

ANNEX I

GENERAL

2nd

HALF-YEARLY FINANCIAL REPORT FOR FINANCIAL YEAR

2017

REPORTING DATE

31/12/2017

I. IDENTIFICATION DATA

Registered Company Name: IBERDROLA, S.A.

Registered Address: PLAZA EUSKADI, Nº 5 48009 BILBAO

**Tax Identification
 Number**
 A-48010615

II. SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

Annex

**supplementary
 information**

**Explanation of the main modifications with respect to the previously released periodic information:
 (complete only in the situations indicated in Section B) of the instructions)**

In 2017, the activities related to the provision of engineering and construction services were abandoned, meeting the requirements to be considered a discontinued activity. The profit or loss after tax of this discontinued operation is included under the sub-heading 'Year's result from discontinued activities' on the 2017 and 2016 Consolidated income statement from applying the main accounting principles. Subsequently, comparative information from the previous year has been revised.

Additionally, in July 2017 and January 2018 two free capital increases took place in the context of the "Iberdrola flexible dividend" programme. According to IAS 33: "Earning per share" these free capital increases have resulted in the correction of the earnings per share corresponding to the 2016 year end included in the Consolidated financial statements for that year, and they have been taken into account to calculate the 2017 year share basic and diluted earnings per share.

Other explanations:

Due to technical restrictions when filling out the contents of the semi-annual Financial Report for 2017, the IBERDROLA Group has had to modify the presentation of the following information with respect to the information published in the Consolidated annual financial statements for the year 2017:

- In Form 10. A. Consolidated statement of cash flow (IFRS adopted), the "Profit (loss) from discontinued operations, net of tax" is presented grouped in line 1412 "(+/-) Other net adjustments to profit (loss)" instead of line 1405 "Profit (loss) before tax".

- In Form 9. Consolidated statement of changes in equity (IFRS adopted) (1/2), part of the effect of the business combination by which NEOENERGIA control is acquired is reported on line 3160 "I. Total comprehensive income/(expense) for the period" instead of the line 3170 "5. Equity increase/ (decrease) resulting from business combinations" where is presented in the Consolidated annual financial statements.

| IV. SELECTED FINANCIAL INFORMATION | | | |
|--|--|-------------------|-------------------|
| 1. INDIVIDUAL BALANCE SHEET (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) | | | |
| Units: Thousand euros | | CURRENT P. | PREVIOUS P. |
| ASSETS | | 31/12/2017 | 31/12/2016 |
| A) NON-CURRENT ASSETS | | | |
| 1. | Intangible assets: | 44,744,617 | 46,260,412 |
| | a) Goodwill | 95,514 | 83,241 |
| | b) Other intangible assets | 0 | 0 |
| | | 95,514 | 83,241 |
| 2. | Property, plant and equipment | 221,686 | 214,206 |
| 3. | Investment property | 0 | 0 |
| 4. | Long-term investments in group companies and associates | 43,895,720 | 44,858,784 |
| 5. | Long-term financial investments | 133,135 | 422,734 |
| 6. | Deferred tax assets | 389,799 | 672,684 |
| 7. | Other non-current assets | 8,763 | 8,763 |
| B) CURRENT ASSETS | | | |
| 1. | Non-current assets held for sale | 1,690,006 | 2,051,550 |
| 2. | Inventories | 0 | 0 |
| 3. | Trade and other receivables: | 605,877 | 688,670 |
| | a) Trade receivables | 98,142 | 200,275 |
| | b) Other receivables | 67,497 | 87,799 |
| | c) Current tax assets | 440,238 | 400,596 |
| 4. | Short-term investments in group companies and associates | 856,814 | 1,166,727 |
| 5. | Short-term financial investments | 226,124 | 194,243 |
| 6. | Prepayments for current assets | 1,191 | 1,910 |
| 7. | Cash and cash equivalents | 0 | 0 |
| TOTAL ASSETS (A + B) | | 46,434,623 | 48,311,962 |

IV. SELECTED FINANCIAL INFORMATION

1. INDIVIDUAL BALANCE SHEET (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) (cont.)

Units: Thousand euros

| EQUITY AND LIABILITIES | | CURRENT P. | PREVIOUS P. |
|---|-------------|------------|-------------|
| | | 31/12/2017 | 31/12/2016 |
| A) EQUITY (A.1 + A.2 + A.3) | 0195 | 33,216,241 | 33,181,293 |
| A.1) CAPITAL AND RESERVES | 0180 | 33,287,122 | 33,274,400 |
| 1. Capital: | 0171 | 4,738,136 | 4,771,559 |
| a) Registered capital | 0161 | 4,738,136 | 4,771,559 |
| b) <i>Less: Uncalled capital</i> | 0162 | 0 | 0 |
| 2. Share premium | 0172 | 14,667,679 | 14,667,679 |
| 3. Reserves | 0173 | 6,234,009 | 8,076,130 |
| 4. <i>Own shares and equity holdings</i> | 0174 | (589,380) | (1,073,787) |
| 5. Prior periods' profit and loss | 0178 | 6,614,050 | 5,400,882 |
| 6. Other shareholder contributions | 0179 | 0 | 0 |
| 7. Profit (loss) for the period | 0175 | 1,598,871 | 1,410,966 |
| 8. <i>Less: Interim dividend</i> | 0176 | 0 | 0 |
| 9. Other equity instruments | 0177 | 23,757 | 20,971 |
| A.2) VALUATION ADJUSTMENTS | 0188 | (70,881) | (93,107) |
| 1. Available-for-sale financial assets | 0181 | 0 | 0 |
| 2. Hedging transactions | 0182 | (70,881) | (93,107) |
| 3. Other | 0183 | 0 | 0 |
| A.3) GRANTS, DONATIONS AND BEQUESTS RECEIVED | 0194 | 0 | 0 |
| B) NON-CURRENT LIABILITIES | 0120 | 5,819,415 | 10,793,528 |
| 1. Long-term provisions | 0115 | 499,438 | 495,802 |
| 2. Long-term debts: | 0116 | 1,211,477 | 1,493,325 |
| a) Debt with financial institutions and bonds and other marketable securities | 0131 | 1,053,785 | 1,292,520 |
| b) Other financial liabilities | 0132 | 157,692 | 200,805 |
| 3. Long-term payables to group companies and associates | 0117 | 3,381,868 | 7,726,098 |
| 4. Deferred tax liabilities | 0118 | 726,632 | 1,078,303 |
| 5. Other non-current liabilities | 0135 | 0 | 0 |
| 6. Long-term accrual accounts | 0119 | 0 | 0 |
| C) CURRENT LIABILITIES | 0130 | 7,398,967 | 4,337,141 |
| 1. Liabilities associated with non-current assets held for sale | 0121 | 0 | 0 |
| 2. Short-term provisions | 0122 | 0 | 0 |
| 3. Short-term debts: | 0123 | 515,796 | 734,843 |
| a) Bank borrowings and bonds and other negotiable securities | 0133 | 377,327 | 339,120 |
| b) Other financial liabilities | 0134 | 138,469 | 395,723 |
| 4. Short-term payables to group companies and associates | 0129 | 6,730,990 | 3,445,014 |
| 5. Trade and other payables: | 0124 | 152,149 | 157,249 |
| a) Suppliers | 0125 | 16,223 | 42,297 |
| b) Other payables | 0126 | 135,926 | 114,952 |
| c) Current tax liabilities | 0127 | 0 | 0 |
| 6. Other current liabilities | 0136 | 0 | 0 |
| 7. Current accrual accounts | 0128 | 32 | 35 |
| TOTAL EQUITY AND LIABILITIES (A + B + C) | 0200 | 46,434,623 | 48,311,962 |

