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Oggetto : Italgas 2016 Full Year Consolidated
Results

Testo del comunicato

Vedi allegato.

ITALGAS: APPROVED RESULTS AS AT 31 DECEMBER 2016

Milan, 24 March 2017 – The Italgas Board of Directors, chaired by Lorenzo Bini Smaghi, met yesterday and approved the results for the financial year ended 31 December 2016. The Board also resolved to propose a dividend of €0.20 per share to the Shareholder Meeting.

Main data and events

Economic and financial highlights¹:

- Total revenue: €1,079 million
- Adjusted Gross Operating Margin (EBITDA): €685 million
- Adjusted operating profit (EBIT): €359 million
- Adjusted net profit: €221 million
- Adjusted net cash flow from operating activities: €499 million
- Technical investments: €378 million
- Net financial debt: €3,618 million

Operating highlights (including affiliates' data):

- Gas concessions: 1,582
- Number of active meters: 7.4 million
- Gas distribution network: ~65,000 Km

Significant events

- Separation of Italgas Reti from Snam and admission to listing of Italgas shares on the Milan Stock Exchange on 7 November 2016
- Total financial independence
 - New banking and institutional credit lines for €4.3 billion
 - Three bond issues in January and March 2017 totalling €2.15 billion, intended for the Bridge to Bond repayment;
- Launch of the project for the simplification and reorganisation of operational activities.

Paolo Gallo, Chief Executive of Italgas, commented:

“2016 was an important year for Italgas. With its return to the stock exchange, the company has embarked on a new chapter in its long and noteworthy history. The results achieved during the year are in line with expectations and we have successfully met all of the financial measures we set out at the time of the demerger. We delivered a solid operating performance and have already put in place actions to tackle the impact of the reduction in allowed returns and of costs relating to the

¹ The main data refer to the “Consolidated Pro-forma” which, having been prepared for the sole purpose of giving an adequate representation of the economic and financial situation of the entire year for Italgas Group, shows the economic and financial figures for Italgas S.p.A. from the date of its foundation (1 June 2016) and from 1 January 2016 for Italgas Reti S.p.A. Napoletanagas S.p.A. and Acam Gas S.p.A. fully consolidated, as well as for Toscana Energia, Metano S. Angelo Lodigiano and Umbria Distribuzione, accounted for using the net equity method.

separation of Snam. We generated an adjusted operating cash flow in 2016 of €499 million. This fully financed our technical investments of €378 million, which support the industrial base that will fuel our future growth. We have laid foundations for our strategy of generating value through sustainable and profitable growth, while preserving and enhancing the group's capital structure."

Italgas Chairman Lorenzo Bini Smaghi highlighted the successful demerger and commented:

"In light of the results we have achieved, we will propose a distribution of a dividend of €0.2 per share at the next Shareholders' Meeting and confirm our commitment to maintain an attractive and sustainable remuneration policy for our shareholders."

In view of the demerger from Snam that took place on 07.11.2016 and in order to provide the most complete and significant representation as possible, the Consolidated Financial Statement contains economic and financial values and operating data according to the below:

- **"Consolidated"**, referring to the consolidated economic and financial data of Italgas S.p.A., which include Italgas S.p.A., from the date of its foundation (1 June 2016) and the consolidated companies, Italgas Reti S.p.A., Napoletanagas S.p.A. and Acam Gas S.p.A., from the date of Italgas Reti's demerger from Snam and, therefore, the foundation of Italgas Group (7 November 2016);
- **"Consolidated Gas Distribution"**, drawn up in order to better illustrate and compare, over time, the performance of gas distribution and metering activities, including both economic and financial values and consolidated operating data for Italgas Reti S.p.A., Napoletanagas S.p.A. and Acam Gas S.p.A., allowing a like-for-like comparison of the financial year 2016 with 2015;
- **"Consolidated Pro-forma"**, prepared for the sole purpose of providing an adequate representation of the economic and financial situation of Italgas Group for the entire year, which exposes the economic and financial figures for Italgas S.p.A. from the date of foundation (1 June 2016) and for the companies Italgas Reti S.p.A., Napoletanagas S.p.A. and Acam Gas S.p.A. from 1 January 2016.

