MULTINATIONALS: FINANCIAL AGGREGATES (2016)

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an R & S publication

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FOREWORD

This is the twenty-first edition of R&S's annual survey of major multinational companies. It covers 403 firms, 331 of which have industrial activity as their core business (manufacturing and energy), 27 of which provide telecommunications services, 23 are utilities operating on an international scale and 22 are software&web companies. Of the 331 industrial multinationals, 260 are located in what we call the triad regions (i.e. Europe, North America and Japan), 50 in the Asian-Russian area, and 21 in the rest of the world. A description of the geographical areas is listed in the table at the end of this foreword.

In Section I we highlight the conclusions emerging from our analysis of the data. Long-term trends are illustrated, as are earnings and financial data for the industrial multinationals in the triad regions (Europe, North America and Japan), the Asian-Russian area and the rest of the world, the telecommunications companies, the utilities and the software&web companies, plus the companies' most recent results as shown in their annual reports for 2015.

Section II contains statistical tables providing aggregate sales, earnings and financial data, flows of funds and other financial indicators, with breakdowns by country and industry. Aggregates for Austrian, Canadian, Irish, Spanish, and the individual Asian-Russian and rest of the world countries have been omitted, on the grounds that they are relatively few when taken in isolation. Figures for industrial companies, for telecommunications companies and utilities cover the 2005-2014 period, whereas the statistical series for the software&web companies cover only the period from 2009 to 2014.

Section III describes the principles and methods employed to select the companies and restate their figures. The tables at the end list the companies included in the survey, and chart the mergers and acquisitions that took place in the period from 2005 to 2016.

* * *

This report may be downloaded in pdf format free of charge from website www.mbres.it. The statistical tables for individual countries and sectors may also be downloaded from this site.

GEOGRAPHICAL AREAS

Triad regions				
Europe	North America	Japan	Asia-Russia	Rest of world
Austria (AT) *	Canada (CA)	Japan (JP)	China (CN)	Algeria (DZ)
Belgium (BE) *	U.S.A. (US)		India (IN)	Australia (AU)
Denmark (DK)			Israel (IL)	Brazil (BR)
Finland (FI) *			Malaysia (MY)	Colombia (CO)
France (FR) *			Philippines (PH)	Mexico [1] (MX)
Germany (DE) *			Russia (RU)	South Africa (ZA)
Ireland (IE) *			Saudi Arabia (SA)	Venezuela (VE)
Italy (IT) *			Singapore (SG)	
Liechtenstein (LI)			South Korea (KR)	
Luxembourg (LU) *			Taiwan (TW)	
Netherlands (NL) *			Thailand (TH)	
Norway (NO)				
Spain (ES) *				
Sweden (SE)				
Switzerland (CH)				
United Kingdom (UK)				

* Eurozone.
1 Mexico was excluded from North America as its GDP level is not consistent with that of the U.S.A. and Canada.

Automotive	Road transport vehicles (cars, industrial vehicles, buses).
Capital invested (CI)	Calculated as net worth plus borrowings.
Capital turnover	Value added as a percentage of capital invested.
Cash flow	Annual cash flow generated by operations. Calculated as current profit plus depreciation/amortization.
Current pre-tax profit (loss)	Profit (loss) for the year before extraordinary income and expenses and income tax.
Export sales	Sales abroad by a national company forming the group.
Financial investments (flows)	Annual outlay in acquisitions of equity interests and loans net of repayments.
Gross operating margin (GOM)	Difference between value added and labour costs.
Intangible assets	Balance-sheet items arising against outlays incurred in respect of charges or non-tangible goods (goodwill included).
Investment rate	Capital expenditure as a percentage of gross tangible fixed assets.
Net operating margin (NOM)	Gross operating margin less depreciation and amortization.
Net tangible fixed assets	Book value of tangible assets with a useful working life of more than one year.
Net value added	Value added less depreciation and amortization.
Net working assets	Net working capital plus other current assets less trade creditors and other current liabilities excluding borrowings.
Net working capital	Trade receivables plus inventories net of trade payables.
Net worth	Capital, reserves and profit (loss) for the period and minority interests. Corresponds to the difference between total assets and total liabilities.
Non-domestic sales	Sales abroad to third parties by national companies forming part of the group plus sales by foreign subsidiaries to third parties outside the parent company's home country.

Return on equity (ROE)	Profit or loss for the period as a percentage of company capital plus reserves (net of profit or loss for the period).
Return on investment (ROI)	Net operating margin plus interest income plus (less) other profits and losses of a financial nature as a percentage of capital invested.
Staff provisions	All provisions for amounts due to employees (pension schemes, severance pay, etc.).
Tangible capital invested	Capital invested less intangible assets.
Tangible net worth	Net worth less intangible assets.
Tax rate	Income taxes as a percentage of pre-tax profits.
Telecommunications	Telecommunications and internet services.
Turnover rate	Net sales as a percentage of capital invested.
Transport sector	Means of transport: automotive, aerospace and shipbuilding.
Utilities	Public utility services, i.e. production and distribution of electricity and gas to end-consumers, integrated water resource management, and environmental services. Telecommunications are excluded.
Value added (VA)	Net sales plus other operating revenues less purchases and sundry operating expenses.

INTENSITY OF TECHNOLOGY (Eurostat method)

High technology industries: HT	Pharmaceuticals, electronics, aerospace and defence, medical and optical instruments, watches and clocks.
Low technology industries: LT	Food and drinks, textiles and clothing, paper, printing and publishing, wood and furniture, hide and leather, other manufacturing industries (eyewear, jewellery, tobacco, buildings etc.).
Low-medium technology industries: LMT	Metallurgy, energy, construction industry products, glass and tyres, ship-building.
Medium-high technology industries: MHT	Mechanical and electro-mechanical engineering, vehicles, chemicals and cables.

SYMBOLS AND ABBREVIATIONS

The followings conventional symbols have been used:

- \-   null data
- ...   unknown or insignificant data
- n.c. not calculated

Some column totals may not correspond owing to figures being rounded up or down.

I. SUMMARY OF RESULTS

1. TEN-YEAR PERIOD 2005-2014

This survey covers the leading industrials, telecommunications companies utilities and software&web companies in the world, considered at group level. The methods of selection are the same as those used in previous editions and are illustrated in Section III. The survey covers a total of almost 63,000 companies including consolidated subsidiaries.

1.1 Distribution and relevance of multinationals

The aggregate turnover recorded in 2014 by companies covered by the survey amounts to €12,788n, €10,743bn of which is generated by the industrial groups, €988bn by the telecoms companies, €686bn by the utilities, and €371 by the software&web companies (Table 1). Their aggregate total assets excluding intangibles amount to €15,182bn, and together they employ a total of almost 33 million staff (for a detailed list of the companies, see Table III.5).

TABLE 1 - MULTINATIONALS IN 2014: HIGHLIGHTS

	No. of companies	Net sales in EUR bn	Total assets [1] in EUR bn	No. of employees in '000
Europe	156	3,969	4,235	10,093
North America	67	2,912	2,845	6,250
Japan	37	1,265	1,498	3,914
Total, triad regions	**260**	**8,146**	**8,578**	**20,257**
Asia-Russia	50	2,164	2,503	6,485
Rest of world	21	433	763	1,338
Total industrials	**331**	**10,743**	**11,844**	**28,080**
Software & Web	**22**	**371**	**565**	**932**
Telecoms	**27**	**988**	**1,429**	**2,865**
Utilities	**23**	**686**	**1,344**	**1,071**
Total	**403**	**12,788**	**15,182**	**32,948**

1 Excluding intangibles.

The companies analysed here do not show the same degree of domestic presence. Measured by total net sales as a percentage of GDP in their respective home countries, Switzerland-Liechtenstein has the highest concentration of multinationals in Europe (sales to GDP ratio equal to 50.9%), followed by the UK; Italy and Spain have the lowest, the latter two featuring prevalently small and medium-sized enterprises.[1] In the triad regions, Japan has the highest concentration of multinationals (sales to GDP ratio equal to 39.7%), more than Europe (26.2%) and North America (21.1%).

By stock market value for the respective countries too, Switzerland-Liechtenstein stand out because their multinationals account for the highest share of the country's overall value (55.9%), and Italy (33.3%) and Spain (18.9%) because their multinationals account for the lowest. By macro-area, the market capitalization of the multinationals represents a higher proportion of the total market value in Europe (41%) than it does in North America (31%) (Fig. 1).[2]

A similar conclusion can be reached by investigating the density of the multinationals in their home countries in proportion to population (Fig. 2): according to this ratio, multinationals have a higher concentration in Japan than in Europe and North America. In Europe, the density of multinationals is highest in Switzerland, followed by Scandinavia and Benelux. In terms of employment in the country where the parent company's head office is located, France and Germany are the European countries where multinationals offer most employment opportunities to their own citizens: 16 German and 14 French citizens per 1,000 inhabitants respectively work in a multinational of their country. At the opposite end of the spectrum are, once again, Italy and Spain, where just 5 and 2 workers respectively find jobs in Italian and Spanish multinationals. Companies with head offices in Switzerland, Scandinavia and Benelux have the highest propensity to expand abroad by establishing new affiliated production firms outside their home country, due to the small size of their internal markets. Due to the predominant weight of the oil industry in the UK, where total net sales are by far higher than manufacturing industry, the British industrial multinationals as a whole have a high significance in terms of country's GDP, but a lesser impact on employment.

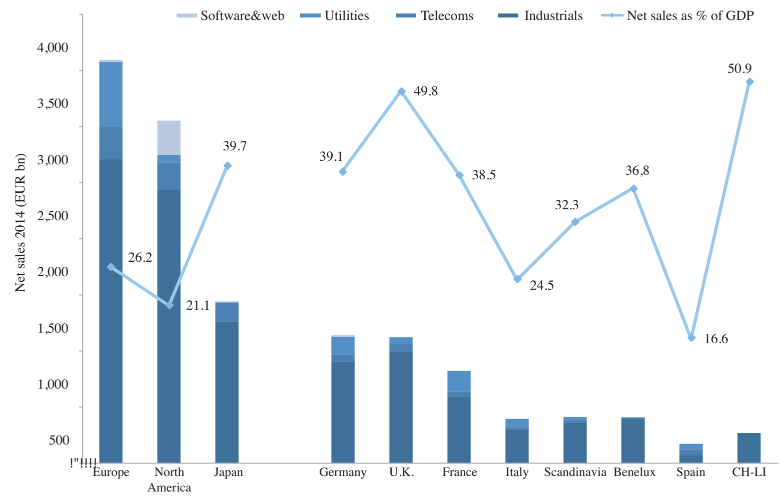
1 The European-based companies together generated consolidated value added equal to approx. 11% of European GDP in 2014.

2 The total industrial net sales shown for North America and Europe in Fig. 1 do not correspond to those shown in Table III.5, for in order to compare the three triad regions and the European countries on a like-for-like basis, the selection criteria of 1% of total net sales (cf. Section III) was also applied to North America and Europe (considered as a whole). Telecoms, utilities and software&web companies have also been added. The same is the case for Fig. 2.

Fig. 1

Importance of multinationals in triad regions

Net sales of multinationals in triad regions in 2014
(countries in decreasing order in terms of GDP from left to right)



Stock market value of multinationals in triad regions in 2015
(countries in decreasing order in terms of stock market size from left to right)

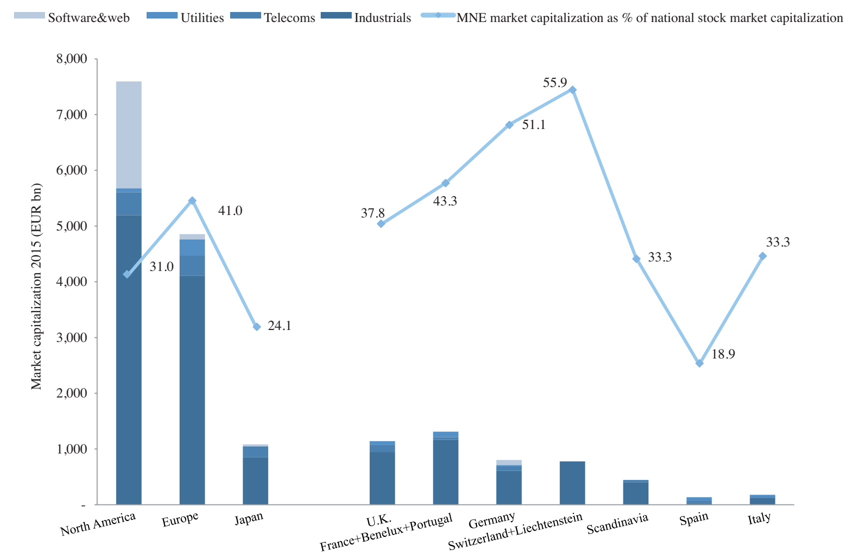
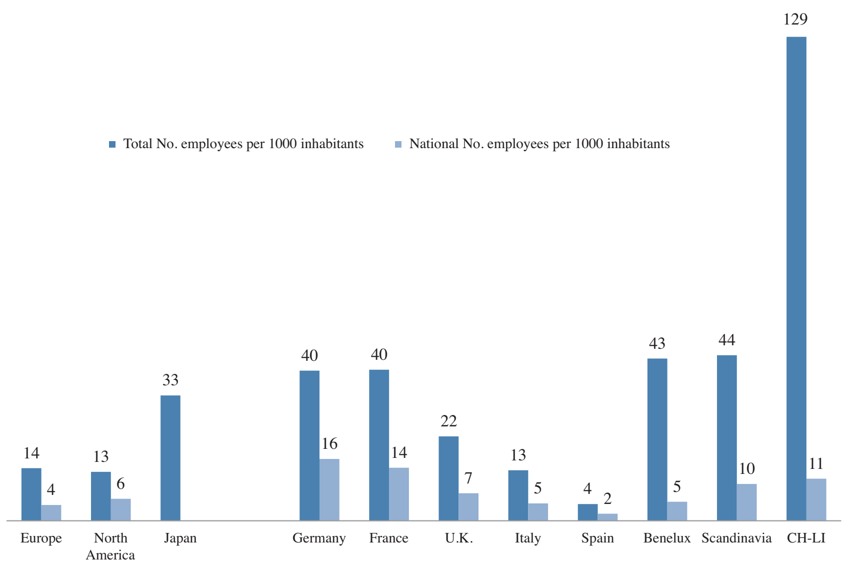


Fig. 2
Density of multinationals in triad regions in 2014
(countries in decreasing order in terms of population from left to right)



1.2 Breakdown of multinationals by sector and geographical area

Globally, the majority of industrial activities as measured by total net sales are located in Europe (36.9%), followed by North America (27.1%) (Table I.1). It is worth noting the low presence of electronics in Europe, where this sector accounts for only 7.7% of aggregate world net sales, the lowest percentage in the world; at the opposite end of the spectrum there is the Asian-Russian area (38.7%), followed by North America (34.4%). Europe leads North America and Japan especially in the chemical-pharmaceutical sector, with 50.1%, in the food and drinks industry, with 43.2% and in the mechanical engineering, with 40.1%. Japan leads North America in the automotive sector, with 27.3%, but below the European share (39.9%). Despite the presence of several major players, the North American energy industry weighs less than in Europe, where the two UK-based oil companies play a leading role.

In Europe and North America, the sector which generates the highest levels of net sales is the energy industry, the percentage accounted for by which varies according to changes in oil prices, but is always around one-third of the total net sales. The automotive sector ranks first in Japan, followed by electronics, while energy is of

limited importance (Table I.2). The energy industry is particularly important in the UK (79% of aggregate UK net sales), essentially due to the presence of Royal Dutch Shell (joint UK/Dutch-owned) and BP, while the automotive sector dominates in Germany (42.8%). Switzerland is distinguished by the significant presence of the chemical-pharmaceutical sector (42.3%) and food industry (24.3%), the latter represented by Nestlé, the largest food multinational in the world by net sales. Much of the turnover generated by the countries which go to make up the Benelux region comes from the food and drinks industry (27.8%), the chemical-pharmaceutical sector (25%) and the iron and steel industries (21.1%).

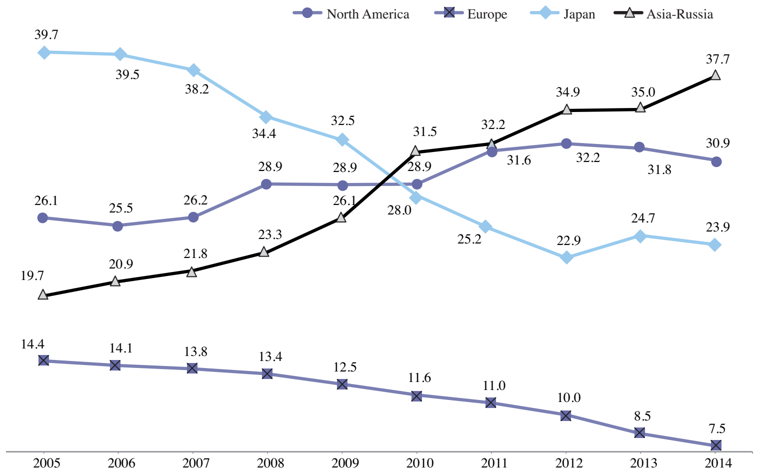
In Asia-Russia, the sectors yielding the highest net sales levels are again energy, which accounts for almost half of the aggregate turnover, followed by electronics, which represented around one-quarter in 2014 (Table I.4). Energy is clearly predominant in Russia (99.6%) and China (71.9%), while electronics is concentrated in Taiwan (100%) and South Korea (41.8%) where automotive is also important (accounting for almost one-fifth of revenues), in particular as a result of the presence of Hyundai Motor. The sectors from which the Asian-Russian multinationals are virtually absent are paper, textiles, construction materials and tyres and cable industries.

