

PRESS RELEASE

ACEA: BOARD APPROVES 2019 HALF-YEAR RESULTS

- **EBITDA €503 million** (+12% compared to 1H 2018)
- **EBIT €260 million** (+4% compared to 1H 2018)
- **Group net profit €143 million** (in line with 1H 2018)
- **Investments €342 million** (+21% compared to 1H 2018)
- **Net debt €2,842 million** (€2,568 million at 31 December 2018)

Upward revision of EBITDA guidance

- growth in EBITDA of 7% or more compared to 2018;
- confirmed over 10% increase in investments compared to 2018;
- net debt at year end confirmed at between 2.85 billion and 2.95 billion Euro.

Rome, 31 July 2019 – The Board of Directors of ACEA SpA, chaired by Michaela Castelli, has approved the Half-Year Financial Report for the six months ended 30 June 2019.

FINANCIAL HIGHLIGHTS

(€ million)	1H 2019	1H 2018	% Var.
Consolidated revenues	1,553	1,454	+7%
EBITDA	503	450	+12%
EBIT	260	251	+4%
Group net profit (after non-controlling interests)*	143	143	-

(€ million)	1H 2019	1H 2018	% Var.
Investments	342	282	+21%

(€ million)	30/06/2019	31/12/2018	% Var.
Net debt**	2,842	2,568	+11%
Net Invested Capital	4,738	4,472	+6%

Stefano Donnarumma, ACEA Group CEO, commented: **“We are pleased with the positive results achieved, which confirm the growth trend already commenced during the past two years. This performance allows us to carry out an upward adjustment of our guidance for the year, in terms of EBITDA, with respect to the figures previously disclosed to the market. The said increase is directly ascribable to the major investment plans being implemented by the Group with regard to its infrastructures in the regulated businesses, in keeping with the programme envisaged in the 2019-2022 Business Plan. The enhanced operating efficiency in the management of our industrial assets and our rigorous financial management are additional contributing factors towards strengthening and improving the Group’s results.”**

*The 1H2018 result benefited from a gain in connection with acquisition of the TWS Group (9 million Euro), without this effect the 1H2019 result would have reflected an increase of 7%.

**Excluding the impact of IFRS16, net debt at 30 June 2019 stands at 2,786 million Euro.

ACEA GROUP RESULTS FOR 1H 2018

Consolidated net revenues at 30 June 2019 totalled 1.6 billion Euro, with an increase of 99 million Euro (+7%) compared to the first six months of 2018. The growth is primarily ascribable to the revenues posted by the integrated water service (+118 million Euro), particularly following the full consolidation of Gori for 92 million Euro (in the first half of 2018 the company was consolidated at equity).

Consolidated EBITDA went from 450 million Euro in the first six months of 2018 to 503 million Euro for the corresponding period of 2019, with an increase of 53 million Euro reflecting an upturn of 12%. This positive result was due above all to the performance of the water segment (+52 million Euro, of which 32 million Euro due to the full consolidation of Gori) and to the significant growth in energy infrastructure margins (+15 million Euro) on account of tariff trends with regard to electricity distribution.

The contribution of the industrial segments to consolidated EBITDA (approximately 80% derives from regulated activities) is broken down as follows: Water 47%; Energy Infrastructures 37%; Commercial and Trading 6%; Environment 7%; Overseas 2%; Engineering and Services 1%.

- **WATER** – as at 30 June 2019, EBITDA for this segment came to 244 million Euro, up by 52 million Euro compared to the corresponding period of 2018 (+27%). The growth is mainly due to the performances by **ACEA Ato2** and **ACEA Ato5**, which posted respective increases of 15 million Euro and 1 million Euro, the full consolidation of **Gori** for 32 million Euro, together with the contribution from the companies consolidated at equity (+0.6 million Euro).
- **ENERGY INFRASTRUCTURES** – EBITDA posted by this business segment at 30 June 2019 came to 193 million Euro, with a growth of 15 million Euro compared to the corresponding period a year earlier. This result was mostly due to the company **areti** (+13 million Euro) as a result of tariff trends compared to the same period in 2018.

