

CONSOLIDATED STATEMENTS OF INCOME

(millions of euro)	1° half 2005	1° half 2004	Year 2004	Change	
	(a)	(b)		(a-b)	%
Revenues	14.692	13.968	28.573	724	5,2
Other income	224	177	1.100	47	26,6
Total revenues and operating income	14.916	14.145	29.673	771	5,5
Purchases of materials and external services	(6.116)	(5.769)	(12.052)	(347)	6,0
Personnel costs	(1.919)	(1.892)	(3.842)	(27)	1,4
Other operating expenses	(650)	(548)	(1.617)	(102)	18,6
Changes in inventories	77	113	26	(36)	(31,9)
Capitalized internal constructions costs	211	304	714	(93)	(30,6)
OTHER OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION, GAINS/LOSSES ON DISPOSALS AND IMPAIRMENT REVERSALS/LOSSES ON NON-CURRENT ASSETS (EBITDA)	6.519	6.353	12.902	166	2,6
Depreciation and amortization	(2.520)	(2.305)	(4.852)	(215)	9,3
Gain/losses on disposals of non-current assets	(1)	(6)	(9)	5	(83,3)
Impairment reversals/losses on non-current assets	(9)	(286)	(444)	277	°
OPERATING INCOME (EBIT)	3.989	3.756	7.597	233	6,2
Share of earnings of equity investments in associates accounted for by the equity method	(15)	(18)	(4)	3	(16,7)
Financial income	1.374	754	1.806	620	82,2
Financial expenses	(2.236)	(1.787)	(3.807)	(449)	25,1
INCOME FROM CONTINUING OPERATIONS BEFORE TAXES	3.112	2.705	5.592	407	15,0
Income taxes for the period	(1.354)	(1.311)	(2.657)	(43)	3,3
NET INCOME FROM CONTINUING OPERATIONS	1.758	1.394	2.935	364	26,1
Net income (loss) from discontinued operations/assets held for sale	421	24	(101)	397	°
NET INCOME FOR THE PERIOD	2.179	1.418	2.834	761	53,7
Attributable to:					
* Parent company	1.775	979	1.815	796	81,3
* Minority interest	404	439	1.019	(35)	(8,0)

(I) excluding gain/losses on disposals of discontinued operations/assets held for sale and equity investments in other than subsidiaries.

CONSOLIDATED BALANCE SHEETS

(millions of euro)	30.6.2005 (a)	31.12.2004 (b)	30.6.2004	Change (a-b)
NON-CURRENT ASSETS				
Intangible assets				
- Goodwill and other intangible asset with an indefinite life	44.105	26.814	26.532	17.291
- Intangible assets with a finite life	6.598	6.456	5.879	142
	50.703	33.270	32.411	17.433
Tangible assets				
- Property, plant and equipment owned	16.749	16.428	16.513	321
- Assets held under finance leases	1.603	1.581	1.645	22
	18.352	18.009	18.158	343
Other non-current assets				
- Equity investments	1.305	1.053	1.290	252
- Securities and financial receivables	677	445	438	232
- Miscellaneous receivables and other non-current assets	831	796	826	35
	2.813	2.294	2.554	519
Deferred tax assets	4.433	4.493	5.515	(60)
TOTAL NON CURRENT ASSETS (A)	76.301	58.066	58.638	18.235
CURRENT ASSETS				
Inventories	398	308	398	90
Trade receivables, miscellaneous receivables and othe current assets	10.203	9.905	9.648	298
Securities other than equity investments	444	786	641	(342)
Financials receivables and other current financial asset	1.537	765	859	772
Cash and cash equivalents	4.106	8.401	5.566	(4.295)
TOTAL CURRENT ASSETS (B)	16.688	20.165	17.112	(3.477)
ASSET HELD FOR SALE				
- of a financial nature	37	368	428	(331)
- of a non-financial nature	346	4.008	4.157	(3.662)
TOTAL ASSETS HELD FOR SALE (C)	383	4.376	4.585	(3.993)
TOTAL ASSETS (A+B+C)	93.372	82.607	80.335	10.765
SHAREHOLDERS' EQUITY				
attributable to Parent Company	24.128	16.251	15.404	7.877
attributable to Minority interest	1.656	4.592	3.872	(2.936)
TOTAL SHAREHOLDERS' EQUITY (D)	25.784	20.843	19.276	4.941
NON-CURRENT LIABILITIES				
Non- current financials liabilities	42.037	38.229	35.111	3.808
Employee severance indemnities and other employee- related reserves	1.259	1.211	1.208	48
Reserve for deferred taxes	612	524	503	88
Reserves for future risks and charges	839	777	821	62
Miscellaneous payables and other non-current liabilities	2.100	2.200	2.376	(100)
TOTAL NON-CURRENT LIABILITIES (E)	46.847	42.941	40.019	3.906
CURRENT LIABILITIES				
Current financial liabilities	8.725	4.336	7.066	4.389
Trade paybles, current tax payables, miscellaneous payables and other current liabilities	11.799	12.321	11.657	(522)
TOTAL CURRENT LIABILITIES (F)	20.524	16.657	18.723	3.867
Liabilities relating to asset held for sale				
- of a financial nature	150	1.062	1.244	(912)
- of a non-financial nature	67	1.104	1.073	(1.037)
TOTALE LIABILITIES RELATING TO ASSETS HELD FOR SALE (G)	217	2.166	2.317	(1.949)
TOTAL LIABILITIES (H=E+F+G)	67.588	61.764	61.059	5.824
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES (D+H)	93.372	82.607	80.335	10.765

