PRESS RELEASE

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PRESS RELEASE

IREN Group: the Board of Directors approves the results at 30th June 2014*.

- **Revenues of 1,521.5 million euros (1,788.1 million euros at 30th June 2013)**
- **Gross Operating Profit (Ebitda) of 370.5 million euros (379.6 million euros at 30th June 2013)**
- **Operating Profit (Ebit) of 228.9 million euros (252.0 million euros at 30th June 2013)**
- **Net Profit of 77.0 million euros (112.3 million euros at 30th June 2013)**
- **Net financial debt of 2,242 million euros.**

Reggio Emilia, 28th August 2014 - The Board of Directors of IREN S.p.A. today approved the consolidated results at 30 June 2014.

The Iren Group reported significant growth in operating performance compared to the first quarter of 2014. This improvement was achieved in spite of the decrease in gas and heat volumes sold, due to the climatic trend, in spite of tariff changes in gas sector and of the persisting weakness in the electricity price, which reached its minimum level over the last eight years: the PUN, in fact, remained constantly under 50 Euros/MWh from March 2014. Thanks to the performance reported in the second quarter of the year, the 2014 first half EBITDA is broadly in line with the one reported at 30 June 2013. The integrated waste cycle and water service sectors' profitability increased thanks to a growth in revenues, to operating synergies achieved and to the development of commercial activities. Significant contributions also came from the direct management of the electricity plants which have recently entered Iren's perimeter (Tusciano and Turbigo plants), from the coming on stream of the Integrated Environmental Hub in Parma and the recognition of receivables linked to the Emission Trading System.

* The new IFRS 11, which governs the accounting treatment of joint ventures, came into force from January 1 2014, and no longer allows the proportional consolidation of joint ventures as applied by the Iren Group until 31 December 2013. As a consequence, the following companies have exited from the consolidation perimeter: Olt, SAP, AES and Iren Renewables, which are now consolidated using the equity method. Further to the above, it is, however, considered appropriate to provide, in addition to the financial statements prepared in accordance with international accounting standards in force, specific statements (defined as "restated") in order to represent and detail, for each line of the income statement and balance sheet, the district heating business in the city of Turin which is principally managed through the jointly controlled company, AES SpA. These restated statements, in addition to providing information broadly consistent with the information provided before the entry into force of the new IFRS 11, better reflect the strategic importance of the district heating business and the role played by the Group in the management and development of district heating in the city of Turin, as confirmed by the agreement entered into with Italgas on 9th April 2014, which provides for the demerger of AES SpA and the transfer to the Iren Group of assets relating to the district heating with effect from July 1, 2014. For the reasons stated above, the comments on the economic and financial trend of Iren Group for the first half 2014 refer to these restated statements.

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PRESS RELEASE

IREN GROUP: CONSOLIDATED RESULTS AT 30 JUNE 2014

Consolidated **Revenues** in the first half of 2014 amounts to 1,521.5 million euros, a 14.9% fall compared to the 1,788.1 million euros reported in the same period in 2013, in line with the sector trend, mainly because of a reduction in gas and heat volumes sold linked to the mild winter season, and because of a drop in the electricity price (-18%).

Gross operating profit (Ebitda) stands at 370.5 million euros and, despite the reduction in revenues, it is substantially in line (-2.4%) compared to the 379.6 million euros in the first half of 2013, but strongly improving on the results reported in the first quarter 2014. The excellent performance in regulated sectors, chiefly the Integrated water service and integrated waste cycle, offset the poorer performance reported in the energy chain which, besides being impacted by the negative effects deriving from the macro-economic scenario, was also affected by the above-mentioned regulatory and climate factors. Moreover, in the first six months 2014 a 21 million euros capital gain, deriving from the Real Estate Fund set up in 2012, has been reported.

Operating profit (EBIT) totalled 228.9 million euros, a reduction compared to the 252.0 million euros reported in the same period of the previous year, substantially reflecting the EBITDA trend and, in addition, an increase in depreciation and amortization linked largely to the new plants entering the Group's perimeter.

