PRESS RELEASE

ACEA: BOARD APPROVES RESULTS FOR H1 2017
AND STRATEGIC GUIDELINES FOR 2018-2022
WITH MAJOR INCREASE IN INFRASTRUCTURE INVESTMENT
MARKING BREAK WITH STRATEGY OF RECENT YEARS

RESULTS FOR H1 2017

- **EBITDA €414.1m** (down 6.7% from €443.7m of H1 2016; **up 8.9% on adjusted basis**[1]).
- **EBIT €194.9m** (down 28.9% from €274.1m of H1 2016; **up 1.5% on adjusted basis**[1]**)**
- **Net profit €103.5m** (down 30.8% from €149.5m of H1 2016; **up 9.9% on adjusted basis**[1])
- **Net debt €2,401.4m (€2,377.4m on adjusted basis**[2], compared with €2,126.9m at 31 December 2016)
- **Investment €252.2m (up 14.2% on €220.8m of H1 2016)**

STRATEGIC GUIDELINES 2018-2022

Against a backdrop of rapid change in all the industrial sectors in which the Group operates, Acea has identified the pillars that will underpin its future growth and development and which, by the end of the year, will form the basis of its Business Plan for 2018-2022.

A plan that marks a break with the strategy of recent years, envisaging a major increase in infrastructure investment.

The overall strategy is underpinned by four key pillars:

- **strong industrial growth,** driven by infrastructure development and a customer-oriented, service-based approach;
- **constant local focus,** resulting in sustainable growth to be achieved through constant dialogue and collaboration with local authorities and all local stakeholders;
- a major emphasis on new **technologies**, continuously accompanied by a strong **focus on quality and innovation**, applied to industrial processes, with close attention to improving the customer experience;
- continuous improvements in **operational** efficiency, based on performance improvement, supply chain optimisation and capex discipline.

Based on these pillars, the following key principles will be applied to all operating segments in the new Business Plan for 2018-2022:

- **Capex Discipline** to maximise the efficiency and effectiveness of infrastructure investment.
- **Focus on Business** by achieving a correct balance between back-office and operational staff and equipping operating units with the necessary tools to manage the business efficiently.
- **Innovation Strategy** by leveraging cutting-edge innovation.

The new Business Plan for 2018-2022 aims to create value through strategic growth initiatives in the Group's new operating segments, exploiting adjacent markets, competitive advantages and potential synergies with the Group's core business.

1. The adjusted results do not include:
for H1 2017, the negative impact resulting from:
- *restored ownership of a property that houses a car park for company vehicles (€9.5m);*
- *the provision for the reduction in the amount due to Areti from GALA (€9.5m).*

***for H1 2016, the positive impact** (amounting to €63.3m before tax) of elimination of the regulatory lag.*

2. Adjusted net debt for 2017 does not include the impact of the reduced amount due from GALA.

Rome, 28 July 2017 – The Board of Directors of Acea SpA, chaired by Luca Alfredo Lanzalone, has approved the quarterly report for the six months ended 30 June 2017 and the Strategic Guidelines for the period 2018-2022.

"Our first-half results," commented the Group's Chief Executive Officer, "are good overall, despite the impact of a number of external events that have had a negative effect on working capital, together with delays in the rollout of new IT systems introduced in 2016. We are confident that we will see a gradual improvement in the coming months, also as a result of action being taken by the new Management team." "The new Business Plan," continued Donnarumma, "will see Acea restored to its central role as a provider of key services to the communities we serve. We aim to ensure that both the general public and Acea's employees can, once again, take pride in an asset that has been a part of the city of Rome for over a hundred years. If anyone has failed in their responsibilities in the recent past," concluded the Group's CEO, "this will be investigated and they will be held to account. Now, it is important to build a better future, in order to make sure that we never again have to deal with situations such as the one that we are currently faced with, as a result of the water emergency."

