



SPAFID CONNECT

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Testo del comunicato

Vedi allegato.

ITALGAS: APPROVED RESULTS FOR THE FIRST HALF 2017

Milan, 28 July 2017 – Italgas Board of Directors, met yesterday, approved the Consolidated Half-Year Report as at 30 June 2017*.

Key figures

Consolidated economic and financial highlights:

- Total revenue: €565 million (+9.5%)
- EBITDA: €390 million (+21.9%)
- EBIT: €204 million (+14.6%)
- Net profit: €140 million (+23.1%)
- Net cash flow from operating activities: €329 million (+12.7%)
- Technical investments: €243 million (+59.6%)
- Net financial debt: €3,682 million

Operating highlights (including affiliates):

- Gas concessions: 1,581
- Number of active meters: 7.4 million
- Gas distribution network: more than 65,000 Km

Paolo Gallo, CEO of Italgas, commented:

“We are closing the first half of 2017 with growth in all our economic and financial indicators, thanks to the positive effects of programmes to streamline processes, manage operating costs and optimise finances launched in recent months. This has resulted in increases of approximately 22% in EBITDA and 23% in net profit. These results enable us to pursue our strategic objectives with a commitment to sustainable and profitable growth for our stakeholders. In particular, we will continue with implementing the planned investments in the meter replacement, the network development and replacement initiatives and the application of digital technology solutions that will allow us to generate efficiencies and benefits for the entire Italian distribution gas system”.

*Subject to a limited audit

Summary

The results for the first half of 2017 are in line with stated market objectives and confirm that the Group has made good progress along its path of steady and profitable growth. The financial results show a 14.6% increase in EBIT and 23.1% in net profit, achieved through the optimisation of company structures and internal processes, the progress of efficiency gains, maintaining the cost of debt below 1%.

Technical investments made in the half totalled €243 million, a 60% increase compared with the same period in 2016, and in line with the objective of more than €500 million in investments by the end of 2017. Nearly 50% of the investment went towards the implementation of the replacement programme of traditional meters with electronic smart meters. In the first half of the year, over 800,000 smart meters were installed, accounting for 12% of the total meter of the Group. To date, following considerable technical, organisational and financial efforts, approximately 2 million smart meters were installed, with the aim of completing the replacement of all the meters between 2019 and 2020.

Operating free cash flow amounted to €329 million in H1, which supported the financing of the investment programme and the dividend payment for the 2016 fiscal year, while maintaining a net financial position below €3.7 billion as at 30 June 2017.

Introduction

On 7 November 2016, the transaction transferring 100% of the equity investment in Italgas Reti from Snam to Italgas, a company incorporated on 1 June 2016, was completed.

Since this date, Italgas has had direct control of Italgas Reti and indirect control of Napoletanagas and ACAM Gas.

This report shows the values and data for the “Consolidation” as at 30 June 2017, comprising Italgas S.p.A. and consolidated companies Italgas Reti S.p.A., Napoletanagas S.p.A. and Acam Gas S.p.A. (fully consolidated) and Toscana Energia S.p.A., Metano S. Angelo Lodigiano S.p.A. and Umbria Distribuzione Gas S.p.A. (consolidated using the equity method).

In order to provide a comparison with the data for the first half of 2016, consolidated values and data as at 30 June 2016 within the same scope of consolidation are also shown, which, at that date, referred to Italgas Reti S.p.A. (formerly Italgas S.p.A.)¹, whilst specifying that Italgas S.p.A., which was incorporated on 1 June 2016, registered insignificant economic values in its first month of transactions².

¹ It should be noted that these figures were subject to an audit of accounts, limited to Snam's abridged consolidated financial statements as at 30 June 2016.

² In the first half of 2016, Italgas S.p.A. registered a loss of €4,603, mainly arising from the cost of fees paid to the Board of Statutory Auditors and miscellaneous costs associated with charges incurred to incorporate the Company.

