

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS (€ million)	Note	31/03/2021 net	31/12/2020 net	31/03/2020 net restated ^a
Property, plant and equipment		7,622	7,486	7,551
Right of use of leased assets		1,652	1,668	1,668
Intangible assets		2,828	2,694	2,146
Goodwill	3.1	7,100	7,232	6,533
Investments in joint ventures and associates	3.2	1,223	1,542	1,571
Other non-current financial assets		551	529	483
Deferred tax assets		388	346	411
NON-CURRENT ASSETS		21,364	21,497	20,363
Inventories		2,953	2,839	3,353
Advances and down-payments made on orders		403	398	493
Trade receivables		5,913	5,890	5,812
Customer contract assets		2,808	2,448	2,631
Current tax assets		201	213	304
Other current receivables and prepaid expenses		3,374	3,046	3,104
Cash and cash equivalents	7	3,877	4,224	4,452
Financial instruments - Hedging of debt	7	14	11	10
Other current financial assets		20	16	25
CURRENT ASSETS		19,563	19,085	20,184
Held-for-sale assets and operations		12	41	
TOTAL ASSETS		40,939	40,623	40,547

LIABILITIES AND SHAREHOLDERS' EQUITY (€ million)	Note	31/03/2021	31/12/2020	31/03/2020 restated ^a
Share capital	4	381	381	380
Share premium and reserves		10,083	9,354	10,031
Translation reserve		1	(91)	(53)
Treasury shares				
Net profit/(loss) attributable to the Group	11	21	696	(204)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		10,486	10,340	10,154
Non-controlling interests		1,491	1,463	1,397
SHAREHOLDERS' EQUITY		11,977	11,803	11,551
Non-current debt	6.1/7	4,695	5,544	5,290
Non-current lease obligations		1,364	1,374	1,393
Non-current provisions	5.1	2,261	2,245	2,089
Deferred tax liabilities		303	273	366
NON-CURRENT LIABILITIES		8,623	9,436	9,138
Current debt	6.1/7	1,554	474	2,409
Current lease obligations		368	359	348
Current tax liabilities		139	165	176
Trade payables		7,132	7,200	6,789
Customer contract liabilities		3,955	4,098	3,941
Current provisions	5.2	1,220	1,242	1,068
Other current liabilities		5,670	5,629	4,755
Overdrafts and short-term bank borrowings	7	276	187	294
Financial instruments - Hedging of debt	7	9	11	58
Other current financial liabilities		16	19	20
CURRENT LIABILITIES		20,339	19,384	19,858
Liabilities related to held-for-sale operations				
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		40,939	40,623	40,547
NET SURPLUS CASH/(NET DEBT)	7/11	(2,643)	(1,981)	(3,589)

(a) "Right of use of leased assets" and "Lease obligations" as of 31 March 2020 have been restated for the effects of applying the IFRS IC final decision on lease terms.

Consolidated income statement

(€ million)	Note	First quarter		Full year
		2021	2020	2020
SALES ^a	8/11	7,742	7,219	34,694
Other revenues from operations		10	20	66
Purchases used in production		(3,322)	(3,098)	(15,193)
Personnel costs		(1,969)	(1,946)	(8,090)
External charges		(1,908)	(1,821)	(7,591)
Taxes other than income tax		(224)	(238)	(618)
Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets		(462)	(403)	(1,832)
Net charges for depreciation, amortisation and impairment losses on right of use of leased assets		(82)	(88)	(359)
Charges to provisions and other impairment losses, net of reversals due to utilisation		(7)	5	(558)
Change in production and property development inventories		(9)	(20)	(202)
Other income from operations ^b		338	303	1,802
Other expenses on operations		(184)	(175)	(897)
CURRENT OPERATING PROFIT/(LOSS)	9/11	(77)	(242)	1,222
Other operating income		62	3	86
Other operating expenses		(6)	(1)	(184)
OPERATING PROFIT/(LOSS)	9/11	(21)	(240)	1,124
Financial income		5	13	32
Financial expenses		(44)	(56)	(199)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)		(39)	(43)	(167)
Interest expense on lease obligations	11	(13)	(14)	(53)
Other financial income		6	2	47
Other financial expenses		(14)	(12)	(80)
Income tax	10	16	85	(317)
Share of net profits/losses of joint ventures and associates	3.2/11	105	25	216
Net profit/(loss) from continuing operations		40	(197)	770
Net profit/(loss) from discontinued operations				
NET PROFIT/(LOSS)		40	(197)	770
Net profit/(loss) attributable to the Group	11	21	(204)	696
Net profit/(loss) attributable to non-controlling interests		19	7	74
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)		0.06	(0.54)	1.83
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)		0.06	(0.54)	1.83
(a) Of which sales generated abroad		2,664	2,820	14,292
(b) Of which reversals of unutilised provisions/impairment losses & other items		54	68	326

Consolidated statement of recognised income and expense

(€ million)	First quarter		Full year
	2021	2020	2020
NET PROFIT/(LOSS)	40	(197)	770
Items not reclassifiable to profit or loss			
Actuarial gains/losses on post-employment benefits	4	60	(42)
Remeasurement of investments in equity instruments	6		(12)
Net tax effect of items not reclassifiable to profit or loss	(1)	(20)	14
Share of non-reclassifiable income and expense of joint ventures and associates	(24)	11	(31)
Items reclassifiable to profit or loss			
Translation adjustments	46	(58)	(114)
Remeasurement of hedging assets	10	(2)	7
Net tax effect of items reclassifiable to profit or loss	(4)	1	(1)
Share of reclassifiable income and expense of joint ventures and associates	59	(35)	(24)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	96	(43)	(203)
TOTAL RECOGNISED INCOME AND EXPENSE	136	(240)	567
Recognised income and expense attributable to the Group	110	(249)	509
Recognised income and expense attributable to non-controlling interests	26	9	58