FINANCIAL HIGHLIGHTS

(€m)	H1 2016	H1 2017	% inc./(dec.)	*H1 2016 adjusted*[1]	*H1 2017 adjusted*[1]	% inc./(dec.)
Consolidated revenue	1,386.7	1,372.5	-1.0%	***1,323.4***	***1,372.5***	**+3.7%**
EBITDA	443.7	414.1	-6.7%	***380.4***	***414.1***	**+8.9%**
EBIT	274.1	194.9	-28.9%	***210.8***	***213.9***	**+1.5%**
Profit/(Loss) before tax	232.3	164.4	-29.2%	***169.0***	***183.4***	**+8.5%**
Group net profit/(loss) (before non-controlling interests)	154.3	110.3	-28.5%	***111.6***	***124.3***	**+11.4%**
Group net profit/(loss) (after non-controlling interests)	149.5	103.5	-30.8%	***106.9***	***117.5***	**+9.9%**

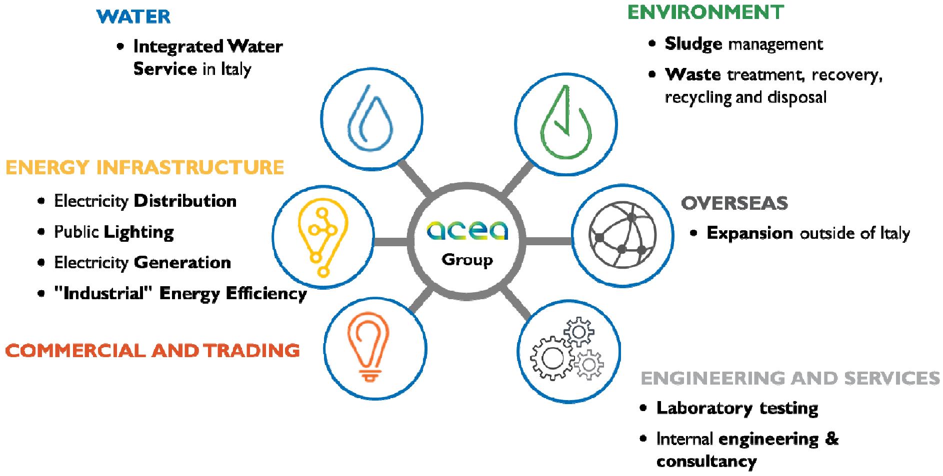
1. The adjusted results do not include:
- *for H1 2017, the negative impact (amounting to €19m before tax) resulting from the sentence restoring ownership of a property that houses a car park for company vehicles (€9.5m), and from the reduction in the amount due to Areti from GALA (€9.5m).*
- *for H1 2016, the positive impact (amounting to €63.3m before tax) of elimination of the regulatory lag.*

(€m)	H1 2016	H1 2017	% inc./(dec.)
Investment	220.8	**252.2**	**+14.2%**

(€m)	30 June 2016 *(a)*	31 Dec 2016 *(b)*	30 June 2017 *(c)*	% inc./(dec.) (c/a)	% inc./(dec.) (c/b)
Net debt	2,131.9	2,126.9	**2,401.4**	+12.6%	+12.9%
Adjusted net debt[2]	*2,131.9*	*2,126.9*	***2,377.4***	***+11.5%***	***+11.8%***
Equity	1,631.4	1,757.9	**1,744.1**	**+6.9%**	**-0.8%**
Invested capital	3,763.3	3,884.8	**4,145.5**	**+10.2%**	**+6.7%**

2. Adjusted net debt for 2017 does not include the impact of the reduced amount due from GALA.

The Acea Group's organisational structure, which was changed in May 2017, consists of six operating segments: Water, Energy Infrastructure, Environment, Commercial and Trading, Overseas, Engineering and Services.



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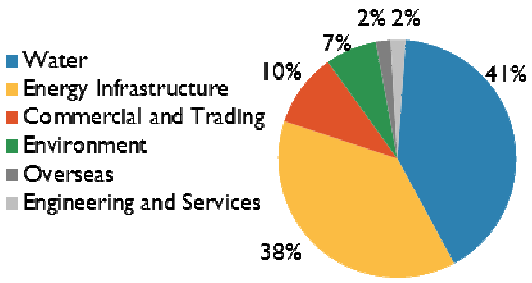
ACEA GROUP'S RESULTS FOR H1 2017

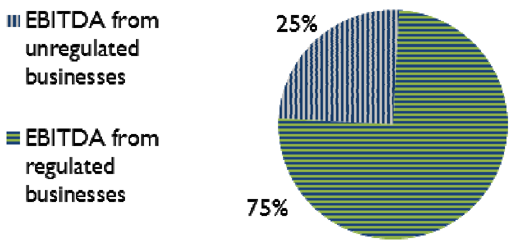
Revenue of €1,372.5m is up 3.7% on an adjusted basis. The performance benefitted from the change in the scope of consolidation and increased revenue from the integrated water service, reflecting revised tariffs. These components have more than offset the reduction in revenue from the sale and transport of electricity, resulting from a reduction in the quantity sold on the free market and changes in tariffs connected with the fifth regulatory cycle for electricity distribution.
Moreover, the figure for H1 2016 included recognition of revenue of €9.6m, linked to the impact of the contract, entered into in March 2006, for the commercialisation of smart meters.

