

PRESS RELEASE

PIAGGIO GROUP: 2018 DRAFT FINANCIAL STATEMENTS¹

In 2018, the Piaggio Group reported an improvement in performance from the previous year, progress on all the main earnings indicators, a strong increase in Ebit and net profit, higher capital expenditure and a reduction in debt.

**Consolidated net sales 1,389.5 million euro, up 4.3% (+8.2% at constant exchange rates)
(1,332.4 €/mln in 2017)**

**Industrial gross margin 423.6 million euro, up 4.5%
(405.4 €/mln in 2017), 30.5% return on net sales (30.4% in 2017)**

**Ebitda 201.8 million euro, up 4.9% (+7.4% at constant exchange rates)
(192.3 €/mln in 2017) Ebitda margin 14.5% (14.4% in 2017)**

**Ebit 92.8 million euro, up 28.3%
(72.3 €/mln in 2017) Ebit margin 6.7% (5.4% in 2017)**

**Profit before tax 67.8 million euro, up 69.4%
(40.1 €/mln in 2017)**

Net profit 36.1 million euro, up 80.6% (20 €/mln in 2017)

**Net financial position -429.2 million euro,
an improvement of 17.5 €/mln from -446.7 €/mln at 31 December 2017**

603,600 vehicles shipped worldwide, up by 9.2% (552,800 in 2017)

Capital expenditure 115.3 million euro, up 33% (86.7 €/mln in 2017)

Proposed dividend of 0.09 euro per share (equivalent to 32,155,184.34 euro)

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Authorisation for the purchase and sale of own shares

Mantua, 25 February 2019 - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. (PIA.MI) examined and approved the 2018 draft financial statements.

Piaggio Group business and financial performance at 31 December 2018²

Group consolidated net sales totalled 1,389.5 million euro, an improvement of 4.3% from 1,332.4 million euro in 2017. At constant exchange rates, net sales rose by 8.2% from the previous year.

¹ As from 1 January 2018, the Piaggio Group has applied IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers). In this press release, the figures at 31 December 2017 have been re-stated to permit comparison with the figures at 31 December 2018.

² The main alternative performance indicators used by the Piaggio Group, representing the data monitored by management, are as follows:

- EBITDA: earnings (EBIT) before amortisation and depreciation and impairment losses on property, plant and equipment and intangible assets, as reflected in the consolidated income statement;
- Industrial gross margin: net sales less costs to sell;
- Net financial position: gross financial debt less cash and cash equivalents, and other current financial receivables. Determination of the net financial position does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals.

The **industrial gross margin** was **423.6 million euro**, up by 4.5% from 405.4 million euro in 2017. The **return on net sales** was **30.5%** (30.4% in 2017).

Operating expense sustained by the Group for the year ended 31 December 2018 amounted to **330.8 million euro**, down 0.7% from the previous year (333.1 million euro).

The changes in the income statement described above generated **consolidated Ebitda of 201.8 million euro**, up by 4.9% (+7.4% at constant exchange rates) from 192.3 million euro in 2017. The **Ebitda margin** was **14.5%** (14.4% in 2017), the best annual result reported since the IPO (2006).

Ebit in 2018 amounted to **92.8 million euro**, a strong improvement of 28.3% from 72.3 million euro in 2017. The **EBIT margin** was **6.7%** (5.4% in 2017).

Profit before tax at 31 December 2018 was **67.8 million euro**, an increase of 69.4% (40.1 million euro in 2017). Income tax for the period was 31.8 million euro, with an impact on pre-tax profit of 46.8%.

Piaggio Group net profit for 2018 was **36.1 million euro**, an increase of 80.6% from 20 million euro in 2017.

Net financial debt at 31 December 2018 stood at **429.2 million euro**, an improvement of 17.5 million euro from 446.7 million euro at 31 December 2017.

Group **shareholders' equity** at 31 December 2018 was **392 million euro** (385.1 million euro at 31 December 2017).

In 2018, Piaggio Group **capital expenditure** amounted to **115.3 million euro**, an increase of 28.6 million euro, up 33% from 86.7 million euro in 2017.

Business performance in the year ended 31 December 2018

During 2018, the **Piaggio Group sold 603,600 vehicles worldwide**, an increase of 9.2% (552,800 shipments in the previous year), and reported consolidated net sales of 1,389.5 million euro.

