

## 2.01 Financial statement formats

### 2.01.01 Income statement

mn€	notes	2018	2017
Revenues	1	6,134.4	5,612.1
Other operating revenues	2	492.0	524.8
Use of raw materials and consumables	3	(2,984.1)	(2,606.8)
Service costs	4	(2,040.5)	(1,952.3)
Personnel costs	5	(551.4)	(551.6)
Other operating costs	6	(62.5)	(84.6)
Capitalized costs	7	43.2	43.0
Amortisation, depreciation and provisions	8	(521.0)	(523.7)
<b>Operating earnings</b>		<b>510.1</b>	<b>460.9</b>
Share of profits (losses) pertaining to joint ventures and associated companies	9	14.9	14.7
Financial income	10	96.9	105.0
Financial expenses	10	(203.5)	(221.2)
<b>Financial management</b>		<b>(91.7)</b>	<b>(101.5)</b>
<b>Earnings before taxes</b>		<b>418.4</b>	<b>359.4</b>
Taxes	11	(121.8)	(92.6)
<b>Net profit for the year</b>		<b>296.6</b>	<b>266.8</b>
<b>Attributable to:</b>			
Parent company shareholders		281.9	251.4
Minority shareholders		14.7	15.4
<b>Earnings per share</b>	<b>12</b>		
<b>Basic</b>		<b>0.192</b>	<b>0.171</b>
<b>Diluted</b>		<b>0.192</b>	<b>0.171</b>

Pursuant to Consob Resolution no. 15519 of July 27<sup>th</sup> 2006, the effects of relationships with related parties are accounted for in the appropriate income statement in paragraph 2.04.01 of this consolidated financial statement.

## 2.01.02

**Statement of comprehensive income**

mn€	notes	2018	2017
<b>Profit (loss) for the year</b>		<b>296.6</b>	<b>266.8</b>
<b>Items reclassifiable to the income statement</b>			
Fair value of derivatives, change in the year	19	18.1	6.6
Tax effect related to the other reclassifiable items of the comprehensive income statement		(5.6)	(1.9)
Other business components valued using the equity method		-	0.1
<b>Items not reclassifiable to the income statement</b>			
Actuarial income/(losses) post-employment benefits	27	2.7	(3.2)
Tax effect related to the other not reclassifiable items of the comprehensive income statement		(0.7)	0.9
<b>Total comprehensive profit (loss) for the year</b>		<b>311.1</b>	<b>269.3</b>
<b>Attributable to:</b>			
Parent company shareholders		296.2	253.8
Minority shareholders		14.9	15.5

## 2.01.03

## Statement of financial position

mn€	notes	Dec 31 <sup>st</sup> 18	Dec 31 <sup>st</sup> 17
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13.31	2,003.7	2,015.7
Intangible assets	14. 31	3,254.9	3,127.0
Goodwill	15. 31	381.3	384.1
Equity investments	16.31	149.1	148.8
Non-current financial assets	17. 33	118.4	125.2
Deferred tax assets	18	159.2	150.5
Financial instruments - derivatives	19	45.3	66.1
<b>Total non-current assets</b>		<b>6,111.9</b>	<b>6,017.4</b>
<b>Current assets</b>			
Inventories	20	157.3	121.2
Trade receivables	21. 33	1,842.2	1,760.9
Current financial assets	17. 33	37.3	41.5
Current tax assets	22. 33	34.3	29.8
Other current assets	23. 33	281.2	303.3
Financial instruments - derivatives	19	111.9	40.2
Cash and cash equivalents	17. 32	535.5	450.5
<b>Total current assets</b>		<b>2,999.7</b>	<b>2,747.4</b>
Assets held for sale	24	-	22.9
<b>Total assets</b>		<b>9,111.6</b>	<b>8,787.7</b>

Pursuant to Consob Resolution no. 15519 of July 27<sup>th</sup> 2006, the effects of relationships with related parties are accounted for in the appropriate statement of financial position outlined in paragraph 2.04.02 of this consolidated financial statement.