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| IV. SELECTED FINANCIAL INFORMATION |
| 2. INDIVIDUAL PROFIT AND LOSS ACCOUNT |
| (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) |

Units: Thousand euros

| | | PRESENT CURR. PERIOD (2nd HALF YEAR) | | PREVIOUS CURR. PERIOD (2nd HALF YEAR) | | CURRENT CUMULATIVE 31/12/2017 | | PREVIOUS CUMULATIVE 31/12/2016 | |
|---|-------------|---|---------------|--|----------------|----------------------------------|---------------|-----------------------------------|----------------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| (+) Revenue | 0205 | 1,859,972 | 100,00 | 1,906,687 | 100,00 | 2,510,410 | 100,00 | 2,418,071 | 100,00 |
| (+/-) Change in inventories of finished products and work in progress | 0206 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 |
| (+) Own work capitalised | 0207 | 1,481 | 0,08 | 1,301 | 0,07 | 2,840 | 0,11 | 2,492 | 0,10 |
| (-) Supplies | 0208 | (206,258) | (11,09) | (320,853) | (16,83) | (388,504) | (15,48) | (630,082) | (26,06) |
| (+) Other operating revenue | 0209 | 101,063 | 5,43 | 106,298 | 5,58 | 220,779 | 8,79 | 221,767 | 9,17 |
| (-) Personnel expenses | 0217 | (75,130) | (4,04) | (47,573) | (2,50) | (151,475) | (6,03) | (100,708) | (4,16) |
| (-) Other operating expenses | 0210 | (76,683) | (4,12) | (8,978) | (0,47) | (180,444) | (7,19) | (105,623) | (4,37) |
| (-) Depreciation and amortisation charge | 0211 | (29,880) | (1,61) | (30,932) | (1,62) | (58,512) | (2,33) | (61,755) | (2,55) |
| (+) Allocation of grants for non-financial assets and other grants | 0212 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 |
| (+) Reversal of provisions | 0213 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 |
| (+/-) Impairment and gain (loss) on disposal of fixed assets | 0214 | 14 | 0,00 | (449) | (0,02) | (258) | (0,01) | (386) | (0,02) |
| (+/-) Other profit (loss) | 0215 | (155,596) | (8,37) | (82,258) | (4,31) | (143,477) | (5,72) | (82,258) | (3,40) |
| = OPERATING PROFIT (LOSS) | 0245 | 1,418,983 | 76,29 | 1,523,243 | 79,89 | 1,811,359 | 72,15 | 1,661,518 | 68,71 |
| (+) Finance income | 0250 | 2,111 | 0,11 | 6,969 | 0,37 | 9,303 | 0,37 | 18,887 | 0,78 |
| (-) Finance costs | 0251 | (148,377) | (7,98) | (152,796) | (8,01) | (293,897) | (11,71) | (320,165) | (13,24) |
| (+/-) Changes in fair value of financial instruments | 0252 | 5,589 | 0,30 | (93,012) | (4,88) | 73,297 | 2,92 | 9,509 | 0,39 |
| (+/-) Exchange differences | 0254 | 2,086 | 0,11 | (2,355) | (0,12) | 7,219 | 0,29 | (2,453) | (0,10) |
| (+/-) Impairment and gain (loss) on disposal of financial instruments | 0255 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 |
| = NET FINANCE INCOME (COSTS) | 0256 | (138,591) | (7,45) | (241,194) | (12,65) | (204,078) | (8,13) | (294,222) | (12,17) |
| = PROFIT (LOSS) BEFORE TAX | 0265 | 1,280,392 | 68,84 | 1,282,049 | 67,24 | 1,607,281 | 64,02 | 1,367,296 | 56,54 |
| (+/-) Income tax expense | 0270 | (16,640) | (0,89) | 41,984 | 2,20 | (8,410) | (0,34) | 43,670 | 1,81 |
| = PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES | 0280 | 1,263,752 | 67,94 | 1,324,033 | 69,44 | 1,598,871 | 63,69 | 1,410,966 | 58,35 |
| (+/-) Profit (loss) from discontinued operations, net of tax | 0285 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 |
| = PROFIT (LOSS) FOR THE PERIOD | 0300 | 1,263,752 | 67,94 | 1,324,033 | 69,44 | 1,598,871 | 63,69 | 1,410,966 | 58,35 |

| EARNINGS PER SHARE | | Amount (X.XX euros) | Amount (X.XX euros) | Amount (X.XX euros) | Amount (X.XX euros) |
|--------------------|------|------------------------|------------------------|------------------------|------------------------|
| Basic | 0290 | | | | |
| Diluted | 0295 | | | | |

In the half-yearly financial report for the first half of the year, the data relating to the present period match the cumulative data, which do not therefore need to be completed.

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| IV. SELECTED FINANCIAL INFORMATION |
| 3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY |
| INDIVIDUAL STATEMENT OF RECOGNISED INCOME AND EXPENSE (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) |

Units: Thousand euros

| | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
|---|-------------|---------------------------------|----------------------------------|
| A) PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account) | 0305 | 1,598,871 | 1,410,966 |
| B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY | 0310 | 44,581 | (23,581) |
| 1. From measurement of financial instruments: | 0320 | 0 | 0 |
| a) Available-for-sale financial assets | 0321 | 0 | 0 |
| b) Other income/(expenses) | 0323 | 0 | 0 |
| 2. From cash flow hedges | 0330 | 9,273 | (17,214) |
| 3. Grants, donations and bequests received | 0340 | 0 | 0 |
| 4. From actuarial gains and losses and other adjustments | 0344 | 50,169 | (14,227) |
| 5. Other income and expense recognised directly in equity | 0343 | 0 | 0 |
| 6. Tax effect | 0345 | (14,861) | 7,860 |
| C) TRANSFERS TO PROFIT OR LOSS | 0350 | 15,271 | 112,542 |
| 1. From measurement of financial instruments: | 0355 | 0 | 0 |
| a) Available-for-sale financial assets | 0356 | 0 | 0 |
| b) Other income/(expenses) | 0358 | 0 | 0 |
| 2. From cash flow hedges | 0360 | 20,361 | 150,056 |
| 3. Grants, donations and bequests received | 0366 | 0 | 0 |
| 4. Other income and expense recognised directly in equity | 0365 | 0 | 0 |
| 5. Tax effect | 0370 | (5,090) | (37,514) |
| TOTAL RECOGNISED INCOME/(EXPENSE) (A + B + C) | 0400 | 1,658,723 | 1,499,927 |

