

**Alternative performance metrics
1Q19 results**



Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		31 march 2019	31 march 2018	
Ebitda	Operating gross profit = Net sales - Procurement + Other operating income - Personnel costs - Operating expenses + Own work capitalized - Taxes	1,119 million euros	1,053 million euros	Measure of earnings before interest, taxes, depreciation and amortization and provisions.
Ordinary Ebitda	Ebitda - Non-ordinary items	1,167 million euros= 1,119 + 48	1,104 million euros=1,053+51	Ebitda corrected of impacts like restructuring costs and other non-ordinary items considered relevant for a better understanding of the underlying results of the Group.
Ordinary Net income	Attributable net income of the period - Non-ordinary items	377 million euros= 341+36	326 million euros= 320+6	Attributable Net Income corrected of impacts like assets write-down, discontinued operations, restructuring costs and other non-ordinary items considered relevant for a better understanding of the underlying results of the Group.
Investments (CAPEX)	"Investment in intangible assets" + "Investment in property, plant and equipment"	301 million euros = 31 + 270	533 million euros = 50 + 483	Total investments net of the cash received from divestments and other investing receipts
Gross financial debt	"Non-current financial liabilities"+ "Current financial liabilities"	17,386 million euros = 13,924 + 3,462	17,074 million euros ¹ = 13,352 + 2,079 + 1,643	Current and non-current financial debt
Net financial debt	Gross financial debt – "Cash and cash equivalents" – "Derivative financial assets"	15,123 million euros = 17,386 - 2,237 – 26	15,310 million euros ¹ = 17,074 - 1,716 - 48	Current and non-current financial debt less cash and cash equivalents and derivative financial assets
Net financial debt cost	"Cost of financial debt" – "Interest revenue"	156 million euros = 161 - 5	138 million euros ¹ = 143 – 5	Amount of expense relative to the cost of financial debt less interest revenue
Ebitda/Net financial debt cost	Ebitda/ Cost of net financial debt	7.2x =1,119 / 156	7.6x = 1,053 / 138	Ratio between Ebitda and net financial debt
Net financial debt/LTM Ebitda	Net financial debt / Last Twelve Months Ebitda	3.7x = 15,123 / 4,085	3.8x ¹ = 15,310 / 4,019	Ratio between net financial debt and Ebitda

(1) As at 31/12/2018, proforma including first application impact IFRS 16 (1,643 million euros)