

PRESS RELEASE

ACEA: BOARD APPROVES DRAFT FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2018

- **EBITDA €933 million** (+11% compared to 2017)
- **EBIT €479 million** (+33% compared to 2017)
- **Group net profit €271 million** (+50% compared to 2017)
- **Investments €631 million** (+19% compared to 2017)
- **Net debt €2,568 million** (€2,421 million at 31 December 2017)

Growth in EBITDA exceeds November 2018 guidance figures even without the effect of Gori's consolidation in the last two months of 2018

Group net profit +50% with respect to 2017

Strong growth in investments focused above all on regulated businesses

Improvement in net financial position with respect to November 2018 guidance

Net financial position to EBITDA ratio stands at 2.8x, with an improvement compared to 2.9x in 2017

Proposed dividend of 0.71 Euro per share, +13% compared to 2017 (payout ratio of 56%, calculated on net profit after minority interests)

2019 guidance: further improvement in results anticipated

- **increase in EBITDA between 5% and 6% compared to 2018**
- **growth in investments of over 10% compared to 2018**
- **net debt by year-end between €2.85 billion and €2.95 billion**

New 2019 – 2022 business plan to be presented on 2 April 2019

Rome, 6 March 2019 – ACEA's Board of Directors, chaired by Michaela Castelli, has approved the draft Financial Statements and consolidated Financial Statements for the period ended 31 December 2018 and the Sustainability Report – consolidated non-financial Statement.

FINANCIAL HIGHLIGHTS

(€ million)	2018	2017	Var. %
Consolidated revenues	3,028	2,797	+8%
EBITDA	933¹	840	+11%
EBIT	479	360	+33%
Group net profit (post minority interests)	271	181	+50%

(€ million)	2018	2017	Var.%
Investments	631	532	+18%

(€ million)	2018	2017	Var.%
Net debt	2,568	2,421	+6%
Net invested capital	4,471	4,233	+6%

¹ Gori consolidation effect for last two months of 2018: €12 million

"The year just ended has been a significant one for Acea, the best so far. A turning point, especially at industrial level. The strong impetus etched by the operational sectors, which have always pursued values such as innovation, technological evolution and sustainability, in fact made possible frequent upward revisions of guidance figures, during the course of 2018, and have allowed the Group to draw a clearly positive assessment" – commented Stefano Donnarumma, Acea Group Chief Executive Officer. ***"We are also well ahead of the milestones set by the business plan presented to the financial community in November 2017. – Donnarumma continued – We owe this to the important work carried out with commitment and competence by management and by each individual employee, together with our Chairperson Michaela Castelli and the entire Board of Directors, constantly supported by Shareholders and Stakeholders". "Considering the net upturn in economic and financial results, together with the strong improvement recorded in the quality of service to customers, we shall shortly be presenting a substantial revision of the business plan with even more challenging goals"*** – the CEO emphasised. ***"Moreover, it is still the Company's firm intention to proceed, in a determined and professional manner and taking account of the needs expressed by local residents, with all steps necessary to implement the long awaited second line of the Peschiera Acqueduct, which will secure the Capital's water requirements for at least the next hundred years"***.

The Annual General Meeting of Shareholders will be convened on 17 and 18 April, respectively in first and second call, to pass resolution regarding approval of the Annual Financial Statements at 31 December 2018 and allocation of the year's profit and examination of the Consolidated Financial Statements, the accompanying Reports and the consolidated non-financial statement pursuant to Legislative Decree no. 254/2016. The documentation pertaining to the approval of the 2018 Financial Statements and the Reports on the other items of the Agenda, as required by current regulations, will be made available to the public within the deadline laid down by law.

The Board of Directors will propose to the Annual General Meeting the distribution of a dividend per share of 0.71 Euro, which will be available for payment starting from 26 June, with an ex-dividend date as of 24 June and record date of 25 June.

Due to the expiry of the existing Board's term of office, the Annual General Meeting will also be called up to appoint a new Board of Statutory Auditors.

ACEA GROUP 2018 RESULTS

Consolidated revenues, at 3,028 million Euro, were up by 231 million Euro (+ 8%) compared to 2017.

Consolidated EBITDA went from 840 million Euro in 2017 to 933 million Euro in 2018, posting a growth of 93 million (+11%). The change in the scope of consolidation had a positive impact of 12 million Euro following the contribution by Gori. The main input to the result came from the water segment and the electricity distribution and generation segment. We call attention to the organic growth of 8% in EBITDA, without Gori's consolidation, the effect of non-recurring items totalling 32 million Euro, of which 12 million Euro pertaining to tariff components from previous years, and the negative contribution from the 16 million Euro fine imposed by the Italian Competition Authority (AGCM).