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| IV. SELECTED FINANCIAL INFORMATION |
| 4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (1/2) |
| INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) |

Units: Thousand euros

| CURRENT PERIOD | | Capital and reserves | | | | | Valuation adjustments | Grants, donations and bequests received | Total equity |
|--|------|----------------------|--------------------------------|----------------|------------------------------|--------------------------|-----------------------|---|--------------|
| | | Capital | Share premium and Reserves (1) | Treasury stock | Profit (loss) for the period | Other equity instruments | | | |
| Closing balance at 01/01/2017 | 3010 | 4,771,559 | 28,144,691 | (1,073,787) | 1,410,966 | 20,971 | (93,107) | 0 | 33,181,293 |
| Adjustments for changes in accounting policy | 3011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjustment for errors | 3012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted opening balance | 3015 | 4,771,559 | 28,144,691 | (1,073,787) | 1,410,966 | 20,971 | (93,107) | 0 | 33,181,293 |
| I. Total recognised income/(expense) | 3020 | 0 | 37,626 | 0 | 1,598,871 | 0 | 22,226 | 0 | 1,658,723 |
| II. Transactions with shareholders or owners | 3025 | (33,423) | (666,579) | 484,407 | (1,410,966) | 0 | 0 | 0 | (1,626,561) |
| 1. Capital increases/ (reductions) | 3026 | (33,423) | (1,247,623) | 1,280,176 | 0 | 0 | 0 | 0 | (870) |
| 2. Conversion of financial liabilities into equity | 3027 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Distribution of dividends | 3028 | 0 | 1,223,894 | 0 | (1,410,966) | 0 | 0 | 0 | (187,072) |
| 4. Net trading with treasury stock | 3029 | 0 | 2,950 | (795,769) | 0 | 0 | 0 | 0 | (792,819) |
| 5. Increases/ (reductions) for business combinations | 3030 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Other transactions with shareholders or owners | 3032 | 0 | (645,800) | 0 | 0 | 0 | 0 | 0 | (645,800) |
| III. Other changes in equity | 3035 | 0 | 0 | 0 | 0 | 2,786 | 0 | 0 | 2,786 |
| 1. Equity-settled share-based payment | 3036 | 0 | 0 | 0 | 0 | 2,786 | 0 | 0 | 2,786 |
| 2. Transfers between equity accounts | 3037 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Other changes | 3038 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing balance at 31/12/2017 | 3040 | 4,738,136 | 27,515,738 | (589,380) | 1,598,871 | 23,757 | (70,881) | 0 | 33,216,241 |

(1) The column of **Share premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium. 3. Reserves. 5. Profit or loss brought forward. 6. Other shareholder contributions and 8. *Less: Interim dividend.*

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| IV. SELECTED FINANCIAL INFORMATION |
| 4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (2/2) |
| INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) |

Units: Thousand euros

| PREVIOUS PERIOD | | Capital and reserves | | | | | Valuation adjustments | Grants, donations and bequests received | Total equity |
|--|------|----------------------|--------------------------------|----------------|------------------------------|--------------------------|-----------------------|---|--------------|
| | | Capital | Share premium and Reserves (1) | Treasury stock | Profit (loss) for the period | Other equity instruments | | | |
| Closing balance at 01/01/2016 (comparative period) | 3050 | 4,752,652 | 29,703,449 | (629,075) | 116,613 | 36,371 | (192,737) | 0 | 33,787,273 |
| Adjustments for changes in accounting policy | 3051 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjustment for errors | 3052 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted opening balance (comparative period) | 3055 | 4,752,652 | 29,703,449 | (629,075) | 116,613 | 36,371 | (192,737) | 0 | 33,787,273 |
| I. Total recognised income/(expense) | 3060 | 0 | (10,669) | 0 | 1,410,966 | 0 | 99,630 | 0 | 1,499,927 |
| II. Transactions with shareholders or owners | 3065 | 18,907 | (1,548,089) | (444,712) | (116,613) | 0 | 0 | 0 | (2,090,507) |
| 1. Capital increases/ (reductions) | 3066 | 18,907 | (966,426) | 946,566 | 0 | 0 | 0 | 0 | (953) |
| 2. Conversion of financial liabilities into equity | 3067 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Distribution of dividends | 3068 | 0 | (70,104) | 0 | (116,613) | 0 | 0 | 0 | (186,717) |
| 4. Net trading with treasury stock | 3069 | 0 | 2,706 | (1,391,278) | 0 | 0 | 0 | 0 | (1,388,572) |
| 5. Increases/ (reductions) for business combinations | 3070 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Other transactions with shareholders or owners | 3072 | 0 | (514,265) | 0 | 0 | 0 | 0 | 0 | (514,265) |
| III. Other changes in equity | 3075 | 0 | 0 | 0 | 0 | (15,400) | 0 | 0 | (15,400) |
| 1. Equity-settled share-based payment | 3076 | 0 | 0 | 0 | 0 | (15,400) | 0 | 0 | (15,400) |
| 2. Transfers between equity accounts | 3077 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Other changes | 3078 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing balance at 31/12/2016 (comparative period) | 3080 | 4,771,559 | 28,144,691 | (1,073,787) | 1,410,966 | 20,971 | (93,107) | 0 | 33,181,293 |

(1) The column of Share premium and Reserves, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium. 3. Reserves. 5. Profit or loss brought forward. 6. Other shareholder contributions and 8. Less: Interim dividend.

