify any indications of impairment that may have arisen over the period. For this review, the Group used the same discount rates and perpetual growth rates as at December 31, 2018.

The review led to none impairment at June 30, 2019.

In accordance with Group policy, goodwill impairment tests will be performed at the year-end at the level of the Cash-Generating Unit to which the goodwill is allocated.

The impairment review carried out in first-half 2018 led to the recognition of an 18-million-euro impairment loss against property, plant and equipment.

Sensitivity analyses

The Group did not carry out any sensitivity analyses at June 30, 2019 following the abovementioned review.

See **Note 8** to the full-year 2018 consolidated financial statements for the tests performed and the relevant sensitivity analyses.

Note 7. Other financial income and expenses

(in millions of euros)	First-half 2019	First-half 2018
Dividends received from non-consolidated companies	1	0
Provisions	0	(0)
Net foreign exchange gain (loss)	(6)	(1)
Net interest expense on pension and other long-term employee benefit obligations	(3)	(3)
Other	(4)	(6)
OTHER FINANCIAL INCOME AND EXPENSES	**(12)**	**(9)**

Note 8. Income taxes

The effective income tax rate was as follows for first-half 2019 and first-half 2018:

Tax proof *(in millions of euros)*	First-half 2019	First-half 2018
Income before taxes	(85)	59
- of which share in net income of associates	0	0
INCOME BEFORE TAXES AND SHARE IN NET INCOME OF ASSOCIATES	**(85)**	**59**
Income taxes	(27)	(23)
EFFECTIVE INCOME TAX RATE (in %)	**(32.18) %**	**39.18 %**

Negative effective income tax rate for first-half 2019 is a consequence of the European restructuring plan for which impacts recorded in 2019 (see **Note 13**) are mainly in countries where the recognition of deferred tax assets is limited.

Note 9. Earnings per share

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

	First-half 2019	First-half 2018
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT(1)	(116)	40
Interest expense on OCEANE convertible bonds, net of tax(1)	-	Anti-dilutive
ADJUSTED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT(1)	(116)	40
ATTRIBUTABLE NET INCOME FROM DISCONTINUED OPERATIONS(1)	-	-
Average number of shares outstanding	43,371,996	43,311,123
Average number of dilutive instruments	-	984,006
- *of which free shares and performance shares*	*Anti-dilutive*	*984,006*
- *of which convertible bonds*	-	*Anti-dilutive*
Average number of diluted shares	43,371,996	44,295 129
ATTRIBUTABLE NET INCOME PER SHARE (in euros)		
- Basic earnings per share(2)	(2.67)	0.92
- Diluted earnings per share(2)	(2.67)	0.90

(1) In millions of euros.
(2) In euros.

Note 10. Goodwill

The change in goodwill in first-half 2019 (241 million euros at June 30, 2019 versus 243 million euros at December 31, 2018) is primarily 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 2018 consolidated financial statements. No goodwill impairment losses were recognized in first-half 2019, first-half 2018 or full-year 2018.

Note 11. Equity

A. COMPOSITION OF CAPITAL STOCK

At June 30, 2019, Nexans S.A.'s capital stock comprised 43,606,320 fully paid-up shares with a par value of 1 euro each (43,606,320 shares at December 31, 2018). 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.

B. DIVIDENDS

At the Annual Shareholders' Meeting held on May 15, 2019 to approve the financial statements for the year ended December 31, 2018, the Company's shareholders authorized payment of a dividend of 0.30 euros per share, representing an aggregate 13 million euros based on the 43,371,996 ordinary shares making up the Company's capital stock on the May 21, 2019 dividend payment date (excluding shares held in treasury).

At the Annual Shareholders' Meeting held on May 17, 2018 to approve the financial statements for the year ended December 31, 2017, the Company's shareholders authorized the payment of a dividend of 0.70 euros per share – representing a total of 30 million euros – which was paid out on May 22, 2018.

C. TREASURY STOCK

At June 30, 2019 and at December 31, 2018, Nexans S.A. held 234,324 shares in treasury.

D. STOCK OPTIONS

There were no stock options outstanding throughout the first-half of 2019 or at the period-end.
A total of 13,734 stock options were exercised in the first-half of 2018 and there were no longer any stock options outstanding at June 30, 2018.

E. FREE SHARES AND PERFORMANCE SHARES

At June 30, 2019 there were 1,074,464 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 (762,584 shares at December 31, 2018, representing 1.7% of the Company's capital stock).

The fair value of free shares and performance shares is recorded as a payroll expense from the grant date to the end of the vesting period, with a corresponding adjustment to equity. In the first-half 2019 income statement, this expense totaled 3 million euros (versus 5 million euros in first-half 2018).