OPERATIONAL HIGHLIGHTS	1H 2019	1H 2018
Electricity generation (GWh)	295	298
Thermo + hydro + photovoltaic		
Electricity distributed (GWh)	4,755	4,845

- **COMMERCIAL AND TRADING** – This segment closed the first six months of 2019 with EBITDA of 31 million Euro, reflecting a downturn of 13 million Euro compared to 30 June 2018, but in line with the result for the second half of 2018. The decrease was mainly ascribable to **Acea Energia** (-14 million Euro), only partially mitigated by the improved margin recorded for **Umbria Energy** (+0.7 million Euro) and **Acea8Cento** (+0.4 million Euro). The lower result posted by **Acea Energia** followed the downturn in margins as regards both the **protected market** (-9 million Euro), mainly due to regulatory changes, and the **free market** (-6 million Euro).

OPERATIONAL HIGHLIGHTS	1H 2019	1H 2018
Electricity sold (GWh)	3,134	3,086
<i>Free market</i>	<i>1,998</i>	<i>1,852</i>
<i>Enhanced protection market</i>	<i>1,136</i>	<i>1,234</i>
Gas sold (million m³)	83	73

- **ENVIRONMENT** – The segment closed the first half of 2019 with EBITDA of 34 million Euro (+5%). This trend was mainly due to the improved performance by **Acea Ambiente** (+2 million Euro), partly offset by **Acque Industriali** (-0.3 million Euro).

OPERATIONAL HIGHLIGHTS	1H 2019	1H 2018
Treatment and disposal (^000 tons)	604	552
WTE electricity sold (GWh)	170	178

- **OVERSEAS** – This segment closed the first six months of 2019 with EBITDA of 8 million Euro, showing a slight increase (+0.6 million Euro) compared to the corresponding period a year earlier, mainly due to the contribution from **Agua de San Pedro** (+0.5 million Euro).
- **ENGINEERING AND SERVICES** – The segment closed the first half of 2019 with EBITDA of 7 million Euro, showing a slight downturn (-1 million Euro) compared to the corresponding period in 2018.
- For the first six months of 2019, the **PARENT COMPANY** reported negative EBITDA of 14 million Euro (-2 million Euro compared to 30 June 2018).

EBIT, at 260 million Euro, was up by 10 million Euro compared to the corresponding period in 2018. The growth was mitigated by the increase in amortisation and depreciation (+38 million Euro compared to the first half of 2018), mainly concerning the Water segment (+29 million Euro). Gori's contribution to the result amounted to 16 million Euro.

The result posted by **financing activities** indicated net charges of 43 million Euro, with an increase of 0.4 million Euro compared to the same period in 2018. The global average "all-in" cost of ACEA Group debt, at 30 June 2019, was 2.18% compared to 2.22% for the corresponding period a year earlier.

Group net profit amounted to 143 million Euro, in line with the result posted for the same period in 2018. However, net profit for the first six months of 2018 had benefited from a gain of 9 million Euro connected with acquisition of the TWS Group. Without this amount the result for the first half of the year would have been up by 7% compared to the corresponding period in 2018.

Investments carried out in the first six months of 2019 amounted to 342 million Euro, with an increase compared to 282 million Euro during the corresponding period in 2018 (+21%), of which around 87% concerned regulated activities. More specifically, investments are broken down as follows: Water 168 million Euro, Energy Infrastructures 133 million Euro, Environment 11 million Euro, Commercial and Trading 19 million Euro, other business segments and Parent Company 11 million Euro.

In the first half of 2019, **net working capital** was negative by 96 million Euro, due above all to seasonal and regulatory effects; the impact as regards the latter amounted to 47 million Euro.