Economic and financial highlights

Second quarter			First half		Change	Change %
2016	2017	(€ million)	2016	2017		
256	279	Gas distribution regulated revenue <i>of which:</i>	505	555	50	9.9
246	251	- <i>Distribution revenue</i>	485	499	14	2.8
10	30	- <i>Other gas distribution regulated revenue</i>	20	56	36	
4	5	Other revenues	11	10	(1)	(6.5)
260	286	Total revenue	516	565	49	9.5
(101)	(89)	Operating costs	(196)	(175)	21	(10.7)
159	197	EBITDA	320	390	70	21.9
(79)	(97)	Amortisation, depreciation and impairment	(142)	(186)	(44)	31.0
80	100	EBIT	178	204	26	14.6
(13)	(8)	Net financial expenses	(29)	(18)	11	(37.9)
6	6	Net income from equity investments	10	11	1	10.0
73	98	Pre-tax profit	159	197	38	23.9
(21)	(30)	Income tax	(45)	(57)	(12)	26.7
52	68	Net profit	114	140	26	23.1

(*) Net of the effects of IFRIC 12 "Service Concession Agreements" (€137 million and €223 million respectively for the first quarter of 2016 and 2017).

Total revenue for the first half of 2017 amounted to €565 million, an increase of €49 million compared with the first half of 2016 (€26 million in the quarter; +10.1%), and relates to gas distribution regulated revenue and other revenue.

The increase in regulated revenue from gas distribution amounted to €50 million derives from: (i) higher distribution revenue (+€14 million in the half-year; +€5 million in the quarter; +2%) due to the tariffs contributions from the investments component (+€4 million in the half-year; +€2 million in the quarter), tariff adjustments in relation to previous years (+€3 million; flat in the quarter) and other elements, including the effect, recorded in the second half of 2016, of the Authority's non-recognition of incentives for investments in the replacement of cast-iron pipes for previous years (+€6 million); (ii) higher other regulated revenues from gas distribution (+€36 million in the half-year; +€18 million in the quarter), mainly due to the increase in the contribution pursuant to Art. 57 of AEEGSI Resolution 367/14 (+€29 million; +€15 million in the quarter) in relation to the investment plan to replace traditional meters with electronic smart meters, as provided for in the remote metering project pursuant to AEEGSI Resolutions 631/13 and 554/15, as well as higher revenue from ancillary network services and regulated revenues (+€7million).

Other revenue mainly relates to water sales and services to third parties services, and decreased by €1 million compared with the first half of 2016.

Gross operating profit before depreciation and amortisation (EBITDA³) totalled €390 million in the first half of 2017, up €70 million or 21.9% compared with the same period in 2016 (+€38 million in the quarter; +23.9%). The increase is mainly due to the above-mentioned higher revenue (+€49 million; +9.5%) and to lower operating costs (€21 million in the half-year; amounting to 10.7%; €12 million in the quarter; amounting to 11.4%). The decrease of €21 million in operating costs was due to (i) a €2 million decrease in fixed costs compared with the first half of 2016, due to lower services costs (€15 million, partly due to technical activities and staff being brought in-house), partly offset by higher costs for maintenance operations (-€12 million) and for the meter reading process (-€2 million); (ii) a decrease of €12 million in other costs due to lower provisions for risks and charges (€2 million), lower net costs relating to Energy Efficiency Credits (€3 million) and lower write off from properties (€7 million); and (iii) a reduction in other costs (€6 million), mainly due to lower provisions for environmental charges.

Gross operating profit (EBIT) totalled €204 million in the first half of 2017, up €26 million or +14.6% compared with the same period in 2016 (+€20 million in the quarter; +25%). The increase is due to the €70 million increase of in the above commented EBITDA, (€38 million in the quarter; +23.9%), which was partly offset by the higher amortisation and depreciation (-€44 million in the half-year, or 31%; -€18 million in the quarter, or 22.8%) essentially resulting from the reduction in the useful life of traditional meters⁴, subject to the plan for replacement with electronic smart meters, as set out in AEEGSI Resolutions, as part of the plan to implement remote meter reading.