Note 12. Pensions, retirement bonuses and other long-term benefits

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. 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, 2019 the benefit obligations and plan assets of the plans in France, Switzerland, Germany, Canada and the United States were remeasured, primarily based on the applicable discount rates and the 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, 2019	Discount rate December 31, 2018	Discount rate June 30, 2018
France	1.15%	1.60%	1.70%
Germany	1.15%	1.60%	1.70%
Switzerland	0.35%	0.90%	0.70%
Canada	2.95%	3.45%	3.55%
United States	3.80%	4.15%	3.85%

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

(in millions of euros)	2019	2018
NET PROVISION RECOGNIZED AT JANUARY 1	**358**	**380**
- *of which pension assets*	*(5)*	*(7)*
- *of which pension liabilities*	*363*	*387*
Expense/(income) recognized in the income statement	4	(2)
Expense/(income) recognized in other comprehensive income	10	(0)
Contributions and benefits paid	(15)	(15)
Other impacts (exchange differences, acquisitions/disposals, etc.)	-	-
NET PROVISION RECOGNIZED AT JUNE 30	**357**	**363**
- *of which pension assets*	*(6)*	*(8)*
- *of which pension liabilities*	*363*	*371*

Note 13. Provisions

A. ANALYSIS BY NATURE

Movements in provisions for contingencies and charges were as follows during the first-half of 2019:

(in millions of euros)	TOTAL	Accrued contract costs	Restructuring provisions	Other provisions
AT DECEMBER 31, 2018	**147**	**32**	**34**	**81**
Additions	160	6	151	3
Reversals (utilized provisions)	(24)	(6)	(13)	(5)
Reversals (surplus provisions)	(4)	(2)	(1)	(0)
Business combinations	-	-	-	-
Exchange differences and other	6	0	(0)	6
AT JUNE 30, 2019	**285**	**32**	**170**	**84**

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. Where appropriate, they also include provisions for goods and services contracts in progress.

The "Other provisions" column primarily includes provisions set aside for antitrust investigations, which amounted to 55 million euros at June 30, 2019 (see **Note 15**).

B. ANALYSIS OF REORGANIZATION COSTS

Reorganization costs came to 182 million euros in first-half 2019, breaking down as follows:

(in millions of euros)	Redundancy costs	Asset impairment and write-offs[1]	Other monetary costs	TOTAL
Additions to provisions for restructuring costs net of reversals for surpluses	142	7	7	156
Other costs for the period[2]	(1)	-	27	26
TOTAL REORGANIZATION COSTS	**141**	**7**	**34**	**182**

(1) *Deducted from the carrying amount of the corresponding assets in the consolidated statement of financial position.*
(2) *The other costs for the period included 6 million euros of curtailment gains on pensions for the six months ended June 30, 2019.*

In first-half 2019, 154 million euros of the above costs related to the project to reorganize the Group's operations in Europe announced on January 24, 2019 (see **Note 2**). This amount primarily corresponds to provisions recognized for redundancy costs and, to a lesser extent, costs expensed as incurred in accordance with IFRS (chiefly concerning Germany, France and Belgium).
In addition to restructuring costs, in 2019, "Other monetary costs" included 4 million euros in costs directly related to the transformation program announced by the Group on November 9, 2018.
The remainder of the first-half 2019 total reorganization costs mainly relates to reorganization plans in progress in the Asia-Pacific region, Brazil and North America.

The 20 million euros recorded in first-half 2018 concerned (i) provisions recognized for redundancy costs, notably in Europe, and (ii) costs expensed as incurred, in accordance with IFRS.

As was the case in previous years, wherever possible the reorganization plans implemented by the Group in first-half 2019 included assistance measures negotiated with employee representative bodies as well as measures aimed at limiting lay-offs and facilitating redeployment.

Note 14. Net debt

At June 30, 2019 and December 31, 2018, the Group's long-term debt was rated BB by Standard & Poor's with a negative outlook.

A. ANALYSIS BY NATURE

(in millions of euros)	Notes	June 30, 2019	December 31, 2018
Long-term – ordinary bonds[1]	14.B	772	771
Other long-term borrowings[1]		58	7
TOTAL LONG-TERM DEBT[2]		**830**	**778**
Short-term – OCEANE convertible bonds[1]	14.B	-	269
Short-term borrowings and short-term accrued interest not yet due[2]		193	169
Short-term bank loans and overdrafts		28	15
TOTAL SHORT-TERM DEBT[2]		**221**	**453**
GROSS DEBT[2]		**1,050**	**1,231**
Short-term financial assets		-	-
Cash		(442)	(870)
Cash equivalents		(22)	(31)
NET DEBT EXCLUDING LEASE LIABILITIES		**587**	**330**
Lease liabilities[3]		123	-
NET DEBT		**709**	**330**

(1) Excluding short-term accrued interest not yet due and lease liabilities.
(2) Excluding lease liabilities.
(3) Out of the total lease liabilities recognized at June 30, 2019, 98 million euros corresponded to long-term liabilities, the remaining part being short-term liabilities. The related interest expense amounted to 2 million euros in first-half 2019.

