

Consolidated financial statements

Year ended 31 March 2017

CONSOLIDATED INCOME STATEMENT

<i>(in € million)</i>	Note	Year ended	
		31 March 2017	31 March 2016
Sales	(3)	7,306	6,881
Cost of sales *		(6,171)	(5,814)
Research and development expenses *	(4)	(175)	(165)
Selling expenses	(5)	(187)	(191)
Administrative expenses	(5)	(352)	(345)
Other income / (expenses)	(6)	(63)	(592)
Earnings before interest and taxes		358	(226)
Financial Income	(7)	11	73
Financial Expenses	(7)	(138)	(348)
Pre-tax income		231	(501)
Income tax charge	(8)	(76)	(597)
Share of net income of equity-accounted investments	(13)	82	30
Net profit from continuing operations		237	(1,068)
Net profit from discontinued operations	(9)	66	4,079
NET PROFIT		303	3,011
Net profit attributable to equity holders of the parent		289	3,001
Net profit attributable to non controlling interests		14	10
Net profit from continuing operations attributable to:			
· Equity holders of the parent		223	(1,083)
· Non controlling interests		14	15
Net profit from discontinued operations attributable to:			
· Equity holders of the parent		66	4,084
· Non controlling interests		-	(5)
Earnings per share (in €)			
· Basic earnings per share	(10)	1.32	10.17
· Diluted earnings per share	(10)	1.30	10.09

* includes the reclassification of sustaining costs from Cost of Sales to Research and Development for €(29) million as of 31 March 2016 (Note 2 & 4).

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € million)</i>	Note	Year ended	
		31 March 2017	31 March 2016
Net profit recognised in income statement		303	3,011
Remeasurement of post-employment benefits obligations	(29)	(44)	(240)
Currency translation relating to items that will not be reclassified to profit or loss	(29)	8	-
Income tax relating to items that will not be reclassified to profit or loss	(8)	4	32
Items that will not be reclassified to profit or loss		(32)	(208)
<i>of which from equity-accounted investments</i>	(13)	-	-
Fair value adjustments on available-for-sale assets		-	-
Fair value adjustments on cash flow hedge derivatives	(13)	(3)	14
Currency translation adjustments	(23)	107	(262)
Income tax relating to items that may be reclassified to profit or loss	(8)	-	(2)
Items that may be reclassified to profit or loss		104	(250)
<i>of which from equity-accounted investments</i>	(13)	58	(37)
Other comprehensive income		72	(458)
<i>of which attributable to discontinued operations</i>		(1)	(307)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		375	2,553
Attributable to:			
• Equity holders of the parent		359	2,554
• Non controlling interests		16	(1)
Total comprehensive income attributable to equity shareholders arises from :			
• Continuing operations		294	(1,227)
• Discontinued operations		65	3,781
Total comprehensive income attributable to minority equity arises from :			
• Continuing operations		16	8
• Discontinued operations		-	(9)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

Assets

<i>(in € million)</i>	Note	At 31 March 2017	At 31 March 2016
Goodwill	(11)	1,513	1,366
Intangible assets	(11)	395	387
Property, plant and equipment	(12)	749	655
Investments in joint-ventures and associates	(13)	2,755	2,588
Non consolidated investments	(14)	55	38
Other non-current assets	(15)	316	401
Deferred taxes	(8)	189	242
Total non-current assets		5,972	5,677
Inventories	(17)	916	834
Construction contracts in progress, assets	(18)	2,834	2,356
Trade receivables	(19)	1,693	1,613
Other current operating assets	(20)	1,365	1,118
Marketable securities and other current financial assets	(25)	8	22
Cash and cash equivalents	(26)	1,563	1,961
Total current assets		8,379	7,904
Assets held for sale	(9)	10	41
TOTAL ASSETS		14,361	13,622

Equity and Liabilities

<i>(in € million)</i>	Note	At 31 March 2017	At 31 March 2016
Equity attributable to the equity holders of the parent	(23)	3,661	3,279
Non controlling interests		52	49
Total equity		3,713	3,328
Non-current provisions	(22)	614	655
Accrued pension and other employee benefits	(29)	526	487
Non-current borrowings	(27)	1,362	1,538
Non-current obligations under finance leases	(27)	233	280
Deferred taxes	(8)	23	52
Total non-current liabilities		2,758	3,012
Current provisions	(22)	250	208
Current borrowings	(27)	416	639
Current obligations under finance leases	(27)	28	47
Construction contracts in progress, liabilities	(18)	4,486	3,659
Trade payables		1,029	1,133
Other current operating liabilities	(21)	1,674	1,481
Total current liabilities		7,883	7,167
Liabilities related to assets held for sale	(9)	7	115
TOTAL EQUITY AND LIABILITIES		14,361	13,622