Net profit for the first half of 2017, which came in at €140 million, was up €26 million compared to the same period of the previous year, or 23.1% (+€16 million in the quarter; +30.8%). In addition to the above-mentioned increase of €26 million in operating profit (+€20 million in the quarter), this was due to: (i) lower net financial expense of €11 million euros in the first half of 2017 (+€5 million in the quarter, or 38.5%), mainly as a result of lower expense related to financial debt and lower financial expense due to the discounting of environmental provisions; and (ii) higher net income from equity investments (+€1 million euros in the half-year; +10%). These factors were partly offset by higher income taxes (-€12 million in the half-year, or 26.7%; -€9 million in the quarter), mainly reflecting the increase in the tax base in the period and the decrease in the ACE (Italian Aid to Economic Growth) benefit, partly offset by the lowering of the IRES rate from 27.5% to 24%.

³ This press release uses alternative performance indicators including EBITDA (the sum of the value relating to EBIT and amortisation, depreciation and impairment) and EBIT (the sum of the values relating to net profit, income tax and net financial expense, net of net income from equity investments).

⁴ In line with the plan for replacing meters, scheduled to be completed by 2018, as of the second half of 2016, the useful life of the meters included in the replacement project was updated pursuant to AEEGSI Resolution no. 631/13 and no. 554/15, in order to complete the amortisation process. As regards 2017, the useful life of meters to be replaced during the year was conventionally considered in the first half-year.

Reclassified financial statement

Italgas reclassified statement of financial position as at 30 June 2017, compared with that of 31 December 2016, is summarised as follows:

31.03.2017 (€ million)	31.12.2016	30.06.2017	Change
4,830 Fixed capital	4,793	4,832	39
226 Property, plant and equipment	227	224	(3)
4,512 Intangible assets	4,487	4,531	44
181 Equity investments	176	173	(3)
(89) Net payables for investments	(97)	(96)	1
(121) Net working capital	(9)	(11)	(2)
(121) Provisions for employee benefits	(121)	(120)	1
19 Assets held for sale and directly related liabilities	19	19	
4,607 NET INVESTED CAPITAL	4,682	4,720	38
Net equity (including third-party shareholder interests)			
1,134 - attributable to the Group	1,063	1,038	(25)
1 - pertaining to third-party shareholders	1		(1)
1,135	1,064	1,038	(26)
3,472 Net financial debt (cash)	3,618	3,682	64
4,607 COVERAGE	4,682	4,720	38

Fixed capital (€4,832 million) increased by €39 million compared with 31 December 2016, mainly due to an increase in intangible assets (+€44 million) and a reduction in net financial payables relating to investment activities (+€1 million), partly offset by a decrease in property, plant and equipment (-€3 million).

Equity investments

The “equity investments” item (€173 million) includes the valuation of equity investments and relates to Toscana Energia (€171 million), Umbria Distribuzione Gas (€1 million) and Metano Sant’Angelo Lodigiano (€1 million).

Net working capital

31.03.2017 (€ million)	31.12.2016	30.06.2017	Change
446 Trade receivables	418	223	(195)
22 Inventories	33	21	(12)
25 Tax receivables	54	26	(28)
47 Accruals and deferrals from regulated activities	35	62	27
182 Other assets	146	276	130
(240) Trade payables	(174)	(152)	22
(229) Provisions for risks and charges	(230)	(219)	11
(100) Deferred tax liabilities	(106)	(73)	33
(37) Net tax payables	(14)	(39)	(25)
(237) Other liabilities	(171)	(136)	35
(121)	(9)	(11)	(2)

