

## Consolidated income statement under IFRS

in millions of euros	2007	2006	2005	
			Restated**	Reported
<b>Net sales</b>	<b>7 412</b>	<b>7 489</b>	<b>5 449</b>	<b>5 449</b>
Metal price effect *	(2 591)	(3 046)	(1 186)	(1 186)
<b>Net sales at constant metal prices *</b>	<b>4 822</b>	<b>4 442</b>	<b>4 263</b>	<b>4 263</b>
Cost of sales	(6 521)	(6 802)	(4 825)	(4 825)
Cost of sales at constant metal prices *	(3 930)	(3 756)	(3 640)	(3 640)
<b>Gross profit</b>	<b>892</b>	<b>687</b>	<b>623</b>	<b>623</b>
Administrative and selling expenses	(423)	(372)	(386)	(386)
R&D costs	(60)	(55)	(52)	(52)
<b>Operating margin *</b>	<b>409</b>	<b>260</b>	<b>186</b>	<b>186</b>
Core exposure effect ***	20	107	93	
Net asset impairment	(21)	(99)	(32)	(4)
Change in fair value of non ferrous metal derivatives	(36)	(7)	33	33
Gains or losses on asset disposals	4	151	34	34
Restructuring costs	(14)	(48)	(24)	(24)
<b>Operating Income</b>	<b>362</b>	<b>363</b>	<b>290</b>	<b>225</b>
Cost of debt (gross)	(57)	(45)	(26)	(26)
Income from cash and cash equivalents	13	12	7	7
Other financial expenses	(37)	(36)	(17)	(17)
Share in net income of associates		3	(0)	(0)
<b>Income before taxes</b>	<b>281</b>	<b>297</b>	<b>254</b>	<b>189</b>
Income taxes	(84)	(48)	(36)	(26)
<b>Net income from continuing operations</b>	<b>197</b>	<b>249</b>	<b>218</b>	<b>163</b>
Net income / (loss) from discontinued operations	-	(4)	(46)	(46)
<b>Consolidated net income</b>	<b>197</b>	<b>244</b>	<b>172</b>	<b>117</b>
Attributable to equity holders of the Company	189	241	163	108
Attributable to minority interests	7	3	9	9
<b>Net income from continuing operations per share (in euros)</b>				
- Basic earnings per share	7,41	10,44	9,90	7,30
- Diluted earnings per share	6,67	9,10	8,52	6,36
<b>Net income / (loss) from discontinued operations (in euros)</b>				
- Basic earnings per share	0,00	(0,19)	(2,18)	(2,18)
- Diluted earnings per share	0,00	(0,17)	(1,89)	(1,89)
<b>Net income per share attributable to equity holders of the company (in euros)</b>				
- Basic earnings per share	7,41	10,25	7,73	5,12
- Diluted earnings per share	6,67	8,93	6,63	4,46

\* Business management indicators used to measure the Group's operating performance.

\*\* The 2006 financial statements were prepared following a change relating to the recognition of non-ferrous metal inventories . The impact of the change is shown in the "restated" column for 2005

\*\*\* Effect relating to the revaluation of the core exposure at the weighted average unit cost.