The "Consolidated Pro-forma" and "Consolidated Gas Distribution" are set out for comparative purposes and include, in the income statement and cash flow statement, the results from 1 January 2016 to 6 November 2016 pertaining to Snam.

The **"Consolidated"** Financial Statements, as specified above, close with an adjusted operating profit of €52 million and an adjusted net profit of €30 million, obtained by excluding non-recurring additional costs (known as "special items"), related to: (i) financial expenses (€119 million) for the early closure, at market values (mark-to-market), of financial contracts with Snam, (ii) non-recurring provisions for redundancy incentives (€15 million) and (iii) non-recurring costs relating to the demerger and Italgas listing (€8 million).

Reconciliation of EBIT and the reported net profit with adjusted EBIT and adjusted net profit - “Consolidated Gas Distribution” and “Consolidated Pro-forma”

It is necessary to assess the Group’s performance on the basis of adjusted EBIT and adjusted net profit, which exclude special items from EBIT and net profit respectively. The income components are classified under special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (ii) they result from events or transactions which are not representative of the normal course of business.

The tax rate applied to the items excluded from the calculation of adjusted net profit is determined on the basis of the nature of each revenue item subject to exclusion. Adjusted EBIT and adjusted net profit are not provided for by either IFRS or other standard setters. These performance metrics ensure an analysis of the business trends, leading to an easier comparison of the results.

Income entries classified as special items for 2015 regarded: (i) the actuarial assumption of costs for the employer resulting from the abolishment of the Gas Fund as of 1 December 2015 (€40 million, €27 million net of the tax effect). The total estimated cost is related to work previously carried out, and therefore is posted in full in the income statement at the time of valuation; (ii) the income resulting from the adjustment in deferred tax as a result of the reduction in IRES from 27.5% to 24% (€22 million).

The income components for 2016 classified as special items refer to non-recurring provisions for redundancy incentives (€15 million, €10 million net of the tax effect); financial expenses for the early closure, at market values (mark-to-market), of financial contracts with Snam (€119 million, €86 million net of the tax effect). The “Consolidated Pro – forma” special items refer also to non-recurring costs relating to the demerger and listing (€8 million, €5 million net of the tax effect).

In this release, alternative performance indicators such as EBIT (determined by the difference in a given period between sales and services revenues, other revenue, operating costs, amortisation, depreciation and impairment losses) and EBITDA (determined by the difference between revenue and operating costs) are also mentioned in their adjusted version.

Economic and financial highlights

(€ million)	2015 "Consolidated Gas Distribution Scope"	2016 "Consolidated Gas Distribution Scope"	Change	Change %	2016 "Consolidated Pro-forma"
Regulated Gas Distribution Revenues	1,071	1,052	(19)	(1.8)	1,052
Other revenues	27	28	1	3.7	27
Total revenues (*)	1,098	1,080	(18)	(1.6)	1,079
Operating costs (*)	(356)	(407)	(51)	14.3	(417)
- of which special items	40	15	(25)	(62.5)	23
Operating costs net of special items (*)	(316)	(392)	(76)	24.1	(394)
Adjusted gross operating margin (adjusted EBITDA)	782	688	(94)	(12.0)	685
Amortisation, depreciation and impairment	(273)	(326)	(53)	19.4	(326)
Adjusted EBIT	509	362	(147)	(28.9)	359
Net financial expenses	(48)	(165)	(117)		(167)
- of which special items		119	119		119
Net financial expenses excluding special items	(48)	(46)	2	4.2	(48)
Net income from equity investments	29	20	(9)	(31.0)	20
Adjusted profit before tax	490	336	(154)	(31.4)	331
Income tax	(110)	(73)	37	(33.6)	(70)
- of which special items	35	37	2	5.7	40
Income tax net of special items	(145)	(110)	35	(24.1)	(110)
Adjusted net profit	345	226	(119)	(34.5)	221

(*) Net of the effects of IFRIC 12 "Service Concession Arrangements" (€316 and € 321 million respectively in 2016 and 2015).