Group **Net debt** increased overall by 275 million Euro, from 2,568 million Euro at the end of 2018 to 2,842 million Euro as at 30 June 2019. This variation was a direct consequence of investments during the period, including those of a technological nature, together with the trend in operating cash flow which generated a requirement of 60 million Euro. The negative variation also reflected the recognition of a 57 million Euro financial liability connected with application of IFRS16 starting from 1 January 2019, as well as the new consolidation of Pescara Distribuzione Gas for the overall amount of 13 million Euro and, lastly, dividends totalling 151 million Euro.

SIGNIFICANT EVENTS DURING THE PERIOD AND AFTER 30 JUNE 2019

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

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

Completed acquisition of 51% stake in the company Pescara Distribuzione Gas

On **18 March 2019** ACEA S.p.A. and the companies Alma C.I.S. S.r.l. and Mediterranea Energia Soc. Cons.a.r.l., having obtained approval from the Municipality of Pescara, completed the closing for ACEA's acquisition of a 51% equity interest in the company Pescara Distribuzione Gas S.r.l., active in the distribution of methane gas within the Municipality of Pescara.

The Board of Directors approves the 2019 – 2022 Business Plan

On **2 April 2019** the Board of Directors approved the 2019 – 2022 Business Plan.

AGM of ACEA's shareholders approves the separate Financial Statements at 31 December 2018 and a dividend payment of 0.71 Euro per share. Appointment of the Board of Statutory Auditors and a Board Director

On **17 April 2019** the Annual General Meeting of ACEA SpA shareholders approved the separate Financial Statements and presented the consolidated Financial Statements for the year ended 31 December 2018. The AGM appointed the new Board of Statutory Auditors and determined the members' fees. The new Board of Statutory Auditors comprises Maurizio Lauri, as Chairman, and Pina Murè and Maria Francesca Talamonti as standing auditors. The AGM also appointed Maria Verbena Sterpetti (Lawyer) as Board Director.

Authorisation for bond issue

On **6 May 2019** the ACEA Spa Board of Directors authorised the potential issue of one or more bonds under its Euro Medium Term Note (EMTN) Programme.

Successful placing of a non-convertible bond issued under the EMTN Programme for a total of 500 million Euro, maturing in 9 years

On **16 May 2019** Acea S.p.A., following the resolution of the Board of Directors of 6 May 2019 and conclusion of the bookbuilding process, successfully completed the placement of a non-convertible bond for a total principal amount of 500 million Euro, maturing on 23 May 2028 and at a rate of 1.75%, as part of the Euro Medium Term Notes (EMTN) Programme for 3 billion Euro, under the Base Prospectus as last amended on 18 July 2018 and subsequently supplemented on 15 May 2019 (the "Notes"). The Notes were placed solely with Euro-market institutional investors. The issue of Notes was well received, with a request of 3.75 times the amount of Notes offered, from high quality investors and with broad geographical diversification.

Fitch Ratings affirms ACEA's rating at "BBB+" with "stable" outlook

On **16 May 2019** Fitch Ratings affirmed ACEA's Long-Term Issuer Default Rating (IDR) at 'BBB+' with Stable Outlook and Short-Term IDR at 'F2'. The Long-Term Senior Unsecured Rating was also affirmed at 'BBB+'. The opinion reflects ACEA's strategic focus on regulated businesses and the positive performance achieved so far.

ACEA enters the plastic waste treatment sector

On **4 July 2019** ACEA, through the subsidiary ACEA Ambiente, finalised an agreement with DE.CO.RO. srl, a company belonging to the Dentis Recycling s.r.l. group, regarding the acquisition of a 90% equity stake in Demap srl, which owns a plastics treatment plant with an authorised capacity of 75,000 tons per



year. The facility, located in the Province of Turin and a member of the Corepla Consortium, since 2004 has been performing activities relating to the selection and recycling of plastic and plastic/metal packaging, originating from urban waste sorting, carried out particularly in the Valle d'Aosta and Piedmont Regions.