## Consolidated balance-sheet under IFRS

As of December 31 <sup>st</sup> , in millions of euros	2007	2006**	2005	
			Restated*	Reported
<b>ASSETS</b>				
Goodwill	192	174	82	88
Intangible assets	101	110	14	14
Property, plant and equipment	858	830	778	942
Investment in associates	1	22	18	18
Other non-current financial assets	28	50	56	56
Deferred tax assets	48	97	53	76
Other non-current assets	-	-	-	-
<b>NON-CURRENT ASSETS</b>	<b>1 227</b>	<b>1 283</b>	<b>1 001</b>	<b>1 194</b>
Inventories and work in progress	1 158	1 328	874	563
Amounts due from customers on construction contracts	163	77	47	47
Trade receivables	1 092	1 272	1 105	1 105
Current tax receivables	11	7	9	9
Other current non-financial assets	83	79	54	54
Other current financial assets	125	105	155	155
Cash and cash equivalents	622	287	117	117
Assets and group of assets held for sale	150	60	81	81
<b>CURRENT ASSETS</b>	<b>3 403</b>	<b>3 214</b>	<b>2 441</b>	<b>2 130</b>
<b>TOTAL ASSETS</b>	<b>4 630</b>	<b>4 497</b>	<b>3 442</b>	<b>3 324</b>
<b>EQUITY &amp; LIABILITIES</b>				
Capital stock	26	25	24	24
Additional paid-in capital	1 133	1 127	1 019	1 019
Treasury stock	-	-	(28)	(28)
Reserves	374	158	23	(40)
Net income attributable to equity holders of the Company	189	241	163	108
<b>Equity excluding minority interests</b>	<b>1 722</b>	<b>1 551</b>	<b>1 201</b>	<b>1 083</b>
Minority interests	36	39	77	77
<b>TOTAL EQUITY</b>	<b>1 758</b>	<b>1 589</b>	<b>1 278</b>	<b>1 160</b>
Pension and other post-employment benefit obligations	322	336	353	353
Other long-term employee benefits	15	17	10	10
Long-term provisions	25	27	4	4
Convertible bonds	258	247	117	117
Other long-term financial debt	353	7	5	5
Deferred tax liabilities	85	94	33	33
Other non-current payables	-	-	-	-
<b>NON-CURRENT LIABILITIES</b>	<b>1 058</b>	<b>728</b>	<b>522</b>	<b>522</b>
Short-term provisions	72	89	83	83
Short-term financial debt	301	665	369	369
Customers' deposits and advances	59	39	18	18
Amounts due to customers on construction contracts	128	71	70	70
Trade payables	817	917	692	692
Current tax payables	32	39	31	31
Other current non-financial liabilities	47	47	33	33
Other current financial liabilities	313	290	308	308
Liabilities related to group of assets held for sale	45	22	39	39
<b>CURRENT LIABILITIES</b>	<b>1 814</b>	<b>2 180</b>	<b>1 642</b>	<b>1 642</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 630</b>	<b>4 497</b>	<b>3 442</b>	<b>3 324</b>

\* The 2006 financial statements were prepared following a change relating to the recognition of non-ferrous metal inventories. The impact of the change is shown in the "restated" column for 2005

\*\* Following the impact of the final purchase accounting entries recorded on the opening balance sheet of the Olex Group.