At geographical level, sales volumes increased in India (+23.5%) and in Asia Pacific (+9.7%), while sales volumes in the EMEA and Americas regions (-4.3%) largely reflected the impact of lower market demand for 50cc vehicles.

Two-wheelers:

In the year to 31 December 2018, the Group sold 393,100 two-wheelers worldwide, an improvement of 4.6% (376,000 in 2017), generating **net sales of 957.9 million euro** (942.1 million euro in 2017).

The figure **includes spares and accessories**, on which turnover totalled **125.2 million euro**, an increase of 3.3% from 121.2 million euro in 2017.

In 2018, the Piaggio Group reported a **strong rise of 30.3% in sales volumes on the Indian two-wheeler market**, driven by the excellent results of **Vespa and Aprilia SR**, and an **increase of 9.7% in two-wheeler sales volumes in Asia Pacific**.

In Europe the Piaggio Group confirmed its leadership of the scooter segment, with a share of 25.3%. The Group also maintained a **strong positioning on the North American scooter market**, with a share of 23.9%.

In the **scooter segment**, excellent results were achieved by the **Vespa brand**, which reported **16% growth in worldwide shipments and the highest level of sales since 2007**; all the geographical areas contributed to this result, with a significant improvement in India, Asia Pacific and Europe, fuelled by the successful launch of the special series. Also in the scooter segment, **sales volumes rose for the MP3 three-wheeler, reflecting in particular the positive response to the new engine displacements, and for the Aprilia SR scooter on the Indian market.**

In **motorcycles**, Group volumes increased largely thanks to the **Aprilia brand**, which reported an improvement of **24.8% assisted by the new Shiver 900 and Dorso Duro 900 and by the SX 50.**

Commercial vehicles:

In **commercial vehicles**, the Piaggio Group reported strong progress, with **210,500 vehicles sold, up 19.1%** (176,800 in 2017), and **net sales of 431.6 million euro, up +10.6%** from 390.4 million euro in 2017. The figure also includes **spares and accessories**, where **sales totalled 47.7 million euro, up 5.6%** (45.1 million euro in 2017).

Sales of **three-wheel commercial vehicles in India** continued to show **steady growth, rising 15.9% to 167,362 shipments.** The PVPL subsidiary had an overall **three-wheeler market share of 23.3%** and **confirmed its leadership in the Cargo segment** with a share of **44.9%**.

The PVPL production facility exported more than **51,500 vehicles** in 2018.

Piaggio Fast Forward:

Piaggio Fast Forward (PFF), the Piaggio Group company headquartered in Boston and active in robotics and mobility for the future, **is continuing development work on its first innovative project, Gita, which will be assembled and produced at the new facility in Charlestown.** Gita is a smart vehicle able to move autonomously in today's increasingly complex urban environments. It can accompany the user, map their surroundings, exchange data and monitor other moving objects.

Significant events in and after 2018

Supplementing the information published above and at the time of approval of the 2018 third-quarter results (directors' meeting of 23 October 2018), this section illustrates key events in and after 2018.

On 6 November 2018, the Piaggio Group presented a number of new products at the EICMA tradeshow in Milan. These included the Vespa Elettrica (European marketing of which began as the tradeshow opened); the Moto Guzzi V85 TT all-terrain bike which began marketing in February this year, and has been booked for more than 8,000 test rides across Europe; the Aprilia RSV4 1100 Factory super sportsbike; the Aprilia RS 660 Concept. The Piaggio MP3 300 hpe and Piaggio MP3 500 hpe Sport Advanced, with reverse gear, were also presented. Restylings and new technical content were introduced for the models in the Vespa GTS range.

On 7 January Massimo Rivola was appointed CEO of Aprilia Racing. Rivola's appointment is another important step in the strengthening of the Noale racing division, after the engagement of top rider Andrea Iannone to join teammate Aleix Espargaró, whose place was confirmed, the arrival of Bradley Smith as a tester and of two new highly experienced head engineers, Antonio Jimenez and Fabrizio Cecchini.

On 15 January (see press release dated 16 January), Moody's Investors Service (Moody's) upgraded its Piaggio Group rating from "B1" to "Ba3" and assigned a "STABLE" outlook.

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Piaggio & C. S.p.A.

In 2018, the parent reported net sales of 799.6 million euro and net profit of 35.6 million euro.