Revenues in the "Consolidated Gas Distribution" amounted to €1,080 million, down €18 million from 2015.

Net of items that were offset in costs, the €19 million reduction of Gas Distribution revenues is mainly due: (i) to the reduced remuneration of net invested capital recognised for regulatory purposes (-€45 million), (ii) to a missed recognition by AEEGSI of the incentive for investments in replacing the cast iron pipes for previous years (-€6 million), partly offset (iii) by the increase in contribution (€25 million) resulting from the investment plan for replacing traditional meters with electronic meters (smart meters), (v) to higher revenues related to the change in the scope of consolidation (Acam Gas, €5 million) and (vi) to the increase in the other regulated gas revenues (€4 million).

The increase in other regulated gas revenues (€4 million) is mainly due to increased AEEGSI incentives and reimbursements.

The **adjusted operating profit (EBIT)** of the "Consolidated Gas Distribution" achieved in 2016 amounted to **€362 million**, down €147 million compared with 2015.

The decrease is mainly due to: (i) lower regulated Gas Distribution revenues (-€19 million); (ii) higher operating costs net of special items (€76 million); (iii) higher amortisation and depreciation (€53 million), mainly due to the reduction in the technical life of traditional meters, subject to the plan to replace them with electronic meters (smart meters).

The €76 million increase in operating costs results mainly from the changes in the following items:

- a) an increase in labour costs (net of capitalisations) of €10 million mainly related to the adoption, by part of the operational functions, of a new organisational model that has strengthened and internalised engineering and planning activities
- b) an increase in external costs (€10 million) mainly related to maintenance activities and higher costs for the traditional meter-reading process.
- c) the other costs, equalling €132 million, shows an increase compared to 2015 (€108 million). Those costs, net of special items, amount to €108 million (€60 million in 2015). The increase of €48 million mainly results from: (i) higher network verification costs (€10 million); (ii) higher provisions, net of releases, relating to the funds for the purchase of white certificates (€18 million); (iii) releases of the provision for legal disputes that occurred in 2015 (€11 million); (iv) releases of bad debts provision in 2015 (€5 million); (v) increased provisions for risks due to disputes (€5 million).
- d) other costs (€24 million) increased by €6 million, mainly due to higher provisions for environmental liabilities.

Adjusted net profit of the “Consolidated Gas Distribution” in 2016, amounting to €226 million, recorded a reduction of €119 million compared with the previous year, a result, in addition to the aforementioned decrease in operating profit of €147 million also due to: (i) the lower net financial expenses, excluding special items, of €2 million, resulting from the lower average cost of debt, partially offset by the higher financial expenses for the update of the present value of the environmental provisions and employee benefits; (ii) the lower net income from investments (€9 million), due to the evaluation, carried out in 2015, of the Acam Gas share. These effects were partially offset by lower income taxes (+€35 million).

Adjusted net profit of “Consolidated Pro-forma”, amounting to €221 million, mainly considers, in addition to the “Consolidated Gas Distribution”, €2 million of higher operating costs, net of special items, and €2 million of higher net financial expenses accrued by Italgas S.p.A. from 7 November 2016 to 31 December 2016.

Net financial debt as at 31 December 2016 amounted to €3,618 million and comprised short-term borrowings (€2,696 million), long-term borrowings (€923 million) and cash equivalents, entirely denominated in euros.

Short-term borrowings (€2,696 million) relate to: (i) net uses of short-term bank credit lines amounting to €396 million, (ii) a syndicated bank loan (Bridge to Bond), amounting to a nominal value of €2,300 million. This loan, despite having a contract term of 12 months, which may be extended to 24 months by Italgas, pursuant to IAS 39 is reclassified among short-term liabilities.