The contribution of the industrial segments to consolidated EBITDA (approximately 77% derives from regulated activities) stands as follows: Water 45%; Energy Infrastructures 37%; Commercial and Trading 8%; Environment 7%; Overseas 1%; Engineering and Services 2%.

- **WATER** – EBITDA for this segment in 2018 came to 433 million Euro, up by 83 million compared to 2017 (+24%), due above all to the tariff revisions in the water sector. In particular, performance in this area reflected the results of ACEA Ato2 and ACEA Ato5, which posted respective increases of 50 million Euro and 4 million Euro, together with the higher contribution by the water companies, which were consolidated using the equity method (16 million Euro). We mention that Gori, fully consolidated since 8 November 2018, contributed 12 million Euro to EBITDA.
- **ENERGY INFRASTRUCTURES** – EBITDA for this segment in 2018 came to 361 million Euro, up by 28 million Euro compared to 2017. This variation is mostly due to the performance by **areti** (+30 million Euro) following the annual tariff revisions.

EBITDA (€ million)	2018	2017
Distribution	317	287
Generation	49	41
Public Lighting	-5	4

OPERATIONAL HIGHLIGHTS	2018	2017
Electricity generation (GWh)	550	426
Electricity distributed (GWh)	9,792	10,040

- **COMMERCIAL AND TRADING** – The segment closed 2018 with EBITDA at 76 million Euro, essentially in line with the result posted in 2017. The downturn in margin as regards the free market and the gas market was offset by the protected market margin.

OPERATIONAL HIGHLIGHTS	2018	2017
Electricity sold (GWh)	6,029	6,843
<i>Free market</i>	<i>3,685</i>	<i>4,191</i>
<i>Enhanced protection market</i>	<i>2,344</i>	<i>2,652</i>
Gas sold (million m ³)	128	103

- **ENVIRONMENT** – In 2018, this segment recognised EBITDA of 66 million Euro (+2%). The increase was ascribable above all to the improved performances posted by ACEA Environment (+2 million Euro), due to the increase in waste transferred and higher quantities of electricity sold, and by Iseco (+0.3 million Euro). The good results were partly offset by the performance of Acque Industriali (-1 million Euro), following the continued regulatory uncertainty with regard to sludge recovery operations, and by Aquaser (-0.4 million Euro).

OPERATIONAL HIGHLIGHTS	2018	2017
Treatment and disposal ('000 tonnes)	1,120	1,077
WTE electricity sold (GWh)	355	354

- **OVERSEAS** – The segment closed 2018 with EBITDA of 15 million Euro, essentially in line with 2017 (14 million Euro).
- **ENGINEERING AND SERVICES** – In 2018, the segment posted EBITDA of 18 million Euro, up by 3 million Euro compared to 2017, thanks to the increase in services performed for the Group's companies and carried out in the areas of engineering, research and innovation.
- The **PARENT COMPANY** closed with negative EBITDA of 35 million Euro (-21 million compared to 2017). The result primarily reflected the recording of a 16 million Euro fine imposed by the AGCM; a further impact concerned the revision of service contracts, together with an increase in Information Technology costs.



EBIT, at 479 million Euro, was up by 119 million Euro (+33%) compared to 2017, primarily due to the significant growth in EBITDA. The result also benefited from the release of the provision for liabilities in the amount of 44 million Euro set aside for GORI, since the conditions that gave rise to the same no longer existed, and the reduction in provisions to the bad debt fund also following the write-down carried out in 2017 of a portion of the areti receivables vis-à-vis Gala. These positive effects were partially offset by the increase in amortisation and depreciation.

The **Result posted by financing activities** in 2018 showed net charges of 83 million Euro, with an increase of 11 million Euro compared to 2017. It is worth noting that, during the previous year, the Fund intended to cover costs pertaining to the Orvieto landfill, which had generated an income component of 5 million Euro, was updated. At 31 December 2018, the global average "all in" cost of the ACEA Group debt was down to 2.2%, compared to 2.6% in 2017.

The **Group net result** amounted to 271 million Euro with an increase of 90 million Euro compared to 2017 (+50%).