In the rest of the world too, the energy sector is by far the most important, followed at some distance by food and drinks. The two leading multinationals by revenues are Brazilian Petrobras and Venezuelan PdV, both state-owned oil companies. Mexico is distinguished by the food and drinks industry which is mostly concentrated in this country.

For the 2005-2014 period, the Asian-Russian area has shown a gradual increase in the percentage accounted for by electronics (its share having increased by 18 percentage points), compared with a reduction in Japan and Europe (Fig. 3). Since 2010 the Asian-Russian has overcame also North America recording the highest percentage of the aggregate world net sales in electronics (37.7% in 2014).

Fig. 3

Electronic: % of aggregate world net sales



1.3 Size of companies

In the ten years between 2005 and 2014, on a like-for-like basis, the average size of the companies by total assets increased, in part because of merger and acquisition processes (in North America especially); European firms continue to be the largest in the triad[3] (Table 2). European companies are also larger on average than the North American and Japanese groups when measured by number of staff, where exchange rate differences have no impact. It is worth noting that the energy multinationals in Europe and North America increased considerably in average size between 2005 and 2014 in terms of total assets, but the rise was weaker if size is measured by rate of employment (negative for European groups). The increase in average size by number of staff is clearest in the case of Asian-Russian manufacturing companies (up 202.1% in the 2005-2014 period).

In 2014 the largest of the multinationals in terms of assets are the energy companies, whose average size is above €100bn in Europe, North America, Asia-Russia and the rest of the world. It is worth noting that the largest of the energy multinationals in terms of employees in 2014 are based in the Asian-Russian area, while the manufacturing firms based in the rest of the world are the smallest among manufacturing companies in all areas of the world, and software&web are the smallest companies among multinationals.

3 Values for North America and Europe were calculated in order to compare the three triad regions on a like-for-like basis: the selection criteria of 1% of total net sales (cf. Section III) was also applied to North America and Europe (considered as a whole).

TABLE 2 - AVERAGE SIZE OF MULTINATIONALS

	Average size of industrial companies by total assets (excluding intangibles)					
	Energy companies			Manufacturing companies		
	2005	2014	change 2005-2014	2005	2014	change 2005-2014
	EUR m	EUR m	% [1]	EUR m	EUR m	% [1]
Europe	75,419	132,767	*76.0*	38,654	67,144	*73.7*
North America	56,991	117,834	*112.8*	29,937	49,809	*71.2*
Japan	19,846	31,902	*68.1*	30,324	40,985	*41.3*
Asia-Russia	34,617	100,328	*189.8*	10,053	30,519	*203.6*
Rest of world	31,542	115,062	*264.8*	6,240	11,724	*87.9*

	Average size of industrial companies by number of employees					
	Energy companies			Manufacturing companies		
	2005	2014	change 2005-2014	2005	2014	change 2005-2014
	No.	No.	%	No.	No.	%
Europe	63,728	59,934	*-6.0*	135,776	186,489	*37.4*
North America	30,681	40,137	*30.8*	104,515	134,119	*28.3*
Japan	10,281	17,622	*71.4*	92,469	110,824	*19.8*
Asia-Russia	137,496	199,939	*45.4*	33,888	102,390	*202.1*
Rest of world	33,341	64,057	*92.1*	32,936	63,595	*93.1*

	Average size of services companies					
	By total assets (excluding intangibles)			By number of employees		
	2005	2014	change 2005-2014	2005	2014	change 2005-2014
	EUR m	EUR m	% [1]	No.	No.	%
Telecoms	31,306	52,911	*69.0*	75,153	106,112	*41.2*
Utilities	30,439	58,441	*92.0*	37,531	46,571	*24.1*
Software & Web	...	25,670	...	...	42,357	...

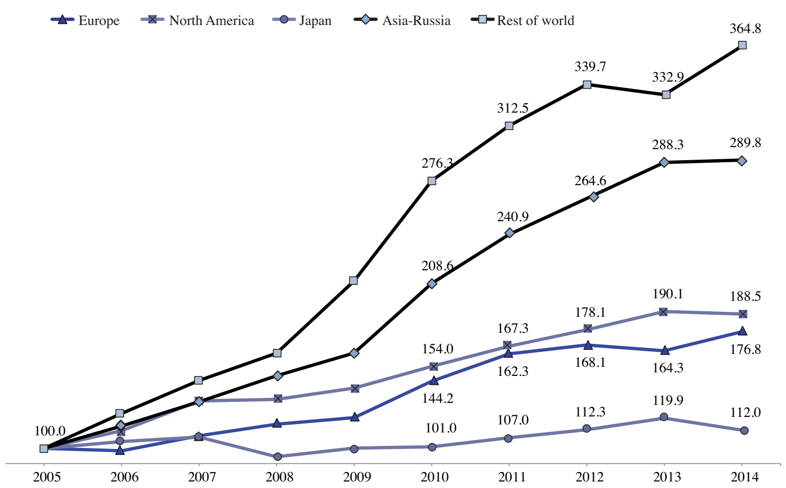
1 Calculated in Euros for Europe, telecoms, utilities and Software & Web and in local currency for Japan and North America.

NB: Values for North America and Europe were calculated in order to compare the three triad regions on a like-for-like basis: the selection criteria of 1% of total net sales (cf. Section III) was also applied to North America and Europe (considered as a whole).

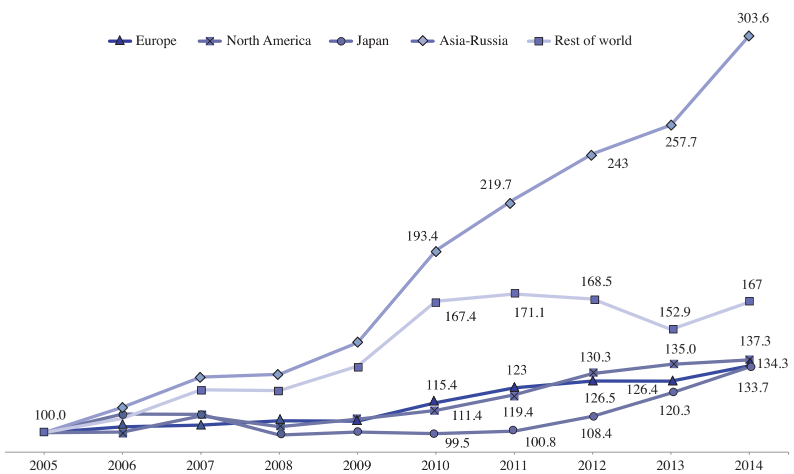
In the years from 2005 to 2014, the strongest growth in terms of assets was reported by companies located in the emerging countries (Fig. 4). Energy groups operating in the rest of the world in particular have increased their size by total assets (up 264.8%), and the significant growth posted by manufacturing companies in the Asian-Russian area should also be noted, measured at 203.6% by assets.

Fig. 4
Growth by industrial companies
(total assets excluding intangibles) - index numbers 2005=100

Energy companies



Manufacturing companies



1.4 Ownership of companies

Some industrial multinationals are state-owned (Table I.6): overall they account for 20.2% of the total assets in 2014, with the lowest value recorded by the triad regions (6.5%) and the highest values for Asia-Russia and the rest of the world (in the range 55-61%). In Europe, Scandinavia and France have the highest number of state-owned multinationals, at 38.2% and 19.1% of the total assets respectively; Italy is confirmed as the European country with the highest state presence (around half of the total assets and net sales and roughly one-fifth when measured by number of employees), but this is not due so much to the size of the state-owned companies, as to the limited importance of privately-owned multinationals. State ownership is predominant also in Austria (two out of the three multinationals), but one of them, Borealis, is jointly controlled by Austrian and the Abu Dhabi government. In the Benelux region, the only state-controlled company is STMicroelectronics, which is in any case joint Italian/French-owned. State ownership is predominant in Asia, especially in China (seven out of the eight multinationals, with assets worth €744bn), while in the rest of the world it accounts for around half of the total assets and net sales of the multinationals selected, with most of the companies concerned operating in the energy industry.[4] The public sector is still quite important in the oil industry: 17 out of the 40 state-owned companies operate in this sector (accounting for 74.8% of net sales, 81.5% of total assets and 72.8% of employees), followed by chemical companies (five) and electronic firms (four).

State ownership of the industrial multinationals is more extensive than family ownership, which accounts for 12.2% of net sales, 12% of total assets and 15.5% of staff, even though the number of family-owned industrial multinationals is higher than that of state-owned firms (there are 69 such firms, equal to 17.1% of the total). The highest percentage of family-owned companies is in mechanical engineering and the iron and steel industry (12 and 11 respectively out of 69). Family ownership is particularly significant in Italy, for which 9 out of the country's 14 companies included in the survey are family-owned, plus another three companies which are owned by Italian shareholders but based in Luxembourg (Ferrero, Ternium and Tenaris). Finally, there are also five co-operative firms among the industrial multinationals, four of which operate in the food industry and one in the paper industry.

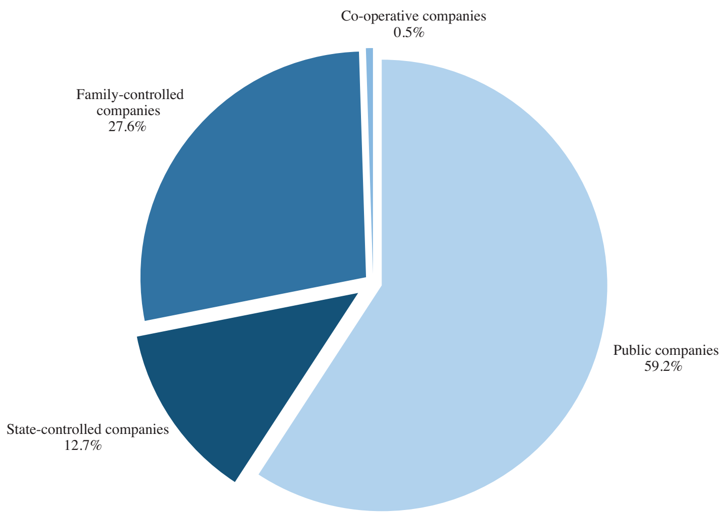
The majority of the industrial multinationals selected are listed on the stock market; there are 26 unlisted companies, equal to 6.5% of the total; these account for 5.7% of net sales, 6.7% of total assets and 7.4% of the labour force.

4 PdV of Venezuela, Petrobras of Brazil, Sonatrach of Algeria, and Ecopetrol of Colombia.

The main presence among the utilities is that of the state-owned companies, which represent 47.9% of net sales, 57.1% of total assets and 49.8% of employees; the percentage of state ownership among the telecoms is lower, but still higher than that reported among the industrial companies (more than one-third of the net sales and virtually half of the workforce). All the telecoms operators featured are listed, whereas three of the 23 utilities are not.

Fig. 5

European industrial multinationals' ownership - based on total tangible assets



1.5 Net sales

Overall, the multinationals have now clawed back virtually all of the loss of production recorded in 2009, with turnover recovering in 2010-2014 in all areas. If the net sales figures for 2009 constitute 100, the 2014 index closes above 100 for all the areas, even if it decreases in 2014 for North America, utilities, construction materials and paper companies (Table 3). The software&web multinationals record the highest value (247.4), together with Asian-Russian groups (207.6). High increases in net sales are reported by the energy sector too (157.3).

TABLE 3 - NET SALES

	Net sales index 2009=100					
	2009	2010	2011	2012	2013	2014
Industrials						
Asia-Russia	100.0	143.0	173.1	191.3	191.5	207.6
Rest of world	100.0	136.8	160.1	161.3	143.7	154.0
Europe	100.0	118.6	135.0	140.1	135.0	137.1
North America	100.0	113.5	130.3	130.7	130.5	128.2
Japan	100.0	106.4	105.3	109.0	123.5	127.9
Software & Web	**100.0**	**124.4**	**152.8**	**174.0**	**190.5**	**247.4**
Telecoms	**100.0**	**111.8**	**118.9**	**120.5**	**114.2**	**122.3**
Utilities	**100.0**	**110.0**	**117.3**	**127.5**	**125.5**	**121.5**
Industrials-triad regions						
Energy	100.0	132.4	168.8	166.9	153.9	157.3
Transport	100.0	122.4	136.7	140.9	136.5	145.6
Tyres and cables	100.0	126.6	150.9	149.4	142.5	143.8
Mechanical engineering	100.0	116.2	126.2	127.7	122.9	134.4
Iron and steel	100.0	129.2	148.9	130.4	125.8	133.5
Chemical and pharmaceutical	100.0	117.6	127.7	127.2	122.1	130.9
Food and drinks	100.0	108.7	118.1	123.0	120.3	128.5
Electronics	100.0	121.8	130.8	124.8	113.9	119.7
Paper	100.0	113.9	119.8	118.2	118.2	118.0
Construction materials	100.0	105.8	108.6	112.4	108.0	104.0

Along with the increase in net sales outlined above, multinationals also increased the international dimension of their activities (Table I.7). Japan groups record the highest growth rates in the ratio of non-domestic sales to total sales over the ten-year period as a whole (up 7.3 percentage points, to reach 58.3% of net sales in 2014). Net sales generated by companies based in Europe outside their respective home countries have stabilized over the ten years, at around 81%. The multinationals with the most extensive non-domestic sales in the Eurozone continue to be those based in Ireland and in the Benelux region, along with those in Switzerland-Liechtenstein, Sweden and Denmark. Spanish multinationals are the companies with the lowest share of non-domestic sales in the Eurozone, while Italian corporations show the highest growth rates in non-domestic sales ratio over the ten years as a whole (up 18.9 percentage points) and during the last years (up 11.9 percentage points in 2009-2014), mainly because of Chrysler's acquisition by Exor Group in June 2011.

Among the countries which go to make up the Asian-Russian area, China is by far the least globalized, chiefly because of the state oil companies CNPC and CNOOC, despite Huawei Technologies and Lenovo generating 62% and 68% respectively of their net sales outside of China; by contrast, the Taiwanese firms show the highest degree of globalization, with non-domestic sales accounting for 75.9% of their net sales, albeit down ten percentage points in the last ten years. India shows the Asian highest growth rates in non-domestic sales ratio over the 2005-2014 period as a whole (up 36.6 percentage points): it is worth remembering Tata Steel's take-over of British group Corus in April 2007, Hindalco's takeover of Canadian company Novelis in May 2007, and the acquisition of Jaguar and Land Rover (UK) from Ford by Tata Motors, India's largest vehicles maker, in 2008 (in 2004 Indian net sales outside of India were just 24.3%). The last area, the rest of the world, is less globalized, with growth rates for the companies in this area still wide; Brazilian companies in particular are the least globalized, largely due to Petrobras, without which their share of non-domestic sales would be just below that of the Mexican based companies.

Non-domestic sales, like net sales, have the index with 2009 as its base exceeding 100 in all the areas in 2014, and Asia-Russia records the highest value (190.6), followed by rest of world companies (177) (Table 4).

TABLE 4 - NON-DOMESTIC SALES

	Non-domestic sales index 2009=100					
	2009	2010	2011	2012	2013	2014
Industrials						
Asia-Russia	100.0	129.0	148.0	171.3	177.1	190.6
Rest of world	100.0	140.3	171.6	168.8	167.8	177.0
North America	100.0	123.0	148.3	145.5	137.0	151.8
Europe	100.0	116.0	128.0	137.3	134.0	134.4
Japan	100.0	133.5	138.7	131.9	120.4	131.4

In terms of large geographical areas, net sales outside their respective home macro-area account for 51.8% of total net sales for the North American manufacturing firms and 55.4% for the European manufacturing multinationals (Table 5). Looking at the world market as a whole, European companies sell their products to Asia and Oceania more than the North American firms do: 19.1% versus 17.3% (the percentage recorded by Japanese corporations is the highest: 51.8%, due to geographical proximity); conversely, North American companies sell their products to Central and Latin America more than the European firms do: 8.1% versus 6.4%. Moreover, net sales to North America account for 24.2% of total net sales for the European multinationals and net sales to Europe account for 23.3% of total net sales for the North American multinationals. The companies headquartered in the rest of the world generate 43.7% of their total net sales in the markets of Central and Southern America, 28.2% in North America and only 12.3% in Europe. Conversely, Europe is an important end-market not just for the European and North American multinationals, but also for the Asian-Russian groups as well (which generate 14.4% of their income there).

TABLE 5 - NET SALES BY GEOGRAPHICAL AREA

	% breakdown of 2014 manufacturing - net sales by geographical areas (by customer location)				
	Europe	North America	Asia and Oceania	Central and Latin America	Other areas
Austria	77.8	1.8	6.7	–	13.7
Benelux	33.4	25.9	15.4	11.7	13.6
France	49.3	20.9	16.4	1.8	11.6
Germany	50.8	20.4	20.2	5.0	3.6
Italy	33.8	41.9	14.2	9.7	0.4
Scandinavia	51.0	19.6	18.9	6.8	3.7
Switzerland and Liechtenstein	33.5	29.7	25.0	8.2	3.6
United Kingdom	32.7	27.3	26.6	5.5	7.9
Europe	44.6	24.2	19.1	6.4	5.7
North America	23.3	48.2	17.3	8.1	3.1
Japan	12.2	27.5	51.8	0.1	8.4
Asia-Russia	14.4	22.9	60.5	1.1	1.1
Rest of world	12.3	28.2	8.8	43.7	7.0

NB: Partial data, for the most part referring to more than half of the sample.