Net profit from stands at 77.0 million euros, a -31.5% drop compared to the 112.3 million euros reported at 30 June 2013 and is mainly influenced by the operating results and by the effects of the companies consolidated with the equity method.

Net financial debt at the end of the first six months 2014 stood at 2,242 million euros, substantially in line with the 2,192 million euros at 31 December 2013 taking into consideration seasonality factors: the positive cash-flow was offset mainly by the capex for the acquisition of a further 24% stake in TRM V S.p.A. and 49% in Tecnoborgo S.p.A, in addition to the distributed dividend. Worth noting is that the already-mentioned application of the IFRS 11 accounting principle and the restatement of the financial and economic data led to a 333 million euros reduction in Net financial debt at 31 December 2013, with a consequent improvement in the Debt/EBITDA ratio.

Gross investments for the period amounted to 156.7 million euros.

IREN GROUP: MAIN RESULTS BY BUSINESS AREA

(millions of Euros)	1H 2014	1H 2013	Var. %
Revenues	**1,521.5**	**1,788.1**	**-14.9%**
Electricity and district heating	462.7	540.3	-14.4%
Energy infrastructures	161.2	160.0	0.8%
Market	1,299.1	1,681.0	-22.7%
Integrated water service	221.6	204.0	8.6%
Waste management	115.5	105.9	9.1%
Services and other	58.8	44.3	32.8%
Netting and adjustments	-797.4	-947.4	-15.8%

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(millions of Euros)	1H 2014	1H 2013	Var. %
Gross Operating Profit	**370.5**	**379.6**	**-2.4%**
Electricity and district heating	117.6	156.0	-24.6%
Energy infrastructures	70.5	76.4	-7.7%
from Electricity networks	*33.3*	*40.4*	*-17.6%*
from Gas networks and plants	*37.2*	*36.0*	*-3.3%*
Market	48.1	68.1	-29.4%
Electrical energy	*11.7*	*-5.1*	*n.s.*
Gas and Heat	*36.4*	*73.2*	*-50.3%*
Integrated water service	83.6	60.1	39.1%
Waste management	27.9	17.2	62.2%
Services and Other	22.8	1.8	n.s.
Operating profit	**228.9**	**252.0**	**-9.2%**
Electricity and district heating	72.4	122.2	-40.8%
Energy infrastructures	49.1	53.0	-7.4%
Market	27.7	44.2	-37.3%
Integrated water service	48.9	27.8	76.0%
Waste management	10.7	5.9	81.4%
Services and Other	20.1	-1.1	n.s.

ELECTRICITY AND DISTRICT HEATING

Revenues from the Electricity and District Heating sector totalled 462.7 million euros compared to 540.3 million euros in the first six months 2013 (-14.4%), mainly as a result of lower gas and heat volumes sold and the persisting weakness of the electricity price.

Gross operating profit (Ebitda) for this sector amounts to 117.6 million euros compared to 156.0 million euros reported at 30 June 2013. The same elements causing the reduction in revenues also explain the contraction in profitability in the Generation and District Heating sector. In particular, the economic slowdown, together with the increase in renewable energy production and the exceptionally mild winter season led to a significant reduction in the electricity price and a decrease in heat volumes sold. In addition, there was a reduction in heat sale tariffs as an indirect consequence of AEEGSI resolution No. 196/13, relating to the calculation of the natural gas sale tariff. These elements were only partially offset by the positive performance in hydroelectric sector, already reported in the first quarter of the year, by the growth in district heated volumes and by the recognition of receivables linked to the Emission Trading System and assigned to the so-called “new-entrant” plants.

In the first six months of 2014, **electricity** volumes generated amounted to 3,324 GWh, down on the 3,745 GWh reported in the same period of 2013, due to lower cogeneration production; this was partially offset by the production of the Turbigo plant, which entered the Group’s perimeter from November 2013, and by higher hydroelectric production.