Consolidated EBITDA of €414.1m is down 6.7% compared with H1 2016. After stripping out the positive impact of elimination of the regulatory lag (€63.3m) from the figure for H1 2016, EBITDA is up 8.9%, thanks above all to the contribution of the Water (regulated revenue), Environment and Overseas (consolidation of Aguas de San Pedro) segments.
The following transactions have taken place during the first six months of 2017, resulting in a change in the scope of consolidation with respect to H1 2016 and contributing approximately €7m to consolidated EBITDA:
- the acquisition of 51% of Acque Industriali from Acque (with effect from 1 January 2017, consolidated on a line-by-line basis);
- completion of the transfer of the shares in GEAL held by Veolia Eaux Compagnie Generale Des Eaux. Following this acquisition, the Group owns 48% of GEAL (with effect from 8 February 2017, consolidated using the equity method);
- the acquisition of TWS (Technologies for Water Services) from Severn Trent Luxembourg Overseas and of 0.9% of Umbriadue from Severn Trent (with effect from 23 February 2017, consolidation of TWS on a line-by-line basis);
- the sale of Acea's interest in AceaGori Servizi to GORI (with effect from 1 April 2017, consolidated using the equity method).

The change in the scope of consolidation also reflects the acquisition, in the last quarter of 2016, of 29.65% of Aguas de San Pedro, adding to the 31% already held (consolidated on a line-by-line basis), and the consolidation of AguaAzul Bogotà using the equity method.

The **operating segments' contributions to consolidated EBITDA** are as follows: approximately **75% is generated by regulated businesses**.





- **WATER** (Integrated Water Service in Italy) – this segment achieved EBITDA of €173.3m, marking an increase of €14.3m (up 9.0%). The increase essentially reflects revised tariffs introduced from the second half of 2016.

- **ENERGY INFRASTRUCTURE** (Generation, Electricity Distribution and Public Lighting) – EBITDA of €159.9m is down €38.3m, reflecting recognition, in H1 2016, of the positive impact of elimination of the regulatory lag (€63.3m). After stripping out this income, EBITDA is up 18.5%, thanks in part to an improved margin on hydroelectric production.

OPERATIONAL HIGHLIGHTS	H1 2016	H1 2017
Electricity production (GWh)	214	**234**
Electricity distributed (GWh)	4,945	**4,842**

- **COMMERCIAL AND TRADING** (Energy Management and Sales) - EBITDA is down €11.7m to €40.6m. The reduction is attributable to A.L.L., reflecting recognition, in the second quarter of 2016, of revenue of €9.6m linked to the impact of the contract, entered into in March 2016, for the commercialisation of smart meters.

OPERATIONAL HIGHLIGHTS	H1 2016	H1 2017
Electricity sold (GWh)	**4,205**	**3,408**
Free market	*2,841*	*2,092*
Enhanced protection market	*1,364*	*1,316*
Gas sold (million m³)	**66**	**57**

- **ENVIRONMENT** - the Environment segment contributed EBITDA of €31.3m (up 7.2%), compared with €29.2m for H1 2016. The performance benefitted from the greater quantity of electricity sold by the San Vittore plant.

OPERATIONAL HIGHLIGHTS	H1 2016	H1 2017
Treatment and disposal ('000 tonnes)*	411	**549**
WTE electricity sold (GWh)	141	**175**

** includes ash disposed of*

- **OVERSEAS** (outside Italy) – EBITDA amounts to €6.7m (compared with €0.8m for H1 2016) and is largely due to the consolidation, from October 2016, of Aguas de San Pedro (€5.4m).

- **ENGINEERING AND SERVICES** – EBITDA of €8.0m compares with €4.7m for H1 2016.

The **Holding Company** reports negative EBITDA of €5.8m for the first half of the year, essentially reflecting the absence of the contribution from Facility Management services which, at the end of 2016, were transferred to Acea Elabori (the Engineering and Services segment).

