



KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V
Denmark

Telephone +45 7070 7760
www.kpmg.com/dk

Nexans Denmark A/S

Annual report 2014

The annual report was presented and adopted at the
Company's annual general meeting on

on _____ 20 ____

chairman

CVR no. 66 23 40 10

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report	3
Management's review	4
Company details	4
Financial highlights	5
Operating review	6
Financial statements 1 January – 31 December	7
Accounting policies	7
Income statement	7
Balance sheet	8
Inventories	9
Income statement	12
Balance sheet	13
Notes	15

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Nexans Denmark A/S for the financial year 1 January – 31 December 2014.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2014 and of the results of the Company's operations for the financial year 1 January – 31 December 2014.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

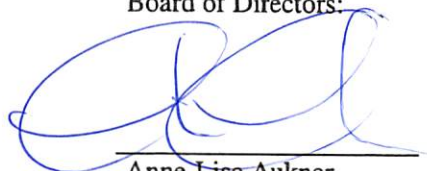
We recommend that the annual report be approved at the annual general meeting.

Juelsminde, 21 April 2015
Executive Board:



Ole Nielsen

Board of Directors:



Anne-Lise Aukner
Chairman



Fredrik Klasson



Ole Nielsen

Independent auditors' report

To the shareholders of Nexans Denmark A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Nexans Denmark A/S for the financial year 1 January – 31 December 2014. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2014 and of the results of the Company's operations for the financial year 1 January – 31 December 2014 in accordance with the Danish Financial Statements Act.

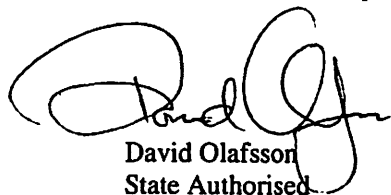
Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 21 April 2015

KPMG

Statsautoriseret Revisionspartnerselskab



David Olafsson
State Authorised
Public Accountant



Michael Mortensen
State Authorised
Public Accountant

Management's review

Company details

Nexans Denmark A/S
Savværksvej 18
Klakring
DK-7130 Juelsminde

Telephone: +45 75 69 33 99
Fax: +45 75 69 34 46
Website: www.nexans.dk

CVR no.: 66 23 40 10
Established: 20 October 1980
Registered office: Hedensted

Board of Directors

Anne-Lise Aukner (Chairman)
Frederik Klasson
Ole Nielsen

Executive Board

Ole Nielsen

Parent company

Nexans Participations
8 Rue de Général Foy
Paris, France

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Annual general meeting

The annual general meeting is to be held on 21 April 2015.

Management's review

Financial highlights

DKK'000	2014	2013	2012	2011	2010
---------	------	------	------	------	------

Key figures

Gross profit	32,185	31,241	37,066	30,752	22,163
Operating profit/loss	14,181	14,215	18,914	15,784	9,619
Financial income and expense, net	1,800	-1,523	-552	75	112
Profit for the year	12,051	9,510	13,739	11,857	7,276
Equity at year end	44,607	41,656	45,146	43,257	38,676
Total assets	106,994	126,404	96,561	106,727	63,726
Investments for the year	0	0	435	0	101

Financial ratios

Return on investment	14.6	15.5%	22.4%	24.5%	26.2%
Return on equity	27.9	21.9%	31.1%	28.9%	18.4%
Equity ratio	41.7%	32.6%	46.8%	40.5%	60.7%
Average number of full-time employees	30	29	29	29	28

Analysts' guidelines on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Company

Nexans Denmark A/S is a part of the worldwide Nexans Group located in Paris. Nexans is one of the world's largest cable producers with production in more than 30 countries and with commercial activities worldwide. Nexans employs about 20,000 persons worldwide. Nexans is listed on the Stock Exchange in Paris.

Nexans Denmark A/S produces customised telecommunication cables, signal cables and highly flexible cables. In addition, we market the products of group enterprises in Denmark. We have close cooperation with these companies who are also in charge of our research and development activities.

Nexans Denmark A/S has obtained certification according to DS/ISO 9001 and environmental certification according to DS/ISO 14001. Through these certificates we expect to be in a strengthened position to meet new challenges and to be better prepared to face existing and future demands made by our customers with respect to quality and environment.

Each year, the Company voluntarily presents green accounts.

Development in activities and financial position

The Company's income statement for 2014 shows a profit of DKK 14,181 thousand before financial income and expenses as well as tax, and equity at 31 December 2014 stood at DKK 44,607 thousand.

The profit was up on the forecast set out in the annual report for 2013 as well as up on budget. The profit is satisfactory seen in the light of extremely fierce competition and market and product development.

Outlook

Future results depends on the market situation, volume and prices, and results for 2015 are expected to be slightly down on 2014.