In particular, cogenerative/thermoelectric production stood at 2,638 GWh compared to 3,183 Gwh in the same period of 2013, whereas hydroelectric generation stood at 685 GWh, marking a significant growth (+21.9%) thanks to the contribution of the hydroelectric plant of Tusciano, which entered the Group plant portfolio starting from November 2013.

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Heat production stood at 1,494 GWht, -18.9% compared to first half 2013 as a consequence of the climatic conditions, while the heated volumes were more than 79 mcm (+3.3%).

At 30 June 2014 **gross investments** amounted to 30.4 million euros, mostly towards extraordinary maintenance interventions on cogeneration plants.

MARKET

Market segment **Revenues** stood at 1,229.1 million euros compared to 1,681.0 reported in the first half 2013. The fall is mainly caused by the lower electricity and gas volumes sold due to the macro-economic scenario and the climatic conditions in the winter/spring period.

The **Gross operating profit (Ebitda)** for this segment, of 48.1 million euros, was lower compared to the 68.1 million reported in the first six months of 2013, though there was an improvement on the first quarter of 2014. In particular, the good results in electricity sales (+17 million euros), benefitting from the ending of the Edipower tolling contract in the last part of 2013, were more than offset by the poorer performance of gas sale sector. The latter continued to be affected by the change in the regulatory framework following AEEGS Resolution No. 196/13 on the CCI (Wholesale Marketing Component) calculation, which led to a reduction in gas sale margins; in addition, there was a significant drop in volumes as a result of the mild winter season.

In the first six months of 2014 the Group directly marketed 5,755 GWh of **electricity**, a fall of 12.2% compared to the same period of 2013, mainly because of lower cogeneration production. Furthermore, 1,242 million cubic metres of **gas** were sold in the first six months 2014, dropping 28.0% compared to the 1,726 million cubic metres at 30 June 2013, mainly due to the climate trend.

At 30 June 2014 **gross investments** amounted to 5.1 million euros.

ENERGY INFRASTRUCTURES

Revenues in the Energy infrastructures segment totalled 161.2 million euros, substantially in line with the 160.0 million euros in the first six months of 2013.

Gross operating profit (Ebitda) amounted to 70.5 million euros, around 6 million euros down on the 76.4 million euros reported at 30 June 2013. The margin contraction in the electricity networks sector is due to the combined effects of extraordinary negative elements linked to previous years impacting on the period and the absence of positive extraordinary elements which characterised the first six months of 2013. The gas networks sector, on the other hand, reports a slight growth (3.3%), mainly linked to the tariff revenues trend and a reduction in costs.

In the first half of 2014 the Group distributed 1,915 GWh of **electricity,** lower compared to the same period of 2013 (-5.9%) and 661 million cubic metres of **gas**, down by 21.7%.

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Gross investments in the sector amounted to 28.9 million euros, largely devoted to the modernizing of the gas networks through the replacement of grey cast iron pipes, the installation of electronic gas meters and the construction of new electricity substations.

INTEGRATED WATER SERVICE

In the first half 2014 the integrated water service segment posted **Revenues** of 221.6 million euros, up by 8.6% on the 204.0 million euros of the same period of 2013, due mainly to the tariffs update in compliance with the new method established by the AEEGSI for 2014-2015 and to tariff adjustments linked to the application of the 2012-2013 Tariff Temporary Method.

Gross operating profit (Ebitda) stood at 83.6 million euros (+39.1%) compared to 60.1 million euros in the first six months of 2013. The increase is principally a result of the positive revenues trend and of the non-repeatability of the contingent liability (relating to the reimbursement of costs further to the 2011 referendum) recorded in the first half of 2013.

At 30 June 2014 Group IREN sold 71.9 million cubic metres of **water,** down by 4% compared to the same period 2013.

Gross investments made in the period totalled 25.4 million euros, mainly used for the construction of infrastructures provided for in the "*Piani d'ambito*" (Territorial plans) for the development of distribution networks, sewerage networks and for treatment systems.