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	Note	Year ended	
		31 March 2017	31 March 2016
Net profit		303	3,011
Depreciation, amortisation and impairment	(11)/(12)	157	470
Expense arising from share-based payments	(31)	10	8
Cost of net financial debt and costs of foreign exchange hedging, net of interest paid and received (a), and other change in provisions		1	183
Post-employment and other long-term defined employee benefits	(29)	2	(3)
Net (gains)/losses on disposal of assets		(77)	(4,372)
Share of net income (loss) of equity-accounted investments (net of dividends received)	(13)	(75)	(5)
Deferred taxes charged to income statement	(8)	(24)	350
Net cash provided by operating activities - before changes in working capital		297	(358)
Changes in working capital resulting from operating activities (b)	(16)	104	(1,800)
Net cash provided by/(used in) operating activities		401	(2,158)
<i>Of which operating flows provided / (used) by discontinued operations</i>	<i>(9)</i>	<i>(7)</i>	<i>(1,568)</i>
Proceeds from disposals of tangible and intangible assets		1	58
Capital expenditure (including capitalised R&D costs)		(220)	(514)
Increase/(decrease) in other non-current assets	(15)	43	23
Acquisitions of businesses, net of cash acquired	(1)	(78)	(1,994)
Disposals of businesses, net of cash sold	(9)	(93)	10,854
Net cash provided by/(used in) investing activities		(347)	8,427
<i>Of which investing flows provided / (used) by discontinued operations</i>	<i>(9)</i>	<i>(68)</i>	<i>(932)</i>
Capital increase/(decrease) including non controlling interests		12	(3,208)
Dividends paid including payments to non controlling interests		(11)	(12)
Issuances of bonds & notes	(27)	-	-
Repayments of bonds & notes issued	(27)	(453)	(1,875)
Changes in current and non-current borrowings	(27)	33	(688)
Changes in obligations under finance leases	(27)	(45)	(46)
Changes in marketable securities and other current financial assets and liabilities		(10)	3
Net cash provided by/(used in) financing activities		(474)	(5,826)
<i>Of which financing flows provided / (used) by discontinued operations</i>	<i>(9)</i>	<i>3</i>	<i>1,949</i>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(420)	443
Cash and cash equivalents at the beginning of the period		1,961	1,599
Net effect of exchange rate variations		17	(87)
Other changes		4	(3)
Transfer to assets held for sale	(9)	1	9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(26)	1,563	1,961
<i>(b) Income tax paid</i>		<i>(87)</i>	<i>(211)</i>
<i>(a) Net of interests paid & received</i>		<i>(115)</i>	<i>(261)</i>

(in € million)	Year ended	
	31 March 2017	31 March 2016
Net cash/(debt) variation analysis *		
Changes in cash and cash equivalents	(420)	443
Changes in other current financial assets and liabilities	10	(3)
Changes in bonds and notes	453	1,875
Changes in current and non-current borrowings	(33)	688
Changes in obligations under finance leases	45	46
Transfer to assets held for sale	3	76
Net debt of acquired/disposed entities at acquisition/disposal date and other variations	(63)	(185)
Decrease/(increase) in net debt	(5)	2,940
Net cash/(debt) at the beginning of the period	(203)	(3,143)
NET CASH/(DEBT) AT THE END OF THE PERIOD	(208)	(203)

(*) The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial assets and non-current financial assets directly associated to liabilities included in financial debt (see Note 15), less financial debt (see Note 27).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in € million, except for number of shares)</i>	Number of outstanding shares	Capital	Additional paid-in capital	Retained earnings	Other comprehen sive income *	Equity attributable to the equity holders of the parent	Non controlling interests	Total equity
At 31 March 2015	309 792 497	2 169	879	3 257	(2 171)	4 134	90	4 224
Movements in other comprehensive income	-	-	-	-	(447)	(447)	(10)	(457)
Net income for the period	-	-	-	3 001	-	3 001	10	3 011
Total comprehensive income	-	-	-	3 001	(447)	2 554	-	2 554
Change in controlling interests and others	-	-	-	(2 072)	1 871	(201)	(29)	(230)
Dividends paid	-	-	-	-	-	-	(11)	(11)
Share buy back (91 500 000)	(91 500 000)	(641)	-	(2 578)	-	(3 219)	-	(3 219)
Issue of ordinary shares under long term incentive plans 407 167	407 167	3	-	-	-	3	-	3
Recognition of equity settled share-based payments 427 380	427 380	3	5	-	-	8	-	8
At 31 March 2016	219 127 044	1 534	884	1 608	(747)	3 279	49	3 328
Movements in other comprehensive income	-	-	-	-	70	70	2	72
Net income for the period	-	-	-	289	-	289	14	303
Total comprehensive income	-	-	-	289	70	359	16	375
Change in controlling interests and others	-	-	-	1	4	5	(2)	3
Dividends paid	-	-	-	-	-	-	(11)	(11)
Issue of ordinary shares under long term incentive plans 214 918	214 918	2	-	-	-	2	-	2
Recognition of equity settled share-based payments & others 369 868	369 868	2	6	8	-	16	-	16
At 31 March 2017	219 711 830	1 538	890	1 906	(673)	3 661	52	3 713

* At 31 March 2017, other comprehensive income include notably €(334) million of currency translation adjustment, €(322) million of actuarial gains and losses, €1 million of cash-flow hedge

The accompanying notes are an integral part of the consolidated financial statements.