## Consolidated statement of cash flows under IFRS

<i>in millions of euros</i>	<b>2007</b>	<b>2006</b>	<b>2005</b>	
			<b>Restated**</b>	<b>Reported</b>
Net income attributable to equity holders of the Company	189	241	163	108
Minority interests	7	3	9	9
Depreciation, amortization and impairment of assets	122	178	129	101
Cost of debt	57	45	26	26
Core exposure impact *	(20)	(107)	(93)	-
Other restatements ***	118	(70)	(11)	(21)
<b>Cash flow from operations before interests and taxes ****</b>	<b>473</b>	<b>290</b>	<b>223</b>	<b>223</b>
Decrease (increase) in receivables	61	(181)	(404)	(404)
Decrease (increase) in inventories	129	(308)	(64)	(64)
Increase (decrease) in payables and accrued expenses	(6)	242	310	310
Other assets and liabilities	-	-	(7)	(7)
Income tax paid	(80)	(58)	(46)	(46)
Depreciation of current assets and accrued contract costs	(4)	12	(14)	(14)
<b>Net change in current assets and liabilities</b>	<b>100</b>	<b>(294)</b>	<b>(225)</b>	<b>(225)</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>573</b>	<b>(3)</b>	<b>(2)</b>	<b>(2)</b>
Proceeds from disposals of property, plant and equipment and intangible assets	7	6	10	10
Capital expenditures	(168)	(171)	(130)	(130)
Decrease (increase) in loans granted	2	2	(10)	(10)
Purchase of consolidated entities, net of cash acquired	(36)	(365)	(28)	(28)
Proceeds from sale of consolidated companies, net of cash transferred	48	201	116	116
<b>Net cash used in investing activities</b>	<b>(147)</b>	<b>(327)</b>	<b>(42)</b>	<b>(42)</b>
<b>Net change in cash and cash equivalents after investing activities</b>	<b>427</b>	<b>(330)</b>	<b>(44)</b>	<b>(44)</b>
Proceeds from / (repayment of) long-term borrowings	344	276	(9)	(9)
Proceeds from / (repayment of) short-term borrowings	(409)	282	77	77
Proceeds from issuance of shares paid up in cash	7	8	7	7
Interest paid	(36)	(45)	(23)	(23)
Dividends paid	(32)	(23)	(12)	(12)
<b>Net cash generated from financing activities</b>	<b>(125)</b>	<b>497</b>	<b>40</b>	<b>40</b>
Net effect of currency translation differences	4	1	3	3
Impact of change in scope of discontinued operations	-	1	(3)	(3)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>306</b>	<b>170</b>	<b>(4)</b>	<b>(4)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>287</b>	<b>117</b>	<b>121</b>	<b>121</b>
<b>Cash and cash equivalents at year-end</b>	<b>594</b>	<b>287</b>	<b>117</b>	<b>117</b>
<i>Including Cash and cash equivalents</i>	<b>622</b>	<b>287</b>	<b>117</b>	<b>117</b>
<i>Including Bank overdrafts</i>	<b>(28)</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Impact relating to the revaluation of the core exposure at the weighted average unit cost – no cash impact

\*\* The 2006 financial statements were prepared following the change relating to the recognition of non-ferrous metal inventories. The impact of this change is shown in the "restated" columns for 2005.

\*\*\* For 2007, the main impacts are as follows : offsetting of the tax charge (84 million euros), non-cash impact of the change in fair value of derivatives (54 million euros).

For 2006, the main impacts are as follows: capital gains on the disposal of Electro-Matériel (150 million euros), offsetting of the tax charge (48 million euros), non-cash impact of the change in fair value of derivatives (16 million euros), goodwill impairment and negative goodwill (17 million euros), cost of stock-option plans (3.4 million euros).

\*\*\*\* The Group also uses the concept of "operating cash flow" which excludes the restructuring costs paid (22 million euros in 2007 and 40 million euros in 2006), and includes financial interest costs and current income tax expense.

## Information by business segment

<i>in millions of euros</i>	Electrical wires	Energy**	Telecom	Others (or non-allocated)	Inter-segment eliminations*	<b>Total Group</b>
<b>December 31, 2007</b>						
Net sales at current metal prices	2 603	5 270	638	11	(1 110)	<b>7 412</b>
Net sales at constant metal prices	845	3 780	529	11	(343)	<b>4 822</b>
Operating margin	9	365	49	(14)		<b>409</b>
Depreciation and amortization	(3)	(76)	(13)	(9)		<b>(101)</b>
Impairment losses	(34)	(21)	(7)			<b>(63)</b>
Reversal of impairment losses		38	4			<b>42</b>
EBITDA ***	12	441	62	(5)		<b>510</b>
Restructuring costs	(3)	(8)		(2)		<b>(14)</b>
Capital expenditures	10	141	14	10		<b>174</b>
Property, plant and equipment, net	13	759	98	22		<b>893</b>
Total segment assets ****	400	3 014	270	56		<b>3 740</b>
Total segment liabilities *****	281	879	85	84		<b>1 329</b>
Investment in associates	1					<b>1</b>
Share in net income of associates						<b>-</b>
Staff (number of employees)	779	18 089	2 183	847	-	<b>21 898</b>
<b>December 31, 2006 (1)</b>						
Net sales at current metal prices	3 438	4 298	781	9	(1 038)	<b>7 489</b>
Net sales at constant metal prices	1 133	2 983	648	9	(331)	<b>4 442</b>
Net sales at constant metal prices and 2007 exchange rates	1 163	3 104	472	9	(375)	<b>4 373</b>
Operating margin	(4)	233	48	(18)	-	<b>260</b>
Depreciation and amortization	(10)	(62)	(19)	(4)	-	<b>(95)</b>
Impairment losses	(54)	(61)	(9)	(4)	-	<b>(128)</b>
Reversal of impairment losses	-	19	8	-	-	<b>27</b>
EBITDA ***	6	296	67	(14)	-	<b>355</b>
Restructuring costs	(5)	(19)	(24)	(1)	-	<b>(48)</b>
Capital expenditures	14	137	17	4	-	<b>171</b>
Property, plant and equipment, net	23	643	143	20	-	<b>829</b>
Total segment assets ****	662	2 725	399	41	-	<b>3 826</b>
Total segment liabilities *****	416	732	100	50	-	<b>1 298</b>
Investment in associates	22	-	-	-	-	<b>22</b>
Share in net income of associates	3	-	-	-	-	<b>3</b>
Staff (number of employees)	1 140	15 952	3 276	782	-	<b>21 150</b>