WASTE MANAGEMENT

Waste management sector **Revenues** at 30 June 2014 amounted to 115.5 million euros, a 9.1% increase compared to the 105.9 million euros reported at the same date in 2013. The increase in revenues was driven by a growth in electricity and heat produced thanks mainly to the coming on stream of the new Integrated Environmental Hub in Parma, to a revision and recovery of the waste collection and disposal fees and to an improvement in commercial performances in the special waste sector.

The segment reported a **Gross operating profit (Ebitda)** of 27.9 million euros, marking a 62.2% increase compared to 17.2 million euros in the first half of 2013. The growth is substantially a reflection of the positive results reported in revenues, together with the contribution of the achieved synergies in waste collection and disposal.

In the reference period, the Group treated approximately 521,000 tonnes of **waste** compared to 499,000 tonnes in the same period of 2013 (+4.5%). Specifically, the growth in the collection of special waste, already reported in 2013 is substantially confirmed (+19%).
Thanks to the spread of new waste collection methods introduced, differentiated collection exceeded 63% in the territory served, growing by almost three percentage points compared to 30 June 2013.

Gross Investments in this segment amounted to 11.7 million euros, devoted mainly to the completion of the Integrated Environmental Centre in Parma and towards actions supporting the development of the "door to door" sorted waste collection system.

BUSINESS OUTLOOK

The macro-economic scenario in the Euro area in the first half of 2014 shows a practically flat GNP, contrasting with the 1 point percentage growth in the US and 0.8% growth in the UK. In particular, the second quarter of the year has been negative both for Germany and for France, but as far as Italy is concerned, Moody's has revised down its growth estimates from +0.5% to -0.1%. Opposite signals are given by the OECD superindex: between June 2013 and June 2014 the Italian index remains the highest among European Countries. With regards to the second half of the year, the restrictive fiscal policy still present in many member countries of the UE, the stagnation in the labour market and the consequent low available income will lead to a persistent weakness in household consumption. As far as Italy is concerned, the above-mentioned scenarios provide for a trend fluctuating from slight recession to extremely limited growth, depending on the lending capacity of banks to avoid interrupting the ordinary investments cycle, and on the effective implementation of planned reforms in the current political and institutional phase, with particular reference to the public administration debts reimbursement plan in favour of enterprises, to measures linked to the labour market and to actions aiming to increase taxpayers' spending capacity.In any case, a gradual acceleration in private investments is expected thanks to the economic upturn and to the need to recover production capacity after a long phase of reduction. The competitive scenario will remain challenging, without any sign of recovery in commodity prices. In such a macroeconomic context, IREN Group's short-term strategy focuses on margins protection (also through the pursuit of significant operating synergies), the consolidation of the presence of the Group in regulated sectors, as well as a strict control of its financial stability and the optimization of its investments portfolio, with particular attention on selected development opportunities.

SIGNIFICANT EVENTS OF THE PERIOD

100 MILLION EUROS PRIVATE PLACEMENT ISSUE WITH A 5 YEAR MATURITY

On 11th February 2014 Iren S.p.A. successfully completed the issue of a Private Placement for a total of 100 million euros with a five year maturity and a 3% per year coupon. The bonds, listed on the Irish Stock Exchange, were fully subscribed by Morgan Stanley and are reserved to institutional investors for trading. The operation follows the first bond placement completed in 2013.

RE-OPENING OF THE PRIVATE PLACEMENT OPERATION CARRIED OUT 14TH OCTOBER 2013, WITH A 50 MILLION EUROS INCREASE

On 19 March 2014 Iren S.p.A completed a tap issue of the IREN 4.37% bonds issued 14th October 2013, expiry date 14th October 2020. The bonds, listed on the Irish Stock Exchange, are intended solely for institutional investors. The transaction added 50 million euros to the original issue of 210 million euros (including the amount raised through the tap issue on 29th of October 2013) at the same maturity and coupon terms as the original issue but with a lower yield (below 4%).