Events after the balance sheet date

In the opinion of Management, no events have occurred after the balance sheet date which may significantly affect the Company's financial position at 31 December 2014.

Financial statements 1 January – 31 December

Accounting policies

The annual report of Nexans Denmark A/S for 2014 has been prepared in accordance with the provisions applying to medium-sized class C enterprises under the Danish Financial Statements Act.

The annual report of Nexans Denmark A/S forms part of the consolidated financial statements of Nexans Participations in France. Referring to Section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared by the subsidiary.

In pursuance of section 32 of the Danish Financial Statements Act, the Company does not disclose its revenue.

The accounting policies used in the preparation of the annual report are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or expenses.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT, and discounts in connection with the sale. Revenue is made up inclusive of excise duties as these are considered to be an integrated part of the price of the product.

Construction contracts concerning special construction of assets are recognised as revenue by reference to the percentage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year. When income and expenses on a construction contract cannot be estimated reliably, only revenue corresponding to the costs incurred is recognised to the extent that it is probable that they will be recovered.

Financial statements 1 January – 31 December

Accounting policies

Production costs

Production costs comprise costs, including depreciation and amortisation and salaries, incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation of production plant.

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns etc. during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for Group management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation.

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expense, gains and losses payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

Tax on profit/loss from ordinary activities

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in capital and reserves is recognised directly in capital and reserves.

Balance sheet

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition (exclusive interests) until the date when the asset is available for use.

Financial statements 1 January – 31 December

Accounting policies

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	5 years.

Property, plant and equipment is written down to the recoverable amount where this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other external costs, respectively.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not recognised.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost. Write-down to net realisable value is made for bad debt losses.

Construction contracts

Construction contracts are measured at the selling price of the work performed less progress billings and anticipated losses. The selling price is measured by reference to the percentage of completion at the end of the reporting period and total expected income from the contract.

When income and expenses on a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Financial statements 1 January – 31 December

Accounting policies

Where the selling price of work performed exceeds progress billings on construction contracts and anticipated losses, the excess is recognised under receivables. If progress billings and anticipated losses exceed the selling price of a construction contract, the deficit is recognised under liabilities.

Selling costs and costs incurred in securing contracts are recognised in profit or loss as incurred.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity - Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Liabilities other than provisions

Other liabilities are measured at amortised cost.

Prepayments received from customers

Prepayments received from customers comprise income in relation to subsequent financial years.

Financial statements 1 January – 31 December

Accounting policies

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on investment	$\frac{\text{Operating profit/loss} \times 100}{\text{Average operating assets}}$
Operating assets	Total assets less cash at bank and in hand and other interest-bearing assets.
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity} \times 100}{\text{Total equity and liabilities}}$

Financial statements 1 January – 31 December

Income statement

DKK	Note	2014	2013
Gross profit		32,185,432	31,241,252
Distribution costs	1	-11,436,848	-10,468,732
Administrative expenses	1	-6,568,040	-6,557,988
Operating profit		14,180,544	14,214,532
Financial income		2,167,128	41,114
Financial expenses		-367,407	-1,564,215
Profit from ordinary activities before tax		15,980,265	12,691,431
Tax on profit from ordinary activities	2	-3,929,378	-3,181,314
Profit for the year		<u>12,050,887</u>	<u>9,510,117</u>
Proposed profit appropriation			
Dividends		12,000,000	9,100,000
Retained earnings		<u>50,887</u>	<u>410,117</u>
		<u>12,050,887</u>	<u>9,510,117</u>

Balance sheet

DKK	Note	2014	2013
ASSETS			
Non-current assets			
Property, plant and equipment	3		
Plant and machinery		258,224	363,045
Fixtures and fittings, tools and equipment		237,302	325,710
		<u>495,526</u>	<u>688,755</u>
Investments	5		
Other receivables		404,000	400,000
Total non-current assets		<u>899,526</u>	<u>1,088,755</u>
Current assets			
Inventories			
Raw materials and consumables		2,500,968	1,075,465
Work in progress		1,374,961	1,116,033
Finished goods and goods for resale		20,153,928	19,105,425
		<u>24,029,857</u>	<u>21,296,923</u>
Receivables			
Trade receivables		63,798,196	74,514,401
Amounts owed by group enterprises		4,883,615	3,751,751
Prepayments	6	182,336	174,012
		<u>68,864,147</u>	<u>78,440,164</u>
Cash at bank and in hand		<u>13,200,492</u>	<u>25,578,042</u>
Total current assets		<u>106,094,496</u>	<u>125,315,129</u>
TOTAL ASSETS		<u>106,994,022</u>	<u>126,403,884</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2014	2013
EQUITY AND LIABILITIES			
Equity	7		
Share capital		5,000,000	5,000,000
Retained earnings		27,606,885	27,555,998
Proposed dividends		12,000,000	9,100,000
Total equity		44,606,885	41,655,998
Provisions			
Deferred tax	8	158,081	133,914
Liabilities other than provisions			
Current liabilities other than provisions			
Bank loans and overdrafts		0	24,690,183
Construction contracts	9	0	9,443,543
Trade payables		9,525,881	7,431,834
Amounts owed to group enterprises		40,640,949	33,044,820
Corporation tax		500,702	147,575
Other payables		11,561,524	9,856,017
Total liabilities other than provisions		62,229,056	84,613,972
TOTAL EQUITY AND LIABILITIES		106,994,022	126,403,884
Contingencies, etc.	10		
Related parties	11		