## Information by business segment

<i>in millions of euros</i>	Electrical wires	Energy**	Telecom	Others (or non-allocated)	Inter-segment eliminations*	<b>Total Group</b>
<b>December,31 2005 restated</b>						
Net sales at current metal prices	1 991	3 342	677	10	(573)	<b>5 449</b>
Net sales at constant metal prices	1 056	2 865	630	10	(298)	<b>4 263</b>
Net sales at constant metal prices and 2006 exchange rates	1 076	2 883	631	10	(298)	<b>4 301</b>
Operating margin	6	171	25	(16)	-	<b>186</b>
Depreciation and amortization	(10)	(61)	(20)	(4)	-	<b>(95)</b>
Impairment losses	(0)	(14)	(22)	(18)	-	<b>(55)</b>
Reversal of impairment losses	4	15	3	-	-	<b>21</b>
EBITDA ***	15	232	45	(12)	-	<b>280</b>
Restructuring costs	(4)	(12)	(6)	(3)	-	<b>(24)</b>
Capital expenditures	6	102	20	1	-	<b>129</b>
Property, plant and equipment, net	96	498	146	38	-	<b>778</b>
Total segment assets ****	562	1 936	398	36	-	<b>2 933</b>
Total segment liabilities *****	281	639	112	48	-	<b>1 079</b>
Investment in associates	17	1	-	-	-	<b>18</b>
Share in net income of associates	-	-	-	-	-	<b>-</b>
Staff (number of employees)	1 162	14 157	3 473	792	-	<b>19 584</b>

\* Inter-segment eliminations mostly stem from the upstream Electrical Wires business.

\*\* Of which net sales (at current metal prices) related to construction contracts : 511 million euros in 2007 (394 million euros in 2006)

\*\*\* Operating margin excluding depreciation and amortization on property, plant and equipment and intangible assets.

\*\*\*\* Segment assets include property, plant and equipment and intangible assets, inventories, receivables, advances to suppliers, amounts due from customers on construction contracts, other operating receivables and goodwill.  
Segment assets reported in 2007 include items related to entities held for sale. These represent 145,4 M€ of segment assets and 34,9 M€ of property, plant and equipment, net.

\*\*\*\*\* Segment liabilities include trade payables, amounts due to customers on construction contracts, customers' deposits and advances, accrued contract costs and other operating liabilities.  
Segment liabilities include items related to entities held for sale for 39,4 M€ of the total amount.