Long-term borrowings (€923 million) mainly relate to: (i) debt borrowed from the European Investment Bank (EIB) amounting to a nominal value of €724 million and (ii) a term loan amounting to a nominal value of €200 million.

As at 31 December 2016, the financial debt was entirely at a variable rate.

Italgas, as at 31 December 2016, had undrawn committed long-term credit lines amounting to €1.1 billion.

Reclassified statement of cash flows

(€ million)	2015 "Consolidated Gas Distribution Scope"	2016 "Consolidated Gas Distribution Scope"	2016 "Consolidated Pro-forma"
Net profit	340	129	119
<i>Adjusted for:</i>			
- amortisation, depreciation and other non-monetary components	275	303	305
- Net capital losses (capital gains) on asset sales and eliminations	12	11	11
- Interest and income tax	158	231	228
Change in working capital due to operating activities	(88)	10	(5)
Dividends, interest and income taxes collected (paid)	(180)	(291)	(287)
Net cash flow from operating activities	517	393	371
Adjusted net cash flow from operating activities	517	512	499
Technical investments	(360)	(350)	(350)
Change in scope of consolidation and business units	(46)		(1,503)
Other changes relating to investment activities	27	(13)	(13)
Free cash flow	138	30	(1,495)
Change in short- and long-term financial debt	31	435	1,770
Equity cash flow	(214)	(465)	(275)
Net cash flow for the period	(45)	0	0

Adjusted operating cash flow amounted to €499 million and financed technical investments in the period and, partly, the distribution of dividends.

Covenants

As at 31 December 2016, there were no financial covenants or bilateral or syndicated loan agreements with banks or other lenders secured by guarantees. Some of these agreements provide for, *inter alia*, compliance with: (i) negative pledge commitments under which Italgas and its subsidiaries are subject to restrictions regarding the creation of granting, pledging or other constraints on all or part of their property, assets or goods, (ii) *pari passu* and change of control clauses, (iii) restrictions to certain extraordinary transactions that the company and its subsidiaries may carry out.

Investments - “Consolidated Gas Distribution”

Italgas is committed to maintaining a constant level of efficiency of its networks through the renewal of the most obsolete parts of the system and the development of existing networks.

To this end, in 2016, technical investments were made, amounting to €378 million, down 3.8% from 2015 (€393 million).

(€ million)	2015	2016	Change	Change %
Distribution	199	210	11	5.5
Network maintenance and development	161	172	11	6.8
Replacement of cast-iron pipes	38	38		
Metering	134	112	(22)	(16.4)
Other investments	60	56	(4)	(6.7)
	393	378	(15)	(3.8)

Distribution investments (€210 million) mainly concerned development initiatives (extensions and new networks) and the renewal of pipe sections, including through the replacement of cast iron pipes.

Metering investments (€112 million) mainly relate to the plan to replace traditional meters with electronic meters, as part of the remote-reading plan.

During 2016, the implementation of the remote gas meter reading plan, launched at the end of 2010 on meters serving major utilities (meters greater than G6), extended, as of 2014, to the Mass Market area (G4 and G6-sized meters), with point-to-point communication.

Other investments (€56 million) mainly concern IT, property and vehicle investments.

Main events

Separation of Italgas Reti from Snam

On 7 November 2016, the Italgas Reti’s separation from Snam took place, coinciding with the start of Italgas S.p.A. (formerly Italgas Holding) listings on the *Mercato Telematico Azionario* organised and managed by Borsa Italiana S.p.A.