Gori Financing

On **23 July 2019** a successful conclusion was reached for the long-term 80 million Euro structured finance transaction in favour of the ACEA Group company GORI. The financing, granted by UBI Banca, Intesa Sanpaolo, MPS Capital Services Banca per le Imprese, Banco BPM, Banca del Mezzogiorno – MedioCredito Centrale, Banca di Credito Popolare di Torre del Greco and by Banca IMI as agent, together with a 20 million Euro loan from the Parent Company ACEA, represents the most important project-based structured finance transaction as regards the Campania integrated water services sector.

ACEA resumes growth in the renewables market – photovoltaic plants acquired with an overall installed capacity of 25MWp

During the month of July, Acea finalised transactions for the acquisition of photovoltaic plants with an overall installed capacity of around 25 MWp, eligible for *Conto Energia* incentives, thereby achieving ahead of schedule 50% of the plan objective. The transactions, which have an Enterprise Value of around 75 million Euro, will contribute approximately 11 million Euro per year towards increasing the Group's EBITDA. The most significant portfolio concerns the purchase of a 65% equity interest in seven special purpose vehicles that own 18 photovoltaic facilities, with an overall installed capacity of around 20MWp, belonging to the Belenergia Group. As regards the other photovoltaic plants, a 100% stake will be acquired.

On **15 July 2019** Acea completed the update of its "Euro Medium Term Notes" (EMTN) Programme listed on the Luxembourg Stock Exchange, reserved for institutional investors. As part of this update, Acea has increased the size of the Programme to 4 billion Euro, signing the documentation with 15 dealers.

OUTLOOK

GUIDANCE FOR 2019

The **results** achieved by the ACEA Group as at 30 June 2019 **demonstrate a positive trend. This has allowed us to carry out an upward revision of guidance, in terms of EBITDA, with respect to the figures previously disclosed to the market;** consequently, we now forecast:

- a growth in EBITDA of 7% or more compared to 2018 (earlier guidance between 5% and 6%);
- confirmed over 10% increase in investments compared to 2018;
- net debt at year end confirmed at between 2.85 billion and 2.95 billion Euro.

We reiterate the Group's intention to carry out major investments in infrastructures which, without affecting the soundness of its consolidated financial structure, should have a positive impact on the Group's operational and financial performance. The Group's financial structure is reassuring for the coming years. As at 30 June 2019, 80% of debt is fixed rate, so as to safeguard against possible rises in interest rates and potential financial or lending volatilities. As at 30 June 2019, the average duration of medium/long-term borrowing is 5.8 years. We call attention to the reduction in average cost of debt from 2.21% at 31 December 2018 to 2.18% as at 30 June 2019.

NOTES APPROACHING MATURITY

The 500 million Euro bond (of which 77 million Euro was concerned with partial repurchase in October 2016) is due to mature on 16 March 2020, gross annual coupon of 4.5%.



A conference call will be held at 4.30 p.m. (Italian time) today, 31 July 2019, in order to present the results at 30 June 2019. To coincide with the start of the conference call, back-up material will be made available on the website www.gruppo.acea.it.

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

The following schedules are attached:

Consolidated accounts: income statement at 30.06.2019, statement of financial position at 30.06.2019, statement of changes in shareholders' equity, reclassified statement of financial position at 30.06.2019, analysis of net debt at 30.06.2019 and the statement of cash flows for the period ended 30.06.2019.