Investments carried out in 2018 came to 631 million Euro, with a notable growth over the previous year (532 million Euro); 88% of this amount was destined for regulated businesses. More specifically, investments are broken down as follows: Water 330 million Euro, Energy Infrastructures 238 million Euro, Commercial and Trading 25 million Euro, Environment 20 million Euro, Overseas 7 million Euro, Engineering and Services 2 million Euro, Parent Company 10 million Euro.

Net working capital, in 2018, used cash of 37 million Euro, of which 19 million Euro due to the consolidation of Gori, compared to 126 million Euro in 2017, representing a notable improvement of 90 million Euro. This result reflects, in particular, the working capital cash generation recorded during the fourth quarter of 2018 in the amount of approximately 170 million Euro, following the excellent performances with regard to trade receivables and working capital optimisation.

Group **Net financial debt** at 31 December 2018 posted an overall increase of 147 million Euro, from 2,421 million Euro at the end of 2017 to 2,568 million Euro at 31 December 2018. This variation is mainly ascribable to the investments carried out during the period. Net financial debt decreased by 63 million Euro with respect to the figure at 30 September 2018, owing to the improved performance of working capital. The ratio of net financial debt to EBITDA, at 2.8x, has improved compared to 2.9x in 2017.

SIGNIFICANT EVENTS DURING 2018

ACEA and Open Fiber: agreement regarding network evolution and the development of innovative services for the city of Rome

On 12 January 2018 ACEA's CEO, Stefano Donnarumma, and Elisabetta Ripa, CEO of Open Fiber, following the Memorandum of Understanding executed on 3 August 2017, signed a deal setting out the terms and conditions of the overall industrial agreement for the development of a broadband communications network in the city of Rome.

Placement of bonds for overall 1 billion Euro

On 1 February 2018 ACEA completed a 300 million Euro placement of 5-year floating rate bonds (3-month Euribor + 0.37%) and a 700 million Euro placement of 9.5-year fixed rate bonds (1.5%), under its 3 billion Euro EMTN (Euro Medium Term Notes) Programme. The Notes issue, intended exclusively for placement with Euromarket institutional investors, was well received, with requests exceeding 2.5 times the amount of Notes offered. Fitch Ratings and Moody's respectively assigned to the issue a rating of BBB+ and Baa2, in line with that of ACEA.



On 20 April 2018 the Annual General Meeting approved the 2017 Financial Statements and the payment of a dividend of 0.63 Euro per share, made payable starting from 20 June 2018, with an ex-dividend date of 18 June and record date of 19 June.

On 24 May 2018 ACEA and Huawei Italia signed a Memorandum of Understanding (MoU) setting out the terms and conditions for the definition of highly technological projects. The agreement was subsequently renewed on 7 November 2018, when the pilot project for the intelligent monitoring of an area of the Colosseum Archaeological Park was presented.

Appointment of director Michaela Castelli as Chairperson of the Board of Directors

On 21 June 2018 ACEA's Board of Directors, whilst confirming its appreciation for the work performed by the Chief Executive Officer and with a view to ensuring continuity insofar as concerns the company's management and objectives, unanimously resolved to appoint director Michaela Castelli as Chairperson of the Board of Directors.

ACEA enters the gas distribution sector

On 11 October 2018 ACEA signed an agreement with Alma C.I.S. Srl and Mediterranea Energia SCARL to acquire 51% of the equity interest they hold in the company Pescara Distribuzione Gas srl, active in the distribution of methane gas within the municipality of Pescara. The two selling companies will retain a 49% equity stake and, in synergy with ACEA, will participate in the infrastructure's industrial management. Pescara Distribuzione Gas manages the Municipality of Pescara's entire distribution network, of which it owns approximately half, with the remainder coming under the Municipality, representing a total network of 325 Km and approximately 62 thousand redelivery points. Based on 100% of the Company's enterprise value, the transaction has an economic value of 17 million Euro. Following the transaction, this will be fully consolidated by ACEA, with an expected contribution to EBITDA, on an annual basis, of around 2 million Euro.

Moody's confirms ACEA's "Baa2" rating with "stable" outlook

On 11 October 2018 Moody's confirmed ACEA's "Baa2" rating and "stable" outlook. Confirmation of the Company's outlook mainly reflects the following motivations: the business mix, primarily focused on regulated activities with limited price and volume exposure; the strategic plan focused on regulated activities and sized to ensure financial flexibility.

