

19. Equity

Equity increased to €1,240.1 million at 30 June 2016 from €1,216.9 million at the end of 2015 as follows:

(€'000)	30 June 2016	31 December 2015	Variation
Equity attributable to the owners of the parent			
Share capital	544,740	544,740	-
Share premium reserve	120,798	120,798	-
- Legal reserve	103,322	101,535	1,787
- Reserve for share capital increase related charges	(3,970)	(3,970)	-
- Reserve for treasury shares	(7,677)	(7,677)	-
- LTI reserve	2,223	139	2,084
- Extraordinary and other reserves	136	136	-
Total other reserves	94,034	90,163	3,871
Other comprehensive income (expense)			
- Translation reserve	(17,719)	(11,194)	(6,525)
- Hedging reserve	(1,467)	(8,085)	6,618
- Actuarial reserve	1,700	(5,273)	6,973
Total other comprehensive expense	(17,486)	(24,552)	7,066
Retained earnings	363,082	324,259	38,823
Profit for the period/year	11,223	60,592	(49,369)
Equity attributable to the owners of the parent	1,116,391	1,116,000	391
Share capital and reserves attributable to non-controlling interests	105,681	79,221	26,460
Profit for the period/year attributable to non-controlling interests	18,026	21,639	(3,613)
Share capital and reserves attributable to non-controlling interests	123,707	100,860	22,847
Total equity	1,240,098	1,216,860	23,238

Changes of the period in the different equity items are summarised in the relevant schedule of the condensed interim consolidated financial statements. Specifically, in their meeting held on 28 April 2016, the parent's shareholders resolved to allocate the profit for 2015 as follows:

- €1,786,530.08, equal to 5% of the profit for the year, to the legal reserve;
- €19,562,732.56 as a dividend to the holders of ordinary shares, equal to €0.04 per share;
- €420,027.66 as a dividend to the holders of savings shares, equal to €0.26 per share;
- €13,961,311.27 to retained earnings.

The LTI (long term incentive plan) reserve shows the fair value of €2.2 million of this plan introduced in 2015. The section on the accounting policies in the 2015 Annual Report describes how the reserve is treated.

The main variation in other comprehensive income items relates to the effect of fluctuations in exchange rates as shown below:

(€'000)	1st half 2016	1st half 2015
Opening balance	(11,194)	15,575
Reclassification to profit or loss	13,857	-
Equity-accounted investees	228	2,063
Increase (decrease)	(20,610)	11,378
Total changes	(6,525)	13,441
Closing balance	(17,719)	29,016

The effect of changes in the hedging reserve due to fair value gains (losses) on financial instruments is detailed below:

(€'000)	1st half 2016	1st half 2015
Opening balance	(8,085)	1,987
Reclassification of fair value gains/losses on settled transactions to profit or loss	335	293
Reclassification from comprehensive income	9,920	-
Net fair value gains (losses)	(4,056)	370
Net exchange rate gains (losses) and other changes	494	(459)
Net losses for equity-accounted investees	(75)	(361)
Total changes	6,618	(157)
Closing balance	(1,467)	1,830

The actuarial reserve underwent the following changes:

(€'000)	1st half 2016	1st half 2015
Opening balance	(5,273)	(5,447)
Net actuarial gains recognised in OCI	6,973	-
Closing balance	1,700	(5,447)

Retained earnings

This item may be analysed as follows:

(€'000)	1st half 2016	1st half 2015
Opening balance	324,259	249,988
Allocation of profit	58,805	92,238
Dividend distribution	(19,982)	(19,983)
Change in consolidation scope	-	2,368
Closing balance	363,082	324,611

Share capital and reserves attributable to non-controlling interests

Share capital and reserves attributable to non-controlling interests are as follows:

(€'000)	1st half 2016	1st half 2015
Opening balance	100,860	76,513
Capital increase	56	-
Coverage of Todini's losses and shareholder injection	-	11,311
Profit attributable to non-controlling interests	18,026	7,269
Dividend distribution to third parties	(4,136)	-
Change in consolidation scope	9,544	(4,601)
Components of comprehensive income (expense)	(643)	404
Closing balance	123,707	90,896