The reorganisation was implemented through the following three steps, carried out simultaneously:

- the transfer in kind by Snam to Italgas of an interest amounting to 8.23% of the share capital of Italgas Reti against the assignment to Snam of 108,957,843 newly issued Italgas shares, to allow Snam to own, post-demerger, a stake of 13.5% in Italgas;
- the sale by Snam to Italgas S.p.A. of 98,054,833 Italgas Reti shares, equal to 38.87% of the share capital, for a price of €1,503 million, against the assumption of a debt for the same amount held by Italgas;

- the partial and proportional demerger with allocation to Italgas S.p.A. of 52.9% of the stake held by Snam in Italgas Reti and consequent allocation to Snam shareholders of 86.5% of the Italgas capital. As a result of Italgas demerger, Snam shareholders were issued and assigned one Italgas share for every five Snam shares held.

As a result of the transaction, the entire stake held by Snam in Italgas Reti, amounting to 100% of the share capital of Italgas Reti itself, was transferred to Italgas.

Debt structure and EMTN Programme

In order to acquire its own financial structure and pay back the entire exposure to Snam, on October 2016, Italgas entered into a financing package amounting to €4.3 billion with a syndicate of leading Italian and international banks. In detail:

- a Bridge to Bond variable rate loan, provided by a syndicate of 11 banks for a committed amount of €2.3 billion, for a term of 12 months (with a renewal option for Italgas for a further 12 months);
- two variable-rate revolving credit lines, provided by the same syndicate of banks, for a committed amount of €600 million and €500 million, respectively, with a term of 3 and 5 years;
- three variable-rate Term Loans with a term of up to 3 years for a total amount of €500 million, provided by three of the mentioned banks participating in the syndicate.
- Added to these loans were those provided by the European Investment Bank (EIB), following the signing of a novation between Snam and Italgas of two Italgas EIB loans (EIB Distribution II and III) for a total of €424 million.

On 11 November 2016, the debt of Italgas Reti and its subsidiaries was repaid by former parent company Snam in the amount of €3,211 million².

Subsequently, on 12 December 2016, a new EIB loan was finalised for €300 million (EIB Italgas Gas Smart Metering), intended for projects aimed at making the gas distribution system even more efficient and improving the quality of information available to consumers through the “smart meter” system. Furthermore, in December 2016, two of the three Term Loans were repaid totalling €300 million.

Italgas obtained on 7 and 8 November 2016, respectively, the Moody's (Baa1 with a stable outlook) and Fitch (BBB+ with a stable outlook) credit rating. On 12 December 2016, Moody's, following the outlook changing from stable to negative long-term of the Italian Republic, confirmed the Italgas rating (Baa1) assigning it a negative outlook.

In execution of what was approved on 18 October 2016 by the Board of Directors of Italgas, on 18 November 2016, following the approval of the competent supervisory body in Luxembourg, the first medium- and long-term issue programme (Euro Medium Term Notes Programme) was finalised by the Company for total of up to €2.8 billion.

The programme provides for the issuance of one or more non-convertible bonds, within 31 October 2017, to be placed by institutional investors operating in Europe, to be issued in one or more tranches, which will enable the Company to acquire a solid

² This amount does not include €424 million relating to EIB loans for which a deed of novation was signed.

and efficient financial structure, with the aim of diversifying its sources of funding and obtaining an adequate balance between fixed and variable rates at competitive costs.

Post-balance sheet events

Bond issues

In execution of the EMTN Programme, Italgas issued bonds totalling €2,150 million with the following characteristics: (i) overall €1,500 million, issued on 19 January 2017, divided into two tranches, the first in 5 years and the second in 10 years, both at a fixed rate, for an amount of €750 million each and with an annual dividend of 0.50% and 1.625%, respectively; (ii) €650 million issued on 14 March 2017, maturing on 14 March 2024 and with an annual dividend at a fixed rate of 1.125%.

Tariff regulations

On 16 March 2017, the Authority approved Resolution no. 145/2017/ R/gas “Determination of definitive reference tariffs for gas distribution and metering services for 2016”, with which it established the definitive tariffs for the year 2016.