The Board of Directors will ask the shareholders to approve distribution of a gross dividend of 0.09 euro per entitled ordinary share (€ 0.055 for financial year 2017), equivalent to 32,155,184.34 million euro. The ex dividend date (coupon no.12) is 23 April 2019 the record date is 24 April 2019 and the payment date is 25 April 2019.

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Outlook

In a context in which the Piaggio Group is strengthening its position on the global markets, the Group is committed to:

- confirming its leadership position on the European two-wheeler market, taking full advantage of the expected recovery by further strengthening its scooter and motorcycle range;
- maintaining its current positions on the European commercial vehicles market by strengthening the sales network;
- consolidating its presence in Asia Pacific, by exploring new opportunities in countries in the region, with a particular focus on the premium segment of the market;
- increasing sales on the Indian scooter market thanks to the Vespa and Aprilia offers;
- growing the penetration of commercial vehicles in India, in part through the introduction of new engine displacements.

From the technological viewpoint, the Piaggio Group will continue research on new solutions to current and future mobility problems, through the work of Piaggio Fast Forward (Boston) and new advances in design at the PADc (Piaggio Advanced Design center) in Pasadena.

At a more general level, the Group maintains its commitment - a characteristic of recent years and continuing in 2019 - to generate higher productivity through close attention to cost and investment efficiency, in compliance with its ethical principles.

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Authorisation for the purchase and sale of own shares

At today's meeting, the Board of Directors agreed to present to the shareholders' meeting a proposal for the renewal of the authorisation for the purchase and sale of own shares granted by the Annual General Meeting of 16 April 2018, which is due to expire on 16 October 2019. The proposal aims to provide the company with a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in art. 5 of EU Regulation 596/2014 (Market Abuse Regulation, hereinafter "MAR") and in the practices allowed under art. 13 MAR, and also for purchases of own shares for subsequent cancellation.

Authorisation to purchase own sales will be requested for a period of 18 months, as from the shareholder resolution date; authorisation to sell own shares will be requested for an unlimited period. As of today, the company holds 873,818 own shares.

All information concerning the terms and procedures of the authorisation will be set out in the Illustrative Report on Own Share Purchases, to be made available to shareholders within the terms envisaged by current laws.

* * *

Conference call with analysts

The presentation of the financial results as at and for the year ended 31 December 2018, which will be illustrated during a conference call with financial analysts, is available on the corporate website at www.piaggiogroup.com/it/investor.

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The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the year ended 31 December 2018 are set out below.

The income statement schedules have been updated as a result of the adoption of IFRS 9, which amended IAS 1 (82 ba), requiring separate recognition in the income statement of impairment losses (including impairment reversals or gains on reductions in value).

The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2 of art. 154 bis of Legislative Decree no. 58/1998 (Consolidated Finance Act), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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In line with the recommendations of CESR Communication 05-178b, attention is drawn to the fact that this press release contains a number of indicators that, though not yet contemplated by the IFRS ("Non-GAAP Measures"), are based on financial measures envisaged by the IFRS. These indicators - presented in order to assist assessment of the Group's business performance - should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Piaggio Group 2017 Annual Report and in the quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that the alternative performance indicators ("Non-GAAP Measures") have not been audited by the independent auditors.

This press release may contain forward-looking statements relating to future events and Piaggio Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

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SCHEDULES

Consolidated Income Statement

	2018		2017	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
Net Sales	1,389,546	2,772	1,342,450	1,777
Cost of materials	(838,270)	(20,026)	(791,068)	(23,508)
Cost of services and use of third-party assets	(222,974)	(3,817)	(227,536)	(3,716)
Employee expense	(218,224)		(215,463)	
Depreciation and impairment property, plant and equipment	(40,982)		(44,628)	
Amortisation and impairment intangible assets	(68,005)		(75,370)	
Other operating income	114,014	423	106,428	395
Impairment reversals (losses) net of trade and other receivables	(2,212)		(2,781)	
Other operating expense	(20,115)	(97)	(19,703)	(16)
EBIT	92,778		72,329	
Results of associates	482	474	825	716
Finance income	7,775	17	1,303	21
Finance costs	(33,378)	(82)	(35,102)	(134)
Net exchange-rate gains/(losses)	193		700	
Profit before tax	67,850		40,055	
Income tax expense	(31,775)	3,808	(20,071)	1,195
Profit from continuing operations	36,075		19,984	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	36,075		19,984	
Attributable to:				
Equity holders of the parent	36,075		19,984	
Minority interests	0		0	
Earnings per share (in €)	0.101		0.056	
Diluted earnings per share (in €)	0.101		0.056	

Note: The effects arising from adoption of IFRS 15 and IFRS 9 are illustrated in the section of the Notes on “New accounting principles, amendments applied since 1 January 2018”.