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AGREEMENT FOR THE PROGRESSIVE INTEGRATION OF THE UNIECO ENVIRONMENT DIVISION INTO IREN GROUP

Iren, through its subsidiary Iren Ambiente SpA, and Unieco Cooperative Company, through its subsidiary UCM Srl, signed on 28th February 2014 an agreement aimed at the progressive integration of the Unieco Environment Division into Iren Ambiente. This operation will allow Iren Group, in line with its Business Plan, to strengthen its position in the waste management field, becoming one of the main Italian operators active along the whole waste management chain, to develop its presence in the reference areas (Emilia Romagna, Liguria and Piedmont) and to widen its geographic influence with significant development potential.

TAKE-OVER BID FOR ACQUE POTABILI SPA.

Iren S.p.A., Iren Acqua Gas S.p.A. (IAG) and Società Metropolitana Acque Torino S.p.A. (SMAT), resolved on 11th March 2014 to make (through Sviluppo Idrico S.r.l., a company whose corporate capital is equally owned by IAG and SMAT) a voluntary global takeover bid pursuant to articles 102 and following of the "Consolidate Law on Finance" for 13,785,355 ordinary shares of Acque Potabili S.p.A. – Società per la condotta di Acque Potabili (SAP). IAG and SMAT already own respectively 11,108,795 and 11,109,295 ordinary shares of SAP, representing together 61.71% of the corporate capital of the Company.
The offer is aimed at the delisting of the ordinary shares of SAP from the *Mercato Telematico Azionario,* a regulated market managed by Borsa Italiana. The consideration to be paid by the offeror for each share tendered was equal to 1.05 euro including a 15.5% premium over the weighted average of the official prices reported in the six months preceding the reference date (10th March 2014). The acceptance period for the voluntary takeover bid was from 14 April 2014 to 30 May 2014 (external dates included). On 29 May 2014 the offerer Sviluppo Idrico Srl extended the duration of the subscription period of the tender offer from 30 May 2014 to 6 June 2014 and has increased the amount of consideration from 1.05 euro to 1.20 euro per share. Based on the final results, including the extension of the deadline, a total of 9,431,746 shares, representing 26.197% of the share capital of Acque Potabili and equal to 68.419% of the shares subject to the Offer for a total amount of EUR 11,318,095.20 were tendered. As a result, and as a result of the Offer, including the extension of the deadline, Sviluppo idrico S.r.l, IAG and Smat hold a stake equal to n. 31,649,336 shares, representing 87,908% of the share capital of Acque Potabili. Sviluppo idrico S.r.l, IAG and Smat did not acquire shares outside of the Offer or during the acceptance period or during the extension of the deadline.

AES TORINO DE-MERGER.

Iren Energia, and Italgas (a company entirely owned by Snam) signed on the 9th of April 2014 a binding agreement – approved by Iren Energia general shareholders' meeting on the 17th of aprile 2014 - for the separation of the distribution of natural gas and district heating activities currently carried out by AES Torino (Iren Energia 51%, Italgas 49%). According to the agreement, the separation between the gas and district heating distribution activities takes place through the non-proportional demerger of AES Torino, effective from the 1st of July 2014. Starting from that date, Iren Group is the beneficiary of the business relating to the distribution of district heating and exits the shareholding structure of AES Torino, whereas Italgas holds the entire share capital of AES. With the completion of the agreement, Iren Energia is again the holder of the district heating network of the towns of Turin, Moncalieri, Nichelino, which, with 56 million cubic meters of volumes heated, (equal to

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approximately 60% of inhabitants), is the most extended network in Italy and it consolidates its leadership in Italy in the district heating sector with more than 79 million of cubic meters served. The demerger of AES Torino is one of the cases of exclusion provided for transactions with related parties by the Consob Regulation and by the procedure adopted by Iren Group in this regard.

EXERCISE OF THE CALL OPTION ON TRM V S.P.A.

On the 29th of April 2014 the Board of Directors of Iren S.p.A approved the exercise of the call option from F2i Ambiente S.p.A on a 24% stake in TRM V SpA, a company in which Iren Group already owns a 25% stake and that controls TRM SpA, company which had received the award to design, build and manage the waste to energy plant in the south area of the province of Turin. The transaction took place on the May 9, 2014 at a price of approximately 35.7 million euros.