mn€	notes	Dec 31 <sup>st</sup> 18	Dec 31 <sup>st</sup> 17
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>	25		
Share capital		1,465.3	1,473.6
Reserves		913.5	820.2
Profit (loss) for the year		281.9	251.4
<b>Group net equity</b>		<b>2,660.7</b>	<b>2,545.2</b>
Non-controlling interests		186.0	160.8
<b>Total net equity</b>		<b>2,846.7</b>	<b>2,706.0</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	26. 33	2,684.6	2,892.2
Post-employment and other benefits	27	129.5	142.3
Provisions for risks and charges	28	458.6	432.5
Deferred tax liabilities	18	43.1	45.5
Financial instruments - derivatives	19	37.9	34.5
<b>Total non-current liabilities</b>		<b>3,353.7</b>	<b>3,547.0</b>
<b>Current liabilities</b>			
Current financial liabilities	26. 33	611.6	279.6
Trade payables	29. 33	1,360.4	1,395.9
Current tax liabilities	22. 33	6.0	37.9
Other current liabilities	30. 33	866.9	769.4
Financial instruments - derivatives	19	66.3	46.0
<b>Total current liabilities</b>		<b>2,911.2</b>	<b>2,528.8</b>
<b>Total liabilities</b>		<b>6,264.9</b>	<b>6,075.8</b>
Liabilities that can be associated with assets held for sale	24	-	5.9
<b>Total net assets and liabilities</b>		<b>9,111.6</b>	<b>8,787.7</b>

Pursuant to Consob Resolution no. 15519 of July 27<sup>th</sup> 2006, the effects of relationships with related parties are accounted for in the appropriate statement of financial position outlined in paragraph 2.04.02 of this consolidated financial statement.

## 2.01.04

## Cash flow statement

mn€	notes	Dec 31 <sup>st</sup> 18	Dec 31 <sup>st</sup> 17
<b>Earnings before taxes</b>		<b>418.4</b>	<b>359.4</b>
<b>Adjustments to reconcile net profit to the cash flow from operating activities</b>			
Amortisation and impairment of property, plant and equipment		167.9	167.2
Amortisation and impairment of intangible assets		223.6	216.3
Allocations to provisions		129.5	140.2
Effect of valuation using the equity method		(14.9)	(14.7)
Financial (income) expenses		106.6	116.2
(Capital gains) Losses and other non-monetary elements (including valuation of commodity derivatives)		(18.0)	21.2
Change in provisions for risks and charges		(29.0)	(30.2)
Change in provisions for employee benefits		(12.2)	(9.3)
<b>Total cash flow before changes in net working capital</b>		<b>971.9</b>	<b>966.3</b>
(Increase) Decrease in inventories		(36.0)	(7.8)
(Increase) Decrease in trade receivables		(183.3)	(205.7)
(Increase) Decrease in trade payables		(38.5)	99.7
(Increase) / Decrease in other current assets/ liabilities		124.4	92.8
<b>Change in working capital</b>		<b>(133.4)</b>	<b>(21.0)</b>
Dividends collected		15.3	11.1
Interests income and other financial income collected		70.9	74.9
Interests expense and other financial charges paid		(126.6)	(129.0)
Taxes paid		(176.6)	(147.5)
<b>Cash flow from (for) operating activities (a)</b>		<b>621.5</b>	<b>754.8</b>
Investments in property, plant and equipment		(159.2)	(150.3)
Investments in intangible fixed assets		(305.2)	(290.2)
Investments in companies and business units net of cash and cash equivalents	32	(10.1)	(116.3)
Sale price of property, plant and equipment and intangible assets		5.8	7.8
Divestment of equity investments and contingent considerations		15.9	0.2
(Increase) Decrease in other investment activities		15.2	(10.0)
<b>Cash flow from (for) investing activities (b)</b>		<b>(437.6)</b>	<b>(558.8)</b>
New issues of long-term bonds	32	221.3	-
Repayments for non-current financial liabilities	32	(0.2)	-
Repayments and other net changes in financial payables	32	(133.7)	33.0
Lease finance payments	32	(2.3)	(3.1)
Proceeds from the sale of shares without loss of control	32	1.8	-
Acquisition of Interests in consolidated companies	32	(11.3)	(1.6)
Dividends paid out to Hera shareholders and non-controlling interests		(151.4)	(140.9)
Changes in treasury share		(23.1)	15.4
Other minor changes		-	0.2
<b>Cash flow from (for) financing activities (c)</b>		<b>(98.9)</b>	<b>(97.0)</b>
<b>Effect of change in exchange rates on cash and cash equivalents (d)</b>		<b>-</b>	<b>-</b>