Fig. 6

Net sales industrials - index numbers 2005=100

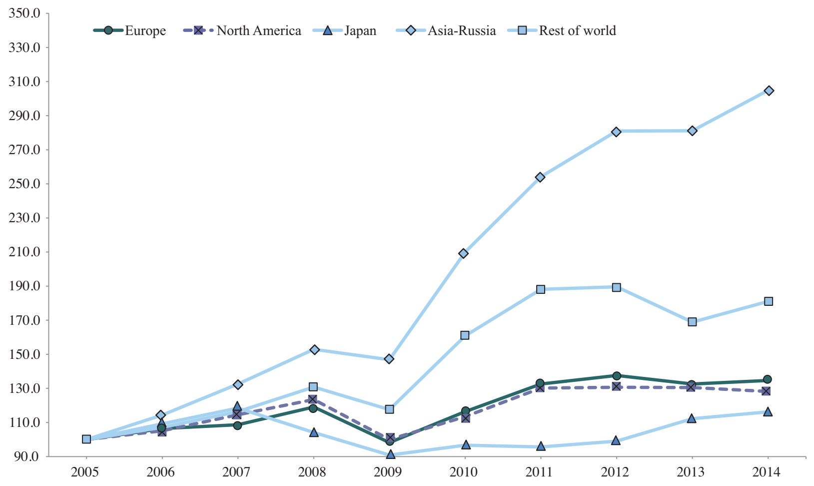
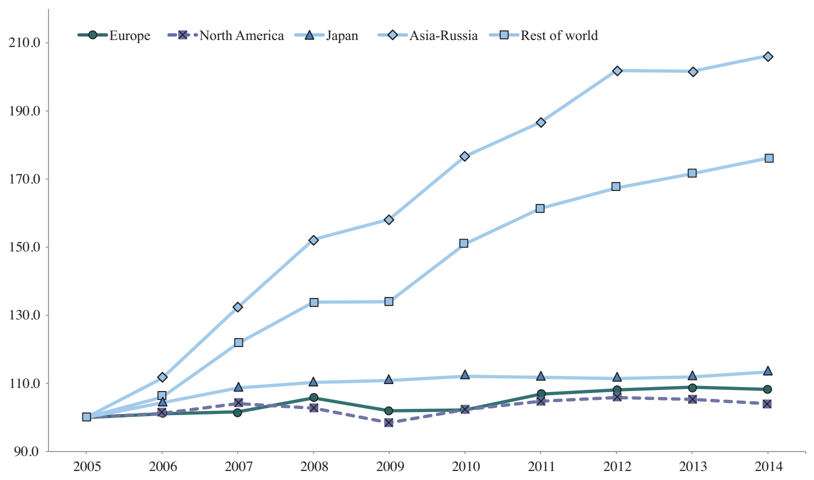


Fig. 7

Employees industrials - index numbers 2005=100



1.6 Labour

The partial recovery of net sales did not have such an incisive effect on the rise in employment. Compared to 2009 levels, the work force grew in all geographical areas, but a lower rate than the growth in net sales. Even telecoms and utilities record a reduction in employment, with the index with 2009 as its base under 100 in 2014.

TABLE 6 - EMPLOYEES

	Employees index 2009=100					
	2009	2010	2011	2012	2013	2014
Industrials						
Rest of world	100.0	112.7	120.5	124.9	128.1	131.5
Asia-Russia	100.0	111.7	118.0	127.6	127.5	130.4
Europe	100.0	100.2	104.8	106.0	106.8	106.2
North America	100.0	103.9	106.4	107.5	107.0	105.7
Japan	100.0	101.1	100.8	100.5	100.9	102.3
Software & Web	**100.0**	**107.0**	**134.5**	**158.7**	**175.7**	**211.0**
Telecoms	**100.0**	**100.8**	**102.4**	**101.1**	**96.7**	**98.2**
Utilities	**100.0**	**100.6**	**97.6**	**95.8**	**89.9**	**87.4**

In the ten years from 2005 to 2014, employees at industrial companies in the triad regions have grown by 7.9% (roughly more than 1.5 million staff employed) (Table I.17). The largest increases in work force have been recorded by the Italian (mainly because of Chrysler's acquisition by Exor Group in June 2011) and Swiss companies (with the European firms alone accounting for around half of the overall growth). An exception to this trend are the Spanish, British and Austrian companies, which have reduced their work force by 47.9%, 8.3% and 8.2% respectively, partly because these countries feature a strong presence of energy corporations, which tend to cut staff-levels more than manufacturing firms do. By macro-area in the last decade, the rise in employment has been particularly pronounced for the companies based in Asia-Russia and the rest of the world (up 106.2% and 76.1% respectively), less marked for the triad regions multinationals: Japan up 13.4%, Europe up 8.3% and North America up 4%. As far as services companies in the 2009-2014 period, the largest increases in work force have been recorded by the software&web groups (up 111%), while utilities and telecoms and have reduced their headcount by 12.6% and 1.8% respectively.

With reference to the globalization process, there appears to be an established trend towards reducing domestic employment levels. This is the case for the North American companies in the ten-year period under review, with the domestic employment rate gradually reducing by 3.7 percentage points, from 48.6% in 2005 to 44.9%

in 2014; the domestic employment in North America for the ten years is down 3.9%, while non-domestic recruitment increases by 11.5%. A similar and even sharper trend is seen in Europe, where the domestic employment rate reduces by 7.7 percentage points, from 37.7% in 2005 to 30% in 2014; the fall in domestic employment is 13.9%, against 21.6% growth in non-domestic employment.

The progressively increasing globalization of multinationals affect productivity and labour costs; the most reliable method of measuring productivity is by value added (net of depreciation and amortization) calculated on a per capita basis.[5] In manufacturing, this indicator shows an increase of 18.5% for the European multinationals between 2005 and 2014 and an increase of 6.9% for the U.S. multinationals (figures in local currency), against a rise in the cost of labour per employee of 15.2% by the former and 24.3% by the latter. Overall, the improvement in margins works in favour of the European companies: in the last ten years, the ratio between increase in per capita value added and per capita labour cost is 1.2 for the European multinationals and 0.2 for the U.S. groups.[6] In Europe the largest gains in terms of productivity are by the German companies, for which the increase in per capita value of production is 2.2 times the rise in salaries, despite having the highest unit labour costs along with Swiss firms.

Looking at the productivity figures for 2014 in Europe, Switzerland-Liechtenstein has the highest level, Italy the lowest; the cost of labour per employee are lowest in Benelux region and Italy. Measured by values per staff member, the Swiss manufacturing firms, whose staff costs absorb the lowest amount of value added per employee, are the most competitive of the European companies in 2014, with the Italian firms the least competitive in this area (Fig. 8).

5 It is very hard to measure productivity from the financial statements of multinationals, as the companies concerned operate in different countries, and the calculations are made based on data stated at current prices; indeed, it is impossible to identify a suitable deflator, precisely because the businesses are spread across different countries.

6 Data on cost of labour is rarely available for US companies, which means it is not possible to calculate value added data for most of them either.

TABLE 7 - NET VALUE ADDED AND COST OF LABOUR

	Net value added per employee			Cost of labour per employee					ULC - unit labour cost	
	2014	% change vs 2005		2014	% change vs 2005				2005	2014
	EUR '000	EUR (a)	*Local currency (a')*	EUR '000	EUR (b)	*Local currency (b')*	a / b	*a' / b'*	Cost of labour per employee/Net value added per employee %	
Manufacturing companies										
Switzerland and Liechtenstein	116.1	*+28.0*	*-1.0*	62.9	*+20.7*	*-6.7*	*1.4*	*n.c.*	57.5	54.2
United Kingdom	98.0	*+4.9*	*+19.2*	54.1	*+15.6*	*+31.4*	*0.3*	*0.6*	50.1	55.2
Germany	86.0	*+20.7*	–	61.0	*+9.4*	–	*2.2*	–	78.3	70.9
Benelux	83.5	*+28.8*	–	50.7	*+29.2*	–	*1.0*	–	60.4	60.7
Scandinavia	79.9	*+2.1*	–	54.1	*+11.4*	–	*0.2*	–	62.1	67.7
France	75.9	*+19.8*	–	51.0	*+13.8*	–	*1.4*	–	70.7	67.2
Italy	65.8	*+30.7*	–	48.7	*+21.4*	–	*1.4*	–	79.7	74.0
U.S.A. [1]	116.2	*+3.6*	*+6.9*	82.3	*+20.7*	*+24.3*	*0.2*	*0.3*	60.8	70.8
Europe	85.5	*+18.5*		55.8	*+15.2*	–	*1.2*	–	67.1	65.3
Asia-Russia	66.8	*+76.1*	–	38.8	*+130.9*	–	*0.6*	–	47.3	58.1
Rest of world	48.9	*-26.3*	–	27.6	*-3.2*	–	*n.c.*	–	42.9	56.4
Triad energy companies [2]	**230.0**	***+8.0***	–	**90.0**	***+73.5***	–	***0.1***	–	**24.4**	**39.1**
Software & Web [3]	**197.2**	...	...	**98.5**	...	...	...	...	...	**49.9**
Utilities	**124.2**	***+21.9***	–	**60.1**	***+24.2***	–	***0.9***	–	**47.5**	**48.4**
Telecoms	**84.3**	***-3.4***	–	**42.9**	***+19.8***	–	***n.c.***	–	**41.0**	**50.9**

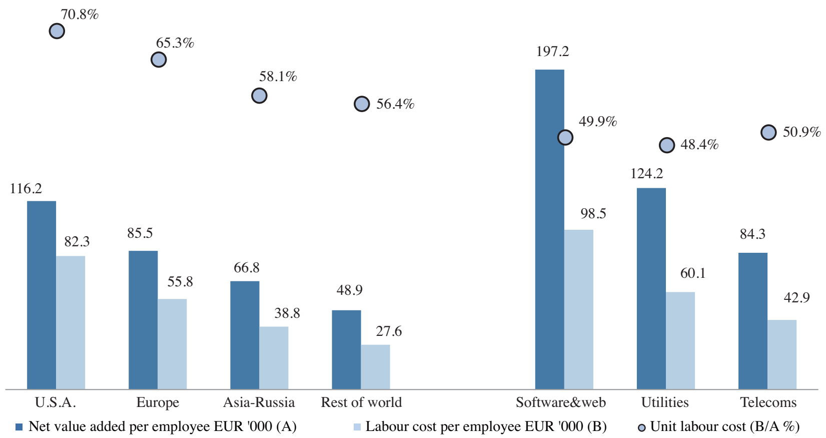
1 Data refer to 3% of the companies.

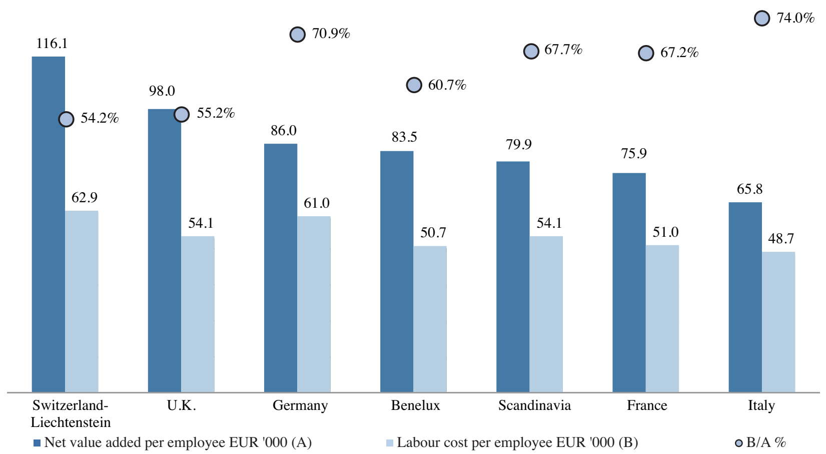
2 European companies only (data on cost of labour not available for US companies, which means it is not possible to calculate value added data either).

3 Data refer to 14% of the companies.

Fig. 8

Net value added, cost of labour per employee and unit labour cost (ULC) in 2014 (manufacturing companies)





1.7 Earnings results

Net profit earned by the global industrial multinationals, after falling in 2008-2009, reached €584bn in 2011 (its high for the ten years) and €542bn in 2014, almost €6bn more than the previous year. If we look at net profit as a percentage of net sales, in 2014 this ratio was 6.7% (6.9% in 2013 and 6.4% in 2012), still below the level recorded in 2006-07 (when net profit stood at 7.7% of net sales). It is therefore possible to speak of recovery, but it should also be pointed out that pre-crisis margin levels have not yet been recovered.

If we look at the European industrials, in 2014 the highest indicators in terms of net operating margins and current pre-tax profits as a percentage of net sales are by Swiss firms (around 18%, for both net operating margin and current profit), due to the major presence of the food and pharmaceutical sectors in this country (i.e. the two most anti-cyclical sectors), and corporations based in the Scandinavia (around 11%, for both net operating margin and current profit). France, Germany and Italy are under the European average, North America shows higher levels (13-14%); Japan is the exception, with ratios around 6%. The performance recorded by industrial companies located in the rest of the world is more or less in line with the triad average. As already mentioned, the margins generally remain below 2007 in all geographical areas with the exception of Switzerland, Benelux and North America, which show increases of both net operating and current profit margins. In the 2005-2014 period, the levels of current pre-tax profit as a percentage of net sales reported by the North American manufacturing multinationals have at all times been higher than those of the European and Japanese companies (Fig. 9), which is true also of industry as a whole, including the energy sector. The North American companies generally show higher indicators than those based in Europe and Japan, also considering ROI and ROE.[7] In the same ten-year period, the levels of NOM as a percentage of net sales posted by the energy multinationals have been higher than those of the manufacturing companies until 2012 (Fig. 10).

As for taxation, the tax rate, which is calculated excluding loss-making companies, in the last four years has stabilized at around 30% for industrial firms in the triad regions, with a decrease of 4.2 percentage points compared to 2005. European companies show the highest level in 2014 in the triad regions, while firms based in Asia-Russia show the lowest.[8]

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7 As usual, the figures for ROI and ROE should be treated with caution, as they are affected by the different accounting standards and policies adopted by the various companies (see Section III).

8 The tax rates recorded reflect average charges resulting from the different tax regimes in force in the various countries where the companies belonging to the groups included in the survey are headquartered. Trends should therefore be viewed in the light of the increasingly international nature of operations, which means that income is also increasingly subject to different tax regimes.

TABLE 8 - NOM AND CURRENT PRE-TAX PROFIT

	As % of net sales 2014		2014 as % of 2007	
	NOM	Current pre-tax profit	NOM	Current pre-tax profit
Switzerland and Liechtenstein ..	18.5	17.8	106.2	101.1
Scandinavia..........................	11.3	11.1	86.9	75.2
Benelux...............................	10.7	9.1	111.4	100.9
United Kingdom....................	10.4	10.1	64.7	58.4
France................................	8.2	7.3	72.6	64.0
Germany.............................	7.9	7.9	97.5	98.8
Italy..................................	6.7	5.3	49.6	39.8
North America	13.0	13.7	105.4	103.1
Europe	9.6	9.1	79.5	72.8
Japan	5.8	6.3	88.0	90.7
Total, triad regions..............	**10.3**	**10.3**	**92.4**	**87.4**
Rest of world......................	**10.0**	**10.3**	**53.8**	**54.5**
Asia-Russia	**8.8**	**8.3**	**60.3**	**54.6**

Fig. 9

Current pre-tax profit as % of net sales - Manufacturing companies

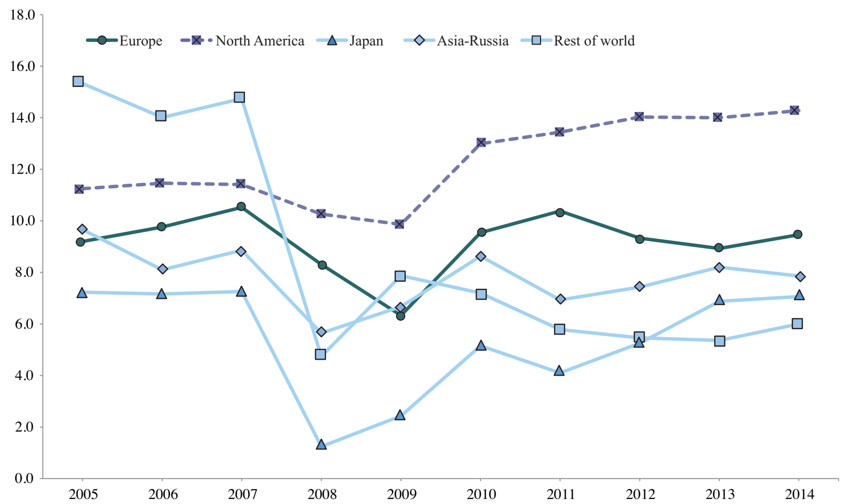


Fig. 10

NOM as % of net sales - Triad companies

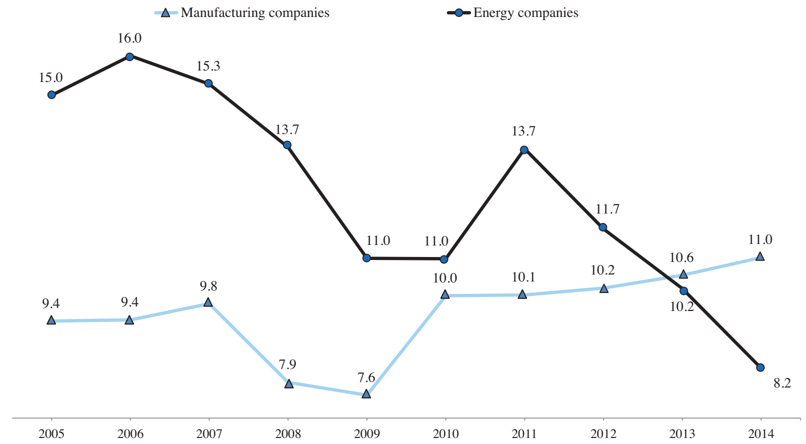


TABLE 9 - ROI-ROE-TAX RATE

	2005	2007	2011	2012	2013	2014
			ROI (%)			
North America	23.2	23.4	23.0	22.1	19.3	18.8
Europe	18.6	19.1	17.0	14.6	12.9	12.1
Japan	10.8	11.3	5.9	6.8	8.6	7.9
Total, triad regions.............	**18.7**	**19.1**	**16.7**	**15.5**	**14.3**	**13.7**
Asia-Russia........................	**17.8**	**17.3**	**13.5**	**12.7**	**11.9**	**10.5**
Rest of world.....................	**24.4**	**20.3**	**13.8**	**11.0**	**11.8**	**10.1**
			ROE (%)			
North America	25.2	22.2	29.2	24.9	23.8	23.7
Europe	22.6	26.2	18.9	14.3	13.6	12.4
Japan	11.2	13.0	2.4	4.6	10.4	8.4
Total, triad regions.............	**21.5**	**22.7**	**19.3**	**16.3**	**16.7**	**15.8**
Asia-Russia........................	**22.5**	**20.6**	**14.6**	**13.0**	**13.0**	**9.5**
Rest of world.....................	**27.1**	**23.3**	**14.5**	**7.9**	**10.1**	**3.3**
			Tax Rate (%) [1]			
Europe	32.4	30.7	32.5	33.7	31.4	30.0
Japan	36.4	35.3	35.3	32.7	30.8	29.8
North America	31.7	30.8	27.3	25.2	27.2	26.5
Total, triad regions.............	**32.5**	**31.2**	**30.4**	**29.9**	**29.4**	**28.3**
Rest of world.....................	**30.3**	**29.1**	**24.5**	**31.6**	**36.8**	**38.0**
Asia-Russia........................	**23.7**	**25.1**	**23.2**	**23.9**	**22.3**	**24.4**

1 Tax rate calculated excluding loss-making companies.

If we look at the industrials in the triad regions by sector, in 2014 the highest indicators in terms of net operating margin and current pre-tax profit as a percentage of net sales are recorded by the chemicals-pharmaceuticals firms (around 17%), followed by the food and drinks industries (roughly 12%), while the companies reporting the least satisfactory performances are iron and steel (Table I.8). The latter sector is also the furthest away from recovering its 2007 margins: capacity utilization combined with a decrease in global demand and raw materials prices have eroded margins in this industry, and time is needed to make up this reduction. Conversely, the best recovery is recorded by the electronics and tyres and cables industries, for which the net operating margins are 48% and 33% higher than the figures posted 2007 respectively. It is worth noting that if the mining and pharmaceuticals sectors' results are stripped out from the aggregate energy and chemicals industries' data, these two industries show the highest ratios of all in terms of NOM as a percentage of net sales, at 24.8% and 22.9% respectively in 2014. In Asia-Russia and the rest of the world, the energy sector shows the highest returns, and with higher ratios than those posted by the energy companies in the triad regions. Looking at the services groups, the telecommunications companies rank midway between the levels reported by the software&web (which are always the highest) and the utilities.