DIVIDEND DISTRIBUTION

On the 18th of June 2014 Iren's General Shareholders meeting approved the 2013 annual finance report and decided for a 0.0523 euro per share dividend distribution, paid on the 26th June 2014.

CONFERENCE CALL

The results at 30 June 2014 will be illustrated tomorrow, 29 August 2014 at 10.30 (Italian time) during a conference call to the financial community, also transmitted in web casting in listen-only mode on the website www,grupporien,it, Investor Relations section,

The Manager in charge of drawing up the corporate accounting documents, Mr, Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act, that the accounting information presented herein corresponds to the accounting documents, records and registers. The Financial Report at 30 June 2014 will be made available to the public as provided for by the law, at the company's headquarters (Via Nubi di Magellano, 30 – Reggio Emilia) at Borsa Italiana S.p.A, and they will be published on the website www.gruppoiren.it
The financial statements of IREN Group S.p.A. (currently subject to audit) are set out below.

IREN is one of the leading multi-utility companies in Italy, established from the merger between Iride and Enìa, and provides public utility services in the Provinces of Genoa, Turin, Reggio Emilia, Parma and Piacenza,
With a multi-business portfolio and leading presence in all the industrial areas (electrical energy, gas, water, waste, district heating and renewable energy) in addition to a good balance between open market activities and regulated activities, IREN ranks fourth among the multi-utility companies, on a national basis in terms of Revenues.

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IREN GROUP: CONSOLIDATED INCOME STATEMENT AT 30/06/2014

(Thousands Euro)	30.06.2014 (Restated)	30.06.2013 (Restated)	change %
Revenues			
Revenues from goods and services	1,368,569	1,691,840	(19.1)
Change in contract work in progress	136	1,132	(88.0)
Other revenues and income	152,784	95,111	60.6
- *Of which non recurrent*	*21,044*	-	
Total revenues	**1,521,489**	**1,788,083**	**(14.9)**
Operating expenses			
Costs for raw materials, consumables, supplies and goods	(573,500)	(788,594)	(27.3)
Services and use of third-party assets	(409,935)	(467,921)	(12.4)
Other operating expenses	(37,446)	(33,912)	10.4
Capitalised expenses for internal work	9,879	12,074	(18.2)
Personnel expenses	(139,951)	(130,146)	7.5
Total operating expenses	**(1,150,953)**	**(1,408,499)**	**(18.3)**
Gross Operating Profit (EBITDA)	**370,536**	**379,584**	**(2.4)**
Amortisation, depreciation, impairment and provisions			
Amortisation/depreciation	(118,406)	(101,211)	17.0
Provisions and impairment	(23,241)	(26,384)	(11.9)
Total amortisation, depreciation impairment and provisions	**(141,647)**	**(127,595)**	**11.0**
Operating profit (EBIT)	**228,889**	**251,989**	**(9.2)**
Financial income			
Financial income	14,580	14,897	(2.1)
Financial expense	(64,499)	(61,934)	4.1
Net financial income	**(49,919)**	**(47,037)**	**6.1**
Share of profit (loss) of associates accounted for using the equity method	(11,189)	10,000	(*)
Impairment losses on investments	(20)	-	-
Profit before tax	**167,761**	**214,952**	**(22.0)**
Income tax expense	(81,058)	(96,886)	(16.3)
Profit for the period from continuing operations	**86,703**	**118,066**	**(26.6)**
Profit from discontinued operations	-	-	-
Profit for the period	**86,703**	**118,066**	**(26.6)**
attributable to:			
- owners of the Parent	76,958	112,323	(31.5)
- non-controlling interests	9,745	5,743	69.7

(*) Variation of more than 100%

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IREN GROUP: RECLASSIFIED STATEMENT OF FINANCIAL POSITION AT 30/06/2014