The amount recognized under "Other long-term borrowings" at June 30, 2019 includes a 51-million-euro liability related to financing the construction of a cable-laying vessel (see **Note 2** and **Note 14.C**).

At June 30, 2019, the Group's short-term debt included a securitization program (the "On-Balance Sheet" program) set up by Nexans France in the second quarter of 2010. This program involves the sale of trade receivables and is contractually capped at 80 million euros.

B. BONDS

At June 30, 2019 *(in millions of euros)*	Carrying amount at June 30, 2019	Face value at issue date	Maturity date	Nominal interest rate
Ordinary bonds redeemable in 2021	250	250	May 26, 2021	3.25%
Ordinary bonds redeemable in 2023	334	325	August 8, 2023	3.75%
Ordinary bonds redeemable in 2024	200	200	April 5, 2024	2.75%
TOTAL BONDS(1)	**785**	**775**		

(1) *Including 13 million euros in short-term accrued interest.*

All of the OCEANE 2019 bonds were redeemed in early January for an aggregate amount of 276 million euros, including accrued interest.

On August 8, 2018, Nexans issued 325 million euros worth of fixed-rate bonds with a five-year term, maturing on August 8, 2023. The bonds were issued at par and have an annual coupon of 3.75%.

On March 19, 2018, all of the ordinary bonds redeemable in 2018 were redeemed in cash as they had reached maturity. The total amount paid was 261 million euros including accrued interest.

On April 5, 2017, Nexans issued 200 million euros worth of bonds maturing on April 5, 2024, and on May 26, 2016 it issued 250 million euros worth of bonds maturing on May 26, 2021. All of these bonds were issued at par.

C. COVENANTS

On December 12, 2018 the Group signed an amendment to its 600 million euro syndicated credit facility, extending the expiration date until December 12, 2023. This 600-million-euro facility included a 200 million euro very short-term drawing facility designed to secure a negotiable instruments program signed on December 21, 2018 for a maximum amount of 400 million euros. The amount outstanding under this program at June 30, 2019 was 55 million euros.

The amended syndicated credit facility is subject to the following two covenants, applicable as from June 30, 2019:

- the consolidated net debt to equity ratio (including non-controlling interests) must not exceed 1.20x; and
- consolidated debt must not exceed 3.2x consolidated EBITDA, as defined in the consolidated financial statements for the year ended December 31, 2018.

These ratios were well within the specified limits at June 30, 2019.

At both December 31, 2018 and at the date the Board of Directors approved the 2018 financial statements, the applicable ratios (which were well within the specified limits) were as follows:

- a maximum consolidated net debt to equity ratio (including non-controlling interests) of 1.10x; and
- a maximum consolidated net debt/EBITDA ratio of 3.0x.

In addition, in order to finance the construction of Nexans' new cable-laying vessel, a Group subsidiary took out a loan of 1,050 million Norwegian krone in May 2019. This loan – which will be drawn down in tranches throughout the vessel's construction – will be repaid on a straight-line basis over the twelve years following delivery of the vessel. It includes two options exercisable by the Group on the vessel's delivery date: (i) an option to switch from a variable interest rate to a fixed rate, and (ii) an option to choose between the Norwegian krone, the euro or the US dollar as the repayment currency.

The loan also includes (i) the same financial covenants as those set out in the Group's amended syndicated credit facility described above and (ii) covenants specific to the Group's subsidiary, based on the following:
- an equity to asset ratio
- a net debt to equity ratio
- a certain level of cash and cash equivalents.

These covenants were well within the specified limits at June 30, 2019.

The Group is not subject to any other financial ratio covenants.

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 participated directly in an infringement of European antitrust legislation in the submarine and underground high-voltage power cable sector. The Company was held jointly liable for the payment of a portion of the fine imposed on Nexans France SAS by the European Commission.

In early July 2014, Nexans France SAS paid the 70.6 million euro fine imposed by the European Commission.
Nexans France SAS and the Company appealed the European Commission's decision to the General Court of the European Union. The appeal was dismissed on July 12, 2018. Nexans France SAS and the Company filed a claim before the European Court of Justice, which agreed to hear the application on September 26, 2018 and the case is proceeding accordingly.