1.8 Sources and applications of funds

Table I.9 and Table I.10 provide an overview of the sources and applications of funds for the last three years covered by our survey. The main issues relating to sources of funds are described below:

i) The funds available to multinationals are basically generated from cash flow. For the last, 2012-2014 three-year period, cash flow reaches 113.8% of the North American companies' total funds, a much higher figure than the approx. 74-92% reported by the European, Japanese, Asian-Russian and rest of the world groups. Cash flow always comfortably exceeds the outlays made in respect of capital expenditure, leaving ample room for financial investments.

ii) In the last three years, European companies have increased their borrowings, reaching 9.5% of total funds; North American groups have increased their borrowings, reaching 12.3% of total funds. Japan borrowings have reached levels equal to 18.5% of total funds. For the multinationals in Asia-Russia and the rest of the world, borrowings represented approx. 12-26% of the total funds available to them in the last three-year period.

iii) The balance of contributions from shareholders for companies located in the triad region is negative during the last three-year period, and North American multinationals show a particularly high value for treasury share buybacks; in the same period only companies based in Asia-Russia record a propensity to implement right issues (1% in 2012-2014).

As already suggested, the area most affected by treasury share buybacks is North America, which over the ten years accumulated an amount of USD 1,469bn (Table I.11); around 41% of the buybacks took place between 2005 and 2008, with a sharp decrease in 2009 and substantial recovery in 2013-2014. European companies recorded lower amounts of buybacks, and in 2009 showed a turnaround with a sale of their own shares totalling €4bn. The amount spent on share buybacks by European and North American multinationals reached their highs in 2006 and 2014 respectively. The trend shown by the North American companies is different from the one shown by the European firms, for which the amount spent in buybacks is always lower than that in dividends paid out. The share buybacks are generally made in order to support share offerings made on the stock market, increase earnings per share, and reduce the degree of capitalization, and hence also the weighted average cost of capital. For the North American companies, the balance between rights issues, share buybacks and dividends paid totalled USD 2,257bn in the 2005-2014 period, accounting for 39.1% of cash flow, compared with around half for the European firms (20.7%).

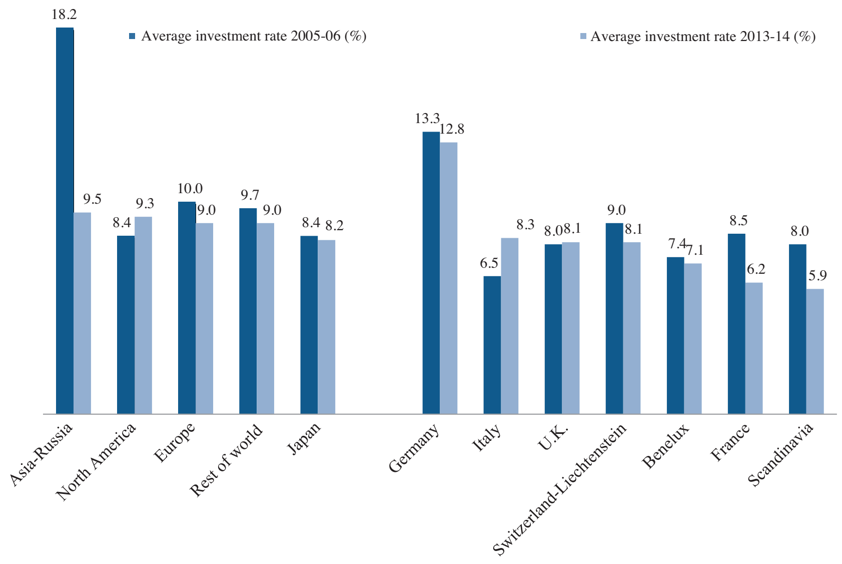
As far as applications of funds by the industrial companies in the triad regions are concerned, the main points are described below:

i) Capital expenditure has clawed back virtually all of the fall recorded in 2009, and has now reached the highest level in the ten year period for the European and North American companies, reaching 46.9% and 37.6% of total applications of funds in the last three-year period. Capital expenditure is the main item only for Japanese companies, whereas in Europe and North America financial investments are equally significant: these account for 29.4% and 33.8% respectively of total applications of funds in 2012-2014. These last percentages are higher than the ratios recorded by the rest of the world area (15.1%), where capital expenditure is still relevant (72.4%). Japanese companies have generally shown a low propensity for acquisitions: their financial investments continue to show the lowest level of the triad (20.6% in 2012-2014).

ii) Dividends account for a significant proportion of multinationals' outlays (North American and European in particular). In cash terms, for the North American and European companies, they have reached 24.3% and 19.4% respectively of total applications of funds in the last three-year period. In 2012-2014, the same indicator for the multinationals based in Asia-Russia and the rest of the world total around 10.3% and 17.6% respectively. The North American firms confirm their policy of reducing risk-taking by returning capital to shareholders. At the opposite end of the scale are the Japanese firms, whose dividends paid account for 7.3% of their total applications of funds.

The average triad investment rate (capital expenditure as a percentage of gross tangible fixed assets) for the manufacturing companies in the last two-year period is equal to 9.1%, as compared with 9.5% in 2005-2006. By macro area in the triad regions, North America has the highest investment rate, and has increased by 0.9 percentage points between 2005-2006 and 2013-2014, while European investment rate has decreased by one percentage points (Fig. 11). Of the European countries, Germany records the highest investment rate in 2013-2014 (12.8%), even it increased by 0.5 percentage points between 2005-2006 and 2013-2014. In 2013-2014 the investment rate by Asian-Russian manufacturing companies is the highest in the world, at 9.5%, while firms based in North America show 9.3%.

Fig. 11
Average investment rate - Manufacturing companies



1.9 Financial structure

In the ten years from 2005 to 2014, the industrial companies in the triad regions increased their capital invested by 59% to reach €6,727bn in 2014, the highest figure for the period. This growth was driven by an 69.8% rise in borrowings, while net worth has grown more slowly, by 53.7%. For the same period, the highest increase in capital invested was recorded by the companies in the rest of the world and Asian-Russian area, which amounted to 189% and 179%, respectively, and far higher than the 59% growth shown by those in the triad regions. In the ten-year period, the increase in capital invested in all geographical areas is the result of growth in both the net worth and borrowings components. Conversely, in the same period, ROI decreased in all macro-areas, as already seen, because the growth in operating margins was not as pronounced as that in capital invested.

As for the manufacturing companies, in 2014 tangible capital invested was financed by net worth as to 36-63% for Asian-Russian and the rest of world companies; while European and North American multinationals' tangible capital invested was financed as to 25-28% by net worth, and as to the remainder by borrowings. In the triad regions, Japanese manufacturing corporations reflect the highest level of financial solidity in 2014, with capital invested financed as to 55.9% by net worth (Table I.12). Unlike what is generally the case with smaller-sized companies, the capital of multinationals is mostly absorbed by fixed assets (plants, buildings, investments) which account for roughly two-thirds, and the share represented by working assets is lower; for North American companies the liquid component is particularly significant, representing almost half of tangible capital invested. Tangible net worth is therefore not sufficient to cover the applications of fixed assets; hence substantial long-term borrowings are required, which exceed short-term borrowings (58-88% of total borrowings) in all the geographical areas; if we add net worth, medium/long-term resources cover more than 78% of the tangible capital invested. This prevalence of medium/long term borrowings over short-term term ones is another distinguishing feature of multinationals compared to smaller-sized companies. In multinationals all over the world, the difference between working assets and short-term borrowings as percentage of tangible capital invested is generally reassuring: 29.7% for North American corporations (the maximum) and 10.4% for Japanese firms (the minimum).

In order to evaluate debt repayment capability, it is useful to consider the borrowings/cash flow ratio. In 2014 North American and European companies show levels of 1.6 and 2.7 times respectively; indeed, in the event that net working capital could not be liquidated, these firms could repay their outstanding borrowings with the cash flow generated in the space of roughly one and three years respectively; the companies based in the rest of the world do not fare so well, in that they would take around four years and half to repay their borrowings (borrowings/cash flow ratio equal to 4.5 times).

Energy and services companies are a different case, in that their financial structure is rather different. Telecoms, software&web corporations and energy groups in all the geographical areas show the highest levels of financial solidity in 2014, with capital invested mostly financed by net worth. Capital of energy companies is mostly invested in fixed assets, and the share represented by net working assets is negligible; hence tangible net worth plus medium/long-term resources are sufficient to cover the applications of fixed assets. Moreover, in the event that net working capital could not be liquidated, these firms could repay their outstanding borrowings with the cash flow generated in the space of around one year (three years for companies based in the rest of world). Conversely, tangible capital invested of the utilities is mostly financed by borrowings, and only as to roughly one-third by net worth: the utilities show the lowest levels of financial solidity. Their capital is entirely invested in fixed assets (mostly network infrastructure and technical equipment), and the share represented by net working assets is negative, and not even covered by cash and marketable securities. Tangible net worth is therefore not sufficient to cover the applications of fixed assets; so substantial long-term borrowings are required which are much bigger than short-term borrowings (82.9% of total borrowings). Unlike the case of the industrial multinationals, the balance between working assets and short-term borrowings is not acceptable because it is negative. As for the borrowings/cash flow ratio, in the event of net working capital not being able to be liquidated, utilities firms could repay their outstanding borrowings with the cash flow generated in the space of roughly five years.

The composition of capital invested has changed since 2005, albeit with differing trends in the various areas (Table I.13 and Table I.14). Net worth still accounts for the lion's share. For the European companies the changes in this item have been relatively modest, with the structure of capital invested characterized by a slight decrease in the incidence of net worth (up almost one point as a percentage of capital invested) during the 2005-2014 period. Consequently, among the other components, bank borrowings increased in 2014 by roughly five percentage points. The North American companies continue to favour net worth and bond issuance. Japanese multinationals are still the companies which use bank borrowings the most, together with the Italian firms. In 2014 the German companies reported the lowest level of net worth and the highest level of bond issuance.

As for the composition of capital for the multinationals based in the Asian-Russian area, net worth again represents the lion's share (with 73.3% of capital invested in 2014), more so than for the corporations based in the triad region. The multinationals in this area use bond issuance less than those based in the triad regions, in particular those based in China and Taiwan. By individual countries, in Asia-Russia the Chinese and Russian companies show the highest levels of net worth as a percentage of capital invested. The Australian and Central South American companies show the highest levels of bond issuance, while the Indian and Taiwan groups tend to use bank loans the most.

1.10 The location of production sites

The relocation of production processes has become increasingly important for manufacturing multinationals based in the triad regions in particular, which are increasing their presence in the new emerging economies. Nonetheless, the European Union continues to be the geographical area with the highest concentration of triad multinationals' production sites, each of which has an average of 27.8 facilities based in the European Union in 2014 (Table I.15). The second geographical area where the triad multinationals have their facilities based is Asia, due to specifically this process of relocating production activities in emerging countries: each triad multinational has an average of 21 production sites in Asia (9 in China, 3.5 in India and 8.5 in other Asian countries). The third geographical where the triad multinationals still tend to retain production facilities is North America, where each firm has on average 17.7 production sites. In any case, the production relocation process emerges clearly from the fact that immediately after the North American area, the multinationals tend to locate their production facilities in the emerging nations of Central and South America, where each triad multinational possesses on average 16.6 production sites (4.8 in Brazil, 4.8 in Mexico and 7 in other Central and South American countries). These are followed by Japan (9.9 average production sites for each triad manufacturing multinational), Africa (5.5), emerging countries in the rest of Europe (4.4), Russia (2.6) and Oceania (2.3).

China is the emerging country where the manufacturing multinationals included in our survey have the largest number of production sites: 9 on average for each triad multinational. Of the triad companies, the Japanese multinationals have the most expensive footprint in China, with 9.4 production sites on average (assisted by the proximity in geographical terms), followed by the European firms (9) and the North American companies (7.6). Among the European firms, the most telling presence in China is that of the UK, Benelux and German companies, each of which controls an average of between 11 and 18 factories in that country. The substantial presence of multinationals in China confirms the country's growing role in the process of passive globalization. The reasons which drive multinationals to set up production activities in China and the other emerging countries are largely connected with strategies for expanding end-markets (with ongoing significant economic growth) and reduction of production costs, mostly consisting of cheap available labour.

In Asia, after China referred to above, India is the country where most multinationals have tended to base their production sites, followed by all other Asian emerging countries; in the latter, taken together, the Japanese multinationals locate on average 10.6 production sites, the European firms 8.6, and the North American companies 6.9.

As for Central and South American countries, it is the North American multinationals which have the highest presence (assisted by the proximity in geographical terms), owning on average 7.7 production sites in Brazil, 8.8 in Mexico and 9.8 in other Central and South American countries.

In Africa, it is the UK firms which have the highest presence by far, with an average of 16.5 plants. Prominent among the UK multinationals in terms of number of subsidiaries is SABMiller, which is one of the largest drink corporations in Africa with facilities in many African countries for making beer and for bottling.[9] Imperial Tobacco Group has tobacco plantations and processing plants spread across African countries where they are the leading cigarette manufacturers.

Multinationals based in emerging countries tend to locate their production sites in geographical areas near to headquarters: the Asian-Russian firms have on average 18.3 facilities in Asia, and the Central/South American companies have facilities concentrated in their own countries (73.3 each on average).

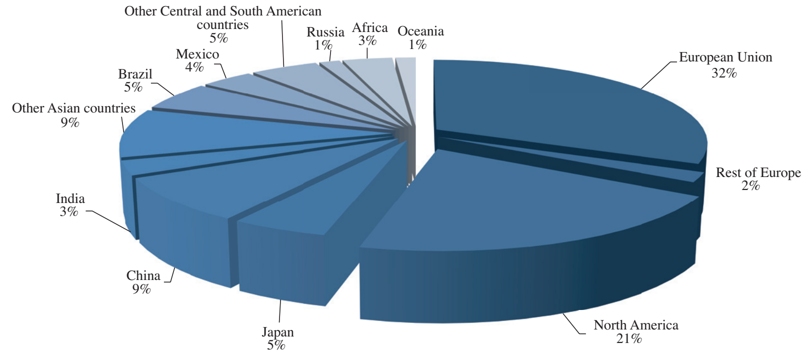
In short, the results show that despite the relocation process implemented by the triad multinationals, these firms still retain the majority of their production facilities in their own areas: 33.5 on average for the European firms in the European Union, 58 for the North American companies in North America, and 18.8 for the Japanese multinationals in Japan. In Europe in particular, the German firms have on average 53.3 production facilities, and the French firms 41.3 facilities.

As for the split by sector, it is interesting to note that the triad electronics multinationals buck this general trend, with more facilities in Asia on average than in North America and Europe (9.7, as against 5.6 and 3.8 respectively). The food multinationals stand out as being the most globalized, with facilities distributed equally across the whole globe, presumably because of the speed with which food products become perishable and hence need to reach the end-consumer promptly: each triad food multinational has an average of 31.3 facilities in Europe, 51.9 in North America, 45 in Asia, 43.4 in Central/South America, 25.4 in Africa and 5 in Oceania. The food and drinks sector has also the highest average number of facilities per company (157), followed by the paper industry (131.6), the latter mostly concentrated in the Scandinavian countries and North America, while the electronics industry has the lowest (16.1 on average). Japan stands out for having the highest number of operations facilities in the rubber and mechanical engineering industries.