The change in working capital compared with 31 December 2016 was mainly due to: (i) a decrease in trade receivables (-€195 million), reflecting in particular the effects of the seasonality of volumes transported on behalf of the sales companies; (ii) a lower balance of tax items (-€20 million); (iii) lower inventories (-€12 million) due to larger withdrawals in connection with the gas meter replacement plan; (iv) an increase in other operating activities (€130 million), mainly reflecting higher receivables from the CSEA in relation to Energy Efficiency Credits (+€111 million) and the increase in receivables from the CSEA in relation to the UG2 and Bonus Gas additional distribution components (+€15 million); (v) an increase in accruals and deferrals from regulated activities (+€27 million) due to estimated tariff recognition in line with applicable rules relating to the plan to replace traditional meters with electronic smart meters; (vi) a decrease in trade payables (+€22 million) to suppliers; (vii) lower other operating liabilities (+€35 million), mainly due to lower net payables to the CSEA relating to the RE, RS and UG1 distribution components (€30 million); and (viii) lower provisions for risks and charges (+€11 million).

Net financial debt

31.03.2017 (€ million)	31.12.2016	30.06.2017	Change
3,474 Financial and bond debt	3,619	3,684	65
421 Short-term financial debt (*)	2,696	631	(2,065)
3,053 Long-term financial debt	923	3,053	2,130
(2) Financial receivables and cash and cash equivalents	(1)	(2)	(1)
(2) Cash and cash equivalents	(1)	(2)	(1)
3,472	3,618	3,682	64

(*) Includes the short-term portion of long-term financial debt.

Net financial debt was €3,682 million as at 30 June 2017 (compared with €3,618 million as at 31 December 2016).

Financial and bond liabilities as at 30 June 2017, totalling €3,684 million (€3,619 million as at 31 December 2016), were denominated entirely in euros and referred mainly to bonds (€2,139 million), payables to banks (€821 million) and loan agreements concerning European Investment Bank (EIB) funding (€724 million).

The reduction in short-term financial debt compared with 31 December 2016, amounting to €2,065 million, is mainly attributable to the repayment of a bridge to bond syndicate bank loan totalling €2,300 million; this repayment was made possible thanks to the issuance of bond loans with the following characteristics: (i) a nominal value of €1,500 million, issued on 19 January 2017 and divided into two tranches, the first with a term of five years and the second with a term of 10 years, both at a fixed rate, amounting to €750 million each and with an annual coupon of 0.50% and 1.625% respectively; and (ii) a nominal value of €650 million, issued on 14 March 2017, maturing on 14 March 2024 with a fixed-rate annual coupon of 1.125%. The remainder of the bridge to bond bank loan, amounting to €150 million, was repaid on 13 April 2017.

The breakdown of debt by type of interest rate at 30 June 2017 is as follows:

31.03.2017	%	(€ million)	31.12.2016	%	30.06.2017	%
2,134	61.4	Fixed rate			2,139	58.1
1,340	38.6	Floating rate	3,619	100.0	1,545	41.9
3,474	100.0		3,619	100.0	3,684	100.0

Fixed rate financial liabilities stood at €2,139 million and relate to the issuing of bond loans.

Floating rate financial liabilities totalled €1,545 million, down by €2,074 million compared with 31 December 2016, mainly as a result of the issuing of the above-mentioned bond issues which replaced short-term bank loans.

As at 30 June 2017, Italgas had unused committed long-term credit lines amounting to €1.1 billion.

As at 30 June 2017, there were no financial covenants and unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions. Some of these contracts provide, *inter alia*, for the following: (i) negative pledge commitments pursuant to which Italgas and its subsidiaries are subject to limitations concerning the pledging of real property rights or other restrictions on all or part of the respective assets, shares or merchandise; (ii) *pari passu* and change-of-control clauses; and (iii) limitations on certain extraordinary transactions that the Company and its subsidiaries may carry out.

Key operating figures

Investments

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 the first half of 2017, technical investments were made amounting to €243 million, an increase of 59.6% compared with the corresponding period in 2016 (€152 million).