### **(1) including Olex as of December 31, 2006**

<i>in millions of euros, as of December 31, 2006</i>	Electrical wires	Energy**	Telecom	Others (or non-allocated)	Inter-segment eliminations*	<b>Total Group</b>
Property, plant and equipment, net	-	83	-	-	-	<b>83</b>
Total segment assets ****	-	394	-	-	-	<b>394</b>
Total segment liabilities *****	-	27	-	-	-	<b>27</b>
Staff (number of employees)	-	929	-	-	-	<b>929</b>

## Information by geographical area

<i>in millions of euros</i>	France***	Germany	Other Europe	North America	Asia and Pacific	Rest of the world	<b>Total Group</b>
<b>December 31, 2007</b>							
Net sales at current metal prices (before inter-segment eliminations)	2 871	935	2 390	1 333	886	591	<b>N/A</b>
Inter-segment sales at current metal prices	(1 032)	(83)	(432)	(1)	(15)	(31)	<b>N/A</b>
Net sales at current metal prices	1 839	852	1 958	1 332	871	560	<b>7 412</b>
Net sales at constant metal prices	1 083	621	1 511	662	571	374	<b>4 822</b>
Operating margin	61	65	123	78	50	31	<b>409</b>
Capital expenditures	35	28	55	10	16	29	<b>174</b>
Property, plant and equipment, net	146	120	264	90	153	121	<b>893</b>
Total segment assets *	973	386	1 062	307	640	372	<b>3 740</b>
Staff (number of employees)	3 919	2 862	8 407	1 870	2 269	2 571	<b>21 898</b>
<b>December 31, 2006**</b>							
Net sales at current metal prices (before inter-segment eliminations)	3 112	911	2 175	1 745	435	519	<b>N/A</b>
Inter-segment sales at current metal prices	(937)	(59)	(354)	(2)	(6)	(50)	<b>N/A</b>
Net sales at current metal prices	2 175	852	1 821	1 743	429	469	<b>7 489</b>
Net sales at constant metal prices	1 037	582	1 402	813	277	331	<b>4 442</b>
Net sales at constant metal prices and 2007 exchange rates	1 037	582	1 397	769	261	326	<b>4 373</b>
Operating margin	35	33	72	63	19	37	<b>260</b>
Capital expenditures	30	18	64	24	6	30	<b>171</b>
Property, plant and equipment, net	158	105	235	88	153	91	<b>829</b>
Total segment assets *	1 180	404	989	305	616	332	<b>3 826</b>
Staff (number of employees)	3 858	2 707	7 807	1 960	2 459	2 359	<b>21 150</b>
<b>December 31, 2005 restated</b>							
Net sales at current metal prices (before inter-segment eliminations)	2 065	692	1 846	1 153	302	348	<b>N/A</b>
Inter-segment sales at current metal prices	(592)	(43)	(293)	(1)	(3)	(26)	<b>N/A</b>
Net sales at current metal prices	1 473	649	1 553	1 152	299	322	<b>5 449</b>
Net sales at constant metal prices	1 024	553	1 412	753	247	275	<b>4 263</b>
Net sales at constant metal prices and 2006 exchange rates	1 024	553	1 406	777	259	283	<b>4 301</b>
Operating margin	6	27	73	41	11	28	<b>186</b>
Capital expenditures	18	22	52	12	14	12	<b>129</b>
Property, plant and equipment, net	165	121	213	125	86	68	<b>778</b>
Total segment assets *	874	363	860	365	220	250	<b>2 933</b>
Staff (number of employees)	3 823	2 685	7 766	1 835	1 270	2 205	<b>19 584</b>

\* Segment assets include property, plant and equipment and intangible assets, inventories, receivables, advances to suppliers, amounts due from customers on construction contracts, other operating receivables and goodwill.

\*\* Including as of December 31, 2006 the impact of the final purchase accounting entries recorded on the Olex Group.

\*\*\* Including Corporate activities

## Net sales at current metal prices by geographical market

<i>in millions of euros</i>	France	Germany	Other Europe	North America	Asia and Pacific	Rest of the world	<b>Total Group</b>
Year 2007	998	762	2 283	1 380	993	996	<b>7 412</b>
Year 2006	987	852	2 512	1 729	512	896	<b>7 489</b>
Year 2005	740	616	1 957	1 127	407	601	<b>5 449</b>