9 SABMiller was set up in 2002 through a combination of the South African activities of SAB (South African Breweries), founded in 1895, and US-based Miller Brewing.

Fig. 12

Breakdown of manufacturing multinationals' production site 2014



1.11 Research and development expenditure

According to the Eurostat method of classifying R&D expenditure based on intensity of spending, it is possible to divide the companies' activities into four different industrial groupings based on how technology-intensive they are.[10] Sales with high or medium-high technology content account for 73.8% of the total net sales by manufacturing multinationals in the triad regions (Table 10).[11] The European companies' presence in these groupings is the lowest at 66.7%, with the exception of the German companies (82.4%) which rank almost at the same level as the Japanese corporations, whose commitment to electronics is significant in this respect.

10 The term ''research and development'' (R&D) comprises three different types of research (Frascati manual): basic research (i.e. experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundation of phenomena and observable facts, without any particular application in mind), applied research (i.e. original investigation undertaken in order to acquire new knowledge, but directed towards a specific and practical objective), and experimental development (i.e. systematic work drawing on existing knowledge gained from research and practical experience directed to producing new materials, products, processes or services, or to substantially improving those already produced or installed). For an analysis of R&D centres run by triad multinationals see MFA (2011), p. LXVI.

11 The classification has been made based on income per segment. Source: figures based on Eurostat classification (Eurostat indicators of High-tech industry and knowledge - intensive services, February 2015 - Annex 3 - High-tech aggregation by NACE Rev. 2).

The electronic industry is of absolute importance for Asia-Russia too, which confirms its status as the area with the highest net sales levels from HT activities (58.4%), whereas the rest of the world reflects a bias towards the more traditional sectors (LMT and LT) as the iron and steel and food industries dominate. Italy appears to be the weakest country in the HT grouping, where it is represented by only Finmeccanica and Menarini, having no electronics companies. United Kingdom, Benelux and Switzerland-Liechtenstein show the highest high-technology component: Benelux due to the presence of supranational entities (mostly electronics and aerospace companies),[12] and the United Kingdom and Switzerland due to the pharmaceutical component.

TABLE 10 - TECHNOLOGY INTENSITY BASED ON % BREAKDOWN OF NET SALES

	Manufacturing multinationals (2013)					
	Triad regions	North America	Japan	Europe	Asia-Russia	Rest of world
HT	37.9	51.4	31.2	30.1	58.4	21.3
MHT	35.9	26.4	51.3	36.6	26.5	0.0
HT-MHT	***73.8***	***77.8***	***82.5***	***66.7***	***84.9***	***21.3***
LMT	8.0	1.8	8.4	12.8	8.6	32.5
LT	18.2	20.4	9.1	20.5	6.5	46.2
LMT-LT	***26.2***	***22.2***	***17.5***	***33.3***	***15.1***	***78.7***
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

	of which: Europe						
	United Kingdom	Benelux	Switzerland Liechtenstein	France	Germany	Scandinavia	Italy
HT	49.9	49.7	44.6	28.4	21.4	21.3	10.9
MHT	0.4	–	21.2	33.0	61.0	43.6	64.6
HT-MHT	***50.3***	***49.7***	***65.8***	***61.4***	***82.4***	***64.9***	***75.5***
LMT	8.6	21.6	5.9	18.6	7.4	11.0	13.4
LT	41.1	28.7	28.3	20.0	10.2	24.1	11.1
LMT-LT	***49.7***	***50.3***	***34.2***	***38.6***	***17.6***	***35.1***	***24.5***
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Based on the rankings in terms of R&D spending as a percentage of net sales, Swiss companies lead the way, followed by firms based in UK and Germany (Table 11). Switzerland-Liechtenstein and UK show the highest percentages for the HT segment, largely due to the pharmaceutical companies. At the global level, triad regions corporations rank above the Asian-Russian companies, whereas R&D spending by firms based in the rest of world is the lowest.

12 The aerospace company is Airbus Group (ex-EADS-European Aeronautic Defence and Space Company) which is the entity resulting from the merger in July 2000 between Aerospatiale Matra SA of France, Construcciones Aeronàuticas SA of Spain, and DaimlerChrysler Aerospace AG of Germany.

TABLE 11 - R&D SPENDING AS % OF 2014 NET SALES GROUPINGS BY TECHNOLOGY INTENSITY

	Manufacturing multinationals				
	HT	MHT	LMT	LT	Total
Switzerland and Liechtenstein	16.3	3.4	0.4	1.8	8.1
United Kingdom	14.0	1.6	1.6	0.5	7.5
Germany	11.9	5.3	2.4	0.9	5.4
Scandinavia	16.8	3.2	0.5	0.6	5.2
France	11.4	3.8	1.7	0.7	4.6
Italy	10.6	2.5	2.4	1.2	3.2
Benelux	7.4	1.7	0.4	0.5	2.8
North America	7.7	4.1	1.5	0.5	5.2
Europe	12.7	4.2	1.5	0.9	5.1
Japan	5.2	4.2	1.5	2.3	4.2
Total, triad regions	**8.6**	**4.2**	**1.5**	**0.8**	**5.0**
Asia-Russia	**5.1**	**1.1**	**0.5**	–	**3.4**
Rest of world	**0.8**	**0.6**	**0.2**	**0.6**	**0.4**

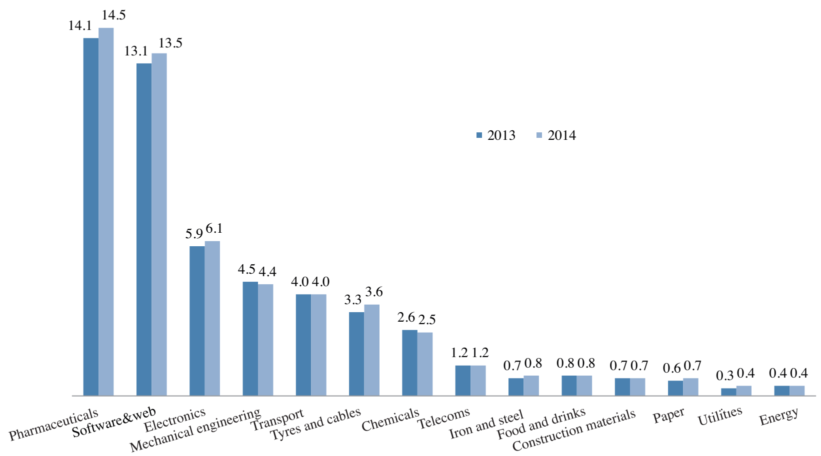
Table 12 shows the leading industrial groups in the world in decreasing order in terms of R&D spending as a percentage of net sales in 2014 and 2005. Looking at the data for 2014, there is clear dominance by the pharmaceutical companies; Eli Lilly (pharmaceutical) ranks first followed by Amgen (biotechnology) and AstraZeneca (pharmaceutical).

TABLE 12 - TOP 10 INDUSTRIALS IN THE WORLD BY R&D SPENDING AS % OF NET SALES

	2014		2005
Eli Lilly (US)	25.2	Eli Lilly (US)	20.7
Amgen (US)	21.4	Merck & Co. (US)	19.6
AstraZeneca (UK)	21.4	Infineon Technologies (DE)	19.1
Roche Holding (CH)	20.8	Amgen (US)	18.6
Intel (US)	20.7	STMicroelectronics (NL)	18.3
STMicroelectronics (NL)	20.5	Pfizer (US)	17.7
Boehringer Ingelheim (DE)	19.9	LM Ericsson (SE)	16.1
Nokia (FI)	19.6	Roche Holding (CH)	16.1
Novartis (CH)	17.4	Finmeccanica (IT)	15.9
Merck & Co. (US)	17.0	Novo Nordisk (DK)	15.1

As for the breakdown of R&D spending between sectors in the triad area, again the pharmaceutical industry, considered separately from the chemical industry, reports the highest R&D spending level (Fig.13), followed by the software&web companies.

Fig. 13
R&D spending as % of net sales in 2013 and 2014 (triad companies)



If we look at the manufacturing aggregate by macro-area, in the last decade the trend of R&D spending in the triad regions has always seen North American corporations above European and Japanese; in 2011-2014 European companies have increased their R&D levels, almost reaching the North American ones in 2014 (Fig. 14).

Fig. 14
R&D spending as % of net sales by manufacturing companies

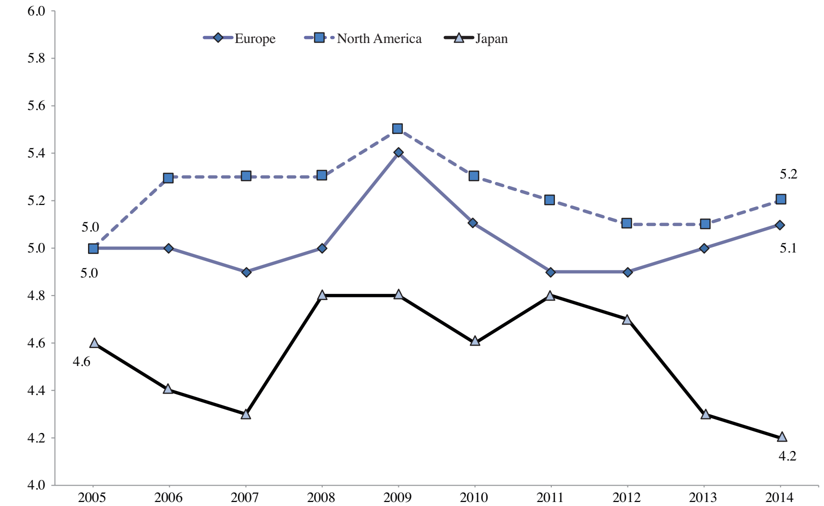
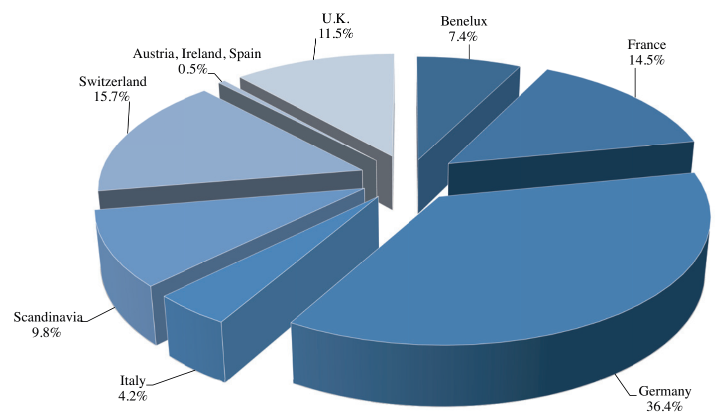


Fig. 15
European industrial companies: breakdown of R&D spending in 2014



2. Trends in 2015

Table I.19 to Table I.31 summarize the earliest annual data available for 2015 compared with like-for-like data for 2014. These figures are for a number of companies representing, in terms of total net sales, all 100% of the European, North American and Japanese corporations. Out of the triad, again in terms of net sales, the figures cover 100% of the total generated by the industrial multinationals in Asia-Russia, and the rest of world. As for services companies, the figures cover 100% of the total net sales generated by the telecommunications corporations, the utilities companies, and software&web firms.

2.1 Major industrial companies

With reference to the leading industrial companies by tangible total assets and market capitalization as at year-end 2015, Toyota is still the largest multinational by total assets,[13] followed by PetroChina, and Apple confirms its position as the largest corporation by market capitalization.

Compared with the rankings last year, there have been few changes. The top ten companies by total assets are globally the same, except for the new entry General Electric, and the exit of Petrobas. Apple's total assets has increased positioning the company in 6th place from the 10th of last year. The top ten companies by market capitalization have seen the exit of Royal Dutch Shell, which has left the place to the Belgian Anheuser-Busch InBev. Looking at the same tables by country, the United States rank first with a total of five companies among the top ten most capitalized multinationals and four companies among the largest multinationals by total assets; this suggests that generally the North American stock market expresses higher value for the companies, although it should be noted that the two lists by total assets and by market capitalization are not strictly comparable, as the latter considers the net value of the companies (total assets less liabilities).

13 Toyota is remarkable for its unusual strategy of pursuing primarily domestic growth, which has derived above all from expanding its production base in Asian countries, North America and Europe but also in Japan.

Table 13 - Top industrial companies in 2015

Top 10 industrial companies based on total assets [1]	2015 (EUR bn)	Top 10 industrial companies based on market capitalization	2015 (EUR bn)
Toyota Motor (JP)	361.8	Apple (US)	537.2
PetroChina (CN)[2]	325.1	ExxonMobil (US)	298.7
Volkswagen (DE)	320.7	General Electric (US)	289.9
ExxonMobil (US)	309.3	Johnson & Johnson (US)	261.6
Royal Dutch Shell (UK)	306.6	Nestlé (CH)	218.6
Apple (US)	258.5	Novartis (CH)	213.7
Chevron (US)	240.2	PetroChina (CN)[2]	204.5
General Electric (US)	224.2	Procter & Gamble (US)	197.7
BP (UK)	212.6	Toyota Motor (JP)	191.3
Gazprom (RU)	210.1	Anheuser-Busch InBev (BE)	184.0

1 Excluding intangibles.
2 PetroChina is controlled by CNPC - China National Petroleum Corporation.

Comparison with the situation in 1989 confirms several trends which have been in progress for some years now:[14]

- the incessant expansion by multinationals operating in the energy sector, largely as a result of concentration processes, and chiefly at the expense of the electronics companies; thus, in 2015 it is the energy multinationals that dominate in terms of size as measured by total assets (six out of the top ten; three in 1989), followed by transport (two out of the top ten);
- the established presence of two Asian-Russian energy multinationals, in the shape of Russian group Gazprom (the largest producer of gas in the world), and Chinese company CNPC.

2.2 Net sales and earnings results

In 2015 the international organizations' estimates confirm the now well-entrenched gap between emerging markets and developing economies, which show fresh expansion (up 4% in real GDP), and advanced economies, which are still struggling to grow (2% rise in OECD countries' GDP).[15]

14 Cf. MFA (2011), Table I.9, p.XLI.
15 *Source*: Table III.1.

The European manufacturing multinationals' key indicators for 2015 show a significant increase in net sales (up 5.5%) compared with the modest change the previous year (1.4%). Net profit, meanwhile, saw a slight, but not entirely negligible, improvement, rising 2.5%. North American manufacturing firms reported a reverse in net sales (down 1.3%), and despite this, an increase in net profit (up 1.2%). The Japanese manufacturing firms show a remarkable improvement in net sales (up 19.8%), but a downturn in net profit (down 5.7%). The ROW manufacturing companies are the only ones that show outstanding increases in all margins together with net profit (up 22.2%).

Energy corporations are different, in that their net sales show a substantial decrease on declining margins. Net sales have fallen by 26.6% on average (32.6% and 36% for European and North American corporations respectively), while net profit has been negative in all the other macro-areas. Energy net sales generally follow the trend in oil prices which is a major factor in determining the performance of the energy multinationals: their net sales have been affected by the major fall in crude oil prices, which commenced in mid-2015. Brent crude oil closed at USD 52.4 per barrel in 2015 against USD 98.9 in 2014. (Fig.16, Table III.4).

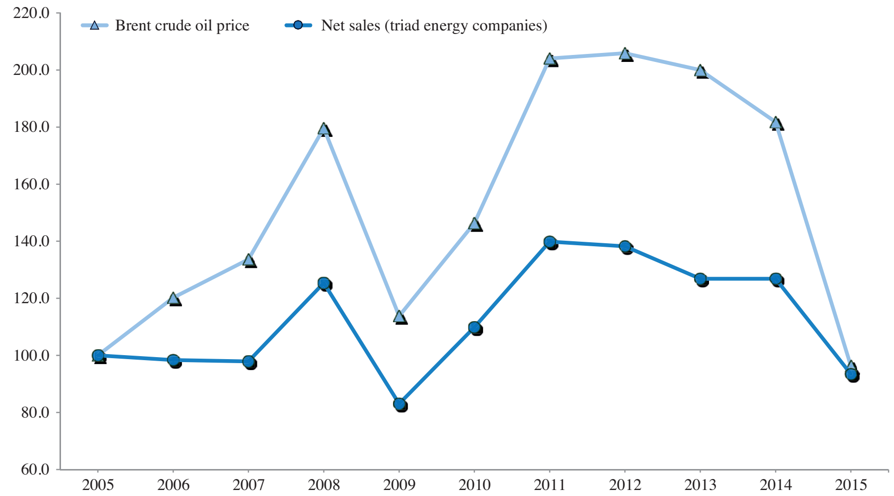
These changes in earnings have also had an impact on employment levels. The European and North American manufacturing companies have reduced their employee numbers slightly, which were down 0.8% and 1.3% respectively, while in the energy sector the changes were substantial, down 10.9% and 7.6%. The telecoms groups increased their net sales and margins in 2015 (up 3.7% in net sales respectively).

TABLE 14 - PROFIT AND LOSS ACCOUNTS 2015

	Net sales	NOM	Current pre-tax profit	Net profit	No. of employees
	% change 2015 vs 2014				
Manufacturing companies					
Europe	5.5	-0.5	-2.0	2.3	-0.8
North America	-1.3	9.2	3.7	1.2	-1.3
Japan	19.8	-2.4	-4.2	-5.7	...
Asia-Russia	0.5	5.4	2.4	-12.6	...
Rest of world	10.2	14.1	22.7	22.2	...
Energy companies					
Europe	-32.6	-72.1	-74.3	neg/pos	-10.9
North America	-36.0	-80.5	-75.8	neg/pos	-7.6
Japan	-20.7	-74.7	-84.1	-24.1	...
Asia-Russia	-17.8	-27.9	-26.7	-28.4	...
Rest of world	-25.8	-39.8	-88.2	neg/pos	...
Software & Web	**25.9**	**14.9**	**12.9**	**3.6**	**8.8**
Telecoms	**3.7**	**14.8**	**21.4**	**27.2**	**10.5**
Utilities	–	**-2.2**	**3.4**	**7.7**	**0.9**

Fig. 16

Crude oil price and net sales by triad energy companies (index numbers 2005=100)



2.3 Financial structure

As for tangible capital invested, there was growth in new borrowings for all corporations, except for the Japanese manufacturing companies (Table 15). Hence the financial structure for the most part deteriorated: the net worth less intangibles/borrowings percentage ratio was generally lower, except for the Asia-Russian manufacturing companies.

