

Consolidated income statement

<i>(in millions of euros)</i>	2015	2014
Net sales	6,239	6,403
Metal price effect ¹	(1,635)	(1,816)
Sales at constant metal prices ¹	4,604	4,587
Cost of sales	(5,456)	(5,658)
Cost of sales at constant metal prices ¹	(3,821)	(3,842)
Gross profit	783	745
Administrative and selling expenses	(506)	(522)
R&D costs	(82)	(75)
Operating margin ¹	195	148
Core exposure effect ²	(52)	(4)
Other operating income and expenses ³	(110)	(129)
Restructuring costs	(100)	(51)
Share in net income (loss) of associates ⁴	1	1
Operating income (loss)	(66)	(35)
Cost of debt (net) ⁵	(79)	(77)
Other financial income and expenses	(26)	(26)
Income (loss) before taxes	(171)	(138)
Income taxes	(25)	(32)
Net income (loss) from continuing operations	(196)	(170)
Net income (loss) from discontinued operations	-	-
Net income (loss)	(196)	(170)
- attributable to owners of the parent	(194)	(168)
- attributable to non-controlling interests	(2)	(2)
Attributable net income (loss) per share (in euros)		
- basic earnings (loss) per share	(4.55)	(4.01)
- diluted earnings (loss) per share	(4.55)	(4.01)

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

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

³ Other operating income and expenses included in 2015 129 million euros in net impairment of assets (including goodwill), versus 194 million in 2014.

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

⁵ In 2015 as in 2014, financial income amounted to 6 million euros. In 2014, the cost of net debt included non-recurring income of 8.8 million euros that was recognized during the year because early redemption options on bonds were not exercised.

Consolidated statement of comprehensive income

	2015	2014
<i>(in millions of euros)</i>		
Net income (loss) for the period	(196)	(170)
Recyclable components of the comprehensive income	(15)	25
- Available-for-sale financial assets	0	0
- Currency translation differences	17	62 (37)
- Cash flow hedges	(32)	
Tax impacts on recyclable components of comprehensive income	6	8
Non recyclable components of comprehensive income	(31)	(47)
- Actuarial gains and losses on pension and other long-term employee benefit obligations	(31)	(47)
- Share of other non recyclable comprehensive income of associates	-	-
Tax impacts on non recyclable components of comprehensive income	18	14
Total other comprehensive income (loss)	(22)	0
Total comprehensive income (loss)	(218)	(170)
- attributable to owners of the parent	(218)	(171)
- attributable to non-controlling interests	0	1

Consolidated statement of financial position

<i>(At December 31, in millions of euros)</i>	2015	2014
Assets		
Goodwill	250	303
Other intangible assets	148	181
Property, Plant and equipment	1,156	1,159
Investments in associates	30	21
Deferred tax assets	192	153
Other non-current assets	59	73
Non-current assets	1,835	1,890
Inventories and work in progress	881	1,096
Amounts due from customers on construction contracts	172	213
Trade receivables	924	1,009
Derivatives assets	51	43
Other current assets	154	167
Cash and cash equivalents	1,012	810
Assets and groups of assets held for sale	0	0
Current assets	3,194	3,338
Total assets	5,029	5,228
Equity and liabilities		
Capital stock, additional paid-in capital, retained earnings	1,153	1,346
Other components of equity	20	31
Equity attributable to owners of the parent	1,173	1,377
Non-controlling interests	54	56
Total equity	1,227	1,433
Pensions and other long-term employee benefit obligations	453	435
Long-term provisions	86	112
Convertible bonds	255	452
Other long-term debt	604	605
Non-current derivative liabilities ¹	37	-
Deferred tax liabilities	84	91
Non-current liabilities	1,519	1,695
Short-term provisions	151	162
Short-term debt	354	213
Liabilities related to construction contracts	185	159
Trade payables	1,163	1,162
Current derivative liabilities ¹	98	86,
Other current liabilities	332	318
Liabilities related to groups of assets held for sale	0	0
Current liabilities	2,283	2,100
Total equity and liabilities	5,029	5,228

¹ In 2015, the Group changed its presentation of derivative liabilities, separating them out between current and non-current. At December 31, 2014, non-current derivative liabilities amounted to 2 million euros.