ACEA Group Contacts

Press Office

Tel. +39 0657997733 - email: ufficio.stampa@aceaspa.it

Investor Relations

Tel. +39 0657991

investor.relations@aceaspa.it

Company website: www.gruppo.acea.it

CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2019

	30/06/2019	30/06/2018	Increase (Decrease)
Revenues from sales and services	1,499,665	1,390,040	109,625
Other revenues and proceeds	53,447	64,238	(10,791)
Consolidated net revenues	1,553,113	1,454,278	98,834
Staff costs	124,295	109,927	14,368
Cost of materials and overheads	945,756	912,967	32,789
Consolidated operating costs	1,070,051	1,022,894	47,157
Net Income (Costs) from commodity risk management	96	0	96
Income (Costs) from equity investments of a non-financial nature	19,435	18,523	912
Gross Operating Profit (EBITDA)	502,594	449,908	52,686
Net write-backs (write-downs) of trade receivables	36,047	31,877	4,170
Amortisation, Depreciation and Provisions	206,324	167,310	39,015
Operating Profit (EBIT)	260,223	250,722	9,501
Financial income	7,012	6,515	497
Financial costs	(49,757)	(48,896)	(861)
Income (costs) from equity investments	3,565	9,411	(5,846)
Profit (loss) before tax	221,043	217,751	3,292
Income taxes	66,379	67,093	(713)
Net profit (Loss)	154,664	150,659	4,006
Net Profit (Loss) attributable to non-controlling interests	11,699	7,983	3,716
Net Profit (Loss) attributable to the Group	142,965	142,675	289
Earnings (Loss) per share attributable to Parent's shareholders			
Basic	0.67131	0.66995	0.00136
Diluted	0.67131	0.66995	0.00136
Earnings (Loss) per share attributable to Parent's shareholders, net of Treasury Shares			
Basic	0.67262	0.67126	0.00136
Diluted	0.67262	0.67126	0.00136

Amounts in thousands of Euro

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

ASSETS	30/06/2019	31/12/2018	Increase (Decrease)
Property, plant and equipment	2,448,442	2,365,019	83,423
Investment property	2,460	2,489	(29)
Goodwill	151,400	149,886	1,513
Concessions	2,193,354	2,126,120	67,233
Other intangible fixed assets	154,909	147,229	7,680
Right of use	56,109	0	56,109
Equity investments in non-consolidated subsidiaries and associates	286,843	279,085	7,758
Other equity investments	2,616	2,614	2
Deferred tax assets	232,258	227,362	4,896
Financial assets	51,772	55,831	(4,059)
Other assets	385,529	379,878	5,651
NON-CURRENT ASSETS	5,965,691	5,735,514	230,177
Inventories	53,155	48,789	4,365
Trade receivables	1,046,759	927,834	118,925
Other current assets	196,877	252,888	(56,011)
Current tax assets	2,434	9,756	(7,321)
Current financial assets	248,790	113,960	134,830
Cash and cash equivalents	980,973	1,068,138	(87,165)
CURRENT ASSETS	2,528,988	2,421,364	107,623
Non-current assets held for sale	0	183	(183)
TOTAL ASSETS	8,494,679	8,157,061	337,618

Amounts in thousands of Euro

LIABILITIES	30/06/2019	31/12/2018	Increase (Decrease)
Shareholders' equity			
Share capital	1,098,899	1,098,899	0
Legal reserve	119,336	111,948	7,389
Other reserves	(191,243)	(285,728)	94,486
Retained earnings (losses)	539,546	533,522	6,025
Profit (loss) for the year	142,965	270,999	(128,034)
Total Group Shareholders' Equity	1,709,504	1,729,638	(20,135)
Non-controlling interests	186,380	173,853	12,528
Total Shareholders' Equity	1,895,884	1,903,491	(7,607)
Staff termination benefits and other defined benefit plans	104,781	103,930	851
Provisions for liabilities and charges	194,257	136,651	57,606
Borrowings and financial liabilities	3,461,973	3,374,134	87,839
Other liabilities	346,243	348,148	(1,905)
NON-CURRENT LIABILITIES	4,107,254	3,962,864	144,390
Trade payables	1,462,028	1,524,876	(62,849)
Other current liabilities	348,202	329,369	18,833
Borrowings	662,096	408,675	253,422
Tax payables	19,215	27,750	(8,535)
CURRENT LIABILITIES	2,491,541	2,290,670	200,871
Liabilities directly associated with assets held for sale	0	37	(37)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,494,679	8,157,061	337,618