Second quarter		First half		Change	Change %
2016	2017 (€ million)	2016	2017		
47	57	87	109	22	25.6
39	48	73	90	17	23.7
8	9	14	19	5	35.7
29	53	51	116	65	126.9
6	10	14	18	4	25.7
82	120	152	243	91	59.6

Investments in distribution (€109 million) mainly related to development projects (extensions and new networks) and the renovation of old stretches of pipelines, including the replacement of cast-iron pipes.

Metering investments (€116 million) mainly relate to the plan to replace traditional meters with electronic smart meters as part of the remote metering project. Around 801,000 meters were removed and replaced with new ones during the half-year.

Other investments (€18 million) mainly refer to investments in IT, property and vehicles.

Main events in the half-year

- Bonds totalling €2,150 million were issued in three tranches under the Euro Medium Term Notes Programme, which allowed for the early repayment of the bridge to bond bank loan;
- In the early months of 2017, a programme was launched to cut costs and enhance the quality of processes and services, to increase the Group's operating efficiency. The project entails an overhaul of Italgas Reti's organisational structure in order to implement a new regional model and to simplify processes and the operating model;
- On 16 May 2017, the merger by incorporation of Napoletanagas S.p.A. into Italgas Reti S.p.A. was approved by the respective shareholders' meetings. The industrial aim of the transaction is to merge the gas distribution business of Napoletanagas into Italgas Reti. As at 30 June 2017, the periods for creditor objections, pursuant to Art. 2503 of the Italian Civil Code, were in progress. The

- merger deed is expected to be signed in September 2017, with an effective date of 1 October 2017;
- The official closing price of the Italgas share on the Milan Stock Market as at the 30 June 2017 was €4.446 (€3.731 at 31 December 2016);
 - Tariff regulation: in 2017, the Authority approved Resolution 145/2017/R/gas “Calculating definitive reference tariffs for gas distribution and metering services for 2016” through which it established the definitive tariffs for 2016. The Authority also approved Resolution 146/2017/ R/gas “Recalculating reference tariffs for gas distribution and metering services for the years 2009-2015”, through which it recalculated the definitive reference tariffs for 457 Italgas Reti sites for 2015 and one site for 2014. The Authority calculated the provisional reference tariffs for distribution and metering services for 2017 through Resolution 200/2017/R/gas on the basis of the preliminary balance sheet data for 2016.
 - On 28 June, the tender for the gas distribution services in Atem Torino 2 (around 190,000 redelivery points in 48 municipalities in the area surrounding the Piedmontese capital) was submitted. No tenders were submitted by other operators. Italgas' tender was accepted as it met the requirements stipulated in the notice of invitation to tender.

Significant events after the end of the first half-year

The Authority established the following with regard to Energy Efficiency Credits with Resolution DMRT/EFC/10/2017 of 14 July 2017:

- the value of the final tariff contribution for the 2016 year of obligation, equal to €191.40/EEC, determined in accordance with the criteria set out in resolution no. 13/2014/R/efr and, in particular, the weighted average trading value of securities traded on the organised market between June 2016 and May 2017;
- The value of the reference tariff contribution for the 2017 year of obligation, equal to €170.29/EEC, determined in accordance with the criteria set out in Resolution 435/2017/R/efr and, in particular, the value of the final tariff contribution for the 2015 and 2016 years of obligation and the quantity of securities traded on the market between June 2015 and May 2017.

Administrative dispute “Italgas Reti S.p.A. – City of Venice – Administrative Court of Veneto R.G. 1735/2015

Italgas Reti has contested the acts used by the City of Venice to deduct from the reimbursement due to Italgas Reti, as the outgoing manager, the value (amounting to €31m for Italgas) of part of the distribution network (cd. Block A). The City of Venice claims to have acquired – by way of free transfer – the ownership of part of the distribution network upon the expiration of the original concession act (2010). According to Italgas Reti, instead, the expiration of the concession act and therefore the maturation date of the free transfer was postponed to 2025, due to subsequent acts to the original concession, signed by the parties in 1995.