CONSOLIDATED NET FINANCIAL INDEBTEDNESS

(millions of euro)	30.6.2005 (a)	31.12.2004 (b)	30.6.2004	Change (a-b)
GROSS FINANCIAL DEBT				
Non-current financial liabilities				
- Financial payables	40.195	36.392	33.312	3.803
- Finance lease liabilities	1.841	1.834	1.798	7
- Other financial liabilities	1	3	1	(2)
Current financial liabilities				
- Financial payables	8.491	4.107	6.841	4.384
- Finance lease liabilities	229	224	220	5
- Other financial liabilities	5	5	5	-
Financial liabilities relating to assets held for sale	150	1.062	1.244	(912)
TOTAL GROSS FINANCIAL DEBT (A)	50.912	43.627	43.421	7.285
FINANCIAL ASSETS				
Non-current financial assets				
- Securities other than equity investments	6	7	9	(1)
- Financial receivables and other non-current financial assets	671	438	429	233
Current financial assets				
- Securities other than equity investments	444	786	641	(342)
Financial receivables and other current financial assets	1.537	765	859	772
Cash and cash equivalents	4.106	8.401	5.566	(4.295)
Financial assets relating to assets held for sale	37	368	428	(331)
TOTAL FINANCIAL ASSETS (B)	6.801	10.765	7.932	(3.964)
NET FINANCIAL INDEBTEDNESS (A-B)	44.111	32.862	35.489	11.249

CONSOLIDATED CASH FLOW STATEMENTS

(millions of euro)	1° half 2005	1° half 2004	Year 2004
CASH FLOWS ATTRIBUTABLE TO OPERATING ACTIVITIES			
Net income from continuing operations	1.758	1.394	2.935
<i>Adjustments to reconcile net income from continuing operations with cash flows generated (absorbed) by operating activities:</i>			
Depreciation and amortisation	2.520	2.305	4.852
Impairment losses/reversals on non-current assets (including equity investments)	(45)	267	446
Net change in deferred tax assets and liabilities	469	(223)	866
Gains/losses on disposal of non-current assets	(65)	(6)	(106)
Share of earnings of equity investments in associates accounted for by the equity method	15	18	4
Net change in current trade and miscellaneous receivables/payables and other changes (I)	(1.657)	572	1.529
CASH FLOWS GENERATED (ABSORBED) BY OPERATING ACTIVITIES (A)	2.995	4.327	10.526
CASH FLOWS ATTRIBUTABLE TO INVESTING ACTIVITIES			
Investments in tangible assets	(1.513)	(1.242)	(3.145)
Investments in intangible assets	(668)	(650)	(1.896)
Investments in other non-current assets	(14.209)	(398)	(871)
Acquisition of equity investments in subsidiaries, net of cash acquired	(247)	-	(1)
Change in financial receivables and other financial assets	(1.054)	1.550	304
Consideration collected on the sale of equity investments in subsidiaries, net of cash sold (II)	1.702	-	43
Consideration collected on the sale of tangible, intangible and other non-current assets (III)	146	158	452
CASH FLOWS GENERATED (ABSORBED) BY INVESTING ACTIVITIES (B)	(15.843)	(582)	(5.114)
CASH FLOWS ATTRIBUTABLE TO FINANCING ACTIVITIES			
Net change in financial liabilities	10.303	(224)	1.352
Consideration collected for equity instruments	95	12	193
Share capital increases/repurchases net of start-up and expansion costs	-	-	51
Dividends paid to minority shareholders (distribution of reserves included)	(2.318)	(2.780)	(2.780)
CASH FLOWS GENERATED (ABSORBED) BY FINANCING ACTIVITIES (C)	8.080	(2.992)	(1.184)
CASH FLOWS GENERATED (ABSORBED) BY DISCONTINUED OPERATIONS/ASSETS HELD FOR SALE (D)	30	(145)	(396)
AGGREGATE CASH FLOWS (E=A+B+C+D)	(4.738)	608	3.832
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (F)	8.339	4.477	4.477
Net effect of foreign currency translation on cash (G)	100	(7)	30
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD (H=E+F+G)	3.701	5.078	8.339

(in millions of euro)	1° half 2005	1° half 2004	Anno 2004
INFORMAZIONI AGGIUNTIVE DEL RENDICONTO FINANZIARIO:			
Income tax paid	61	546	1.476
Interest paid	1.777	1.781	2.779
RECONCILIATION OF TOTAL NET CASH AND CASH EQUIVALENTS			
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8.339	4.477	4.477
Cash and cash equivalents	8.401	4.751	4.751
Bank overdrafts repayable on demand	(244)	(510)	(510)
Relating to assets held for sale	182	236	236
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3.701	5.078	8.339
Cash and cash equivalents	4.106	5.566	8.401
Bank overdrafts repayable on demand	(442)	(665)	(244)
Relating to assets held for sale	37	177	182

(I) Net of the impact of the purchase/sale of equity investments in consolidated subsidiaries

(II) Net of the change in receivables as a result of the relative sales

(III) Net of the change in receivables as a result of the relative sales. The item includes gains/losses relating to the equity investments and excludes gains relating to the assets sold. It includes the repayment of capital and distribution of reserves.