IV. SELECTED FINANCIAL INFORMATION
5. INDIVIDUAL STATEMENT OF CASH FLOWS
(PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

| | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
|-----------|---|---------------------------------|----------------------------------|
| A) | CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4) | 0435 | 1,813,679 |
| 1. | Profit (loss) before tax | 0405 | 1,607,281 |
| 2. | Adjustments to profit (loss): | 0410 | (1,661,136) |
| (+) | Depreciation and amortisation charge | 0411 | 58,512 |
| (+/-) | Other net adjustments to profit (loss) | 0412 | (1,719,648) |
| 3. | Changes in working capital | 0415 | 117,810 |
| 4. | Other cash flows from operating activities: | 0420 | 1,749,724 |
| (-) | Interest paid | 0421 | (311,355) |
| (+) | Dividends received | 0422 | 2,107,673 |
| (+) | Interest received | 0423 | 29,009 |
| (+/-) | Income tax recovered/(paid) | 0430 | (20,746) |
| (+/-) | Other sums received/(paid) from operating activities | 0425 | (54,857) |
| B) | CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2) | 0460 | 611,113 |
| 1. | Payments for investments: | 0440 | (493,867) |
| (-) | Group companies, associates and business units | 0441 | (405,763) |
| (-) | Property, plant and equipment, intangible assets and investment property | 0442 | (78,624) |
| (-) | Other financial assets | 0443 | (9,480) |
| (-) | Other assets | 0444 | 0 |
| 2. | Proceeds from sale of investments | 0450 | 1,104,980 |
| (+) | Group companies, associates and business units | 0451 | 1,092,473 |
| (+) | Property, plant and equipment, intangible assets and investment property | 0452 | 101 |
| (+) | Other financial assets | 0453 | 12,406 |
| (+) | Other assets | 0454 | 0 |
| C) | CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3) | 0490 | (2,424,792) |
| 1. | Sums received/(paid) in respect of equity instruments | 0470 | (916,335) |
| (+) | Issuance | 0471 | (833) |
| (-) | Redemption | 0472 | (37) |
| (-) | Acquisition | 0473 | (1,002,731) |
| (+) | Disposal | 0474 | 87,266 |
| (+) | Grants, donations and bequests received | 0475 | 0 |
| 2. | Sums received/(paid) in respect of financial liability instruments: | 0480 | (675,585) |
| (+) | Issuance | 0481 | 5,425,103 |
| (-) | Repayment and redemption | 0482 | (6,100,688) |
| 3. | Payment of dividends and remuneration on other equity instruments | 0485 | (832,872) |
| D) | EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 0492 | 0 |
| E) | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D) | 0495 | 0 |
| F) | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 0499 | 0 |
| G) | CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E + F) | 0500 | 0 |

| COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
|--|---|---------------------------------|----------------------------------|
| (+) | Cash on hand and at banks | 0550 | 0 |
| (+) | Other financial assets | 0552 | 0 |
| (-) | Less: Bank overdrafts repayable on demand | 0553 | 0 |
| | TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 0600 | 0 |

IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED BALANCE SHEET (ADOPTED IFRS) (1/2)

Units: Thousand euros

| ASSETS | | CURRENT P. 31/12/2017 | PREVIOUS P. 31/12/2016 |
|--|-------------|--------------------------|---------------------------|
| A) NON-CURRENT ASSETS | 1040 | 96,889,002 | 95,980,120 |
| 1. Intangible assets: | 1030 | 21,148,027 | 19,934,163 |
| a) Goodwill | 1031 | 7,932,404 | 8,711,053 |
| b) Other intangible assets | 1032 | 13,215,623 | 11,223,110 |
| 2. Property, plant and equipment | 1033 | 64,082,379 | 63,834,384 |
| 3. Investment property | 1034 | 424,029 | 462,342 |
| 4. Investments accounted for using the equity method | 1035 | 1,790,896 | 2,239,655 |
| 5. Non-current financial assets | 1036 | 3,222,608 | 1,664,339 |
| 6. Deferred tax assets | 1037 | 5,382,373 | 6,958,154 |
| 7. Other non-current assets | 1038 | 838,690 | 887,083 |
| B) CURRENT ASSETS | 1085 | 13,799,557 | 10,726,100 |
| 1. Non-current assets held for sale | 1050 | 355,731 | 0 |
| 2. Inventories | 1055 | 2,202,004 | 1,956,132 |
| 3. Trade and other receivables: | 1060 | 6,721,258 | 5,862,492 |
| a) Trade receivables | 1061 | 5,094,667 | 4,408,953 |
| b) Other receivables | 1062 | 1,080,287 | 950,136 |
| c) Current tax assets | 1063 | 546,304 | 503,403 |
| 4. Other current financial assets | 1070 | 1,323,224 | 1,474,790 |
| 5. Other current assets | 1075 | 0 | 0 |
| 6. Cash and cash equivalents | 1072 | 3,197,340 | 1,432,686 |
| TOTAL ASSETS (A + B) | 1100 | 110,688,559 | 106,706,220 |

IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED BALANCE SHEET (ADOPTED IFRS) (2/2)

Units: Thousand euros

| EQUITY AND LIABILITIES | | CURRENT P. 31/12/2017 | PREVIOUS P. 31/12/2016 |
|---|-------------|--------------------------|---------------------------|
| A) EQUITY (A.1 + A.2 + A.3) | 1195 | 42,733,186 | 40,687,389 |
| A.1) CAPITAL AND RESERVES | 1180 | 38,379,984 | 37,899,476 |
| 1. Capital | 1171 | 4,738,136 | 4,771,559 |
| a) Registered capital | 1161 | 4,738,136 | 4,771,559 |
| b) <i>Less: Uncalled capital</i> | 1162 | 0 | 0 |
| 2. Share premium | 1172 | 14,667,676 | 14,667,676 |
| 3. Reserves | 1173 | 9,814,874 | 11,575,869 |
| 4. <i>Own shares and equity holdings</i> | 1174 | (597,797) | (1,083,367) |
| 5. Prior periods' profit and loss | 1178 | 6,953,101 | 5,262,756 |
| 6. Other shareholder contributions | 1179 | 0 | 0 |
| 7. Profit (loss) for the period attributable to the parent company | 1175 | 2,803,994 | 2,704,983 |
| 8. <i>Less: Interim dividend</i> | 1176 | 0 | 0 |
| 9. Other equity instruments | 1177 | 0 | 0 |
| A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME | 1188 | (2,870,724) | (1,208,511) |
| 1. Items that are not reclassified to profit or loss | 1186 | 21,296 | 38,894 |
| 2. Items that may subsequently be reclassified to profit or loss | 1187 | (2,892,020) | (1,247,405) |
| a) Available-for-sale financial assets | 1181 | 442 | 21 |
| b) Hedging transactions | 1182 | (77,409) | (191,268) |
| c) Translation differences | 1184 | (2,828,470) | (1,059,117) |
| d) Other | 1183 | 13,417 | 2,959 |
| EQUITY ATTRIBUTABLE TO THE PARENT COMPANY (A.1 + A.2) | 1189 | 35,509,260 | 36,690,965 |
| A.3) NON-CONTROLLING INTERESTS | 1193 | 7,223,926 | 3,996,424 |
| B) NON-CURRENT LIABILITIES | 1120 | 51,229,603 | 51,943,653 |
| 1. Grants | 1117 | 1,615,954 | 1,866,714 |
| 2. Long-term provisions | 1115 | 5,486,820 | 4,904,875 |
| 3. Long-term financial liabilities: | 1116 | 29,799,467 | 26,970,546 |
| a) Debt with financial institutions and bonds and other marketable securities | 1131 | 29,465,739 | 26,509,052 |
| b) Other financial liabilities | 1132 | 333,728 | 461,494 |
| 4. Deferred tax liabilities | 1118 | 8,558,419 | 12,740,661 |
| 5. Other non-current liabilities | 1135 | 5,768,943 | 5,460,857 |
| C) CURRENT LIABILITIES | 1130 | 16,725,770 | 14,075,178 |
| 1. Liabilities associated with non-current assets held for sale | 1121 | 134,544 | 0 |
| 2. Short-term provisions | 1122 | 626,841 | 143,643 |
| 3. Short-term financial liabilities: | 1123 | 7,542,328 | 5,497,509 |
| a) Debt with financial institutions and bonds and other marketable securities | 1133 | 7,224,759 | 4,711,630 |
| b) Other financial liabilities | 1134 | 317,569 | 785,879 |
| 4. Trade and other payables: | 1124 | 8,422,057 | 8,434,026 |
| a) Suppliers | 1125 | 5,307,551 | 5,490,634 |
| b) Other payables | 1126 | 2,854,873 | 2,706,269 |
| c) Current tax liabilities | 1127 | 259,633 | 237,123 |
| 5. Other current liabilities | 1136 | 0 | 0 |
| TOTAL EQUITY AND LIABILITIES (A + B + C) | 1200 | 110,688,559 | 106,706,220 |