During the same session, the Authority also approved Resolution no. 146/2017/ R/gas “Redetermination of reference tariffs for gas distribution and metering services for the period 2009-2015”, with which it re-determined the definitive reference tariffs of 457 Italgas Reti locations for the year 2015 and those of one location for the year 2014.

The Company assessed that the impact of both of the aforementioned Resolutions on the revenue bond is to be considered marginal and insignificant.

Outlook

Italgas will continue to pursue its strategic objectives set out in its 2016-2020 Plan, focusing on the realisation of investments, the streamlining of processes and operating costs and the optimisation of the financial structure, whilst paying constant attention to development opportunities.

With specific reference to the **technical investments** in tangible and intangible fixed assets, in 2017, Italgas forecasts an increase in expenditure over the previous year, attributable to the maintenance and development of networks and meter-reading activity, aimed at implementing the relevant electronic meter (smart meter), as well as completing the construction of new networks.

Italgas plans to increase its **operational efficiency** by implementing a cost reduction programme and by improving the quality of processes and services to be launched in the first months of 2017.

Finally, we confirm that the Italgas Group companies **will participate in strategic interest tenders for the granting of natural gas service concessions** for the purpose of pursuing its development goals aimed at maintaining and increasing its market share in the natural gas distribution business in Italy.

The financial statements were compiled in accordance with the recognition and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission under Article 6 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002.

Given their size, amounts are expressed in millions of euros.

The 2016 annual report was made available to the Board of Auditors and Auditing Firm. The Report shall be made available to the public at the company's registered office and on the Company's website, www.italgas.it, together with the reports of the Board of Auditors and of the Auditing Firm, in accordance with the terms provided for by Legislative Decree no. 58/98 (Consolidated Law on Financial Intermediation - TUF).

The 2016 Report on Corporate Governance and Ownership Structure, the 2016 Remuneration Report, prepared pursuant to Article 123-*ter* of the TUF and the Report on Sustainable Development will be published at the same time as the 2016 Annual Financial Report.

Conference call

A conference call will take place at 2 p.m. today, 24 March 2017, to present the consolidated results for 2016 to investors and financial analysts. The presentation can be followed by audio webcasting on the Company's website (www.italgas.it). In conjunction with the conference call, the presentation support material will also be made available in the "Investor Relations/Presentations" section of the website.

The manager responsible for preparing the accounting and corporate documents, Claudio Ottaviano, declares, pursuant to paragraph 2, Article 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting information contained in this report corresponds to the documented results, books and accounting records.

Disclaimer

This report contains forward-looking statements, especially in the “Outlook” section, relating to: investment plans, future operating performance and project execution. The forward-looking statements, by their nature, involve risks and uncertainties as they depend on the occurrence of future events and developments. Actual results may differ from those stated in relation to various factors, including: actual operating performance, general macro-economic conditions, geopolitical factors such as international tensions, the impact of energy and environmental regulations, the successful development and application of new technologies, changes in stakeholder expectations and other changes in business conditions.

Italgas S.p.A.

Reclassified income statement

(€ million)	01.06.2016 - 31.12.2016
Financial income and expense	
Income from equity investments	190
Interest income	2
Interest expense and other financial expense	(5)
Total financial income and expense	187
Income from services rendered	8
Other operating income	8
Other operating expenses	
For personnel	(6)
For non-financial services and other costs	(13)
Total other operating expenses	(19)
Pre-tax profit	176
Income tax	1
Net profit	177

Reclassified financial statements

(€ million)	31.12.2016
Fixed capital	3,690
Equity investments	2,967
Financial receivables held for operating activities	723
Net working capital	13
Provisions for employee benefits	(5)
NET INVESTED CAPITAL	3,698
Net equity	1,640
Net financial debt	2,058
COVERAGE	3,698

