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## Consolidated Financial Statements of the Hera Group

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## 2.01.04 Cash flow statement

mn€	notes	31 December 17	31 December 2016 as adjusted
<b>Result before taxes</b>		<b>359.4</b>	<b>339.7</b>
<b>Adjustments to reconcile net profit to the cash flow from operating activities:</b>			
Amortisation and impairment of property, plant and equipment		167.2	157.1
Amortisation and impairment of intangible assets		216.3	189.0
Allocations to provisions		140.2	113.5
Effects of evaluation using the net equity method		(14.7)	(13.8)
Financial (income) expense		116.2	131.2
(Capital gains) Capital losses and other non-monetary items (including evaluation of commodity derivatives)		21.2	4.4
Provisions for risks and charges		(30.2)	(22.1)
Changes in provision for employee benefits		(9.3)	(10.0)
<b>Total cash flow before changes in net working capital</b>		<b>966.3</b>	<b>889.0</b>
(Increase) / Decrease in inventories		(7.8)	10.7
(Increase) Decrease of trade receivables		(205.7)	(199.8)
(Increase) Decrease of trade payables		99.7	141.7
Increase/ Decrease of other current receivables/ payables		92.8	36.6
<b>Change in working capitals</b>		<b>(21.0)</b>	<b>(10.8)</b>
Collected dividends		11.1	9.9
Interest income and other financial income collected		74.9	64.1
Interest expense and other financial expenses paid		(129.0)	(151.2)
paid taxes		(147.5)	(137.9)
<b>Cash flow from (for) operating activities (a)</b>		<b>754.8</b>	<b>663.1</b>
Investments in property, plant and development		(150.3)	(133.2)
Investments in intangible assets		(290.2)	(251.2)
Investments in companies and business units net of cash and cash equivalents	32	(116.3)	(19.0)
Sale price of property, plant and equipment and intangible assets		7.8	20.5
Disposals of equity investments and contingent consideration		0.2	0.4
(Increase) Decrease of other investment activities		(10.0)	5.3
<b>Cash flow from (for) investing activities (b)</b>		<b>(558.8)</b>	<b>(377.2)</b>
New issuing of long-term financial liabilities		-	88.2
Reimbursement and other net changes in financial payables		33.0	(401.9)
Finance lease paid		(3.1)	(3.3)
Acquisition of shares in consolidated companies		(1.6)	-
Dividends paid for Hera shareholders and minority shareholders		(140.9)	(145.4)
Changes in treasury shares		15.4	(13.4)
Other minor changes		0.2	(0.2)
Cash flow from (for) financing activities (c)		(97.0)	(476.0)
<b>Effect of change in exchange rates on cash and cash equivalents (d)</b>		<b>-</b>	<b>-</b>
<b>Increase / (Decrease) in cash and cash equivalents (a+b+c+d)</b>		<b>99.0</b>	<b>(190.1)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>351.5</b>	<b>541.6</b>
Cash and cash equivalents at the end of the period		450.5	351.5

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