Consolidated Statement of Comprehensive Income

	2018	2017
<i>In thousands of euro</i>		
Profit (loss) for the period (A)	36,075	19,984
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	(1,019)	1,274
Total	(1,019)	1,274
Items that may be reclassified to profit or loss		
Gains (losses) on translation of financial statements of foreign entities	(3,027)	(9,673)
Share of components of Comprehensive Income relating to equity-accounted investees	(88)	(609)
Total gains (losses) on cash flow hedges	206	68
Total	(2,909)	(10,214)
Other comprehensive income (expense) (B)*	(3,928)	(8,940)
Total comprehensive income (expense) for the period (A + B)	32,147	11,044
* Other comprehensive income (expense) taking related tax effects into account		
Attributable to:		
Equity holders of the parent	32,122	10,975
Minority interests	25	69

Consolidated Statement of Financial Position

	At 31 December 2018		At 31 December 2017	
		<i>of which related parties</i>		<i>of which related parties</i>
	Total		Total	
<i>In thousands of euro</i>				
ASSETS				
Non-current assets				
Intangible assets	658,888		648,977	
Property, plant and equipment	266,198		273,013	
Investment property	10,269		11,523	
Equity investments	7,934		7,553	
Other financial assets	6,029		7,364	
Non-current tax receivables	17,399		19,913	
Deferred tax assets	59,250		58,601	
Trade receivables				
Other receivables	16,625	94	12,157	115
Total non-current assets	1,042,592		1,039,101	
Assets held for sale				
Current assets				
Trade receivables	86,557	1,264	83,995	2,150
Other receivables	33,507	15,262	26,916	10,029
Current tax receivables	7,368		11,106	
Inventories	224,108		218,622	
Other financial assets	2,805		2,321	
Cash and cash equivalents	188,740		128,067	
Total current assets	543,085		471,027	
Total Assets	1,585,677		1,510,128	

Note: The effects arising from adoption of IFRS 15 and IFRS 9 are illustrated in the section of the Notes on “New accounting principles, amendments applied since 1 January 2018”.

	<u>At 31 December 2018</u>		<u>At 31 December 2017</u>	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital and reserves attributable to equity holders of the parent	392,163		385,296	
Share capital and reserves attributable to minority interests	(211)		(236)	
Total shareholders' equity	391,952		385,060	
Non-current liabilities				
Borrowings due after one year	512,498		446,483	2,900
Trade payables				
Other non-current provisions	9,504		9,096	
Deferred tax liabilities	2,806		3,170	
Pension funds and employee benefits	41,306		44,457	
Tax payables				
Other non-current payables	5,939		5,621	12
Total non-current liabilities	572,053		508,827	
Current liabilities				
Borrowings due within one year	113,502		137,780	
Trade payables	432,722	8,402	411,775	9,375
Tax payables	14,635		10,185	
Other current liabilities	48,220	6,725	46,424	7,863
Current portion of other non-current provisions	12,593		10,077	
Total current liabilities	621,672		616,241	
Total Shareholders' equity and Liabilities	1,585,677		1,510,128	

Note: The effects arising from adoption of IFRS 15 and IFRS 9 are illustrated in the section of the Notes on "New accounting principles, amendments applied since 1 January 2018".

Consolidated Statement of Cash Flows

This schedule shows the determinants of changes in cash and cash equivalents net of bank overdrafts, as required by IAS 7.