Financial statements 1 January – 31 December

Notes

DKK	2014	2013	
1 Staff costs			
Wages and salaries	13,575,541	12,344,975	
Pensions	1,074,600	1,019,696	
Other social security costs	183,279	175,320	
	<u>14,833,420</u>	<u>13,539,991</u>	
Average number of employees	<u>30</u>	<u>29</u>	
 Specification of staff costs:			
Production costs	7,196,484	6,235,720	
Distribution costs	5,004,935	4,740,658	
Administrative expenses	2,632,001	2,563,613	
	<u>14,833,420</u>	<u>13,539,991</u>	
 2 Tax on profit from ordinary activities			
Current tax for the year	3,905,211	3,243,575	
Adjustments for the year of deferred tax	24,167	-62,261	
	<u>3,929,378</u>	<u>3,181,314</u>	
 3 Property, plant and equipment			
DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2014	17,027,180	2,078,011	19,105,191
Cost at 31 December 2014	17,027,180	2,078,011	19,105,191
Depreciation and impairment losses at 1 January 2014	-16,664,135	-1,752,301	-18,416,436
Depreciation	-104,821	-88,408	-193,229
Depreciation and impairment losses at 31 December 2014	-16,768,956	-1,840,709	-18,609,665
Carrying amount at 31 December 2014	258,224	237,302	495,526

Financial statements 1 January – 31 December

Notes

	2014	2013
4 Impairment and depreciation of property plant and equipment		
Plant and machinery	104,821	159,516
Fixtures and fittings, tools and equipment	88,408	92,467
Depreciations at 31 December 2014	193,229	251,983
Depreciation is specified as follows:		
Production costs	193,229	251,983
	193,229	251,983
5 Investments		
	2014	2013
Cost at 1 January 2014	400,000	512,035
Additions	4,000	0
Disposals	0	-112,035
Cost at 31 December 2014	404,000	400,000
DKK	2014	2013
6 Prepayments		
Prepaid insurance premium	159,224	151,387
Other prepaid costs	23,112	22,625
	182,336	174,012

Financial statements 1 January – 31 December

Notes

7 Equity

DKK	Share capital	Retained earnings	Pro-posed divi-dends	Total
Equity at 1 January 2014	5,000,000	27,555,998	9,100,000	41,655,998
Distributed dividends	0	0	-9,100,000	-9,100,000
Transferred from profit for the year	0	50,887	12,000,000	12,050,887
Equity at 31 December 2014	5,000,000	27,606,885	12,000,000	44,606,885

The share capital comprises 5,000 A-shares at a nominal value of DKK 1,000. All shares carry equal rights.

The share capital has remained unchanged for the past five years.

	2014	2013
8 Deferred tax		
Deferred tax at 1 January	133,914	196,175
Tax on profit for the year	24,167	-62,261
	158,081	133,914

Provisions regarding deferred tax comprise deferred tax regarding prepayments, inventories and property, plant and equipment.

9 Construction contracts

	2014	2013
Selling price of the work performed	0	-17,778,489
On account invoiced	0	27,222,032
	0	9,443,543

10 Contingencies, etc.

Lease liabilities regarding interminable contract until 31 December 2016 with a notice of 12 months amount to DKK 2,472 thousand.

Financial statements 1 January – 31 December

Notes

The Company has entered into operating leases with an average annual lease payment of DKK 316 thousand. The residual term of the leases is 5-52 months with a total residual lease payment of DKK 479 thousand.

The Company had provided a working and payment guarantee of DKK 3,656 thousand through Tryg Garanti at 31 December 2014.

11 Related parties

Nexans Denmark A/S' related parties comprise:

Controlling interest

Nexans Participations in France, who is the principal shareholder.

Group information

The consolidated financial statements of Nexans Participations can be obtained from the Company or from its website www.nexans.com.