

## Consolidated financial statements at December 31, 2014

### 29.1 Financial income

Financial income totaled €37.8 million for 2014 (€30.2 million for 2013) and is made up as follows:

(Amounts in thousands of euros)	2014	2013	Change
<b>Interest income from receivables</b>	<b>2,403</b>	<b>1,901</b>	<b>502</b>
<b>Financial income from securities</b>	<b>272</b>	<b>4</b>	<b>268</b>
<b>Interest and other income from non-consolidated Group companies and other related parties</b>	<b>8,368</b>	<b>4,107</b>	<b>4,261</b>
- Interest income	8,368	4,064	4,304
- Financial income	-	43	(43)
<b>Interest income and other financial income</b>	<b>26,793</b>	<b>24,182</b>	<b>2,611</b>
- Interest income on correspondent accounts	-	2	(2)
- Interest on financing	1,333	1,925	(592)
- Bank interest	6,410	8,037	(1,627)
- Default Interest	7,743	5,006	2,737
- Financial discounts and allowances	535	105	430
- Other	10,772	9,107	1,665
<b>Total</b>	<b>37,836</b>	<b>30,194</b>	<b>7,642</b>

The €7.6 million increase is mainly due to the rise in financial income from related parties and other non-consolidated Group companies for €4.3 million, the increase in default interest for €2.7 million, the increase in other financial income due to the reversal of the PPA for €1.6 million partially offset by the decrease in interest on bank accounts for €1.6 million.

Other financial income of €10.8 million mainly includes the reversal of PPA worth €6.3 million and interest income on financial receivables of the Argentine operator Caminos de las Sierras worth €2.7 million.

### 29.2 Financial expense

Financial expense for 2014 totaled €128.7 million (€115.2 million for 2013) and is made up as follows:

(Amounts in thousands of euros)	2014	2013	Change
<b>Interest payable and expenses from Group companies</b>	<b>(72)</b>	<b>(190)</b>	<b>118</b>
- Interest payable	(72)	(190)	118
<b>Interest payable and other financial expense</b>	<b>(128,646)</b>	<b>(114,983)</b>	<b>(13,663)</b>
- Bank interests on accounts and loans	(73,406)	(74,863)	1,457
- Interest on bond issues	(30,811)	(21,728)	(9,083)
- Interest on tax payables	(1,743)	(1,468)	(275)
- Default interest	(213)	-	(213)
- Interest payable from discounting to PV	29	(338)	367
- Bank fees	(5,898)	(1,730)	(4,168)
- Charges on sureties	(897)	(840)	(57)
- Other loans	(1,758)	(696)	(1,062)
- Factoring and Leasing	(9,742)	(10,237)	495
- Other	(4,207)	(3,083)	(1,124)
<b>Total</b>	<b>(128,718)</b>	<b>(115,173)</b>	<b>(13,545)</b>

Net financial expense increased overall by €13.5 million over last year. This increase is mainly attributable to interest expense on bonds for €30.8 million, of which €9.1 million related to the senior unsecured bond issue of a nominal amount of €400.00 million of July 23, 2013 and the increase in bank charges for €4.2 million.

Interest expense on other loans mainly relates to the factoring of tax receivables.

### 29.3 Net exchange rate gains (losses)

In 2014 there were net exchange rate losses of €51.1 million (gains of €27.0 million in the previous year).

The change reflects the charge of about €97 million resulting from the adoption by the Group of the new official SICAD 2 exchange rate to translate its net financial assets denominated in the Venezuelan currency (called Bolivar Fuerte or VEF), effective as of June 30, 2014. The €97 million change, noted above, comprises €55 million calculated upon adoption of

the new exchange rate and €42 million connected to changes in balances and the exchange rate during the second half of 2014.

This situation, described in detail in the Section 'Foreign currency translation of the assets and liabilities related to Venezuela' in these explanatory notes, was necessary in light of the continuing financial/currency crisis being experienced in the country, for the purpose of achieving a more reliable estimate of the value that these net financial assets will be realized and also in consideration of the regulatory characteristics of the local currency market, which puts significant restrictions on the movement of Venezuelan currency.