GORI, agreement signed with Campania Region and Ente Idrico Campano

On 8 November 2018 GORI, integrated water service (*S.I.I.*) provider for the Sarnese-Vesuviano District Area of the Campania Region, 37% owned by ACEA through its subsidiary Sarnese Vesuviano, has finalised a long-term industrial agreement with the Campania Region and the Campania Water Authority (*Ente Idrico Campano*), establishing the terms and conditions based on which the company will complete its takeover of the facilities and operation of the *S.I.I.* within the reference territory. This agreement forms part of the renewed commitment for cooperation between the regional institutions and ACEA, with a view to raising the resources for optimal management of the *S.I.I.* and enabling full consolidation of the company.

SIGNIFICANT EVENTS AFTER 2018 YEAR-END

AGCM (Italian Competition Authority) Measure – Proceeding no. A 513

On 8 January 2019 the ACEA Group was served with a Measure adopted by the *Autorità Garante della Concorrenza e del Mercato* (Italian Competition Authority) containing a pecuniary administrative sanction of Euro 16,199,879.09 against Acea SpA, Acea Energia and areti, jointly and severally, in reference to proceeding no. A 513, regarding an abuse of dominant position in the market for the sale of electricity, with respect to which the ACEA Group has reserved the right to consider appropriate legal steps.



OUTLOOK

The results achieved by the ACEA Group in 2018 have exceeded expectations. We reiterate the Group's intention to carry out major investments in infrastructures which, without affecting the soundness of its financial structure, should have an immediately positive impact on performance, on EBITDA and on billing and collection procedures. The Group's financial structure is reassuring for the coming years. At 31 December 2018, 79% of debt was fixed rate, so as to safeguard against possible rises in interest rates and potential financial or lending volatilities. As at the end of 2018, the average duration of medium/long-term borrowing was 5.8 years. We call attention to the reduction in average cost of debt, down from 2.6% at 31 December 2017 to 2.2% at 31 December 2018.

GUIDANCE FOR 2019

For 2019, on a like-for-like basis, ACEA forecasts:

- increase in EBITDA between 5% and 6% compared to 2018
- growth in investments of over 10% compared to 2018
- net debt by year-end between 2.85 billion and 2.95 billion Euro.

A conference call will be held at 3.30 p.m. (Italian time) today, 6 March 2019, in order to present the results at 31 December 2018. To coincide with the start of the conference call, back-up material will be made available on the website www.gruppo.acea.it.

Pursuant to Article 154 bis, paragraph 2 of the Consolidated Finance Act, the Executive Responsible for Financial Reporting, Giuseppe Gola, declares that the accounting information contained in this press release corresponds to the accounting documents, books and records.

The following schedules are attached:

Consolidated accounts: income statement at 31.12.2018, statement of financial position at 31.12.2018, statement of changes in shareholders' equity, reclassified statement of financial position at 31.12.2018, analysis of net debt at 31.12.2018 and the statement of cash flows for the period ended 31.12.2018.

ACEA Group contacts

Press Office

Tel. +39 57997733 - email: ufficio.stampa@aceaspa.it

Investor Relations

Tel. +39 06 57991

investor.relations@aceaspa.it

Company website: www.gruppo.acea.it

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31/12/2018

	31/12/2018	31/12/2017	Increase (Decrease)
Revenues from sales and services	2,836,890	2,669,876	167,015
Other revenues and proceeds	191,597	127,107	64,490
Consolidated net revenues	3,028,487	2,796,983	231,504
Staff costs	219,624	215,231	4,392
Cost of materials and overheads	1,918,936	1,768,621	150,315
Consolidated operating costs	2,138,560	1,983,853	154,707
Income (costs) from equity investments of a non-financial nature	43,320	26,864	16,456
Gross Operating Profit (EBITDA)	933,247	839,994	93,253
Amortisation, Depreciation, Provisions and Impairment charges	454,687	480,102	(25,415)
Operating Profit (EBIT)	478,560	359,892	118,668
Financial income	17,838	17,379	459
Financial costs	(100,697)	(89,334)	(11,363)
Income (costs) from equity investments	13,332	259	13,073
Profit (loss) before tax	409,033	288,196	120,837
Income taxes	124,334	95,992	28,341
Net profit (loss)	284,699	192,203	92,496
Net profit (loss) attributable to discontinuing operations	0	0	0
Net profit (loss)	284,699	192,203	92,496
Net profit (loss) attributable to non-controlling interests	13,700	11,521	2,179
Net profit (loss) attributable to the Group	270,999	180,682	90,317
Earnings (loss) per share attributable to Parent's shareholders			
Basic	1.27250	0.84841	0.42409
Diluted	1.27250	0.84841	0.42409
Earnings (Loss) per share attributable to Parent's shareholders, net of Treasury Shares			
Basic	1.27500	0.85008	0.42492
Diluted	1.27500	0.85008	0.42492

