

# 16. Income tax

Income taxes are determined using the tax rate projected to be applicable to annual profits on the basis of an updated estimate on the reporting date. At 31 December 2013 deferred taxes totalled €121,190, while payables for deferred tax liabilities totalled €74,001 with a net balance of €47,189,

of which the impact for the year 2013 amounted to €(16,654).

Details of the current, deferred and prepaid taxes are provided below:

| (Values in €/000)                                  | December 2013 | December 2012 | Change       |
|--|---------------|---------------|--------------|
| Current regional income tax (IRAP) for the period  | 7,910         | 2,077         | 5,833        |
| Current corporate income tax (IRES) for the period | 48,554        | 6,792         | 41,752       |
| Foreign current taxes                              | 1,316         | 9,612         | (8,296)      |
| Prior period taxes                                 | 2,108         | 5,775         | (3,667)      |
| Current taxes                                      | 59,888        | 24,256        | 35,632       |
| Deferred tax (income) expense                      | (16,654)      | 11,725        | (28,379)     |
| <b>Total taxes</b>                                 | <b>43,234</b> | <b>35,981</b> | <b>7,253</b> |

## Notes to the consolidated financial statements

The following table contains a reconciliation of theoretical tax:

| (Values in €/000)                                     | 31 December 2013 |              |
|---|------------------|--------------|
| <b>Pre-tax profit (loss)</b>                          | <b>289,075</b>   |              |
| Theoretical taxes                                     | (79,496)         | 27.5%        |
| Taxes on net permanent differences                    | 30,942           |              |
| <b>Effective corporate income tax (IRES) (A)</b>      | <b>(48,554)</b>  | <b>16.8%</b> |
| <b>Regional income tax (IRAP) and other taxes (B)</b> | <b>(11,334)</b>  | <b>3.9%</b>  |
| <b>Actual income tax for the period (A+B)</b>         | <b>(59,888)</b>  | <b>20.7%</b> |
| Deferred tax balance                                  | 16,654           |              |
| <b>Net profit/(loss)</b>                              | <b>245,841</b>   |              |

The following table contains a breakdown of deferred tax assets and liabilities:

### A) Recalculation of taxes upon reversal of deductible temporary differences (positive temporary differences)

| Items   | 31 December 2012 | Income statement change | Balance sheet change | 31 December 2013 |
|---|------------------|-------------------------|----------------------|------------------|
| <b>Expenses for other years</b>   | <b>0</b>         | <b>(881)</b>            | <b>1,015</b>         | <b>134</b>       |
| FTA   | 973              | 6,201                   | 1,309                | 8,482            |
| Statutory depreciation/amortisation higher than the admissible tax rate | 8,804            | (3,814)                 | 42,826               | 47,816           |
| Provisions for risks and write-downs                                    | 1,231            | 0                       | (1,231)              | 0                |
| Goodwill  | 6,813            | 4,009                   | (4,449)              | 6,373            |
| Maintenance exceeding ceiling   | 2,007            | 720                     | (2,086)              | 640              |
| Unrealised exchange losses  | 0                | 10,932                  | 6,634                | 17,566           |
| Consolidation adjustments   | 2,186            | 1,751                   | 782                  | 4,718            |
| Other   |                  |                         |                      |                  |
| <b>Totale A</b>   | <b>22,015</b>    | <b>18,917</b>           | <b>44,799</b>        | <b>85,730</b>    |

## B) Recalculation of taxes upon reversal of taxable temporary differences (negative temporary differences)

| Items                                   | 31 December 2012 | Income statement change | balance sheet change | 31 December 2013 |
|---|------------------|-------------------------|----------------------|------------------|
| <i>Revenues from other years</i>        |                  |                         |                      |                  |
| FTA                                     | 0                | (569)                   | 10,451               | 9,882            |
| Capital gains instalments               | 990              | (153)                   | (377)                | 459              |
| Uncollected late-payment interest       | 523              | 0                       | 5,530                | 6,053            |
| Financial leasing                       | 5,537            | 0                       | (5,537)              | 0                |
| Tax on deferred revenues from contracts | 19,810           | 2,413                   | (272)                | 21,952           |
| Other                                   | 662              | 574                     | (1,041)              | 195              |
| <b>Total b</b>                          | <b>27,521</b>    | <b>2,266</b>            | <b>8,754</b>         | <b>38,541</b>    |
| <b>Prepaid tax (a - b)</b>              | <b>(5,507)</b>   | <b>16,651</b>           | <b>36,045</b>        | <b>47,189</b>    |