The energy companies increased their level of leverage in order address overall reduction in their financial stability. On average the net worth less intangibles/borrowing ratio decreased (by 37.2%) with a significant reduction in North America (down 93.7%). Even so, the net worth less intangibles/borrowings ratio was above the 100 level in Europe, North America and Asia-Russia (158.3, 276.4 and 213.3 respectively). The telecoms operators confirmed their position once more as the least solid financially, on account of the high level of intangibles, which have increased since 2014 and which weaken the financial structure.

As far as uses of funds by multinationals are concerned, capital spending grew for the majority of companies in 2015, with significant increases in ROW and Asia-Russia manufacturing firms (up 41.2% and 16.9% respectively). Among these only the North American firms showed a decrease in capital expenditure (down 5.4%). The picture for the energy companies is quite different, which have considerably reduced their capital expenditure, in Japan, ROW and North America in particular (down 27.8% and 20.5% respectively). While such an increase in manufacturing capital expenditure gives grounds for optimism that there could be an upturn in productive activities, the strong downfall in the energy sector creates uncertainty for next year.

TABLE 15 - FINANCIAL STATEMENTS 2015

	Net worth	Borrowings	Tangible capital invested	Capital expenditure	Net worth less intangibles as % of borrowings
	% change 2015 vs 2014				% points 2015 vs 2014
Manufacturing companies					
Europe	6.0	7.6	4.4	9.9	-4.0
North America	-3.3	25.4	7.2	-5.4	-20.5
Japan	-4.6	-2.3	-4.1	10.2	-4.2
Asia-Russia	6.7	1.8	5.3	16.9	13.3
Rest of world	5.8	24.2	11.7	41.2	-15.8
Energy companies					
Europe	-9.7	5.9	-4.5	-15.2	-28.1
North America	-8.0	24.0	-0.7	-20.5	-93.7
Japan	-20.8	-3.7	-10.9	-27.8	-13.4
Asia-Russia	3.7	8.3	4.8	-8.6	-10.5
Rest of world	-15.7	22.9	1.8	-20.5	-40.1
Software & Web	**18.9**	**29.5**	**28.0**	**15.6**	**-3.1**
Telecoms	**9.1**	**6.1**	**-2.3**	**6.3**	**-8.0**
Utilities	**-4.8**	**1.7**	**-0.5**	**3.5**	**-1.6**

TABLES

TABLE I.1 - MULTINATIONALS: % BREAKDOWN OF 2014 NET SALES BY GEOGRAPHICAL AREAS

	Triad regions					
	Europe	North America	Japan	Asia-Russia	Rest of world	Total
Oil, energy and mining	37.0	22.3	3.1	30.0	7.6	100.0
Iron, steel and non-ferrous metals	48.9	5.2	17.8	18.9	9.2	100.0
Chemicals and pharmaceuticals	50.1	34.6	5.6	6.7	3.0	100.0
Tyres and cables	54.7	16.8	28.5	–	–	100.0
Mechanical engineering	40.1	27.0	21.5	11.2	0.2	100.0
automotive	*39.9*	*19.2*	*27.3*	*13.6*	–	*100.0*
aerospace and shipbuilding	*36.7*	*55.1*	*2.2*	*4.6*	*1.4*	*100.0*
domestic appliances	*25.9*	*35.4*	*25.5*	*13.2*	–	*100.0*
other engineering	*43.2*	*28.7*	*18.6*	*9.5*	–	*100.0*
Electronics	7.7	34.4	19.2	38.7	–	100.0
Building and civil engineering	–	21.5	32.8	45.7	–	100.0
Cement, glass and bdg. products	79.7	–	3.4	3.7	13.2	100.0
Paper, printing and publishing	59.3	33.5	–	1.5	5.7	100.0
Food and drinks	43.2	36.8	2.2	7.4	10.4	100.0
Textiles and clothing	62.7	37.3	–	–	–	100.0
Other mfg. industries	45.8	35.8	13.6	3.7	1.1	100.0
Services industries	31.8	25.3	27.4	12.0	3.5	100.0
Total industrial companies	**36.9**	**27.1**	**11.9**	**20.1**	**4.0**	**100.0**
Software & Web companies	**4.8**	**81.7**	**2.1**	**11.4**	**–**	**100.0**
Telecoms	**29.1**	**24.6**	**17.0**	**21.7**	**7.6**	**100.0**
Utilities	**84.6**	**10.1**	**–**	**3.9**	**1.4**	**100.0**
Total companies	**37.9**	**27.6**	**11.3**	**19.1**	**4.1**	**100.0**

TABLE I.2 – INDUSTRIAL COMPANIES (TRIAD REGIONS): % BREAKDOWN OF 2014 NET SALES BY SECTOR

	Europe											North America				
	Austria	Benelux	France	Germany	Ireland	Italy	Scandinavia	Spain	Switzerland and Liech-tenstein	U.K.	Total	Canada	USA	Total	Japan	Total
Oil, energy and mining	64.8	2.3	27.3	1.7	–	31.1	22.8	93.6	–	79.0	31.4	41.9	25.1	25.8	8.2	**25.7**
Iron, steel and non-ferrous metals	20.2	21.1	–	3.3	–	2.8	8.4	6.4	–	1.7	4.7	–	0.7	0.7	5.3	**3.4**
Chemicals and pharmaceuticals	15.0	25.0	16.7	18.9	–	2.8	6.2	–	42.3	6.8	14.8	–	14.5	13.9	5.1	**13.0**
Tyres and cables	–	–	4.3	1.1	–	4.3	–	–	–	–	1.2	–	0.5	0.5	2.0	**1.1**
Mechanical engineering	–	15.4	26.5	61.0	–	50.6	33.7	–	22.0	3.3	28.6	43.1	25.5	26.2	47.6	**30.7**
automotive	–	–	*13.6*	*42.8*	–	*37.5*	*11.9*	–	*2.0*	–	*15.8*	–	*10.8*	*10.4*	*33.7*	***16.7***
aerospace and shipbuilding	–	*15.4*	*3.6*	–	–	*5.8*	–	–	*0.8*	*3.2*	*3.4*	*15.3*	*6.6*	*6.9*	*0.6*	***4.2***
domestic appliances	–	–	–	*0.5*	–	–	*3.3*	–	*0.3*	–	*0.4*	–	*0.8*	*0.8*	*1.3*	***0.7***
other engineering	–	–	*9.3*	*17.7*	–	*7.3*	*18.5*	–	*18.9*	*0.1*	*9.0*	*27.8*	*7.3*	*8.1*	*12.0*	***9.1***
Electronics	–	8.2	2.7	2.5	–	–	10.2	–	1.5	0.4	2.9	4.3	18.5	17.9	22.8	**11.4**
Building and civil engineering	–	–	–	–	–	–	–	–	–	–	–	2.6	–	0.1	0.3	**0.1**
Cement, glass and bdg. products	–	–	8.6	1.3	40.1	1.4	–	–	5.9	–	2.4	–	–	–	0.3	**1.2**
Paper, printing and publishing	–	–	0.6	1.2	24.7	–	9.6	–	–	0.7	1.6	–	1.3	1.2	–	**1.2**
Food and drinks	–	27.8	5.5	–	17.6	2.9	7.5	–	24.3	3.8	7.2	–	8.7	8.4	1.2	**6.7**
Textiles and clothing	–	–	3.9	1.6	–	1.2	–	–	0.4	–	1.1	–	0.9	0.9	–	**0.8**
Other mfg. industries	–	0.2	0.6	2.6	–	2.9	1.4	–	3.5	3.6	2.2	–	2.4	2.3	2.0	**2.2**
Services industries	–	–	3.3	4.8	17.6	–	0.2	–	0.1	0.7	1.9	8.1	1.9	2.1	5.2	**2.5**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

TABLE I.3 – MULTINATIONALS: % BREAKDOWN OF 2014 NET SALES BY COUNTRY OF LOCATION

	Europe												North America					
	Austria	Benelux	France	Germany	Ireland	Italy	Scandinavia	Spain	Switzerland and Liech-tenstein	U.K.	Other countries	Total	Canada	USA	Total	Japan	Other countries *	Total
Oil, energy and mining	1.7	0.4	7.8	0.7	–	4.4	3.9	3.0	–	37.3	–	59.2	2.2	33.6	35.8	5.0	–	**100.0**
Iron, steel and non-ferrous metals	4.1	30.6	–	10.9	–	3.1	11.2	1.6	–	6.4	–	67.9	–	7.3	7.3	24.8	–	**100.0**
Chemicals and pharmaceuticals	0.8	9.3	9.4	16.0	–	0.8	2.1	–	10.7	6.4	–	55.5	–	38.3	38.3	6.2	–	**100.0**
Tyres and cables	–	–	29.2	11.0	–	14.5	–	–	–	–	–	54.7	–	16.8	16.8	28.5	–	**100.0**
Mechanical engineering	–	2.4	6.3	21.9	–	6.0	4.9	–	2.4	1.3	–	45.2	1.9	28.6	30.5	24.3	–	**100.0**
automotive	–	–	*6.0*	*28.3*	–	*8.2*	*3.2*	–	*0.4*	–	–	*46.1*	–	*22.3*	*22.3*	*31.6*	–	***100.0***
aerospace and shipbuilding	–	*17.8*	*6.3*	–	–	*5.0*	–	–	*0.6*	*9.4*	–	*39.1*	*4.8*	*53.8*	*58.6*	*2.3*	–	***100.0***
domestic appliances	–	–	–	*7.3*	–	–	*20.9*	–	*1.6*	–	–	*29.8*	–	*40.8*	*40.8*	*29.4*	–	***100.0***
other engineering...	–	–	*7.5*	*21.5*	–	*2.9*	*9.0*	–	*6.8*	*0.1*	–	*47.8*	*4.1*	*27.6*	*31.7*	*20.5*	–	***100.0***
Electronics	–	3.5	1.7	2.5	–	–	4.0	–	0.4	0.5	–	12.6	0.5	55.6	56.1	31.3	–	**100.0**
Building and civil engineering	–	–	–	–	–	–	–	–	–	–	–	–	39.7	–	39.7	60.3	–	**100.0**
Cement, glass and bdg. products	–	–	51.1	11.8	13.1	4.1	–	–	15.8	–	–	95.9	–	–	–	4.1	–	**100.0**
Paper, printing and publishing	–	–	3.4	10.7	8.2	–	35.2	–	–	6.5	–	64.0	–	36.0	36.0	–	–	**100.0**
Food and drinks	–	20.0	6.1	–	1.1	1.6	5.0	–	12.0	6.8	–	52.6	–	44.7	44.7	2.7	–	**100.0**
Textiles and clothing..	–	–	34.4	21.5	–	5.3	–	–	1.5	–	–	62.7	–	37.3	37.3	–	–	**100.0**
Other mfg. industries	–	0.5	1.9	12.9	–	4.9	2.8	–	5.3	19.8	–	48.1	–	37.6	37.6	14.3	–	**100.0**
Services industries	–	–	9.8	21.3	2.8	–	0.3	–	0.1	3.2	–	37.5	4.3	25.7	30.0	32.5	–	**100.0**
Total industrial companies	**0.7**	**4.8**	**7.3**	**11.1**	**0.4**	**3.7**	**4.4**	**0.8**	**3.3**	**12.1**	–	**48.6**	**1.3**	**34.4**	**35.7**	**15.7**	–	**100.0**
Software & Web companies	–	–	–	**4.7**	–	–	–	–	–	–	–	**4.7**	–	**81.8**	**81.8**	**2.1**	**11.4**	**100.0**
Telecoms	–	**1.6**	**4.0**	**6.3**	–	**2.2**	**2.3**	**5.1**	–	**7.5**	–	**29.0**	**1.5**	**23.1**	**24.6**	**17.0**	**29.4**	**100.0**
Utilities	–	–	**27.1**	**23.0**	–	**10.8**	**4.0**	**8.0**	–	**8.3**	**3.4**	**84.6**	**5.3**	**4.8**	**10.1**	–	**5.3**	**100.0**

* Australia, China, India, Mexico, Singapore, South Africa and South Korea.

TABLE I.4 – INDUSTRIAL COMPANIES BASED IN ASIA-RUSSIA AND REST OF WORLD: % BREAKDOWN OF 2014 NET SALES BY SECTOR

	Asia-Russia							Rest of world					
	China	India	Russia	South Korea	Taiwan	Other countries *	Total	Brazil	Mexico	Australia	Other countries **	Total	Total
Oil, energy and mining	71.9	54.8	99.6	11.7	–	49.8	46.8	58.7	10.5	–	90.0	59.2	**48.8**
Iron, steel and non-ferrous metals	–	15.5	–	6.8	–	1.0	3.3	9.2	5.9	58.3	–	8.0	**4.1**
Chemicals and pharmaceuticals	–	5.6	0.4	0.4	–	21.5	3.6	7.1	8.2	35.5	6.1	8.1	**4.4**
Tyres and cables	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Mechanical engineering	14.5	21.6	–	33.5	–	–	14.7	2.3	–	–	–	1.2	**12.5**
automotive	*13.0*	*16.6*	–	*18.1*	–	–	*9.9*	–	–	–	–	–	***8.3***
aerospace and shipbuilding	–	–	–	*3.1*	–	–	*0.8*	*2.3*	–	–	–	*1.2*	***0.9***
domestic appliances	–	–	–	*1.6*	–	–	*0.4*	–	–	–	–	–	***0.3***
other engineering	*1.5*	*5.0*	–	*10.7*	–	–	*3.6*	–	–	–	–	–	***3.0***
Electronics	13.6	0.5	–	41.8	100.0	7.2	27.1	–	–	–	–	–	**22.6**
Building and civil engineering	–	–	–	1.1	–	–	0.3	–	–	–	–	–	**0.2**
Cement, glass and bdg. products	–	–	–	–	–	1.5	0.2	1.8	20.3	–	–	3.7	**0.8**
Paper, printing and publishing	–	–	–	–	–	0.5	0.1	–	–	6.2	3.9	1.4	**0.3**
Food and drinks	–	–	–	–	–	16.3	2.3	20.3	39.0	–	–	15.9	**4.5**
Textiles and clothing	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Other mfg. industries	–	1.6	–	0.6	–	0.2	0.3	0.4	2.2	–	–	0.5	**0.3**
Services industries	–	0.4	–	4.1	–	2.0	1.3	0.2	13.9	–	–	2.0	**1.5**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* Israel, Malaysia, Saudi Arabia, Philippines, Singapore and Thailand.
** Algeria, Colombia, South Africa and Venezuela.

TABLE I.5 – INDUSTRIAL COMPANIES BASED IN ASIA-RUSSIA AND REST OF WORLD: % BREAKDOWN OF 2014 NET SALES BY COUNTRY OF LOCATION

	Asia-Russia							Rest of world					
	China	India	Russia	South Korea	Taiwan	Other countries *	Total	Brazil	Mexico	Australia	Other countries **	Total	Total
Oil, energy and mining	36.3	8.8	17.8	5.0	–	11.8	79.7	10.6	0.5	–	9.2	20.3	**100.0**
Iron, steel and non-ferrous metals	–	29.8	–	34.6	–	2.8	67.2	19.9	3.3	9.6	–	32.8	**100.0**
Chemicals and pharmaceuticals	–	10.0	0.7	2.0	–	56.5	69.2	14.2	4.2	5.4	7.0	30.8	**100.0**
Tyres and cables	–	–	–	-	–	–	–	–	–	–	–	–	–
Mechanical engineering	28.8	13.6	–	56.0	–	–	98.4	1.6	–	–	–	1.6	**100.0**
automotive	*38.7*	*15.8*	–	*45.5*	–	–	*100.0*	–	–	–	–	–	***100.0***
aerospace and shipbuilding	–	–	–	*76.4*	–	–	*76.4*	*23.6*	–	–	–	*23.6*	***100.0***
domestic appliances	–	–	–	*100.0*	–	–	*100.0*	–	–	–	–	–	***100.0***
other engineering	*12.7*	*13.1*	–	*74.2*	–	–	*100.0*	–	–	–	–	–	***100.0***
Electronics	14.9	0.2	–	38.5	42.7	3.7	100.0	–	–	–	–	–	**100.0**
Building and civil engineering	–	–	–	100.0	–	–	100.0	–	–	–	–	–	**100.0**
Cement, glass and bdg. products	–	–	–	–	–	21.7	21.7	20.4	57.9	–	–	78.3	**100.0**
Paper, printing and publishing	–	–	–	–	–	20.6	20.6	–	–	14.2	65.2	79.4	**100.0**
Food and drinks	–	–	–	–	–	41.3	41.3	39.4	19.3	–	–	58.7	**100.0**
Textiles and clothing	–	–	–	–	–	–	–	–	–	–	–	–	–
Other mfg. industries	–	37.0	–	33.4	–	6.3	76.7	9.1	14.2	–	–	23.3	**100.0**
Services industries	–	2.2	–	59.5	–	15.7	77.4	1.0	21.6	–	–	22.6	**100.0**
Total	**24.7**	**7.9**	**8.7**	**20.8**	**9.7**	**11.5**	**83.3**	**8.8**	**2.2**	**0.7**	**5.0**	**16.7**	**100.0**

* Israel, Malaysia, Philippines, Saudi Arabia, Singapore and Thailand.
** Algeria, Colombia, South Africa and Venezuela.

