

Consolidated income statement

(thousands of euro)	2005	2004	Notes
Revenues	1,765,073	1,704,124	1
Other operating income and revenues	76,601	91,230	2
Change in inventories of finished products and work in progress	41,339	22,811	3
Purchases of raw materials and consumables	560,374	452,573	4
Payroll and related costs	221,043	214,002	5
Depreciation and amortization:			
- of property, plant and equipment	62,242	67,995	6
- of intangible assets	23,125	27,332	7
	85,367	95,327	
Other operating costs:			
- external services	631,228	638,351	8
- leases and rentals	104,478	86,420	9
- impairment of property, plant and equipment and intangible assets	50,340	49,116	10
- write-downs of doubtful accounts	17,387	39,240	11
- provisions for risks	19,780	37,128	12
- other operating costs	35,842	48,174	13
	859,055	898,429	
Operating profit	157,174	157,834	
Share of income/(loss) of associated companies	(60)	161	14
Net financial expenses and exchange differences	22,722	21,988	15
Income before taxes	134,392	136,007	
Income taxes	20,288	27,663	16
Net income/(loss) for the year attributable to the Parent Company and minority interests	114,104	108,344	
Net income/(loss) attributable to:			
- shareholders of the Parent Company	111,873	108,795	
- minority shareholders	2,231	(451)	
Basic earnings per share (euro)	0.62	0.60	
Diluted earnings per share (euro)	0.62	0.60	

Consolidated statement of income (using the function of expenses)

(thousands of euro)	2005	2004
Revenues	1,765,073	1,704,124
Cost of sales		
Materials	525,962	438,992
Payroll and related costs	84,636	86,802
Subcontracted work	320,271	340,217
Industrial depreciation and amortization	21,203	21,118
Other manufacturing costs	42,663	42,046
	994,735	929,175
Gross operating income	770,338	774,949
Distribution and transport	56,350	47,760
Sales commissions	70,651	73,582
Contribution margin	643,337	653,607
Selling, general and administrative expenses		
Payroll and related costs	135,095	125,700
Advertising and promotion	60,967	53,710
Depreciation and amortization	64,164	74,209
Other income and expenses	225,937	242,154
	486,163	495,773
Operating profit	157,174	157,834
Profit of associated companies before net financial expenses and taxes	157,114	157,995
Financial income/(expenses)	(23,130)	(21,957)
Foreign currency hedging gains/(losses) and exchange differences	408	(31)
Income before taxes	134,392	136,007
Income taxes	20,288	27,663
Net income for the year attributable to the Parent Company and minority interests	114,104	108,344
Net income/(loss) attributable to:		
- shareholders of the Parent Company	111,873	108,795
- minority interests	2,231	(451)
Earnings per share (euro)	0.62	0.60

Supplementary information

Reconciliation of income statement by nature of expense and by function

(millions of euro)		A	B	C	D	E	F	G		
Income statement by nature of cost									Income statement by function	
Revenues								1,765	Revenues	
Other revenues and operating income	A	76	(76)					-		
Change in inventories of finished products and work in progress		41	(546)			(341)		(846)	Consumption of materials and subcontracted work	
Purchases of raw materials and consumables	B	(560)	560		(21)			(21)	Operating depreciation	
			(7)			(35)	(1)	(43)	Other manufact. costs	
				(85)				(85)		
									Gross contribution margin	
								770		
Payroll and related costs	C	(221)		221				-		
Depreciation & amortization	D	(85)			85			-		
						(56)		(56)	Distribution and transport	
						(70)	(1)	(71)	Sales commissions	
									Contribution margin	
								643		
Other operating costs:				(135)				(135)	Payroll and related costs	
- services	E	(631)	1	(1)	(1)	572		(61)	Advertising and promotion	
					(64)			(64)	Deprec. & amort.	
- leases	F	(104)					104	-		
- impairment of assets		(50)	75	(6)		(70)	(102)	(73)	Other income and expenses	
- write-down of receivables	G	(17)						17		
- provisions for risks	G	(20)						20		
- other operating costs	G	(37)						37		
Operating income		157	-	-	-	-	-	-	157	Operating income

Notes: A Reclassification of rental income, gains on disposals of property, plant and equipment and intangible assets and the release of provisions in the "Other income and expenses" item.

B Reclassification of the purchase of raw materials and finished goods, of the change in inventories of finished products and work in progress in the "Consumption of materials, subcontracted work" and the "Other industrial costs" items.

C+D Reclassification of payroll and related costs and of the depreciation of the cost of sales for the operations side and of general expenses for the overhead portion.

E Reclassification of operating costs for services as:

- subcontract work for 341 million euro;
- other industrial costs for 35 million euro;
- distribution and transport for 56 million euro;
- sales commissions for 70 million euro;
- other operating costs for 70 million euro.

F Costs for leases, essentially rental costs, reclassified in other income and expenses.

G Reclassification of write-downs of receivables, provisions for risks and other operating costs in the "Other income and expenses" item.