

32. Financing income (costs) and gains (losses)

This item, for the first half of 2015, amounts to € 22,6 million (€ 90,7 million for the same period of 2014).

The item may be broken down as follows:

<i>(Amounts in €/000)</i>	H1 2015	H1 2014	Change
Financial income	18,978	20,244	(1,266)
Financial expenses	(46,800)	(73,313)	26,513
Net exchange rate gains	5,261	(37,587)	42,848
Net financing costs	(22,561)	(90,656)	68,095

32.1 Financial income

Financial income totalled € 19.0 million in the first half of 2015 (€ 20.2 million in the first half of 2014) and is made up as follows:

<i>(Amounts in €/000)</i>	H1 2015	H1 2014	Change
Interest income from receivables	1,145	1,746	(601)
Financial income from securities	78	-	78
Interest and other income from unconsolidated group companies and other related parties	4,270	5,244	(974)
- <i>Interest income</i>	4,239	4,200	39
- <i>Financial income</i>	31	1,044	(1,013)
Interest income and other financial income	13,485	13,254	231
- <i>Interest income on correspondent accounts</i>	9	-	9
- <i>Interest on financing</i>	274	1,124	(850)
- <i>Bank interest</i>	1,949	3,179	(1,230)
- <i>Interest in arrears</i>	7,100	2,767	4,333
- <i>Financial discounts and allowances</i>	381	201	180
- <i>Other</i>	3,772	5,983	(2,211)
Total	18,978	20,244	(1,266)

The decrease of € 2.2 million of the item "Other" mainly concerns the minor reversal of the PPA for € 1.9 million.

32.2 Financial expenses

Financial expenses for the first half of 2015 totalled € 46.8 million (compared to € 73.3 million in the first half of 2014) and is made up as follows:

<i>(Amounts in €/000)</i>	H1 2015	H1 2014	Change
Interest payable and expenses from group companies	218	1,334	(1,116)
- Interest payable	218	(52)	270
- Financial expense	-	1,386	(1,386)
Interest payable and other financial expenses	(47,018)	(74,647)	27,629
- Bank interests on accounts and loans	(23,650)	(47,204)	23,554
- Interest on bond issues	(15,364)	(15,484)	120
- Interest on tax payables	(625)	(542)	(83)
- Interests in arrears	(3)	(65)	62
- Interests payable from discounting	(141)	135	(276)
- Bank fees	(1,154)	(1,807)	653
- Charges on sureties	(518)	(406)	(112)
- Other lender	(999)	(510)	(489)
- Factoring and Leasing	(3,830)	(4,689)	859
- Other	(734)	(4,075)	3,341
Total financial expenses	(46,800)	(73,313)	26,513

Net financial expenses decreased overall by € 26.5 million over the last year. This decrease mainly refers to the interests payable on bank accounts and loans for € 23.6 million due to the decrease of the average debt that characterised the first half of 2015, compared to the corresponding period of the previous year, but also for the lower interest rates, also caused by the renegotiation of the corporate financial debt which occurred during the period that is being covered.

32.3 Net exchange rate gains

The net exchange rate for the first half of 2015 reported a positive result of € 5.3 million (negative for € 37.6 million, as at June 30, 2014).

The change reflects the non-recurring charge of the first half of 2014 resulting from the Group's adoption of the new official SICAD II exchange rate to translate its net financial assets denominated in the Venezuelan currency (called Bolivar Fuerte or VEF), to the new official change rate called SICAD2, from June 30 2014.

The Group established that the SIMADI is the appropriate exchange rate for converting amounts in Venezuelan currency. This exchange rate was adopted during the first half of 2015. The adoption of the SIMADI generated an overall negative effect of € 4 million.