Consolidated statement of changes in shareholders' equity

(€ million)	Note	Share premium	Reserves related to capital and retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	TOTAL ATTRIBUTABLE TO THE GROUP	Non-controlling interests	TOTAL
POSITION AT 31 DECEMBER 2019									
		2,749	2,736	5,091		(171)	10,405	1,395	11,800
Movements during the first quarter of 2020									
Net profit/(loss)				(204)			(204)	7	(197)
Income and expense recognised directly in equity						(45)	(45)	2	(43)
Total recognised income and expense^b				(204)		(45)	(249)	9	(240)
Capital and reserves transactions, net		2					2		2
Acquisitions and disposals of treasury shares				(8)			(8)		(8)
Acquisitions and disposals with no change of control				7			7		7
Dividend paid								(1)	(1)
Share-based payments				1			1		1
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)				(4)			(4)	(6)	(10)
POSITION AT 31 MARCH 2020									
		2,751	2,736	4,883		(216)	10,154	1,397	11,551
Movements from April to December 2020									
Net profit/(loss)				900			900	67	967
Income and expense recognised directly in equity						(142)	(142)	(18)	(160)
Total recognised income and expense^b				900		(142)	758	49	807
Capital and reserves transactions, net		20	519	(519)			20		20
Acquisitions and disposals of treasury shares				8			8		8
Acquisitions and disposals with no change of control				(20)			(20)	(3)	(23)
Dividend paid				(646)			(646)	(40)	(686)
Share-based payments				3			3	1	4
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)				63			63	59	122
POSITION AT 31 DECEMBER 2020									
		2,771	3,255	4,672		(358)	10,340	1,463	11,803
Movements during the first quarter of 2021									
Net profit/(loss)				21			21	19	40
Income and expense recognised directly in equity	5.3					89 ^a	89	7 ^a	96
Total recognised income and expense^b				21		89	110	26	136
Capital and reserves transactions, net		1					1		1
Acquisitions and disposals of treasury shares				(2)			(2)		(2)
Acquisitions and disposals with no change of control	5.5							(1)	(1)
Dividend paid									
Share-based payments	5.4			2			2		2
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)	5.5			35			35	3	38
POSITION AT 31 MARCH 2021									
		2,772	3,255	4,728		(269)	10,486	1,491	11,977

(a) Change in translation reserve:

	Attributable to:	Group	Non-controlling interests	Total
Controlled companies		43	3	46
Investments in joint ventures and associates		50		50
		93	3	96

(b) See statement of recognised income and expense.

Consolidated cash flow statement

(€ million)	Note	First quarter		Full year
		2021	2020	2020
I - CASH FLOW FROM CONTINUING OPERATIONS				
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES				
Net profit/(loss) from continuing operations		40	(197)	770
Adjustments:				
Share of profits/losses of joint ventures and associates, net of dividends received		(94)	(22)	(160)
Dividends from non-consolidated companies			(1)	(5)
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		459	406	1,956
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		85	88	360
Gains and losses on asset disposals		(84)	(13)	(144)
Income taxes, including uncertain tax positions		(16)	(85)	317
Income taxes paid		(58)	(33)	(367)
Other income and expenses with no cash effect		(7)	2	(18)
CASH FLOW AFTER INCOME FROM NET SURPLUS CASH/COST OF NET DEBT, INTEREST EXPENSE ON LEASE OBLIGATIONS AND INCOME TAXES PAID	11	325	145	2,709
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		52	57	220
Changes in working capital requirements related to operating activities (including current impairment and provisions) ^a	11	(946)	(870)	477
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		(569)	(668)	3,406
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES				
Purchase price of property, plant and equipment and intangible assets	11	(493)	(481)	(2,648)
Proceeds from disposals of property, plant and equipment and intangible assets	11	146	24	428
Net liabilities related to property, plant and equipment and intangible assets		(107)	(93)	709
Purchase price of non-consolidated companies and other investments		(2)	(1)	(11)
Proceeds from disposals of non-consolidated companies and other investments		6		2
Net liabilities related to non-consolidated companies and other investments			(1)	2
Purchase price of investments in consolidated activities		(1)	(26)	(930)
Proceeds from disposals of investments in consolidated activities		501		646
Net liabilities related to consolidated activities		(2)	1	258
Other effects of changes in scope of consolidation: cash of acquired and divested companies	7	(5)	2	(1)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		(19)	(8)	(59)
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		24	(583)	(1,604)
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES				
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		(4)	(18)	62
Dividends paid to shareholders of the parent company				(646)
Dividends paid by consolidated companies to non-controlling interests			(1)	(41)
Change in current and non-current debt	7	211	2,202	234
Repayment of lease obligations	11	(91)	(90)	(372)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(52)	(57)	(220)
Other cash flows related to financing activities			14	(38)
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		64	2,050	(1,021)
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	7	45	5	(98)
CHANGE IN NET CASH POSITION (A + B + C + D)		(436)	804	683
NET CASH POSITION AT START OF PERIOD	7	4,037	3,354	3,354
Net cash flows	7	(436)	804	683
Non-monetary flows				
Held-for-sale operation				
NET CASH POSITION AT END OF PERIOD	7	3,601	4,158	4,037
II - CASH FLOWS FROM DISCONTINUED OPERATIONS				
NET CASH POSITION AT START OF PERIOD				
Net cash flows				
NET CASH POSITION AT END OF PERIOD				

(a) Definition of changes in working capital requirements related to operating activities: current assets minus current liabilities, excluding (i) income taxes; (ii) receivables/liabilities related to property, plant and equipment and intangibles assets; (iii) current debt; (iv) current lease obligations; and (v) financial instruments used to hedge debt.