As an indirect consequence of the European Commission's decision, one of the Group's competitors, which has been subject to follow-on damages claims initiated in 2015, has filed a contribution claim against the other cable producers sanctioned by the European Commission, including Nexans France SAS and Nexans S.A.

In April 2019, certain Group entities received claims from customers filed before the courts in the United-Kingdom, the Netherlands and Italy against Nexans and other defendants. The claim in the UK has been lodged by Scottish and Southern Energy. The claim in Italy has been brought before the Court of Milan by Terna S.p.A. Finally the damage claim in Netherlands was made jointly by Electricity & Water Authority of Bahrain, GCC Interconnection Authority, Kuwait Ministry of Electricity and Water and Oman Electricity Transmission Company, against certain companies of the Prysmian Group and its former shareholders, and companies in the Nexans Group and ABB Group. This action has been brought in the Court of Amsterdam.

Investigations carried out by the American, Japanese, New Zealand and Canadian authorities in the high-voltage power cable sector were closed without sanctions. During investigations led by the Australian antitrust authority (ACCC), the Australian courts dismissed the ACCC's case and refused to sanction Nexans and its Australian subsidiary in the high-voltage power cable sector in a case pertaining to the sale of low- and medium-voltage cables.

Investigation in Brazil by the General Superintendence of the antitrust authority "CADE" in the high-voltage power cable sector has been concluded on February 11, 2019 and recommendation has been made by the same to the Administrative Tribunal of CADE to sanction the defendants in this case. A judgment by the Tribunal of CADE is expected by end of 2019.

Investigation by the antitrust authority in South Korea in the high-voltage power cable sector has not been officially closed but Nexans understands that the statute of limitations should be considered expired.

Nexans' local Korean subsidiaries have cooperated with South Korea's antitrust authority (KFTC) in investigations initiated between 2013 and 2015 businesses other than the high-voltage. As a result full leniency (zero fine) has been granted by KFTC in all such cases, except for one for which the Korean subsidiaries were granted a 20% reduction of fines and were ordered to pay the KFTC a total of approx. 850,000 euros. All such investigations are now closed and the risks associated to the majority of claims brought by customers in connection with them are now all closed.

On November 24, 2017 in Spain, Nexans Iberia and the Company (in its capacity as Nexans Iberia's parent company) were notified of a decision by the Spanish competition authority ("CNMC"), which found that Nexans Iberia had participated directly in an infringement of Spanish competition laws in the low- and medium-voltage cable sectors. The Company was held jointly liable for the payment of part of the fine levied on Nexans Iberia by the CNMC. In early January 2018, Nexans Iberia settled the 1.3 million euro fine levied by the CNMC. Nexans Iberia and the Company have appealed the CNMC's decision.

At June 30, 2019 the Group has a recorded contingency provision a 55 million euro to cover all the investigations mentioned above as well as the direct and indirect consequences of the related rulings that have been or will be handed down and in particular the follow-on damages claims by customers (existing or potential claims). The amount of the provision is based on management's assumptions that take into account the consequences in similar cases and 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 recognized.

The Group's risk prevention and compliance systems have been strengthened regularly and significantly in recent years (see section 3.2., Main risk factors and risk management within the Group). However, the Group cannot guarantee that all risks and problems relating to practices that do not comply with the applicable rules of ethics and business conduct will be fully controlled or 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 outcomes for antitrust proceedings and/or investigations as well as the associated consequences could have a material adverse effect on the results and thus 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 Group considers that the other existing or probable disputes for which provisions were recorded at June 30, 2019 do not individually represent sufficiently material amounts to require specific disclosures in the consolidated financial statements.

C. CONTINGENT LIABILITIES RELATING TO DISPUTES AND PROCEEDINGS

Certain contracts entered into by the Group as at June 30, 2019 could lead to performance difficulties, but the Group currently considers that those difficulties do not justify the recognition of provisions in the financial statements or specific disclosure as contingent liabilities.

Note 16. Subsequent events

No significant events for which disclosure is required have occurred since June 30, 2019.

Statutory Auditors’ review report on the 2019 interim financial information

(For the six months ended June 30, 2019)

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

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, 2019;
- 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 financial statements, which describes the consequences of the decision of the European Commission and to Note 1.B, « Application of new standards, amendments and interpretations » to the financial statements which describes the effects of the application of the IFRS 16 standard on leases.

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 25, 2019

PricewaterhouseCoopers Audit	Mazars
Xavier Belet	Isabelle Sapet
Partner	Partner

Statement by the person responsible for the 2019 Half-Year Financial Report

Paris, July 25, 2019

I hereby declare that to the best of my knowledge, the condensed interim consolidated financial statements for the six months ended June 30, 2019, 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 2019 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.

Christopher Guérin
Chief Executive
Officer