Reclassified statement of cash flows

(€ million)	01.06.2016 - 31.12.2016
Net profit	177
<i>Adjusted for:</i>	
- amortisation, depreciation and other non-monetary components	1
- Dividends, interest and income taxes	(190)
Change in working capital due to operating activities	3
Dividends, interest and income taxes collected (paid)	177
Net cash flow from operating activities	168
Equity investments	(1,503)
Net financial investments relating to operations	(723)
Free cash flow	(2,058)
Change in financial receivables not held for operating activities	(1,561)
Change in current and non-current financial debt	3,619
Net cash flow for the period	0

Consolidated Italgas

Reclassified income statement ^(a)

(€ million)	01/06 - 31/12/2016
Regulated Gas Distribution Revenues	184
Other revenues	12
Total revenues (*)	196
Operating costs (*)	(90)
EBITDA	106
Amortisation, depreciation and impairment	(77)
EBIT	29
Adjusted EBIT	52
Net financial expenses	(123)
Net income from equity investments	3
Pre-tax profit	(91)
Income tax	19
Net loss (**)	(72)
Adjusted net profit (**)	30

(a) Includes the Italgas figures from 1 June 2016 to 31 December 2016 and operating company figures from 7 November 2016 to 31 December 2016.

(*) For the sole purposes of the reclassified income statement, revenues from building and enhancing distribution infrastructure recorded pursuant to IFRIC 12 "Service Concession Arrangements", recognised in an amount equal to the costs incurred (€63 million), are shown as a direct reduction of the respective cost items.

(**) Net loss applies to Italgas.

Reconciliation of EBIT and the net profit with adjusted EBIT and adjusted net profit

(€ million)	01/06 - 31/12/2016
EBIT reported	29
<i>Excluding special items</i>	23
Adjusted EBIT	52
Net financial expenses	(123)
<i>- of which special items</i>	119
Net income from equity investments	3
Income taxes	19
<i>- of which special items</i>	(40)
Net loss	(72)
<i>Excluding special items</i>	
<i>- financial expenses for the early closure (*)</i>	87
<i>- provisions for redundancy incentives (*)</i>	10
<i>- costs relating to the demerger and listing (*)</i>	5
Adjusted Net Profit	30

(*) Net of the tax effect.

Reclassified financial statements

(€ million)	"Consolidated" 07.11.2016	"Consolidated" 31.12.2016	Change
Fixed capital	4,802	4,793	(9)
Property, plant and equipment	225	227	2
Intangible assets	4,487	4,487	
Equity investments	173	176	3
Net payables for investments	(83)	(97)	(14)
Net working capital	(52)	(9)	43
Provisions for employee benefits	(125)	(121)	4
Assets held for sale and directly related liabilities	18	19	1
NET INVESTED CAPITAL	4,643	4,682	39
Net equity (including third-party shareholder interests)			
- pertaining to the Group	1,131	1,063	(68)
- pertaining to third-party shareholders	1	1	
	1,132	1,064	(68)
Net financial debt (cash)	3,511	3,618	107
COVERAGE	4,643	4,682	39

Reclassified statement of cash flows

(€ million)	01.06.2016- 31.12.2016
Net loss	(72)
<i>Adjusted for:</i>	
- Amortisation, depreciation and other non-monetary items	70
- Net capital losses (capital gains) on asset sales and eliminations	1
- Interest and income tax	104
Change in working capital due to operating activities	38
Dividends, interest and income taxes collected (paid)	(186)
Net cash flow from operating activities	(45)
Net cash flows from adjusted operations	82
Technical investments	(79)
Change in scope of consolidation and business units	(1,503)
Other changes relating to investment activities	14
Free cash flow	(1,613)
Adjusted free cash flow	(1,511)
Assumption of long-term financial debt	927
Repayment of long-term financial debt	(1,442)
Increase in short-term debt	2,128
Net cash flow for the period	0
	01.06.2016- 31.12.2016
Change in net financial debt	
Free cash flow	1,613
Change in the scope of consolidation and business units (non-monetary)	2,005
Change in net financial debt	3,618

Fine Comunicato n.0167-12

Numero di Pagine: 19