Amounts in thousands of Euro

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31/12/2018

ASSETS	31/12/2018	31/12/2017	Increase (Decrease)
Property, plant and equipment	2,365,019	2,252,910	112,109
Investment property	2,489	2,547	(58)
Goodwill	149,886	149,978	(92)
Concessions	2,126,120	1,770,865	355,256
Other intangible fixed assets	147,229	144,121	3,108
Equity investments in subsidiaries and associates	279,085	280,853	(1,768)
Other equity investments	2,614	2,614	0
Deferred tax assets	227,362	178,312	49,050
Financial assets	32,697	38,375	(5,678)
Other assets	403,013	234,154	168,859
NON-CURRENT ASSETS	5,735,514	5,054,728	680,786
Inventories	48,789	40,201	8,588
Trade receivables	965,697	1,022,710	(57,013)
Other current assets	252,888	185,346	67,542
Current tax assets	9,756	24,739	(14,984)
Current financial assets	113,960	237,671	(123,712)
Cash and cash equivalents	1,068,138	680,641	387,497
CURRENT ASSETS	2,459,227	2,191,309	267,918
Non-current assets held for sale	183	183	0
TOTAL ASSETS	8,194,924	7,246,220	948,704

Amounts in thousands of Euro

LIABILITIES	31/12/2018	31/12/2017	Increase (Decrease)
Shareholders' equity			
Share capital	1,098,899	1,098,899	0
Legal reserve	111,948	100,619	11,329
Other reserves	(291,062)	(308,073)	17,011
Retained earnings (losses)	538,856	645,500	(106,645)
Net profit (loss) for the year	270,999	180,682	90,317
Total Group Shareholders' Equity	1,729,638	1,717,626	12,012
Non-controlling interests	173,853	93,580	80,273
Total Shareholders' Equity	1,903,491	1,811,206	92,285
Staff termination benefits and other defined benefit plans	103,930	108,430	(4,500)
Provisions for liabilities and charges	142,116	209,619	(67,503)
Borrowings and financial liabilities	3,374,134	2,745,035	629,099
Other liabilities	348,148	184,270	163,879
NON-CURRENT LIABILITIES	3,968,328	3,247,354	720,974
Trade payables	1,524,876	1,237,808	287,068
Other current liabilities	361,768	313,963	47,805
Borrowings	408,675	633,155	(224,480)
Tax payables	27,750	2,697	25,052
CURRENT LIABILITIES	2,323,068	2,187,623	135,445
Liabilities directly associated with assets held for sale	37	37	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,194,924	7,246,220	948,704

Amounts in thousands of Euro

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Legal Reserve	Other Reserves	Net profit (loss) for the year	Total	Non-controlling Interests	Total Shareholders' Equity
Balances at 1 January 2017	1,098,899	95,188	218,040	259,009	1,671,136	86,807	1,757,943
Net profit (loss)				180,682	180,682	11,521	192,203
Other comprehensive income (losses)				(9)	(9)	402	393
Total comprehensive income (loss)	0	0	0	180,673	180,673	11,923	192,596
Appropriation of 2016 net profit (loss)		5,431	253,579	(259,009)	0	0	0
Distribution of dividends			(131,780)	0	(131,780)	(4,330)	(136,110)
Change in scope of consolidation			(2,496)	0	(2,496)	(714)	(3,210)
Other changes			93	0	93	(106)	(14)
Balances at 31 December 2017	1,098,899	100,619	337,435	180,673	1,717,626	93,580	1,811,206

Amounts in thousands of Euro

	Share Capital	Legal Reserve	Other Reserves	Net profit (loss) for the year	Total	Non-controlling Interests	Total Shareholders' Equity
Balances at 31 December 2017	1,098,899	100,619	337,435	180,673	1,717,626	93,580	1,811,206
FTA reserve*	0	0	(168,249)	0	(168,249)	(5,340)	(173,589)
Balances at 1 January 2018	1,098,899	100,619	169,186	180,673	1,549,377	88,240	1,637,616
Net profit (loss)	0	0	0	270,999	270,999	13,700	284,699
Other comprehensive income (losses)	0	0	0	2,286	2,286	203	2,489
Total comprehensive income (loss)	0	0	0	273,285	273,285	13,904	287,188
Appropriation of 2017 net profit (loss)	0	11,329	169,344	(180,673)	0	0	0
Distribution of dividends	0	0	(133,905)	0	(133,905)	(6,519)	(140,424)
Change in scope of consolidation	0	0	0	0	0	73,739	73,739
Other changes	0	0	40,882	0	40,882	4,490	45,372
Balances at 31 December 2018	1,098,899	111,948	245,508	273,285	1,729,638	173,853	1,903,491