IV. SELECTED FINANCIAL INFORMATION

7. CONSOLIDATED PROFIT AND LOSS ACCOUNT (ADOPTED IFRS)

Units: Thousand euros

| | | PRESENT CURR. PERIOD (2nd HALF YEAR) | | PREVIOUS CURR. PERIOD (2nd HALF YEAR) | | CURRENT CUMULATIVE 31/12/2017 | | PREVIOUS CUMULATIVE 31/12/2016 | |
|---|-------------|---|---------------|--|---------------|----------------------------------|---------------|-----------------------------------|---------------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| (+) Revenue | 1205 | 16,297,386 | 100,00 | 14,126,003 | 100,00 | 31,263,262 | 100,00 | 28,759,148 | 100,00 |
| (+/-) Change in inventories of finished products and work in progress | 1206 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 |
| (+) Own work capitalised | 1207 | 326,590 | 2,00 | 301,124 | 2,13 | 604,398 | 1,93 | 557,187 | 1,94 |
| (-) Supplies | 1208 | (9,766,209) | (59,93) | (7,930,026) | (56,14) | (17,899,454) | (57,25) | (15,823,727) | (55,02) |
| (+) Other operating revenue | 1209 | 320,991 | 1,97 | 324,474 | 2,30 | 579,644 | 1,85 | 607,776 | 2,11 |
| (-) Personnel expenses | 1217 | (1,527,205) | (9,37) | (1,172,009) | (8,30) | (2,775,994) | (8,88) | (2,367,053) | (8,23) |
| (-) Other operating expenses | 1210 | (2,120,074) | (13,01) | (1,631,197) | (11,55) | (4,453,156) | (14,24) | (3,799,651) | (13,21) |
| (-) Depreciation and amortisation charge | 1211 | (1,657,161) | (10,17) | (1,572,037) | (11,13) | (3,186,048) | (10,19) | (3,086,585) | (10,73) |
| (+) Allocation of grants for non-financial assets and other grants | 1212 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 | 0 | 0,00 |
| (+/-) Impairment and gain (loss) on disposal of fixed assets | 1214 | (1,156,823) | (7,10) | 68,518 | 0,49 | (1,163,234) | (3,72) | 38,936 | 0,14 |
| (+/-) Other profit (loss) | 1215 | (157,721) | (0,97) | (106,244) | (0,75) | (256,787) | (0,82) | (200,178) | (0,70) |
| = OPERATING PROFIT (LOSS) | 1245 | 559,774 | 3,43 | 2,408,606 | 17,05 | 2,712,631 | 8,68 | 4,685,853 | 16,29 |
| (+) Finance income | 1250 | 200,002 | 1,23 | 114,921 | 0,81 | 361,738 | 1,16 | 274,066 | 0,95 |
| (-) Finance costs | 1251 | (710,788) | (4,36) | (629,588) | (4,46) | (1,274,129) | (4,08) | (1,235,063) | (4,29) |
| (+/-) Changes in fair value of financial instruments | 1252 | 5,076 | 0,03 | (22,091) | (0,16) | (5,114) | (0,02) | 62,573 | 0,22 |
| (+/-) Exchange differences | 1254 | (24,598) | (0,15) | (4,973) | (0,04) | (19,597) | (0,06) | (4,734) | (0,02) |
| (+/-) Impairment and gain (loss) on disposal of financial instruments | 1255 | 37,997 | 0,23 | 1,692 | 0,01 | 279,054 | 0,89 | 48,708 | 0,17 |
| = NET FINANCE INCOME (COSTS) | 1256 | (492,311) | (3,02) | (540,039) | (3,82) | (658,048) | (2,10) | (854,450) | (2,97) |
| (+/-) Profit (loss) of equity-accounted investees | 1253 | (74,556) | (0,46) | 15,563 | 0,11 | (28,733) | (0,09) | 47,259 | 0,16 |
| = PROFIT (LOSS) BEFORE TAX | 1265 | (7,093) | (0,04) | 1,884,130 | 13,34 | 2,025,850 | 6,48 | 3,878,662 | 13,49 |
| (+/-) Income tax expense | 1270 | 1,821,835 | 11,18 | (461,008) | (3,26) | 1,397,127 | 4,47 | (935,157) | (3,25) |
| = PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES | 1280 | 1,814,742 | 11,14 | 1,423,122 | 10,07 | 3,422,977 | 10,95 | 2,943,505 | 10,24 |
| (+/-) Profit (loss) from discontinued operations, net of tax | 1285 | (218,315) | (1,34) | (84,915) | (0,60) | (253,011) | (0,81) | (100,663) | (0,35) |
| = CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD | 1288 | 1,596,427 | 9,80 | 1,338,207 | 9,47 | 3,169,966 | 10,14 | 2,842,842 | 9,89 |
| A) Profit (loss) for the period attributable to the parent company | 1300 | 1,285,579 | 7,89 | 1,248,254 | 8,84 | 2,803,994 | 8,97 | 2,704,983 | 9,41 |
| B) Profit (loss) attributable to non-controlling interests | 1289 | 310,848 | 1,91 | 89,953 | 0,64 | 365,972 | 1,17 | 137,859 | 0,48 |
| EARNINGS PER SHARE | | Amount (X.XX euros) | | Amount (X.XX euros) | | Amount (X.XX euros) | | Amount (X.XX euros) | |
| Basic | 1290 | | | 0,44 | | | | 0,41 | |
| Diluted | 1295 | | | 0,44 | | | | 0,41 | |