Table I.6 - STATE-OWNED COMPANIES IN 2014

	No. of companies	Net sales in EUR m	Total assets [1] in EUR m	No. of employees
Industrials				
China	7	603,226	743,972	2,022,188
% of country total	*87.5*	*94.0*	*94.8*	*92.2*
Scandinavia	6	116,756	143,684	111,872
% of country total	*18.2*	*32.3*	*38.2*	*10.7*
France	4	77,409	124,139	288,968
% of country total	*17.4*	*13.0*	*19.1*	*15.6*
Germany	3	40,372	33,454	128,921
% of country total	*13.0*	*4.5*	*3.1*	*4.5*
Austria	2	44,243	38,411	32,908
% of country total	*66.7*	*79.8*	*77.0*	*42.4*
India	2	77,614	69,252	66,147
% of country total	*28.6*	*38.0*	*34.6*	*20.5*
Italy	4	134,843	174,507	198,584
% of country total	*28.6*	*45.1*	*52.6*	*28.6*
Russia	2	115,735	336,282	708,600
% of country total	*50.0*	*51.1*	*76.7*	*78.7*
Total industrials[2]	**40**	**1,612,879**	**2,389,601**	**4,033,566**
% of total	*12.1*	*15.0*	*20.2*	*14.4*
of which:				
Triad regions	22	458,456	555,215	867,018
% of total	*8.5*	*5.6*	*6.5*	*4.3*
Asia-Russia	15	939,169	1,365,721	2,952,819
% of total	*30.0*	*43.4*	*54.6*	*45.5*
Rest of world	3	215,254	468,665	213,729
% of total	*14.3*	*49.7*	*61.4*	*16.0*
Telecoms	**11**	**383,626**	**646,872**	**1,520,836**
% of total	*40.7*	*38.8*	*45.3*	*53.1*
Utilities	**9**	**328,502**	**767,615**	**533,943**
% of total	*39.1*	*47.9*	*57.1*	*49.8*

NB: There are no state-controlled companies in the other countries covered in the survey and in the software&web sector. For a list of the companies, see Table III.5.

1 Excluding intangibles.

2 Includes the following countries which have only one state-owned company: Algeria, Brazil, Colombia, Japan, Malaysia, Netherlands, Saudi Arabia, South Korea, Spain and Venezuela.

TABLE I.7 - NON-DOMESTIC SALES

	Non-domestic sales [1] as % of total net sales			Change (percentage points)	
	2005	2009	2014	2005-2014	2009-2014
Industrials					
Ireland	92.1	95.5	97.2	5.1	1.7
Benelux	90.3	92.6	94.0	3.7	1.4
Finland	90.8	91.5	87.1	-3.7	-4.4
Italy	63.6	70.6	82.5	18.9	11.9
Germany	76.6	75.9	81.0	4.4	5.1
Austria	77.4	77.2	81.0	3.6	3.8
France	78.2	80.4	80.5	2.3	0.1
Spain	55.1	49.6	48.6	-6.5	-1.0
Eurozone[2]	**77.2**	**78.6**	**81.9**	**4.7**	**3.3**
Switzerland and Liechtenstein	96.5	97.2	97.6	1.1	0.4
Sweden	93.7	95.1	95.9	2.2	0.8
Denmark	91.1	92.0	95.0	3.9	3.0
United Kingdom	85.3	87.1	87.3	2.0	0.2
Norway	49.0	40.1	44.0	-5.0	3.9
Europe[2]	**79.1**	**80.4**	**83.1**	**4.0**	**2.7**
Japan	**51.0**	**52.1**	**58.3**	**7.3**	**6.2**
North America[2]	**47.9**	**52.1**	**51.9**	**4.0**	**-0.2**
Asia-Russia[2]	**59.6**	**63.6**	**60.7**	**1.1**	**-2.9**
of which: Taiwan	85.9	84.2	75.9	-10.0	-8.3
Russia	75.0	72.2	68.2	-6.8	-4.0
South Korea	62.9	68.9	62.0	-0.9	-6.9
India	24.3	53.4	60.9	36.6	7.5
China	29.2	37.7	47.5	18.3	9.8
Rest of world[2]	**42.1**	**39.5**	**45.3**	**3.2**	**5.8**
of which: Mexico	51.4	55.2	56.9	5.5	1.7
Brazil	27.7	27.8	39.0	11.3	11.2

1 Exports from home country plus sales by foreign subsidiaries outside home country.

2 Sales generated by companies based in this macro-area outside their respective home countries.

TABLE I.8 - INDICATORS BY SECTOR IN 2014

	As % of net sales 2014		2014 as % of 2007		2014	
	NOM	Current pre-tax profit	NOM	Current pre-tax profit	ROI	ROE
Industrials						
Triad regions						
Chemical and pharmaceutical	17.3	16.5	107.5	101.2	16.6	23.9
Food and drinks	12.4	11.7	101.6	100.0	13.9	20.0
Electronics	12.3	12.5	148.2	142.0	16.7	21.2
Tyres and cables	10.1	8.6	132.9	132.3	16.8	22.3
Paper	9.6	7.8	117.1	113.0	12.8	14.2
Mechanical engineering	9.3	9.8	106.9	100.0	14.4	15.4
Construction materials	9.2	6.4	67.6	53.8	7.9	4.4
Energy	8.2	9.2	53.6	54.4	13.6	9.0
Transport	6.9	6.9	127.8	121.1	9.7	14.9
Iron and steel	4.9	0.5	40.8	3.8	6.7	2.2
Asia-Russia						
Energy	10.1	8.8	47.2	38.9	9.5	6.3
Electronics	8.4	8.5	121.7	119.7	16.1	18.6
Iron and steel	5.9	3.1	47.2	27.7	5.1	1.3
Transport	4.5	6.2	88.2	103.3	9.5	13.0
Rest of world						
Energy	10.7	13.4	48.2	61.5	10.1	1.7
Food and drinks	8.1	5.7	73.6	53.3	11.2	10.9
Iron and steel	7.5	3.9	42.6	16.8	6.8	3.1
Software & Web companies	**20.7**	**21.2**	**...**	**...**	**15.9**	**19.8**
Telecoms	**13.9**	**11.7**	**79.4**	**74.5**	**10.5**	**13.3**
Utilities	**11.3**	**8.2**	**74.8**	**64.6**	**9.8**	**6.5**

TABLE I.9 - INDUSTRIAL COMPANIES: SOURCES OF FUNDS IN 2012-2014

	Cash flow	Rights issues *	Change in borrowings	Total
Europe (EUR bn)	1,784	-21	184	1,947
%	*91.6*	*-1.1*	*9.5*	*100.0*
North America (USD bn)	2,008	-460	216	1,764
%	*113.8*	*-26.1*	*12.3*	*100.0*
Japan (JPY bn)	55,594	-141	12,587	68,040
%	*81.7*	*-0.2*	*18.5*	*100.0*
Asia-Russia (EUR bn)	841	9	119	969
%	*86.7*	*1.0*	*12.3*	*100.0*
Rest of world (EUR bn)	232	-1	82	313
%	*74.0*	*-0.2*	*26.2*	*100.0*

* Net of share buybacks.

TABLE I.10 - INDUSTRIAL COMPANIES: APPLICATIONS OF FUNDS IN 2012-2014

	Capital expenditure	Financial investments *	Dividends paid	Other flows	Total
Europe (EUR bn)	914	573	377	83	1,947
%	*46.9*	*29.4*	*19.4*	*4.3*	*100.0*
North America (USD bn)	664	598	428	74	1,764
%	*37.6*	*33.8*	*24.3*	*4.3*	*100.0*
Japan (JPY bn)	36,433	13,997	4,978	12,632	68,040
%	*53.5*	*20.6*	*7.3*	*18.6*	*100.0*
Asia-Russia (EUR bn)	445	332	100	92	969
%	*46.0*	*34.3*	*10.3*	*9.4*	*100.0*
Rest of world (EUR bn)	227	47	55	-16	313
%	*72.4*	*15.1*	*17.6*	*-5.1*	*100.0*

* Includes change in sundry residual items.

TABLE I.11 - EUROPEAN AND NORTH AMERICAN INDUSTRIAL COMPANIES: RIGHTS ISSUES, SHARE BUYBACKS AND DIVIDEND PAYOUTS

	Rights issues	Share buybacks [1]	Dividends paid	Balance	Cash flow	
	(a)	(b)	(c)	(d=b+c-a)	(e)	d / e %
			European industrials (EUR m)			
2005	11,112	38,471	76,217	103,576	491,445	21.1
2006	13,896	56,554	82,644	125,302	535,467	23.4
2007	17,484	55,886	92,394	130,796	558,482	23.4
2008	20,520	48,114	98,363	125,957	532,864	23.6
2009	33,521	-3,980	89,856	52,355	411,560	12.7
2010	16,856	10,531	87,075	80,750	534,424	15.1
2011	8,194	24,016	106,412	122,234	662,490	18.5
2012	8,866	1,404	117,095	109,633	625,568	17.5
2013	14,115	23,851	118,136	127,872	570,505	22.4
2014	14,114	32,556	141,728	160,170	588,066	27.2
Total	**158,678**	**287,403**	**1,009,920**	**1,138,645**	**5,510,871**	**20.7**
			North American industrials (USD m)			
2005	19,008	110,331	77,231	168,554	468,108	36.0
2006	23,033	146,747	86,554	210,268	517,790	40.6
2007	49,488	183,362	93,822	227,696	554,041	41.1
2008	39,232	160,285	104,414	225,467	563,084	40.0
2009	27,947	62,404	93,025	127,482	425,085	30.0
2010	30,343	103,548	97,743	170,948	567,284	30.1
2011	27,995	160,414	106,867	239,286	665,271	36.0
2012	26,171	136,889	127,315	238,033	680,577	35.0
2013	30,503	177,811	140,412	287,720	668,758	43.0
2014	25,530	227,363	160,203	362,036	658,863	54.9
Total	**299,250**	**1,469,154**	**1,087,586**	**2,257,490**	**5,768,861**	**39.1**

1 Net of treasury shares sold.

TABLE I.12 - CAPITAL STRUCTURE INDICATORS IN 2014

	Manufacturing companies				
	Europe	North America	Japan	Asia-Russia	Rest of world
% of tangible capital invested					
Short-term borrowings	22.5	11.7	18.7	15.7	8.0
Medium- and long-term borrowings	52.5	60.5	25.4	21.7	55.8
Tangible net worth	25.0	27.8	55.9	62.6	36.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
represented by:					
Fixed assets	65.5	58.6	70.9	61.8	76.2
Net working assets	34.5	41.4	29.1	38.2	23.8
of which: cash and marketable securities	*26.1*	*48.6*	*16.2*	*27.3*	*18.9*
Medium- and long-term borrowings + tangible net worth as % of tangible capital invested	77.5	88.3	81.3	84.3	92.0
Medium- and long-term borrowings as % of borrowings	70.0	83.8	57.6	58.0	87.5
Working assets short-term borrowings as % of tangible capital invested	12.0	29.7	10.4	22.5	15.8
Borrowings/cash flow (times)	*2.7*	*1.6*	*2.9*	*2.0*	*4.5*

	Energy companies					
	Triad regions	Asia-Russia	Rest of world	Software & Web companies	Telecoms	Utilities
% of tangible capital invested						
Short-term borrowings	5.6	6.5	4.0	5.6	12.0	11.9
Medium- and long-term borrowings	25.1	16.1	41.0	30.5	10.4	57.8
Tangible net worth	69.3	77.4	55.0	63.9	77.6	30.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
represented by:						
Fixed assets	90.6	94.0	94.3	42.1	57.8	101.4
Net working assets	9.4	6.0	5.7	57.9	42.2	-1.4
of which: cash and marketable securities	*12.0*	*14.8*	*8.8*	*81.1*	*38.2*	*13.6*
Medium- and long-term borrowings + tangible net worth as % of tangible capital invested	94.4	93.5	96.0	94.4	88.0	88.1
Medium- and long-term borrowings as % of borrowings	81.8	71.2	91.1	84.5	46.4	82.9
Working assets short-term borrowings as % of tangible capital invested	3.8	-0.5	1.7	52.3	30.2	-13.3
Borrowings/cash flow (times)	*1.3*	*1.7*	*3.3*	*1.2*	*0.8*	*4.6*

TABLE I.13 - INDUSTRIAL COMPANIES IN TRIAD REGIONS: CAPITAL INVESTED AT YEAR-END

		Capital invested				
			Borrowings			
		Net worth	Total *of which:*	Bonds	Banks	Others
		as % of capital invested				
Europe	2014	59.4	40.6	28.7	8.9	3.0
	2013	60.4	39.6	27.9	8.5	3.2
	2005	60.7	39.3	23.7	11.0	4.6
of which:						
Benelux	2014	59.0	41.0	31.5	4.5	5.0
	2013	61.2	38.8	29.3	4.3	5.2
	2005	63.2	36.8	17.8	13.3	5.7
France	2014	60.9	39.1	28.4	7.8	2.9
	2013	61.4	38.6	28.4	5.9	4.3
	2005	57.7	42.3	25.9	12.2	4.2
Germany	2014	48.7	51.3	32.2	15.2	3.9
	2013	50.5	49.5	30.8	14.9	3.8
	2005	48.5	51.5	33.0	11.7	6.8
Italy	2014	51.7	48.3	27.8	18.1	2.4
	2013	53.0	47.0	27.3	16.9	2.8
	2005	56.6	43.4	14.4	25.6	3.4
Scandinavia......	2014	63.1	36.9	22.2	10.5	4.2
	2013	62.3	37.7	20.3	12.4	5.0
	2005	66.9	33.1	15.2	10.7	7.2
Switzerland and Liechtenstein ..	2014	71.2	28.8	23.2	3.8	1.8
	2013	72.5	27.5	22.3	3.3	1.9
	2005	70.1	29.9	18.6	8.5	2.8
United Kingdom	2014	64.9	35.1	30.4	3.2	1.5
	2013	65.8	34.2	29.6	3.0	1.6
	2005	71.8	28.2	22.1	4.1	2.0
Japan	2014	58.6	41.4	18.4	21.2	1.8
	2013	57.4	42.6	17.4	22.9	2.3
	2005	60.0	40.0	20.6	17.9	1.5
North America..........	2014	67.3	32.7	30.4	1.8	0.5
	2013	70.7	29.3	27.2	1.5	0.6
	2005	71.7	28.3	24.5	2.5	1.3
Software & Web companies............	2014	76.3	23.7	20.2	2.0	1.5
	2013	80.3	19.7	16.0	2.6	1.1
	2005	...	...	...	...	...
Telecoms.................	2014	51.2	48.8	35.5	8.8	4.5
	2013	54.2	45.8	32.9	8.9	4.0
	2005	58.9	41.1	29.2	7.8	4.1
Utilities....................	2014	45.7	54.3	41.1	9.3	3.9
	2013	45.9	54.1	40.1	9.9	4.1
	2005	47.9	52.1	31.9	12.6	7.6

TABLE I.14 - INDUSTRIAL COMPANIES IN ASIA-RUSSIA AND REST OF WORLD: CAPITAL INVESTED AT YEAR-END

		Capital invested				
			Borrowings			
		Net worth	Total *of which:*	Bonds	Banks	Others
		as % of capital invested				
Asia-Russia..............	2014	73.3	26.7	10.8	13.3	2.6
	2013	73.8	26.2	10.2	13.5	2.5
	2005	74.4	25.6	8.8	14.0	2.8
of which:						
China	2014	85.5	14.5	4.7	8.6	1.2
	2013	85.6	14.4	4.2	8.9	1.3
	2005	86.7	13.3	1.8	11.5	0.0
India..............	2014	53.2	46.8	16.6	26.5	3.7
	2013	53.1	46.9	12.2	30.9	3.8
	2005	68.9	31.1	5.3	20.6	5.2
Russia............	2014	73.9	26.1	11.1	13.3	1.7
	2013	78.6	21.4	9.4	11.8	0.2
	2005	79.3	20.7	4.3	15.9	0.5
South Korea.....	2014	70.2	29.8	12.9	16.4	0.5
	2013	70.1	29.9	13.2	16.4	0.3
	2005	63.2	36.8	18.5	13.6	4.7
Taiwan...........	2014	68.2	31.8	5.3	26.5	0.0
	2013	61.3	38.7	6.1	32.6	0.0
	2005	74.5	25.5	6.3	19.1	0.1
Rest of world...........	2014	55.5	44.5	25.7	18.2	0.6
	2013	60.6	39.4	20.7	17.9	0.8
	2005	70.3	29.7	11.5	18.0	0.2
of which:						
Africa............	2014	77.2	22.8	11.6	10.7	0.5
	2013	76.0	24.0	12.4	11.3	0.3
	2005	61.6	38.4	13.0	24.2	1.2
Australia	2014	65.6	34.4	24.0	6.1	4.3
	2013	65.9	34.1	22.7	8.2	3.2
	2005	69.1	30.9	2.5	28.4	0.0
Central South America.......	2014	54.8	45.2	26.1	18.6	0.5
	2013	60.1	39.9	20.9	18.3	0.7
	2005	70.9	29.1	11.7	17.2	0.2

TABLE I.15 - MULTINATIONAL COMPANIES: PRODUCTION SITES IN 2014 (*cont.*)