Adjusted **consolidated EBIT** is up 1.5% and does not include:
- in H1 2016, the positive impact (€63.3m) resulting from elimination of the "regulatory lag", and

- in H1 2017, the negative impact (totalling €19.0m) of: i) the reduction in the amount due to Areti from GALA (€9.5m); ii) the sentence handed down by the Court of Rome, declaring the contract for the sale of a property owned by Acea (a car park) to be null and void, resulting in reinstatement of the related carrying amount in assets. This generated a reduction in value of €9.5m, equal to the gain recognised at the time of the sale (the end of 2010).

Net finance costs are down €11.1m, thanks to the asset and liability management transaction completed in October 2016.

Net profit, after non-controlling interests and extraordinary events during the period, amounts to €117.5m (up 9.9%). The tax rate is down from the 33.6% of H1 2016 to 32.9% for H1 2017, following the reduction in IRES from 1 January 2017.

The Group **invested** €252.2m in H1 2017 (€220.8m in H1 2016), with 85% of this relating to our regulated businesses. Investment breaks down as follows: Water €121.9m; Energy Infrastructure €105.2m; Environment €8.5m; Commercial and Trading €7.9m; Overseas €2.5m; Engineering and Services €0.4m; Holding Company €5.9m.

Net debt at 30 June 2017, amounting to €2,401.4m, is up €274.5m on the figure for the end of 2016 (up €250.5m, excluding the impact, in 2017, of the reduced amount due from GALA). The performance reflects increased working capital needs, above all in the Water segment, following a deterioration in receivables due to IT difficulties in the process of being resolved, increased investment, the payment of dividends and the change in the scope of consolidation.

MATERIAL EVENTS DURING THE PERIOD AND AFTER 30 JUNE 2017

27 April - The Annual General Meeting:
- approved the financial statements for 2016 and payment of a dividend of €0.62 per share;
- elected the Board of Directors;
- elected Luca Alfredo Lanzalone as Chairman of the Board;
- appointed PwC as the independent auditors for a nine-year period (2017-2025).

3 May – Acea's Board of Directors appointed Stefano Antonio Donnarumma as the Company's Chief Executive Officer.

31 May - Acea announced that the deadline for fulfilment of the Conditions Precedent in the preliminary agreement for the acquisition, from the Veolia Group, of 100% of Idrolatina (which in turn holds a 49% interest in Acqualatina) expired on 30 May. As a result, from 31 May 2017, the agreement was automatically terminated and ceased to be effective.

28 June – Agreement regarding termination of employment of Alberto Irace.

OUTLOOK

The Acea Group's results for H1 2017 are in line with expectations. Acea expects the trend improvement in adjusted earnings will continue in the second half of the year and we therefore confirm our earlier guidance for EBITDA growth in 2017 (up 4%/6% compared with adjusted EBITDA of €785m in 2016).
We also continue to expect investment during the current year to be in line with 2016 (€530m).
In terms of net debt, the Company is currently assessing the impact of "split payments" (Law Decree 50/2017, converted into Law 96/2017). As a result, guidance (€2.3-2.4bn) is confirmed net of the impact of the new legislation and of the reduction in the amount due from GALA.

The Group is continuing to pursue its commitment to rationalising and streamlining operational processes in all its areas of business and its corporate processes.
Work will also continue on improving the billing and sales process to reduce working capital and contain the Group's debt.
The Group's financial structure will remain solid in the coming years. At 30 June 2017, 68.0% of debt is fixed rate, with an average term to maturity of 7 years. The average cost of debt is down from 2.94% at 31 December 2016 to 2.65% at the end of June 2017, reflecting the benefits resulting from the asset and liability management transaction carried out at the end of the previous year.

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STRATEGIC GUIDELINES 2018-2022

The Group's new Strategic Guidelines are based on four pillars:

- **Growth** focusing on infrastructure development and a customer-oriented, service-based approach.
- **Local focus** resulting in sustainable growth to be achieved through constant dialogue and collaboration with local authorities and all local stakeholders.
- **Technology, Quality and Innovation** applied to industrial processes, focusing strongly on improvements to the customer experience.
- **Operational efficiency** based on performance improvement, supply chain optimisation and capex discipline.

Based on these pillars, the following key principles will be applied to all operating segments in the new Business Plan for 2018-2022:

- **Capex Discipline** to maximise the efficiency and effectiveness of infrastructure investment.
- **Focus on Business** by achieving a correct balance between back-office and operational staff and equipping operating units with the necessary tools to manage the business efficiently.
- **Innovation Strategy** by leveraging cutting-edge innovation (e.g. Big Data and IoT, etc.).