(Thousands Euro)	30.06.2014 (Restated)	31.12.2013 (Restated)	change %
Non-current assets	4,527,224	4,525,762	0.0
Other non-current assets (liabilities)	(148,852)	(135,501)	9.9
Net working capital	196,553	151,369	29.9
Deferred tax assets (liabilities)	127,154	121,995	4.2
Provisions and employee benefits	(474,695)	(473,695)	0.2
Assets (Liabilities) held for sale	491	995	(50.7)
Net invested capital	**4,227,875**	**4,190,925**	**0.9**
Equity	1,985,719	1,998,762	(0.7)
Long-term financial assets	*(55,808)*	*(79,424)*	*(29.7)*
Medium and long-term financial indebtedness	*1,872,446*	*1,853,608*	*1.0*
Medium and long-term net financial indebtedness	1,816,638	1,774,184	2.4
Short-term financial assets	*(542,901)*	*(454,902)*	*19.3*
Short-term financial indebtedness	*968,419*	*872,881*	*10.9*
Short-term net financial indebtedness	425,518	417,979	1.8
Net financial indebtedness	2,242,156	2,192,163	2.3
Own funds and net financial indebtedness	**4,227,875**	**4,190,925**	**0.9**

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PRESS RELEASE

IREN GROUP: CONSOLIDATED STATEMENT OF CASH FLOWS AT 30/06/2014

(Thousands Euro)	30/06/2014 (Restated)	30/06/2013 (Restated)	change %
A, Opening cash and cash equivalents	**50,221**	**26,681**	**88.2**
Cash flow generated by operating activities			
Profit for the period	86,703	118,066	(26.6)
Adjustments:			
Amortisation and depreciation of intangible and tangible assets	118,406	101,211	17.0
(Capital gains) capital losses and other changes in equity	(25,136)	336	(*)
Net variation in post-employment and other employee benefits	382	1,216	(68.6)
Net variation in provision for risk and other charges	(2,274)	(18,281)	(87.6)
Variation in deferred tax assets and liabilities	(4,383)	(2,351)	86.4
Variation in non-current assets (liabilities)	13,351	(9,611)	(*)
Dividends (net of elisions)	(1,030)	(790)	30.4
Portion of result of associates	11,189	(10,000)	(*)
Net impairment losses (reversals of impairment losses) on investments	706	626	12.8
B, Operating cash flow before NWC variations	**197,914**	**180,422**	**9.7**
Variation in inventories	25,051	14,461	73.2
Variation in trade receivables	129,874	125,186	3.7
Variation in tax assets and other current assets	(23,421)	9,349	(*)
Variation in trade payables	(240,377)	(238,805)	0.7
Variation in tax liabilities and other current liabilities	63,689	127,588	(50.1)
C, Cash flow generated by NWC variation	**(45,184)**	**37,779**	**(*)**
D, Operating cash flow (B+C)	**152,730**	**218,201**	**(30.0)**
Cash flows from (for) investing activities			
Investments in tangible and intangible assets	(109,420)	(97,523)	12.2
Investments in financial assets	(47,290)	(23)	(*)
Proceeds from the sale of investments and changes in assets held for sale	23,840	4,394	(*)
Dividends received	6,886	8,332	(17.4)
Other financial activities	-	(116)	(100.0)
E, Total cash flows from investing activities	**(125,984)**	**(84,936)**	**48.3**
F, Free cash flow (D+E)	**26,746**	**133,265**	**(79.9)**
Cash flow from financing activities			
Dividend payment	(73,641)	(76,070)	(3.2)
New long term financing	150,000	158,000	(5.1)
Repayment of long term financing	(263,262)	(36,942)	(*)
Variation in financial receivables	224,540	(120,446)	(*)
Variation in financial payables	(87,894)	13,591	(*)
G, Total cash flow from financing activities	**(50,257)**	**(61,867)**	**(18.8)**
H, Cash flow for the period/year (F+G)	**(23,511)**	**71,398**	**(*)**
I, Closing cash and cash equivalents (A+H)	**26,710**	**98,079**	**(72.8)**

(*) Variation of more than 100%

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