Consolidated Statement of Cash Flows

	2018		2017	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<i>Operating assets</i>				
Profit (loss) for the period	36,075		19,984	
Earnings attributable to minority interests	0		0	
Income tax expense	31,775		20,071	
Depreciation property, plant and equipment	40,360		44,628	
Amortisation intangible assets	65,574		71,145	
Allowances for risks, retirement funds and employee benefits	18,540		18,850	
Impairment losses / (Reversals)	6,503		7,172	
Losses / (Gains) realised on sale of property, plant and equipment	137		(558)	
Finance income	(7,775)		(1,222)	
Dividend income	(8)		(109)	
Finance costs	33,378		32,392	
Income from public grants	(4,565)		(4,266)	
Share of results of associates	(474)		(716)	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(4,388)	810	(10,900)	1,200
(Increase)/Decrease in other receivables	(11,429)	(5,212)	(2,441)	(1,258)
(Increase)/Decrease in inventories	(5,486)		(10,163)	
Increase/(Decrease) in trade payables	20,947	(973)	16,126	(560)
Increase/(Decrease) in other payables	2,114	(1,150)	(376)	561
Increase/(Decrease) in provisions for risks	(7,812)		(10,730)	
Increase/(Decrease) in retirement funds and employee benefits	(12,126)		(12,442)	
Other movements	4,851		24,205	
Cash generated by operating activities	206,191		200,650	
Interest expense paid	(31,168)		(31,474)	
Tax paid	(26,974)		(19,058)	
Cash flow from operating activities (A)	148,049		150,118	
<i>Investing activities</i>				
Investment in property, plant and equipment	(37,148)		(28,775)	
Sale price or redemption value of property, plant and equipment	860		3,277	
Investment in intangible assets	(78,130)		(57,931)	
Sale price or redemption value of intangible assets	72		62	
Dividends received	8		109	
Purchase financial assets	(1)		0	
Public grants collected	2,845		0	
Interest collected	510		977	
Cash flow from investing activities (B)	(110,984)		(82,281)	
<i>Financing activities</i>				
Own share purchases	(1,537)		0	
Outflow for dividends paid	(19,698)		(19,698)	
Loans received	166,148		73,925	
Outflow for loan repayments	(120,343)		(174,823)	
Repayment of finance leases	(1,145)		(1,124)	
Cash flow from financing activities (C)	23,425		(121,720)	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	60,490		(53,883)	
Opening balance	127,894		191,400	
Exchange differences	2		(9,623)	
Closing balance	188,386		127,894	

INCOME STATEMENT

	2018		2017	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
Net Sales	799,573	86,818	817,764	103,991
Cost of materials	(480,289)	(94,099)	(483,186)	(93,193)
Cost of services and use of third-party assets	(163,360)	(41,618)	(170,663)	(38,710)
Employee expense	(157,161)		(159,303)	
Depreciation and impairment property, plant and equipment	(23,237)		(24,931)	
Amortisation and impairment intangible assets	(61,314)		(65,027)	
Other operating income	113,305	36,827	108,506	34,694
Impairment reversals (losses) net of trade and other receivables	(1,943)		(1,866)	
Other operating expense	(12,847)	(859)	(15,812)	(1,113)
EBIT	12,727		5,482	
Results of associates	45,148	45,140	38,103	37,994
Finance income	5,607	554	370	338
Finance costs	(26,445)	(82)	(26,805)	(134)
<i>of which non-recurring</i>				
Net exchange-rate gains/(losses)	(447)		(101)	
Profit before tax	36,590		17,049	
Income tax expense	(1,012)	3,808	3,544	1,144
<i>of which non-recurring</i>				
Profit from continuing operations	35,578		20,593	
Discontinued operations:				
Profit or loss from discontinued operations				
Profit (loss) for the period	35,578		20,593	

STATEMENT OF COMPREHENSIVE INCOME

	2018	2017
<i>In thousands of euro</i>		
Profit (loss) for the period (A)	35,578	20,593
Items that cannot be reclassified to profit or loss		
Re-measurement of defined benefit plans	(750)	828
Share of components of comprehensive income relating to equity-accounted investees	(293)	451
Total	(1,043)	1,279
Items that may be reclassified to profit or loss		
Total gains (losses) on cash flow hedges	206	68
Share of components of comprehensive income relating to equity-accounted investees	(2,714)	(10,547)
Total	(2,508)	(10,479)
Other comprehensive income (expense) (B)*	(3,551)	(9,200)
Total comprehensive income (expense) for the period (A + B)	32,027	11,393