The individual segments will aim to achieve the following strategic and operational objectives:

- **WATER**

  Consolidation of our leadership in Italy, focusing on investment in projects designed to improve service quality in keeping with local needs.
  The priorities in this segment are:
  - ✓ an extraordinary plan to modernise/repair the aging water distribution network through a programme of leak detection (currently in progress);
  - ✓ the improvement/development of treatment plants;
  - ✓ the removal of obsolete meters and the installation of new, technologically advanced smart metering systems.

  We also aim to assess the potential for consolidation in the areas in which we are already present and for strengthening and enhancing the security of supply (e.g. Peschiera, alternative sources, etc.).

- **ENERGY INFRASTRUCTURE**

  The upgrade and repowering of the LV network in the city of Rome as part of a Smart City project, designed to enable delivery of new services to citizens and the local area, to drive electrification of the economy and boost network resiliency, enabling and giving the DSO (Distribution System Operator) an active and central role to play in the new energy scenario.

The priorities in this segment are:
✓ the upgrade/repowering of the LV network and the installation of new 2G meters;
✓ the development of smart solutions to enable the provision of new services within the city of Rome.

We also aim to evaluate strategic initiatives in natural gas distribution, distributed generation and flexibility services (e.g. Demand Response, Vehicle to Grid, Virtual Power Plants), including partnerships with other players in the sector.

- **COMMERCIAL AND TRADING**

"Customer-oriented" growth and development based on a service-based approach.
The priorities in this segment are:
✓ growth of the retail customer base through a distinctive value proposition based around value added services;
✓ close attention to costs and efficiency as part of a Continuous Performance Improvement process.

We also aim to evaluate strategic initiatives designed to develop an innovative offering and high value added services for customers, exploiting the shift to an increasingly competitive and continuously changing market (e.g. the adoption of a service-based approach to the market).

- **ENVIRONMENT**

The systemic Consolidation of waste treatment in keeping with Circular Economy goals.
The priorities in this segment are:
✓ the development of composting plans for the captive processing of sludge and sorted waste;
✓ the construction of plants for the treatment of multi-material waste.

We also aim to look at opportunities to consolidate our presence in Central Italia and the potential for developing new technologies for the recovery materials.

- **OVERSEAS**

Exploitation of the Group's know-how and distinctive expertise in managing infrastructure and plant.
The priorities in this segment are:
✓ development of a distinctive value proposition leveraging the expertise offered by all the areas of business in which we operate (Water, Electricity Distribution, Public Lighting, Environment, etc.);
✓ expansion into new geographical areas (e.g. EMEA).

We also aim to evaluate strategic initiatives designed to expand and consolidate our presence, including Mergers & Acquisitions and/or partnerships in target markets.

- **ENGINEERING AND SERVICES**

Consolidation of the role of "Internal Business Partner", leveraging know-how and innovation.
The priorities in this segment are:
✓ the provision of high-quality technical/specialist services for the other operating segments;
✓ the development of advanced operating systems for plant controls and modelling to support the other operating segments.

We also aim to evaluate opportunities to exploit the Group's distinctive know-how, marketing our specialist and engineering services in the external market.

The above guidelines will form the basis for the new Business Plan for the period 2018-2022, to be submitted for approval by Acea's Board of Directors by the end of this year.

The following schedules are attached:
CONSOLIDATED ACCOUNTS: INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017, STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017, STATEMENT OF CHANGES IN EQUITY, ANALYSIS OF NET DEBT AT 30 JUNE 2017 AND THE STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2017.

A conference call will be held at 4.30pm (Italian time) today, 28 July 2017, in order to present the results for the six months ended 30 June 2017 and the Strategic Guidelines for 2018-2022. To coincide with the start of the conference call, back-up material will be made available at www.acea.it.

The Executive Responsible for Financial Reporting, Demetrio Mauro, declares that, pursuant to section two of article 154 bis of the Consolidated Finance Act, the information contained in this release is consistent with the underlying accounting records.