Amounts in thousands of Euro



RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31/12/2018

Balance Sheet Data	31/12/2018	31/12/2017	Increase (Decrease)	Percentage Increase (Decrease)
Non-current assets and liabilities	5,108,770	4,514,181	594,588	13.2%
Net working capital	(637,264)	(281,472)	(355,792)	126.4%
Invested capital	4,471,506	4,232,710	238,796	5.6%
Net debt	(2,568,015)	(2,421,504)	(146,511)	6.1%
Total Shareholders' Equity	(1,903,491)	(1,811,206)	(92,285)	5.1%
Total Funding	4,471,506	4,232,710	238,796	5.6%

Amounts in thousands of Euro

ANALYSIS OF CONSOLIDATED NET DEBT AT 31/12/2018

Net financial position	31/12/2018	31/12/2017	Increase (Decrease)	Percentage Increase (Decrease)
Non-current financial assets (liabilities)	1,817	2,738	(921)	(33.6%)
Non-current financial assets (liabilities) due from/to Parents, Subsidiaries and Associates	30,880	35,637	(4,757)	(13.3%)
Non-current borrowings and financial liabilities	(3,374,134)	(2,745,035)	(629,099)	2.9%
Net medium/long-term debt	(3,341,438)	(2,706,661)	(634,777)	23.5%
Cash and cash equivalents and securities	1,068,138	680,641	387,497	5.9%
Short-term borrowings	(351,815)	(544,559)	192,743	(35.4%)
Current financial assets (liabilities)	(28,973)	32,894	(61,867)	(188.1%)
Current financial assets (liabilities) due from/to Parent and Associates	86,073	116,181	(30,108)	(25.9%)
Net short-term debt	773,423	285,157	488,266	171.2%
Total net financial position	(2,568,015)	(2,421,504)	(146,511)	6.1%

Amounts in thousands of Euro

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 31/12/2018

	31/12/2018	31/12/2017	Increase (Decrease)
Cash flow from operating activities			
Profit from continuing operations before tax	409,033	288,196	120,837
Amortisation and depreciation	366,839	328,911	37,928
Revaluations/Write-downs	18,428	63,228	(44,801)
Change in provision for liabilities	(51,861)	56,032	(107,894)
Net change in staff termination benefits (TFR)	(7,105)	(2,087)	(5,017)
Net financial interest expense	82,859	71,955	10,905
Taxes paid	(79,145)	(137,764)	58,619
Cash flow generated by operating activities before changes in working capital	739,048	668,471	70,577
Increase in current receivables	98,720	(70,073)	168,794
Increase/decrease in current payables	(15,544)	10,752	(26,296)
Increase/(decrease) in inventories	(7,623)	(8,475)	852
Change in working capital	75,553	(67,797)	143,350
Change in other operating assets/liabilities	(163,303)	(160,476)	(2,827)
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	651,298	440,198	211,100
Cash flow from investment activities			
Purchase/sale of property, plant and equipment	(241,607)	(183,395)	(58,213)
Purchase/sale of intangible fixed assets	(375,276)	(330,583)	(44,693)
Purchase/sale of investments in subsidiaries	(5,570)	(3,814)	(1,756)
Proceeds/payments deriving from other financial investments	116,038	(117,026)	233,064
Dividends received	8,612	9,626	(1,014)
Interest income received	20,643	16,929	3,714
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	(477,160)	(608,263)	131,103
Cash flow from financing activities			
Capital increase subsidiaries minority interest	73,393	0	73,393
Repayment of long-term loans and borrowings	(380,862)	386,401	(767,263)
Disbursement of loans/other medium and long-term borrowings	1,000,000	(450,000)	1,450,000
Decrease/increase in other short-term borrowings	(233,453)	481,614	(715,067)
Interest expenses paid	(108,340)	(98,732)	(9,609)
Dividends paid	(137,379)	(136,110)	(1,268)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	213,359	183,173	30,186
Cash flow for the period	387,497	15,108	372,389
Net opening balance of cash and cash equivalents	680,641	665,533	15,108
Net closing balance of cash and cash equivalents	1,068,138	680,641	387,497

Amounts in thousands of Euro