* Other comprehensive income (expense) taking related tax effects into account

Statement of Financial Position

	At 31 December 2018		At 31 December 2017	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
ASSETS				
Non-current assets				
Intangible assets	558,845		549,140	
Property, plant and equipment	169,362		170,565	
Investment property				
Equity investments	152,140		127,442	
Other financial assets	6,029		7,365	
Non-current tax receivables	10,348		9,351	
Deferred tax assets	41,855		42,447	
Other receivables	6,059	94	2,555	115
Total non-current assets	944,638		908,865	
Assets held for sale				
	-		-	
Current assets				
Trade receivables	48,063	22,978	46,878	18,351
Other receivables	64,923	55,164	57,261	46,868
Current tax receivables	3,086		3,759	
Inventories	166,463		160,889	
Other financial assets	14,797	11,993	16,355	14,171
Cash and cash equivalents	22,944		10,239	
Total current assets	320,276		295,381	
TOTAL ASSETS	1,264,914		1,204,246	

Statement of Financial Position

	At 31 December 2018		At 31 December 2017	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	207,614		207,614	
Share premium	7,171		7,171	
Legal reserve	20,125		19,095	
Other reserves	(27,423)		(20,895)	
Retained earnings (accumulated losses)	74,320		77,035	
Profit (loss) for the period	35,578		20,593	
Total shareholders' equity	317,385		310,613	
Non-current liabilities				
Borrowings due after one year	506,637		436,851	2,900
Other non-current provisions	7,263		7,197	
Pension funds and employee benefits	39,622		42,868	
Tax payables				
Other non-current payables	2,403		1,678	13
Total non-current liabilities	555,925		488,594	
Current liabilities				
Borrowings due within one year	62,797		85,742	
Trade payables	273,299	21,818	263,762	19,021
Tax payables	4,784		3,847	
Other current liabilities	43,324	12,196	42,296	11,845
Current portion of other non-current provisions	7,400		9,392	
Total current liabilities	391,604		405,039	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,264,914		1,204,246	

STATEMENT OF CASH FLOWS

	2018	2017
<i>In thousands of euro</i>		
Operating assets		
Profit (loss) for the period	35,578	20,593
Income tax expense	1,012	(3,544)
Depreciation property, plant and equipment	22,615	24,931
Amortisation intangible assets	59,383	61,864
Allowances for risks, retirement funds and employee benefits	14,319	19,237
Impairment losses / (Reversals)	(40,664)	(33,031)
Losses / (Gains) realised on sale of property, plant and equipment	265	1,093
Finance income	(5,607)	(370)
Dividend income	(8)	(109)
Finance costs	26,445	26,265
Income from public grants	(1,028)	0
Change in working capital:		
(Increase)/Decrease in trade receivables	(2,661)	(2,519)
(Increase)/Decrease in other receivables	(11,613)	(4,368)
(Increase)/Decrease in inventories	(5,574)	(8,348)
Increase/(Decrease) in trade payables	9,537	(467)
Increase/(Decrease) in other payables	1,753	(2,117)
Increase/(Decrease) in provisions for risks	(6,357)	(9,600)
Increase/(Decrease) in retirement funds and employee benefits	(12,391)	(12,749)
Other movements	(3,482)	22,301
Cash generated by operating activities	81,522	99,062
Interest expense paid	(24,491)	(23,155)
Tax paid	(2,482)	(3,354)
Cash flow from operating activities (A)	54,549	72,553
Investing activities		
Investment in property, plant and equipment	(21,957)	(14,140)
Sale price or redemption value of property, plant and equipment	42	1,456
Investment in intangible assets	(71,079)	(51,447)
Sale price or redemption value of intangible assets	62	38
Investment in non-current financial assets	(2,840)	(8,434)
Loans given	(11,241)	(4,457)
Sale price of financial assets	842	0
Grants collected	728	0
Interest collected	523	335
Dividends from equity investments	32,309	18,550
Cash flow from investing activities (B)	(72,611)	(58,099)
Financing activities		
Own share purchases	(1,537)	0
Outflow for dividends paid	(19,698)	(19,698)
Loans received	152,662	56,687
Outflow for loan repayments	(99,859)	(131,050)
Repayment of finance leases	(1,108)	(1,081)
Cash flow from financing activities (C)	30,460	(95,142)
Increase / (Decrease) in cash and cash equivalents (A+B+C)	12,398	(80,688)
Opening balance	10,066	90,872
Exchange differences	128	(118)
Closing balance	22,592	10,066