Acea SpA
Investor Relations
Tel. +39 06 57991
investor.relations@aceaspa.it
Corporate website: www.acea.it

Press Office
Tel. +39 06 57993718/70
ufficio.stampa@aceaspa.it

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017

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	H1 20117	H1 2016	Increase/(Decrease)	% increase/(decrease)
Sales and service revenues	1,333,002	1,356,886	(23,884)	(1.8%)
Other operating income	39,482	29,817	9,664	32.4%
Consolidated net revenue	**1,372,483**	**1,386,703**	**(14,220)**	**(1.0%)**
Staff costs	109,105	109,124	(19)	(0.0%)
Cost of materials and overheads	859,848	848,743	11,105	1.3%
Consolidated operating costs	**968,953**	**957,867**	**11,086**	**1.2%**
Net profit/(loss) from commodity risk management	**0**	**0**	**0**	**0.0%**
Profit/(loss) on non-financial investments	**10,569**	**14,906**	**(4,337)**	**(29.1%)**
Gross operating profit	**414,100**	**443,742**	**(29,642)**	**(6.7%)**
Amortisation, depreciation, provisions and impairment losses	219,230	169,679	49,551	29.2%
Operating profit/(loss)	**194,869**	**274,062**	**(79,193)**	**(28.9%)**
Finance income	12,506	7,519	4,987	66.3%
Finance costs	(43,669)	(49,814)	6,146	(12.3%)
Profit/(loss) on investments	649	571	78	13.7%
Profit/(loss) before tax	**164,357**	**232,338**	**(67,981)**	**(29.3%)**
Income tax expense	54,020	78,086	(24,067)	(30.8%)
Net profit/(loss)	**110,337**	**154,252**	**(43,915)**	**(28.5%)**
Profit/(Loss) from discontinued operations				
Net profit/(loss)	**110,337**	**154,252**	**(43,915)**	**(28.5%)**
Net profit/(loss) attributable to non-controlling interests	6,844	4,713	2,132	45.2%
Net profit/(loss) attributable to owners of the Parent	**103,492**	**149,539**	**(46,047)**	**(30.8%)**
Earnings/(Loss) per share attributable to owners of the Parent (€)				
Basic	0.48596	0.70218	(0.21622)	(30.8%)
Diluted	0.48596	0.70218	(0.21622)	(30.8%)
Earnings/(Loss) per share attributable to owners of the Parent after treasury shares (€)				
Basic	0.48691	0.70355	(0.21664)	(30.8%)
Diluted	0.48691	0.70355	(0.21664)	(30.8%)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

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ASSETS	30 June 2017	31 December 2016	Increase/(Decrease)
Property, plant and equipment	2,244,871	2,210,338	34,533
Investment property	2,577	2,606	(29)
Goodwill	150,017	149,825	192
Concessions	1,731,581	1,662,727	68,854
Other intangible assets	159,944	158,080	1,864
Investments in subsidiaries and associates	270,318	260,877	9,441
Other investments	2,613	2,579	34
Deferred tax assets	274,131	262,241	11,890
Financial assets	40,619	27,745	12,874
Other assets	32,312	34,216	(1,904)
NON-CURRENT ASSETS	**4,908,984**	**4,771,235**	**137,748**
Inventories	47,155	31,726	15,429
Trade receivables	1,193,714	1,097,441	96,272
Other current assets	139,906	132,508	7,397
Current tax assets	73,971	74,497	(526)
Current financial assets	135,983	131,275	4,708
Cash and cash equivalents	553,999	665,533	(111,534)
CURRENT ASSETS	**2,144,727**	**2,132,981**	**11,746**
Non-current assets held for sale	497	497	0
TOTAL ASSETS	**7,054,207**	**6,904,713**	**149,494**

EQUITY AND LIABILITIES	30 June 2017	31 December 2016	Increase/(Decrease)
Equity			
Share capital	1,098,899	1,098,899	0
Legal reserve	100,621	95,188	5,433
Other reserves	(314,779)	(351,090)	36,311
Retained earnings/(accumulated losses)	667,093	565,792	101,301
Net profit/(loss) for period	103,492	262,347	(158,855)
Total equity attributable to owners of the Parent	**1,655,326**	**1,671,136**	**(15,810)**
Equity attributable to non-controlling interests	88,771	86,807	1,963
Total equity	**1,744,097**	**1,757,943**	**(13,846)**
Staff termination benefits and other defined-benefit obligations	112,132	109,550	2,582
Provisions for liabilities and charges	212,182	202,122	10,060
Borrowings and financial liabilities	2,872,414	2,797,106	75,308
Other liabilities	184,697	185,524	(827)
Deferred tax liabilities	94,036	88,158	5,878
NON-CURRENT LIABILITIES	**3,475,461**	**3,382,460**	**93,001**
Trade payables	1,178,539	1,292,590	(114,051)
Other current liabilities	291,923	273,782	18,142
Borrowings	256,686	151,478	105,208
Tax liabilities	107,401	46,361	61,040
CURRENT LIABILITIES	**1,834,550**	**1,764,211**	**70,339**
Liabilities directly associated with assets held for sale	99	99	0
TOTAL EQUITY AND LIABILITIES	**7,054,207**	**6,904,713**	**149,494**

