

Consolidated statement of cash flows for Terna Group

	(€m)	
	2017	2016
PROFIT FOR THE YEAR	694.2	627.9
ADJUSTED BY:		
Amortisation, depreciation and impairment losses /(reversals of impairment losses) on non-current property, plant and equipment and intangible assets*	516.4	495.3
Accruals to provisions (including provisions for employee benefits) and impairment losses	74.1	60.6
(Gains)/Losses on sale of property, plant and equipment	(2.1)	(9.8)
Financial (income)/expense	82.8	100.7
Income tax expense	294.4	305.3
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN NET WORKING CAPITAL	1,659.8	1,580.0
Increase/(decrease) in provisions (including provisions for employee benefits and taxation)	(69.2)	(17.6)
(Increase)/decrease in inventories	(4.8)	1.6
(Increase)/decrease in trade receivables and other current assets	89.7	(2.0)
Increase/(decrease) in trade payables and other current liabilities	200.2	99.0
Increase/(decrease) in other non-current liabilities	135.2	0.2
(Increase)/decrease in other non-current assets	(98.7)	(20.6)
Interest income and other financial income received**	352.0	479.1
Interest expense and other financial expenses paid**	(228.7)	(235.6)
Income tax paid	(343.8)	(324.1)
CASH FLOW FROM OPERATING ACTIVITIES [A]	1,691.7	1,560.0
- of which: related parties	(138)	31.3
Capital expenditure in non-current property, plant and equipment after grants received	(864.9)	(756.3)
Revenue from sale of non-current property, plant and equipment and intangible assets and other movements	9.4	12.4
Capitalised financial expenses	12.8	16.0
Capital expenditure in non-current intangible assets after grants received	(40.1)	(41.5)
(Increase)/decrease in investments in associates	(2.7)	3.0
(Increase)/decrease in other investments	-	(0.1)
CASH FLOW FOR INVESTING ACTIVITIES [B]	(885.5)	(766.5)
- of which: related parties	9.6	(2.2)
Dividends paid	(418.4)	(406.2)
Movements in short- and medium/long-term financial liabilities (including short-term portion)***	465.7	316.8
CASH FLOW FROM FINANCING ACTIVITIES [C]	47.3	(89.4)
INCREASE/(DECREASE) IN CASH AND EQUIVALENTS [A+B+C]	853.5	704.1
Cash and cash equivalents at beginning of year	1,135.7	431.6
Cash and cash equivalents at end of year	1,989.2	1,135.7

* After grants related to assets recognised in the income statement for the year

** Including cash flows generated from derivatives

*** After derivatives and impact of fair value adjustments