- By judgement n. 654/2017 of 7 July 2017, Administrative Court of Veneto dismissed the appeal proposed by the Company, concluding that the free transfer

of part of the distribution network matured at the original expiration date of the granting act (2010). The Company believes that decision of Administrative Court of Veneto is not consistent with the current framework and will appeal to the Consiglio di Stato;

- On the other hand, by judgement 655/2017 of 7 July, Administrative Court of Veneto accepted the appeal proposed by the Company and annulled the call for tender for the gas distribution service in the area of Venezia 1 – Laguna Veneta and their surroundings.

Resignation of a Director

On July, 20 2017 the independent member of the Board of Directors of Italgas S.p.A., Ms Barbara Borra, resigned her office with immediate effect. Ms Borra was also Chair of the Compensation Committee and was a member of the Control, Risk and related-party Transactions Committee of Italgas S.p.A. The decision is due to supervening professional commitments, incompatible with the current office held on the Board.

Business Outlook

Italgas will continue to pursue its strategic objectives, focusing on realising investments, streamlining processes and operating costs and optimising the financial structure, whilst paying constant attention to development opportunities.

Italgas envisages an increase in expenditure in 2017 compared to previous years, particularly for **technical investments** in tangible and intangible assets. The increase will mainly be invested in maintenance, network development, and meter-reading activity. The latter aims to implement the relevant electronic meter (smart meter) installation programme, in compliance with the Authority's resolution, as well as to complete the construction of new networks.

Italgas plans to increase its **operational efficiency** by implementing a cost reduction programme launched in the first months of 2017 which also aims to improve the quality of processes and services. This project has revised the organisational structure of Italgas Reti by designing a new territorial model, simplifying the process and operating model, and introducing a cultural change to make the new model sustainable.

In 2017 Italgas will also continue to work towards **the optimisation of its group financial structure**, by extending the average maturity of its debts, in line with its target financial structure.

Lastly, in line with the Plan's guidelines, Italgas will take part in strategically important **tenders** for natural gas distribution concessions. This will allow Italgas to pursue the development objectives of the business and consolidate a sector which is currently very fragmented.

This press release, which is prepared on a voluntary basis in line with market best practices, sets out the consolidated results for the first half (subject to limited audit) and second quarter of 2017 (unaudited). The results for the half-year, together with the main business trends, represent a summary of the Half-Year Report prepared pursuant to

Art. 154-*ter* of the Consolidated Finance Act (TUF), approved by the Board of Directors of Italgas on 27 July 2017, which will be published within the legal deadlines.

Economic information and information on cash flows is provided with regard to the first half and the second quarter of 2017 and the first half and second quarter of 2016. Information on financial position is provided with regard to 31 December 2016 and 30 June 2017. The form of the financial statements corresponds to that of the statements presented in the Interim Directors' Report of the Consolidated Half-Year Report and the Directors' Report accompanying the Annual Financial Report.

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.

The recognition and measurement criteria used to prepare the Half-Year Report as at 30 June 2017 are the same as those used to prepare the 2016 Annual Financial Report.

The consolidation scope at 30 June 2017 was the same as at 31 December 2016.

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

Conference call

A conference call will take place at 14:00 (CET), 28 July 2017, to present the consolidated results for the first half and second quarter of 2017 to investors and financial analysts. The presentation can be viewed via audio webcasting on the Company's website (www.italgas.it). Supporting materials will also be provided 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.