STATEMENT OF CHANGES IN EQUITY

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	Share capital	Legal reserve	Other reserves	Net profit/ (loss) for period	Total	Non-controlling interests	Total equity
Balance at 1 January 2016	**1,098,899**	**87,908**	**155,533**	**181,584**	**1,523,924**	**72,128**	**1,596,053**
Net profit/(loss) in income statement				*66,878*	*66,878*	*2,281*	*69,160*
Other comprehensive income/(losses)				*(8,600)*	*(8,600)*	*(69)*	*(8,669)*
Total comprehensive income/(loss)				***58,278***	***58,278***	***2,213***	***60,491***
Appropriation of net profit/(loss) for 2015			181,584	(181,584)	0	0	0
Dividends paid							
Change in basis of consolidation			(908)		(908)	734	(175)
Other changes							
Balance at 31 March 2016	**1,098,899**	**87,908**	**336,209**	**58,278**	**1,581,295**	**75,075**	**1,656,369**
Net profit/(loss) in income statement				*82,661*	*82,661*	*2,431*	*85,092*
Other comprehensive income/(losses)				876	876	(13)	864
Total comprehensive income/(loss)				**83,537**	**83,537**	**2,419**	**85,956**
Appropriation of net profit/(loss) for 2015		7,280	(7,280)		0	0	0
Dividends paid			(106,274)		(106,274)	(4,439)	(110,713)
Change in basis of consolidation			(147)		(147)	(98)	(245)
Balance at 30 June 2016	**1,098,899**	**95,188**	**222,508**	**141,815**	**1,558,411**	**72,957**	**1,631,367**

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	Share capital	Legal reserve	Other reserves	Net profit/ (loss) for period	Total	Non-controlling interests	Total equity
Balance at 1 January 2017	**1,098,899**	**95,188**	**218,040**	**259,009**	**1,671,136**	**86,807**	**1,757,943**
Net profit/(loss) in income statement				*65,735*	*65,735*	*2,727*	*68,462*
Other comprehensive income/(losses)				*1,489*	*1,489*	*(98)*	*1,391*
Total comprehensive income/(loss)				***67,224***	***67,224***	***2,629***	***69,853***
Appropriation of net profit/(loss) for 2016			259,009	(259,009)	0	0	0
Dividends paid							
Change in basis of consolidation			9,269		9,269	1,120	10,389
Other changes					0	0	0
Balance at 31 March 2017	**1,098,899**	**95,188**	**486,318**	**67,224**	**1,747,629**	**90,556**	**1,838,185**
Net profit/(loss) in income statement				*37,758*	*37,758*	*4,117*	*41,875*
Other comprehensive income/(losses)				*70*	*70*	*348*	*418*
Total comprehensive income/(loss)				***37,828***	***37,828***	***4,466***	***42,294***
Appropriation of net profit/(loss) for 2016		5,433	(5,433)		0	0	0
Dividends paid			(131,780)		(131,780)	(4,326)	(136,105)
Change in basis of consolidation			1,649		1,649	(1,925)	(276)
Other changes							
Balance at 30 June 2017	**1,098,899**	**100,621**	**350,754**	**105,052**	**1,655,326**	**88,771**	**1,744,097**

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

€000

Financial position	30 June 2017	31 December 2016	Increase/ (Decrease)	% increase/ (decrease)	30 June 2016	Increase/ (Decrease)	% increase/ (decrease)
Non-current assets and liabilities	4,268,644	4,161,429	107,215	2.6%	3,957,567	311,077	7.9%
Net working capital	(123,119)	(276,560)	153,441	(55.5%)	(194,343)	71,225	(36.6%)
Invested capital	4,145,525	3,884,869	260,656	6.7%	3,763,224	382,302	10.2%
Net debt	(2,401,428)	(2,126,926)	(274,502)	12.9%	(2,131,856)	(269,572)	12.6%
Total equity	(1,744,097)	(1,757,943)	13,846	(0.8%)	(1,631,367)	(112,730)	6.9%
Balance of net debt and equity	**4,145,525**	**3,884,869**	**260,656**	**6.7%**	**3,763,224**	**382,302**	**10.2%**