Amounts in thousands of Euro

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Legal Reserve	Other Reserves	Profit for the year	Total	Non-controlling Interests	Total Shareholders' Equity
Balances as at 31 December 2017	1,098,899	100,619	337,435	180,673	1,717,626	93,580	1,811,206
FTA Reserve	0	0	(158,569)	0	(158,569)	(3,847)	(162,416)
Balances as at 1 January 2018	1,098,899	100,619	178,867	180,673	1,559,057	89,733	1,648,790
Net profit (loss)	0	0	0	142,675	142,675	7,983	150,659
Other comprehensive income (losses)	0	0	0	9,861	9,861	274	10,135
Total comprehensive income (loss)	0	0	0	152,536	152,536	8,257	160,794
Appropriation of 2017 profit (loss)	0	11,329	169,344	(180,673)	0	0	0
Distribution of dividends	0	0	(130,298)	0	(130,298)	(3,607)	(133,905)
Change in scope of consolidation	0	0	0	0	0	0	0
Other changes	0	0	(6,649)	0	(6,649)	(2,718)	(9,367)
Balances as at 30 June 2018	1,098,899	111,948	211,264	152,536	1,574,646	91,665	1,666,311
Net profit (loss)	0	0	0	128,323	128,323	5,717	134,040
Other comprehensive income (losses)	0	0	0	2,036	2,036	254	2,289
Total comprehensive income (loss)	0	0	0	130,359	130,359	5,971	136,330
Distribution of dividends	0	0	(3,607)	0	(3,607)	(2,912)	(6,519)
Change in scope of consolidation	0	0	0	0	0	84,374	84,374
Other changes	0	0	28,240	0	28,240	(5,244)	22,996
Balances as at 31 December 2018	1,098,899	111,948	235,897	282,895	1,729,638	173,853	1,903,491

Amounts in thousands of Euro

	Share Capital	Legal Reserve	Other Reserves	Profit for the year	Total	Non-controlling Interests	Total Shareholders' Equity
Balances as at 1 January 2019	1,098,899	111,948	235,897	282,895	1,729,638	173,853	1,903,491
Net profit (loss)	0	0	0	142,965	142,965	11,699	154,664
Other comprehensive income (losses)	0	0	0	(7,324)	(7,324)	321	(7,003)
Total comprehensive income (loss)	0	0	0	135,640	135,640	12,021	147,661
Appropriation of 2018 profit (loss)	0	7,389	275,506	(282,895)	0	0	0
Distribution of dividends	0	0	(150,909)	0	(150,909)	(3,108)	(154,017)
Change in scope of consolidation	0	0	(2,218)	0	(2,218)	3,303	1,085
Other changes	0	0	(2,648)	0	(2,648)	312	(2,335)
Balances as at 30 June 2019	1,098,899	119,336	355,628	135,640	1,709,504	186,380	1,895,884

Amounts in thousands of Euro

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

Financial data	30/06/2019	31/12/2018	Increase (Decrease)	% Increase (Decrease)	30/06/2018	Increase (Decrease)	% Increase (Decrease)
NON-CURRENT ASSETS AND LIABILITIES	5,289,542	5,114,234	175,308	3.4%	4,652,775	636,767	13.7%
NET WORKING CAPITAL	(551,182)	(642,728)	91,546	(14.2%)	(416,168)	(135,014)	32.4%
INVESTED CAPITAL	4,738,359	4,471,506	266,853	6.0%	4,236,607	501,752	11.8%
NET DEBT	(2,842,475)	(2,568,015)	(274,460)	10.7%	(2,570,296)	(272,179)	10.6%
TOTAL SHAREHOLDERS' EQUITY	(1,895,884)	(1,903,491)	7,607	(0.4%)	(1,666,311)	(229,573)	13.8%
Total Funding	4,738,359	4,471,506	266,853	6.0%	4,236,607	501,752	11.8%