IFRS financial statements

Balance sheet

(€ million)	31.12.2016	30.06.2017
ASSETS		
Current assets		
Cash and cash equivalents	1	2
Trade and other receivables	579	514
Inventories	33	21
Current income tax assets	35	7
Other current tax assets	3	3
Other current assets	4	6
	655	553
Non-current assets		
Property, plant and equipment	227	224
Intangible assets	4,487	4,531
Investments valued using the equity method	176	173
Other non-current assets	38	63
	4,928	4,991
Non-current assets held for sale	25	25
TOTAL ASSETS	5,608	5,569
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term financial liabilities	2,696	621
Short-term portion of long-term financial liabilities		10
Trade and other payables	443	387
Current income tax liabilities	1	26
Other current tax liabilities	13	13
Other current liabilities		
	3,153	1,057
Non-current liabilities		
Long-term financial liabilities	923	3,053
Provisions for risks and charges	230	219
Provisions for employee benefits	121	120
Deferred tax liabilities	106	73
Other non-current liabilities	5	3
	1,385	3,468
Liabilities directly associated with assets held for sale	6	6
TOTAL LIABILITIES	4,544	4,531
SHAREHOLDERS' EQUITY		
<i>Italgas shareholders' equity</i>		
Share capital	1,001	1,001
Reserves	134	(103)
Profit (loss) for the period	(72)	140
Treasury shares		
Total Italgas shareholders' equity	1,063	1,038
Minority interests	1	
TOTAL SHAREHOLDERS' EQUITY	1,064	1,038
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,608	5,569

Income statement

(€ million)	First half of 2017
REVENUE	
Core business revenue	774
Other revenue and income	17
	791
OPERATING COSTS	
Purchases, services and other costs	(300)
Personnel cost	(101)
	(401)
AMORTISATION, DEPRECIATION AND IMPAIRMENT	
	(186)
EBIT	
	204
FINANCIAL INCOME (EXPENSES)	
Financial income	1
Financial expenses	(19)
	(18)
INCOME (EXPENSE) ON EQUITY INVESTMENTS	
Equity method valuation effect	11
Other income (expense) from equity investments	11
	11
PRE-TAX PROFIT	
	197
Income tax	(57)
Profit (loss) for the period	
	140
Applicable to:	
- Italgas	140
Net profit (loss) per share (€ per share)	
- basic	0.17

Cash flow statement

(€ million)	First half of 2017
Profit (loss) for the period	140
Adjustments for reconciling net profit with cash flows from operating activities:	
Total amortisation and depreciation	184
Net impairment of tangible and intangible assets	2
Equity method valuation effect	(11)
Net capital losses (capital gains) on asset sales, cancellations and eliminations	2
Interest income	
Interest expenses	13
Income tax	57
Other changes	
Changes in working capital:	
- Inventories	12
- Trade receivables	195
- Trade payables	(22)
- Provisions for risks and charges	(11)
- Other assets and liabilities	(190)
<i>Working capital cash flow</i>	(16)
Change in provisions for employee benefits	(1)
Dividends collected	14
Interest collected	
Interest paid	(13)
Income taxes paid net of reimbursed tax credits	(42)
Net cash flow from operating activities	329
<i>- of which with related parties</i>	
Investments:	
- Property, plant and equipment	(5)
- Intangible assets	(224)
- Equity investments	(1)
- Financial receivables held for transactions	
- Change in payables and receivables relating to investments	(1)
<i>Cash flow from investments</i>	(231)
Divestments:	
- Property, plant and equipment	
- Intangible assets	
- Equity investments	
- Change in receivables relating to divestment activities	
<i>Cash flow from divestments</i>	
Net cash flow from investment activities	(231)
<i>- of which with related parties</i>	
Assumption of long-term financial debt	2,139
Repayment of long-term financial debt	
Increase (decrease) in short-term financial debt	(2,074)
Financial receivables not held for transactions	
Dividends paid to Italgas shareholders	(162)
Net cash flow from financing activities	(97)
<i>- of which with related parties</i>	
Changes in scope of consolidation and other changes	
Net cash flow for the period	1
Cash and cash equivalents at the beginning of the period	1
Cash and cash equivalents at the end of the period	2

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