ANALYSIS OF CONSOLIDATED NET DEBT AT 30 JUNE 2017

€000

	30 June 2017	31 December 20/16	Increase/(Decrease)	30 June 2016	Increase/(Decrease)
Non-current financial assets/(liabilities)	2,712	2,074	638	3,105	(394)
Non-current financial assets/(liabilities) due from/to parents, subsidiaries and associates	37,907	25,671	12,236	29,165	8,742
Non-current borrowings and financial liabilities	(2,872,414)	(2,797,106)	(75,308)	(2,669,673)	(202,742)
Net medium/long-term debt	**(2,831,796)**	**(2,769,361)**	**(62,434)**	**(2,637,402)**	**(194,394)**
Cash and cash equivalents and securities	553,999	665,533	(111,534)	582,855	(28,856)
Short-term bank borrowings	(157,421)	(52,960)	(104,461)	(81,611)	(75,810)
Current financial assets/(liabilities)	(76,629)	(78,130)	1,501	(63,800)	(12,829)
Current financial assets/(liabilities) due from/to parent and associates	110,418	107,991	2,427	68,101	42,317
Net short-term debt	**430,367**	**642,434**	**(212,067)**	**505,546**	**(75,178)**
Total debt	**(2,401,428)**	**(2,126,927)**	**(274,502)**	**(2,131,856)**	**(269,572)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2017

	H1 2017	H1 2016	Increase/(Decrease)
Cash flow from/(for) operating activities			
Profit before tax from continuing operations	164,357	232,338	(67,981)
Profit before tax from discontinued operations	0	0	0
Amortisation and depreciation	152,525	117,137	35,388
Impairment losses/Reversals of impairment losses	35,115	13,056	22,059
Change in provisions	8,624	10,490	(1,866)
Net change in staff termination benefits	(181)	(1,030)	850
Gains on disposals	0	0	0
Net interest expense	31,162	42,295	(11,133)
Income tax paid	0	0	0
Cash flows from operating activities before changes in working capital	**391,603**	**414,286**	**(22,683)**
Increase in receivables included in current assets	(101,028)	(74,326)	(26,702)
Increase/Decrease in payables included in current liabilities	(141,860)	(67,039)	(74,821)
Increase/(Decrease) in inventories	(6,506)	(5,013)	(1,493)
Change in working capital	***(249,395)***	***(146,378)***	***(103,016)***
Change in other operating assets/liabilities	**11,920**	**(21,178)**	**33,097**
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	**154,128**	**246,730**	**(92,602)**
Cash flow from/(for) investing activities			
Purchase/Sale of property, plant and equipment	(106,711)	(91,090)	(15,621)
Purchase/Sale of intangible assets	(145,421)	(133,285)	(12,136)
Investments	(7,692)	9,649	(17,341)
Purchase/Sale of investments in subsidiaries	0	0	0
Amounts received from/paid for other financial investments	3,383	(3,693)	7,076
Dividends received	0	1	(1)
Interest received	8,217	12,189	(3,972)
TOTAL	**(248,223)**	**(206,230)**	**(41,994)**
Cash flow from/(for) financing activities			
Non-controlling interests in capital increase at subsidiaries	(100)	(419)	319
Repayments of loans and long-term borrowings	67,746	(50,821)	118,566
New borrowings/other medium/long-term liabilities	0	0	0
Reduction/Increase in other short-term borrowings	99,247	(87,540)	186,787
Interest paid	(48,226)	(22,805)	(25,421)
Dividends paid	(136,105)	(110,713)	(25,392)
TOTAL	**(17,438)**	**(272,298)**	**254,859**
Changes in equity after net profit	**0**	**0**	**0**
Increase/(Decrease) in cash and cash equivalents	**(111,534)**	**(231,797)**	**120,264**
Net cash and cash equivalents at beginning of period	**665,533**	**814,653**	**(149,120)**
Net cash and cash equivalents at end of period	**553,999**	**582,856**	**(28,857)**