Amounts in thousands of Euro

ANALYSIS OF CONSOLIDATED NET DEBT AT 30 JUNE 2019

	30/06/2019	31/12/2018	Increase (Decrease)	% Increase (Decrease)	30/06/2018	Increase (Decrease)	% Increase (Decrease)
Non-current financial assets (liabilities)	1,724	1,817	(93)	(5.1%)	2,362	(638)	(27.0%)
Non-current financial assets (liabilities) due from/to Parents, Subsidiaries and Associates	29,145	30,880	(1,735)	(5.6%)	33,801	(4,656)	(13.8%)
Non-current borrowings and financial liabilities	(3,461,973)	(3,374,134)	(87,839)	2.6%	(3,395,892)	(66,081)	1.9%
Net medium/long-term debt	(3,431,104)	(3,341,438)	(89,667)	2.7%	(3,359,730)	(71,375)	2.1%
Cash and cash equivalents and securities	980,973	1,068,138	(87,165)	(8.2%)	1,200,547	(219,574)	(18.3%)
Short-term borrowings	(528,089)	(351,815)	(176,273)	50.1%	(782,913)	254,824	(32.5%)
Current financial assets (liabilities)	91,682	(28,973)	120,655	n.s.	309,449	(217,766)	(70.4%)
Current financial assets (liabilities) due from/to Parent and Associates	44,063	86,073	(42,010)	(48.8%)	62,351	(18,289)	(29.3%)
Net short-term debt	588,629	773,423	(184,793)	(23.9%)	789,434	(200,805)	(25.4%)
Total net financial position	(2,842,475)	(2,568,015)	(274,460)	10.7%	(2,570,296)	(272,179)	10.6%

Amounts in thousands of Euro

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	30/06/2019	30/06/2018	Increase (Decrease)
Cash flow from operating activities			
Profit from continuing operations before tax	221,043	217,751	3,292
Amortisation and depreciation	200,061	161,830	38,231
Revaluations/Write-downs	36,047	31,330	4,718
Increase/(decrease) in provision for liabilities	(10,645)	(37,948)	27,303
Increase/(decrease) in staff termination benefits (TFR)	1,640	(997)	2,637
Net financial interest expense	42,745	42,381	363
Cash flow generated by operating activities before changes in working capital	490,891	414,348	76,544
Increase in current receivables	(112,063)	(110,189)	(1,873)
Increase/(decrease) in current payables	(63,053)	(55,832)	(7,222)
Increase/(decrease) in inventories	(4,287)	(8,997)	4,710
Change in working capital	(179,403)	(175,018)	(4,385)
Change in other operating assets/liabilities	(39,741)	26,263	(66,005)
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	271,747	265,593	6,154
Cash flow from investment activities			
Purchase/sale of property, plant and equipment	(134,036)	(113,119)	(20,917)
Purchase/sale of intangible fixed assets	(207,950)	(174,033)	(33,916)
Purchase/sale of investments in subsidiaries	(4,970)	0	(4,970)
Proceeds/payments deriving from other financial investments	(130,773)	(218,996)	88,223
Dividends received	10,950	611	10,339
Interest income received	5,824	8,018	(2,194)
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	(460,954)	(497,519)	36,565
Cash flow from financing activities			
Repayment of long-term borrowings and loans	(281,655)	(161,835)	(119,819)
New loans/other medium/long-term borrowings	500,000	1,000,300	(500,300)
Decrease/increase in other short-term borrowings	8,466	40,946	(32,480)
Interest expenses paid	(50,974)	(53,255)	2,281
Dividends paid	(73,795)	(74,323)	528
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	102,042	751,832	(649,790)
Cash flow for the period	(87,165)	519,906	(607,071)
Net opening balance of cash and cash equivalents	1,068,138	680,641	387,497
Net closing balance of cash and cash equivalents	980,973	1,200,547	(219,574)

Amounts in thousands of Euro