In the half-yearly financial report for the first half of the year, the data relating to the present period match the cumulative data, which do not therefore need to be completed.

| |
|--|
| IV. SELECTED FINANCIAL INFORMATION |
| 8. CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (ADOPTED IFRS) |

Units: Thousand euros

| | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
|---|-------------|---------------------------------|----------------------------------|
| A) CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account) | 1305 | 3,169,966 | 2,842,842 |
| B) OTHER COMPREHENSIVE INCOME – ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS: | 1310 | (168,373) | (144,106) |
| 1. From revaluation/(reversal of revaluation) of property, plant and equipment and intangible assets | 1311 | (21,992) | 96,192 |
| 2. From actuarial gains and losses | 1344 | (29,328) | (233,022) |
| 3. Share in other comprehensive income of investments in joint ventures and associates | 1342 | 0 | 0 |
| 4. Other income and expenses that are not reclassified to profit or loss | 1343 | 0 | 0 |
| 5. Tax effect | 1345 | (117,053) | (7,276) |
| C) OTHER COMPREHENSIVE INCOME – ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS: | 1350 | (2,207,710) | (699,908) |
| 1. Available-for-sale financial assets: | 1355 | 577 | (13) |
| a) Valuation gains/(losses) taken to equity | 1356 | 577 | (13) |
| b) Amounts transferred to profit or loss | 1357 | 0 | 0 |
| c) Other reclassifications | 1358 | 0 | 0 |
| 2. Cash flow hedges: | 1360 | 166,455 | (2,583) |
| a) Valuation gains/(losses) taken to equity | 1361 | 97,646 | (211,884) |
| b) Amounts transferred to profit or loss | 1362 | 68,809 | 209,301 |
| c) Amounts transferred at initial carrying amount of hedged items | 1363 | 0 | 0 |
| d) Other reclassifications | 1364 | 0 | 0 |
| 3. Foreign currency translation: | 1365 | (3,489,643) | (568,785) |
| a) Valuation gains/(losses) | 1366 | (3,785,856) | (568,785) |
| b) Amounts transferred to profit or loss | 1367 | 296,213 | 0 |
| c) Other reclassifications | 1368 | 0 | 0 |
| 4. Share in other comprehensive income of investments in joint ventures and associates: | 1370 | (1,494) | (32,998) |
| a) Valuation gains/(losses) taken to equity | 1371 | (1,510) | (33,012) |
| b) Amounts transferred to profit or loss | 1372 | 16 | 14 |
| c) Other reclassifications | 1373 | 0 | 0 |
| 5. Other income and expenses that may subsequently be reclassified to profit or loss | 1375 | 0 | 0 |
| a) Valuation gains/(losses) taken to equity | 1376 | 0 | 0 |
| b) Amounts transferred to profit or loss | 1377 | 0 | 0 |
| c) Other reclassifications | 1378 | 0 | 0 |
| 6. Tax effect | 1380 | 1,116,395 | (95,529) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A + B + C) | 1400 | 793,883 | 1,998,828 |
| a) Attributable to the parent company | 1398 | 977,942 | 1,685,819 |
| b) Attributable to non-controlling interests | 1399 | (184,059) | 313,009 |

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ADOPTED IFRS) (1/2)

Units: Thousand euros

| CURRENT PERIOD | | Equity attributable to the parent company | | | | | | Non-controlling interests | Total equity |
|--|------|---|--------------------------------|----------------|---|--------------------------|-----------------------|---------------------------|--------------|
| | | Capital and reserves | | | | | Valuation adjustments | | |
| | | Capital | Share premium and Reserves (1) | Treasury stock | Profit (loss) for the period attributable to the parent company | Other equity instruments | | | |
| Closing balance at 01/01/2017 | 3110 | 4,771,559 | 31,506,301 | (1,083,367) | 2,704,983 | 0 | (1,208,511) | 3,996,424 | 40,687,389 |
| Adjustments for changes in accounting policy | 3111 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjustment for errors | 3112 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted opening balance | 3115 | 4,771,559 | 31,506,301 | (1,083,367) | 2,704,983 | 0 | (1,208,511) | 3,996,424 | 40,687,389 |
| I. Total comprehensive income/(expense) for the period | 3120 | 0 | (163,839) | 0 | 2,803,994 | 0 | (1,662,213) | (184,059) | 793,883 |
| II. Transactions with shareholders or owners | 3125 | (33,423) | 126,510 | 485,570 | (2,704,983) | 0 | 0 | 2,219,319 | 92,993 |
| 1. Capital increases/(reductions) | 3126 | (33,423) | (1,247,625) | 1,280,176 | 0 | 0 | 0 | 0 | (872) |
| 2. Conversion of financial liabilities into equity | 3127 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Distribution of dividends | 3128 | 0 | 2,517,911 | 0 | (2,704,983) | 0 | 0 | (101,332) | (288,404) |
| 4. Purchase / sale of treasury stock | 3129 | 0 | 2,950 | (794,606) | 0 | 0 | 0 | 0 | (791,656) |
| 5. Equity increase/(decrease) resulting from business combinations | 3130 | 0 | (500,926) | 0 | 0 | 0 | 0 | 2,320,651 | 1,819,725 |
| 6. Other transactions with shareholders or owners | 3132 | 0 | (645,800) | 0 | 0 | 0 | 0 | 0 | (645,800) |
| III. Other changes in equity | 3135 | 0 | (33,321) | 0 | 0 | 0 | 0 | 1,192,242 | 1,158,921 |
| 1. Equity-settled share-based payment | 3136 | 0 | 7,166 | 0 | 0 | 0 | 0 | 845 | 8,011 |
| 2. Transfers among components of equity | 3137 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Other changes | 3138 | 0 | (40,487) | 0 | 0 | 0 | 0 | 1,191,397 | 1,150,910 |
| Closing balance at 31/12/2017 | 3140 | 4,738,136 | 31,435,651 | (597,797) | 2,803,994 | 0 | (2,870,724) | 7,223,926 | 42,733,186 |

(1) The column of **Share premium and Reserves**, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium. 3. Reserves. 5. Profit or loss brought forward. 6. Other shareholder contributions and 8. *Less: Interim dividend*