<b>Increase (decrease) in cash and cash equivalents (a+b+c+d)</b>	<b>85.0</b>	<b>99.0</b>
Cash and cash equivalents at the beginning of the period	450.5	351.5
Cash and cash equivalents at the end of the period	535.5	450.5

Pursuant to Consob Resolution no. 15519 of July 27<sup>th</sup> 2006, the effects of relationships with related parties are accounted for in the appropriate cash flow statement in paragraph 2.04.03 of this consolidated financial statement.

## 2.01.05

## Statement of changes in net equity

mn€	Share capital	Reserves	Reserves derivatives valued at fair value	Reserves actuarial income/(losses) post-employment benefits	Profit for the year	Net equity	Non-controlling interests	Total
<b>Balance as of Dec 31<sup>st</sup> 16</b>	<b>1,468.1</b>	<b>772.4</b>	<b>(0.4)</b>	<b>(29.5)</b>	<b>207.3</b>	<b>2,417.9</b>	<b>144.2</b>	<b>2,562.1</b>
Profit for the year					251.4	251.4	15.4	266.8
<b>Other components of comprehensive income:</b>								
Fair value of derivatives, change for the period			4.5			4.5	0.2	4.7
Actuarial income/(losses) post-employment benefits				(2.2)		(2.2)	(0.1)	(2.3)
Other business components valued at net equity		0.1				0.1		0.1
<b>Overall profit for the year</b>	<b>-</b>	<b>0.1</b>	<b>4.5</b>	<b>(2.2)</b>	<b>251.4</b>	<b>253.8</b>	<b>15.5</b>	<b>269.3</b>
Changes in treasury share	5.5	9.9				15.4		15.4
Payment of minority shares							0.2	0.2
Changes in equity investments		(9.5)				(9.5)	7.9	(1.6)
Changes in the scope of consolidation							1.0	1.0
Other movements						-		-
<b>Allocation of revenues:</b>								
Dividends paid out					(132.4)	(132.4)	(8.0)	(140.4)
Allocation to reserves		74.9			(74.9)	-		-
<b>Balance as of Dec 31<sup>st</sup> 17</b>	<b>1,473.6</b>	<b>847.8</b>	<b>4.1</b>	<b>(31.7)</b>	<b>251.4</b>	<b>2,545.2</b>	<b>160.8</b>	<b>2,706.0</b>
Adoption of IFRS 9		(19.3)				(19.3)	(0.6)	(19.9)
<b>Balance as of Jan 1<sup>st</sup> 18</b>	<b>1,473.6</b>	<b>828.5</b>	<b>4.1</b>	<b>(31.7)</b>	<b>251.4</b>	<b>2,525.9</b>	<b>160.2</b>	<b>2,686.1</b>
Profit for the year					281.9	281.9	14.7	296.6
<b>Other components of comprehensive income:</b>								
Fair value of derivatives, change in the year			12.4			12.4	0.1	12.5
Actuarial income/(losses) post-employment benefits				1.9		1.9	0.1	2.0
<b>Overall profit for the year</b>	<b>-</b>	<b>-</b>	<b>12.4</b>	<b>1.9</b>	<b>281.9</b>	<b>296.2</b>	<b>14.9</b>	<b>311.1</b>
Changes in treasury share	(8.3)	(14.8)				(23.1)		(23.1)
Changes in equity investments		(4.1)				(4.1)	(5.4)	(9.5)
Changes in the scope of consolidation		6.7				6.7	27.7	34.4
<b>Allocation of revenues:</b>								

Dividends paid out					(140.9)	(140.9)	(11.4)	(152.3)
Allocation to reserves		110.5			(110.5)	-		-
<b>Balance as of Dec 31<sup>st</sup> 18</b>	<b>1,465.3</b>	<b>926.8</b>	<b>16.5</b>	<b>(29.8)</b>	<b>281.9</b>	<b>2,660.7</b>	<b>186.0</b>	<b>2,846.7</b>