Consolidated statement of cash flows

<i>(in millions of euros)</i>	2015	2014
Net income (loss) attributable to owners of the parent	(194)	(168)
Net income (loss) attributable to non-controlling interests	(2)	(2)
Depreciation, amortization and impairment of assets <i>(including goodwill)</i> ⁽¹⁾	280	345
Cost of debt (gross)	85	83
Core exposure effect ⁽²⁾	52	4
Other restatements ⁽³⁾	(1)	(116)
Cash flows from operations before gross cost of debt and tax ⁽⁴⁾	220	146
Decrease (increase) in receivables ⁵	139	59
Decrease (increase) in inventories	138	(40)
Increase (decrease) in payables and accrued expenses	87	59
Income tax paid	(37)	(34)
Impairment of current assets and accrued contract costs	33	(71)
Net change in current assets and liabilities	360	(27)
Net cash generated from (used in) operating activities	580	119
Proceeds from disposals of property, plant and equipment and intangible assets	6	20
Capital expenditures	(176)	(161)
Decrease (increase) in loans granted and short-term financial assets	(1)	3
Purchase of shares in consolidated companies, net of cash acquired	(4)	(6)
Proceeds from sale of shares in consolidated companies, net of cash transferred	2	(8)
Net cash generated from (used in) investing activities	(173)	(152)
Net change in cash and cash equivalents after investing activities	407	(33)
Proceeds from long-term borrowings	0	2
Repayments of long-term borrowings	(1)	(0)
Proceeds from (repayment of) short-term borrowings	(71)	(76)
Cash capital increases (reductions)	9	(0)
Interest paid	(69)	(74)
Transactions with owners not resulting in a change of control	-	2
Dividends paid	(1)	(1)
Net cash generated from (used in) financing activities	(133)	(147)
Net effect of currency translation differences	(63)	(1)
Net increase (decrease) in cash and cash equivalents	211	(181)
Cash and cash equivalents at beginning of period	787	968
Cash and cash equivalents at period-end	998	787
<i>of which cash and cash equivalents recorded under assets</i>	1,012	810
<i>of which short-term bank loans and overdrafts recorded under liabilities</i>	(14)	(23)

(1) Including the portion of restructuring costs corresponding to impairment of non-current assets.

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

(3) Other restatements in 2015 primarily included (i) a positive 25 million euros in relation to offsetting the Group's income tax charge, (ii) a negative 54 million euros linked to the cash impact of hedges and (iv) a positive 14 million euros from the cancellation of gains and losses on disposals. Other restatements in 2014 included (i) a positive 32 million euros in relation to offsetting the Group's income tax charge, (ii) a negative 81 million euros to cancel the net change in operating provisions (including provisions for pensions and restructuring costs), (iii) a negative 43 million euros linked to the cash impact of hedges and (iv) a negative 23 million euros from the cancellation of gains and losses on disposals.

(4) The Group also uses the "operating cash flow" concept which is mainly calculated after adding back cash outflows relating to restructurings (104 million euros and 77 million euros in 2015 and 2014, respectively), and deducting gross cost of debt and the current income tax paid over the period.

(5) During the first half of 2015 the Group sold tax receivables for a net cash impact of 22 million euros. Given that the transfer of risks and rewards related to those receivables has been demonstrated, they have been derecognized from the consolidated statement of financial position in accordance with the derecognition criteria set out in IAS 39.

Information by reportable segment

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

<i>2014 (in millions of euros)</i>	Transmission, Distribution & Operators	Industry	Distributors & Installers	Other	Group total
Contribution to Net sales at current metal prices	2,327	1,487	1,814	775	6,403
Contribution to Net sales at constant metal prices	1,978	1,213	1,120	276	4,587
Contribution to Net sales at constant metal prices and 2015 exchange rates	1,966	1,269	1,168	288	4,691
Operating margin	98	50	26	(26)	148
Depreciation and amortization	(72)	(34)	(27)	(7)	(140)
Net impairment of non-current assets (including goodwill)	(78)	(84)	(34)	(1)	(197)

Information by major geographic area

<i>2015 (in millions of euros)</i>	France	Germany	Norway	Other***	Group total
Contribution to Net sales at current metal prices*	877	814	705	3,843	6,239
Contribution to Net sales at constant metal prices*	612	718	657	2,617	4,604
Non-current assets (IFRS 8)* (at December 31)	148**	148	162	1,126	1,584

* Based on the location of the assets of the Group's subsidiaries.

** Including Corporate activities.

*** Countries that do not individually account for more than 10% of the Group's net sales at constant metal price.

<i>2014 (in millions of euros)</i>	France	Germany	Norway	Other***	Group total
Contribution to Net sales at current metal prices*	918	776	693	4,016	6,403
Contribution to Net sales at constant metal prices*	656	669	647	2,615	4,587
Contribution to Net sales at constant metal prices and 2015 exchange rates*	656	669	605	2,761	4,691
Non-current assets (IFRS 8)* (at December 31)	150**	135	161	1,218	1,664

* Based on the location of the assets of the Group's subsidiaries.

** Including Corporate activities.

*** Countries that do not individually account for more than 10% of the Group's net sales at constant metal price.

Information by major customer

The Group does not have any customers that individually accounted for over 10% of its sales in 2015 and in 2014.