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ADOPTED IFRS) (2/2)

Units: Thousand euros

| PREVIOUS PERIOD | Equity attributable to the parent company | | | | | | | | Non-controlling interests | Total equity |
|--|---|--------------------------------|----------------|---|--------------------------|-----------------------|-------------|-----------|---------------------------|--------------|
| | Capital and reserves | | | | | Valuation adjustments | | | | |
| | Capital | Share premium and Reserves (1) | Treasury stock | Profit (loss) for the period attributable to the parent company | Other equity instruments | | | | | |
| Closing balance at 01/01/2016 (comparative period) | 3150 | 4,752,652 | 31,304,757 | (639,239) | 2,421,578 | 0 | (681,090) | 3,797,395 | 40,956,053 | |
| Adjustments for changes in accounting policy | 3151 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Adjustment for errors | 3152 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Adjusted opening balance (comparative period) | 3155 | 4,752,652 | 31,304,757 | (639,239) | 2,421,578 | 0 | (681,090) | 3,797,395 | 40,956,053 | |
| I. Total comprehensive income/(expense) for the period | 3160 | 0 | (247,946) | 0 | 2,704,983 | 0 | (771,218) | 313,009 | 1,998,828 | |
| II. Transactions with shareholders or owners | 3165 | 18,907 | 756,877 | (444,128) | (2,421,578) | 0 | 0 | (101,082) | (2,191,004) | |
| 1. Capital increases/(reductions) | 3166 | 18,907 | (966,426) | 946,566 | 0 | 0 | 0 | 0 | (953) | |
| 2. Conversion of financial liabilities into equity | 3167 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3. Distribution of dividends | 3168 | 0 | 2,234,861 | 0 | (2,421,578) | 0 | 0 | (101,082) | (287,799) | |
| 4. Purchase / sale of treasury stock | 3169 | 0 | 2,707 | (1,390,694) | 0 | 0 | 0 | 0 | (1,387,987) | |
| 5. Equity increase/(decrease) resulting from business combinations | 3170 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 6. Other transactions with shareholders or owners | 3172 | 0 | (514,265) | 0 | 0 | 0 | 0 | 0 | (514,265) | |
| III. Other changes in equity | 3175 | 0 | (307,387) | 0 | 0 | 0 | 243,797 | (12,898) | (76,488) | |
| 1. Equity-settled share-based payment | 3176 | 0 | (35,160) | 0 | 0 | 0 | 0 | 0 | (35,160) | |
| 2. Transfers among components of equity | 3177 | 0 | (243,797) | 0 | 0 | 0 | 243,797 | 0 | 0 | |
| 3. Other changes | 3178 | 0 | (28,430) | 0 | 0 | 0 | 0 | (12,898) | (41,328) | |
| Closing balance at 31/12/2016 (comparative period) | 3180 | 4,771,559 | 31,506,301 | (1,083,367) | 2,704,983 | 0 | (1,208,511) | 3,996,424 | 40,687,389 | |

(1) The column of Share premium and Reserves, for the purposes of completing this statement, includes the following balance sheet equity headings: 2. Share premium. 3. Reserves. 5. Profit or loss brought forward. 6. Other shareholder contributions and 8. Less: Interim dividend

| IV. SELECTED FINANCIAL INFORMATION | | | |
|--|-------------|------------------------------|-------------------------------|
| 10.A. CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) (ADOPTED IFRS) | | | |
| Units: Thousand euros | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
| A) CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4) | 1435 | 5,685,453 | 6,719,884 |
| 1. Profit (loss) before tax | 1405 | 2,025,850 | 3,878,662 |
| 2. Adjustments to profit (loss): | 1410 | 5,066,991 | 3,760,652 |
| (+) Depreciation and amortisation charge | 1411 | 3,186,048 | 3,086,585 |
| (+/-) Other net adjustments to profit (loss) | 1412 | 1,880,943 | 674,067 |
| 3. Changes in working capital | 1415 | (443,582) | 208,924 |
| 4. Other cash flows from operating activities: | 1420 | (963,806) | (1,128,354) |
| (-) Interest paid | 1421 | 0 | 0 |
| (-) Payment of dividends and remuneration on other equity instruments | 1430 | 0 | 0 |
| (+) Dividends received | 1422 | 50,483 | 95,258 |
| (+) Interest received | 1423 | 0 | 0 |
| (+/-) Income tax recovered/(paid) | 1424 | (542,169) | (743,362) |
| (+/-) Other sums received/(paid) from operating activities | 1425 | (472,120) | (480,250) |
| B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2 + 3) | 1460 | (5,192,670) | (4,825,768) |
| 1. Payments for investments: | 1440 | (6,341,531) | (5,090,588) |
| (-) Group companies, associates and business units | 1441 | (77,331) | (47,460) |
| (-) Property, plant and equipment, intangible assets and investment property | 1442 | (6,263,575) | (5,024,914) |
| (-) Other financial assets | 1443 | (625) | (18,214) |
| (-) Other assets | 1444 | 0 | 0 |
| 2. Proceeds from sale of investments | 1450 | 314,817 | 112,105 |
| (+) Group companies, associates and business units | 1451 | 312,017 | 110,089 |
| (+) Property, plant and equipment, intangible assets and investment property | 1452 | 2,800 | 2,016 |
| (+) Other financial assets | 1453 | 0 | 0 |
| (+) Other assets | 1454 | 0 | 0 |
| 3. Other cash flows from investing activities | 1455 | 834,044 | 152,715 |
| (+) Dividends received | 1456 | 0 | 0 |
| (+) Interest received | 1457 | 130,830 | 157,943 |
| (+/-) Other sums received/(paid) from investing activities | 1458 | 703,214 | (5,228) |
| C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3 + 4) | 1490 | 1,421,627 | (1,675,934) |
| 1. Sums received/(paid) in respect of equity instruments | 1470 | (915,173) | (1,370,628) |
| (+) Issuance | 1471 | (834) | (916) |
| (-) Redemption | 1472 | (38) | (37) |
| (-) Acquisition | 1473 | (1,004,890) | (1,453,188) |
| (+) Disposal | 1474 | 90,589 | 83,513 |
| 2. Sums received/(paid) in respect of financial liability instruments: | 1480 | 3,217,526 | 1,631,317 |
| (+) Issuance | 1481 | 13,637,173 | 9,277,651 |
| (-) Repayment and redemption | 1482 | (10,419,647) | (7,646,334) |
| 3. Payment of dividends and remuneration on other equity instruments | 1485 | (936,901) | (778,638) |
| 4. Other cash flows from financing activities | 1486 | 56,175 | (1,157,985) |
| (-) Interest paid | 1487 | (840,985) | (1,037,353) |
| (+/-) Other sums received/(paid) from financing activities | 1488 | 897,160 | (120,632) |
| D) EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS HELD | 1492 | (149,756) | 61,231 |
| E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D) | 1495 | 1,764,654 | 279,413 |
| F) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1499 | 1,432,686 | 1,153,273 |
| G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E + F) | 1500 | 3,197,340 | 1,432,686 |
| COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
| (+) Cash on hand and at banks | 1550 | 188,165 | 181,692 |
| (+) Other financial assets | 1552 | 3,009,175 | 1,250,994 |
| (-) <i>Less: Bank overdrafts repayable on demand</i> | 1553 | 0 | 0 |
| TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 1600 | 3,197,340 | 1,432,686 |

This template of the consolidated statement of cash flows (indirect method) allows the alternatives for classifying interest and dividends, both received and paid, provided for in the adopted IFRS. Each of the above items shall be classified in a single consistent manner, in each period, as operating, investing or financing activities.

IV. SELECTED FINANCIAL INFORMATION

10.B. CONSOLIDATED STATEMENT OF CASH FLOWS (DIRECT METHOD) (ADOPTED IFRS)

Units: Thousand euros

| | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
|--|--|------------------------------|-------------------------------|
| A) CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4) | | 8435 | |
| (+) Proceeds from operating activities | | 8410 | |
| (-) Payments to suppliers and to personnel for operating expenses | | 8411 | |
| (-) Interest paid | | 8421 | |
| (-) Payment of dividends and remuneration on other equity instruments | | 8422 | |
| (+) Dividends received | | 8430 | |
| (+) Interest received | | 8423 | |
| (+/-) Income tax recovered/(paid) | | 8424 | |
| (+/-) Other sums received/(paid) from operating activities | | 8425 | |
| B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2 + 3) | | 8460 | |
| 1. Payments for investments: | | 8440 | |
| (-) Group companies, associates and business units | | 8441 | |
| (-) Property, plant and equipment, intangible assets and investment property | | 8442 | |
| (-) Other financial assets | | 8443 | |
| (-) Other assets | | 8444 | |
| 2. Proceeds from sales of investments | | 8450 | |
| (+) Group companies, associates and business units | | 8451 | |
| (+) Property, plant and equipment, intangible assets and investment property | | 8452 | |
| (+) Other financial assets | | 8453 | |
| (+) Other assets | | 8454 | |
| 3. Other cash flows from investing activities | | 8455 | |
| (+) Dividends received | | 8456 | |
| (+) Interest received | | 8457 | |
| (+/-) Other flows from investing activities | | 8458 | |
| C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3 + 4) | | 8490 | |
| 1. Sums received/(paid) in respect of equity instruments | | 8470 | |
| (+) Issuance | | 8471 | |
| (-) Redemption | | 8472 | |
| (-) Acquisition | | 8473 | |
| (+) Disposal | | 8474 | |
| 2. Sums received/(paid) in respect of financial liability instruments: | | 8480 | |
| (+) Issuance | | 8481 | |
| (-) Repayment and redemption | | 8482 | |
| 3. Payment of dividends and remuneration on other equity instruments | | 8485 | |
| 4. Other cash flows from financing activities | | 8486 | |
| (-) Interest paid | | 8487 | |
| (+/-) Other sums received/(paid) from financing activities | | 8488 | |
| D) EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS HELD | | 8492 | |
| E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D) | | 8495 | |
| F) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 8499 | |
| G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E + F) | | 8500 | |

| COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | CURRENT PERIOD 31/12/2017 | PREVIOUS PERIOD 31/12/2016 |
|--|--|------------------------------|-------------------------------|
| (+) Cash on hand and at banks | | 8550 | |
| (+) Other financial assets | | 8552 | |
| (-) <i>Less: Bank overdrafts repayable on demand</i> | | 8553 | |
| TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 8600 | |

This template of the consolidated statement of cash flows (direct method) allows the alternatives for classifying interest and dividends, both received and paid, provided for in the adopted IFRS. Each of the above items shall be classified in a single consistent manner, in each period, as operating, investing or financing activities.

IV. SELECTED FINANCIAL INFORMATION

12. DIVIDENDS PAID

| | | CURRENT PERIOD | | | PREVIOUS PERIOD | | |
|---|-------------|--------------------|------------------------|-------------------------|--------------------|------------------------|-------------------------|
| | | % of nominal value | Euros per share (X.XX) | Amount (thousand euros) | % of nominal value | Euros per share (X.XX) | Amount (thousand euros) |
| Ordinary shares | 2158 | 4,00 | 0,03 | 187,072 | 4,00 | 0,03 | 186,717 |
| Other shares (non-voting shares. redeemable shares. etc.) | 2159 | | | | | | |
| Total dividends paid | 2160 | 4,00 | 0,03 | 187,072 | 4,00 | 0,03 | 186,717 |
| a) Dividends charged to profit and loss | 2155 | | | | | | |
| b) Dividends charged to reserves or share premium | 2156 | | | | | | |
| c) Dividends in kind | 2157 | | | | | | |

IV. SELECTED FINANCIAL INFORMATION

14. Segment information

Units: thousand euros

Table 1:

| GEOGRAPHIC AREA | | Distribution of revenue by geographic area | | | |
|--------------------|-------------|--|------------------|-------------------|-------------------|
| | | INDIVIDUAL | | CONSOLIDATED | |
| | | CURRENT PERIOD | PREVIOUS PERIOD | CURRENT PERIOD | PREVIOUS PERIOD |
| Domestic market | 2210 | 2,030,185 | 1,902,013 | 13,260,746 | 13,500,955 |
| Exports: | 2215 | 480,225 | 516,058 | 18,002,516 | 15,258,193 |
| a) European Union | 2216 | 19,579 | 118,680 | 6,764,412 | 7,175,415 |
| b) OECD countries | 2217 | 395,046 | 397,292 | 7,798,795 | 6,513,718 |
| c) Other countries | 2218 | 65,600 | 86 | 3,439,309 | 1,569,060 |
| TOTAL | 2220 | 2,510,410 | 2,418,071 | 31,263,262 | 28,759,148 |

IV. SELECTED FINANCIAL INFORMATION

15. AVERAGE WORKFORCE

| | | INDIVIDUAL | | CONSOLIDATED | |
|-------------------|------|----------------|-----------------|----------------|-----------------|
| | | CURRENT PERIOD | PREVIOUS PERIOD | CURRENT PERIOD | PREVIOUS PERIOD |
| AVERAGE WORKFORCE | 2295 | 672 | 606 | 28,750 | 26,411 |
| Men | 2296 | 369 | 341 | 22,039 | 20,263 |
| Women | 2297 | 303 | 265 | 6,711 | 6,148 |