	Average no. of production sites per multinational													
	European Eunion	Rest of Europe	North America	Japan	China	India	Other Asian countries[1]	Brazil	Mexico	Other Central and South American countries	Russia	Africa	Oceania	Total
Manufacturing companies based in (breakdown by geographical area):														
Europe	33.5	4.8	11.6	3.6	9.0	3.7	8.1	4.7	4.3	6.9	2.7	6.9	2.8	**75.9**
of which: Germany	53.3	5.1	13.9	6.0	10.6	5.3	10.9	5.4	4.9	4.0	2.9	4.1	2.7	**115.7**
Benelux	33.1	4.5	20.3	2.5	13.1	4.8	11.5	15.1	3.6	9.4	1.7	10.7	2.0	**101.2**
France	41.3	2.2	10.3	3.5	8.8	2.1	7.9	2.8	6.9	3.4	3.9	6.1	1.5	**82.6**
Switzerland and Liechtenstein	22.8	7.2	13.0	2.3	7.0	4.6	12.5	4.3	3.6	11.0	3.3	7.2	5.2	**81.1**
U.K.	17.4	2.3	5.9	1.0	18.0	3.4	4.0	1.0	1.5	7.7	4.0	16.5	2.3	**66.8**
Italy	28.9	2.3	14.2	0.0	3.6	2.0	4.4	3.1	1.3	10.6	1.6	6.0	5.0	**55.8**
Scandinavia	22.0	6.5	5.4	1.0	5.7	2.5	4.5	2.3	1.8	2.6	2.0	2.6	1.5	**38.7**
North America	25.1	1.8	58.0	2.0	7.6	3.8	6.9	7.7	8.8	9.8	2.4	2.9	1.4	**120.2**
Japan	5.4	2.5	7.6	18.8	9.4	2.7	10.6	2.3	1.9	2.2	2.0	2.4	1.1	**55.2**
Rest of world	17.8	3.0	32.1	0.0	6.5	4.0	5.0	42.4	16.4	14.5	4.0	3.3	17.3	**96.6**
Asia-Russia	5.8	2.0	5.1	1.5	4.8	6.1	7.4	1.9	1.9	2.5	1.3	2.0	3.0	**21.1**
Total	**25.1**	**4.2**	**17.6**	**9.7**	**8.3**	**3.8**	**8.2**	**6.4**	**5.2**	**7.5**	**2.6**	**5.3**	**3.2**	71.6

TABLE I.15 - MULTINATIONAL COMPANIES: PRODUCTION SITES IN 2014

	Average no. of production sites per multinational													
	European Eunion	Rest of Europe	North America	Japan	China	India	Other Asian countries[1]	Brazil	Mexico	Other Central and South American countries	Russia	Africa	Oceania	Total
Manufacturing companies based in (breakdown by sector):														
Food and drinks	31.3	9.3	51.9	5.0	26.8	5.4	12.8	12.1	6.9	24.4	6.7	25.4	5.0	**157.0**
Paper	62.8	2.0	47.3	0.0	6.0	1.3	9.2	5.0	10.8	8.6	1.9	3.5	3.0	**131.6**
Tyres and cables	39.5	2.3	19.0	21.0	9.0	3.4	9.7	5.0	3.4	3.4	2.3	2.0	2.7	**106.8**
Mechanical engineering	33.5	6.7	17.7	16.8	11.2	4.7	10.2	4.4	9.1	1.9	2.5	2.8	1.3	**100.5**
Construction materials	28.5	3.7	11.8	0.0	12.0	8.5	13.8	5.0	7.0	15.0	2.3	9.3	4.0	**92.3**
Chemical and pharmaceutical	21.0	3.7	11.9	5.3	7.1	2.9	8.6	3.8	1.8	3.8	2.0	3.2	1.9	**62.4**
Iron and steel	27.6	5.2	8.8	15.5	7.1	4.3	7.9	6.0	4.5	6.8	2.6	3.6	2.6	**56.1**
Transport	22.4	2.0	11.1	11.1	5.0	1.8	5.9	2.4	2.3	5.5	1.7	2.5	1.3	**54.5**
Electronics	3.8	1.0	5.6	4.0	4.3	1.0	4.4	0.0	1.0	1.0	0.0	1.0	1.0	**16.1**
Total triad	**27.8**	**4.4**	**17.7**	**9.9**	**9.0**	**3.5**	**8.5**	**4.8**	**4.8**	**7.0**	**2.6**	**5.5**	**2.3**	**77.9**

1 Excluding Japan.
N.B.: Partial data, for the most part refering to more than half of the sample.

TABLE I.16 - RESEARCH AND DEVELOPMENT EXPENSES AS % OF NET SALES

	Breakdown by geographical area									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Industrials										
Switzerland and Liechtenstein	6.3	6.2	6.6	6.9	7.5	7.8	7.7	7.7	7.8	8.1
Germany	4.8	4.4	4.6	4.9	5.4	4.9	4.8	5.0	5.2	5.4
Scandinavia	3.4	3.4	3.9	4.1	4.8	4.4	4.0	3.8	4.0	4.0
France	3.6	3.8	3.7	3.5	4.0	3.6	3.5	3.5	3.4	3.4
Benelux	4.2	4.8	3.1	3.0	3.7	3.1	2.9	3.0	2.9	2.8
Italy	2.6	2.3	2.3	2.1	2.2	2.0	1.9	1.8	2.0	2.0
United Kingdom	1.7	1.9	1.9	1.4	2.0	1.7	1.4	1.4	1.5	1.6
North America	**3.6**	**3.9**	**3.9**	**3.7**	**4.3**	**4.0**	**3.7**	**4.0**	**4.0**	**4.2**
Japan	**4.5**	**4.3**	**4.2**	**4.7**	**4.7**	**4.5**	**4.7**	**4.5**	**4.2**	**4.1**
Europe	**3.5**	**3.4**	**3.5**	**3.3**	**3.9**	**3.6**	**3.3**	**3.3**	**3.4**	**3.5**
Triad: manufacturing companies	**4.9**	**4.9**	**4.9**	**5.0**	**5.3**	**5.0**	**5.0**	**4.9**	**4.9**	**5.0**
Triad: industrial companies	**3.7**	**3.7**	**3.7**	**3.7**	**4.2**	**3.9**	**3.7**	**3.8**	**3.7**	**3.8**
Asia-Russia	**2.3**	**2.1**	**1.9**	**1.9**	**2.0**	**2.0**	**2.1**	**2.2**	**2.4**	**2.6**
Rest of world	**0.5**	**0.7**	**0.8**	**0.8**	**0.9**	**0.7**	**0.9**	**0.8**	**0.6**	**0.6**

	Breakdown by sector									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Industrials										
Triad regions										
Chemical and pharmaceutical	8.4	8.9	8.6	8.5	8.9	8.6	8.2	8.4	8.3	8.5
Electronics	7.1	7.3	7.2	7.3	7.3	6.7	6.8	6.9	6.7	6.8
Mechanical engineering	4.3	3.9	4.0	4.1	4.4	4.4	4.6	4.7	4.7	4.7
Transport	4.4	4.3	4.4	4.7	4.8	4.5	4.5	4.4	4.4	4.4
Tyres and cables	2.9	2.8	2.7	3.4	3.8	3.3	3.1	3.2	3.3	3.6
Construction materials	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.8	0.8	0.8
Food and drinks	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.7	0.7	0.8
Iron and steel	0.9	1.0	0.8	0.8	1.1	0.9	0.8	0.9	0.8	0.8
Paper	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7
Energy	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.3
Asia-Russia										
Manufacturing	3.0	2.8	2.5	2.6	2.6	2.6	2.7	2.9	3.1	3.4
Energy	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3
Rest of world										
Energy	0.5	0.7	0.8	0.9	1.0	0.8	1.0	0.9	0.7	0.7
Manufacturing	0.5	0.5	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.4
Software & Web companies	...	...	...	...	**13.3**	**12.9**	**12.7**	**13.2**	**13.1**	**13.5**
Telecoms	**1.5**	**1.4**	**1.4**	**1.4**	**1.4**	**1.3**	**1.4**	**1.3**	**1.2**	**1.2**
Utilities	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**0.4**	**0.4**	**0.3**	**0.3**	**0.4**

TABLE I.17 – EMPLOYEES

	2005		2006		2007		2008		2009		2010		2011		2012		2013		2014	
	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]
INDUSTRIAL COMPANIES																				
AUSTRIA	84,524	52.6	74,561	52.7	84,369	44.3	90,151	45.9	84,346	45.5	79,078	44.3	78,377	44.2	77,568	43.9	77,838	45.0	77,560	43.6
Index No.	*100.0*		*88.2*		*99.8*		*106.7*		*99.8*		*93.6*		*92.7*		*91.8*		*92.1*		*91.8*	
BENELUX	1,200,539	...	1,224,709	...	1,184,296	...	1,261,569	...	1,195,436	...	1,166,572	...	1,202,484	...	1,201,532	...	1,210,933	...	1,173,770	...
Index No.	*100.0*		*102.0*		*98.6*		*105.1*		*99.6*		*97.2*		*100.2*		*100.1*		*100.9*		*97.8*	
FRANCE	1,788,543	43.0	1,888,784	40.1	1,865,238	38.4	1,887,084	37.6	1,769,455	36.4	1,825,607	34.1	1,875,872	31.9	1,906,845	30.7	1,910,621	29.7	1,855,904	29.1
Index No.	*100.0*		*105.6*		*104.3*		*105.5*		*98.9*		*102.1*		*104.9*		*106.6*		*106.8*		*103.8*	
GERMANY	2,621,187	44.4	2,531,144	42.3	2,494,802	44.0	2,661,325	42.2	2,584,176	42.2	2,644,093	41.0	2,766,711	39.5	2,827,642	39.8	2,816,722	40.1	2,870,110	39.9
Index No.	*100.0*		*96.6*		*95.2*		*101.5*		*98.6*		*100.9*		*105.6*		*107.9*		*107.5*		*109.5*	
IRELAND	118,933	...	145,108	...	155,892	...	156,790	...	141,086	...	137,259	...	138,546	...	139,453	...	140,964	...	140,996	...
Index No.	*100.0*		*122.0*		*131.1*		*131.8*		*118.6*		*115.4*		*116.5*		*117.3*		*118.5*		*118.6*	
ITALY	476,384	46.6	482,627	45.5	502,176	45.0	532,213	41.5	547,331	40.4	554,911	39.3	627,216	33.9	644,396	31.7	680,940	29.8	695,326	28.3
Index No.	*100.0*		*101.3*		*105.4*		*111.7*		*114.9*		*116.5*		*131.7*		*135.3*		*142.9*		*146.0*	
SCANDINAVIA	901,487	29.5	929,209	28.3	992,793	26.0	1,023,565	24.6	987,968	23.4	999,029	22.1	1,070,783	22.5	1,052,528	22.4	1,057,733	22.4	1,043,208	21.5
Index No.	*100.0*		*103.1*		*110.1*		*113.5*		*109.6*		*110.8*		*118.8*		*116.8*		*117.3*		*115.7*	
SPAIN	80,021	59.4	83,646	58.6	84,191	57.7	56,690	57.1	58,950	56.3	61,534	55.0	64,365	53.3	48,992	68.5	48,544	67.7	41,724	70.7
Index No.	*100.0*		*104.5*		*105.2*		*70.8*		*73.7*		*76.9*		*80.4*		*61.2*		*60.7*		*52.1*	
SWITZERLAND-LIECHTEN-STEIN	769,923	8.5	836,458	8.4	864,693	8.4	887,820	8.6	859,406	8.5	883,419	8.7	969,877	8.3	1,000,105	8.5	1,012,492	8.7	1,019,830	8.7
Index No.	*100.0*		*108.6*		*112.3*		*115.3*		*111.6*		*114.7*		*126.0*		*129.9*		*131.5*		*132.5*	
UNITED KINGDOM	1,281,602	33.6	1,228,239	36.2	1,248,926	28.9	1,299,956	29.6	1,277,787	29.9	1,178,173	30.4	1,167,331	29.2	1,179,735	30.2	1,197,842	29.5	1,174,730	29.0
Index No.	*100.0*		*95.8*		*97.5*		*101.4*		*99.7*		*91.9*		*91.1*		*92.1*		*93.5*		*91.7*	
TOTAL EUROPE	**9,323,143**	37.7	**9,424,485**	35.8	**9,477,376**	35.4	**9,857,163**	34.0	**9,505,941**	33.6	**9,529,675**	32.5	**9,961,562**	30.8	**10,078,796**	30.7	**10,154,629**	30.4	**10,093,158**	30.0
Index No.	*100.0*		*101.1*		*101.7*		*105.7*		*102.0*		*102.2*		*106.8*		*108.1*		*108.9*		*108.3*	
NORTH AMERICA	6,006,788	48.6	6,078,555	47.9	6,251,368	45.4	6,172,042	45.8	5,913,913	46.3	6,145,352	46.0	6,294,487	44.8	6,358,802	44.8	6,326,197	44.7	6,249,874	44.9
Index No.	*100.0*		*101.2*		*104.1*		*102.8*		*98.5*		*102.3*		*104.8*		*105.9*		*105.3*		*104.0*	
JAPAN	3,452,189	...	3,600,895	...	3,751,567	...	3,807,647	...	3,827,614	...	3,869,563	...	3,859,756	...	3,847,017	...	3,862,976	...	3,914,070	...
Index No.	*100.0*		*104.3*		*108.7*		*110.3*		*110.9*		*112.1*		*111.8*		*111.4*		*111.9*		*113.4*	
TOTAL, TRIAD REGIONS	**18,782,120**	...	**19,103,935**	...	**19,480,311**	...	**19,836,852**	...	**19,247,468**	...	**19,544,590**	...	**20,115,805**	...	**20,284,615**	...	**20,343,802**	...	**20,257,102**	...
Index No.	*100.0*		*101.7*		*103.7*		*105.6*		*102.5*		*104.1*		*107.1*		*108.0*		*108.3*		*107.9*	
ASIAN-RUSSIAN	3,144,925	...	3,506,972	...	4,161,685	...	4,788,823	...	4,974,853	...	5,555,607	...	5,872,604	...	6,349,079	...	6,341,891	...	6,485,183	...
Index No.	*100.0*		*111.5*		*132.3*		*152.3*		*158.2*		*176.7*		*186.7*		*201.9*		*201.7*		*206.2*	
REST OF WORLD	759,555	77.7	805,049	74.5	924,746	72.0	1,016,869	70.9	1,017,567	72.3	1,146,730	65.9	1,226,019	67.9	1,271,270	66.9	1,303,184	71.0	1,337,798	69.5
Index No.	*100.0*		*106.0*		*121.7*		*133.9*		*134.0*		*151.0*		*161.4*		*167.4*		*171.6*		*176.1*	
TOTAL INDUSTRIALS	**22,686,600**	...	**23,415,956**	...	**24,566,742**	...	**25,642,544**	...	**25,239,888**	...	**26,246,927**	...	**27,214,428**	...	**27,904,964**	...	**27,988,877**	...	**28,080,083**	...
Index No.	*100.0*		*103.2*		*108.3*		*113.0*		*111.3*		*115.7*		*120.0*		*123.0*		*123.4*		*123.8*	
SOFTWARE & WEB COMPANIES	...	...	...	...	...	...	...	...	**441,539**	46.7	**472,593**	46.5	**593,750**	53.4	**700,743**	52.8	**775,639**	54.9	**931,859**	56.7
Index No.	...		...		...		...		*100.0*		*107.0*		*134.5*		*158.7*		*175.7*		*211.0*	
TELECOMS	**2,780,643**	59.3	**2,783,795**	56.3	**2,861,249**	50.2	**2,950,733**	53.7	**2,917,576**	52.2	**2,939,804**	49.9	**2,988,202**	49.3	**2,948,847**	51.5	**2,821,712**	57.9	**2,865,032**	57.5
Index No.	*100.0*		*100.1*		*102.9*		*106.1*		*104.9*		*105.7*		*107.5*		*106.0*		*101.5*		*103.0*	
UTILITIES	**1,201,001**	56.0	**1,199,774**	54.4	**1,199,949**	51.6	**1,223,139**	52.0	**1,225,041**	49.5	**1,232,700**	50.2	**1,195,468**	54.1	**1,173,571**	55.6	**1,101,505**	53.2	**1,071,144**	53.4
Index No.	*100.0*		*99.9*		*99.9*		*101.8*		*102.0*		*102.6*		*99.5*		*97.7*		*91.7*		*89.2*	

1 Like-for-like. As % of total number of employees, covering only those companies which provide separate figures for employees in home country throughout the period and whose data account for more than 25% of total employees of the sample.

TABLE I.18 – NET SALES

	2005		2006		2007		2008		2009	
	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]
INDUSTRIAL COMPANIES										
AUSTRIA	26,895	22.6	31,762	24.6	36,873	22.7	43,865	22.4	31,181	22.8
Index No.	*100.0*		*118.1*		*137.1*		*163.1*		*115.9*	
BENELUX	264,403	9.7	299,977	9.6	327,310	8.8	367,515	8.2	297,170	7.4
Index No.	*100.0*		*113.5*		*123.8*		*139.0*		*112.4*	
FRANCE	487,441	21.8	534,280	20.0	550,289	19.9	573,348	20.0	485,817	19.6
Index No.	*100.0*		*109.6*		*112.9*		*117.6*		*99.7*	
GERMANY	695,343	23.4	722,280	23.2	714,552	24.1	735,851	24.2	644,368	24.1
Index No.	*100.0*		*103.9*		*102.8*		*105.8*		*92.7*	
IRELAND	23,316	7.9	30,416	6.7	33,052	6.8	32,740	5.2	27,951	4.5
Index No.	*100.0*		*130.5*		*141.8*		*140.4*		*119.9*	
ITALY	162,509	36.4	188,428	35.9	200,600	34.9	223,093	32.8	190,449	29.4
Index No.	*100.0*		*115.9*		*123.4*		*137.3*		*117.2*	
SCANDINAVIA	300,090	20.0	337,396	19.3	358,992	20.7	349,171	21.7	300,059	20.8
Index No.	*100.0*		*112.4*		*119.6*		*116.4*		*100.0*	
SPAIN	75,498	44.9	81,445	48.1	80,237	47.6	78,741	50.3	58,011	50.4
Index No.	*100.0*		*107.9*		*106.3*		*104.3*		*76.8*	
SWITZERLAND-LIECHTEN-STEIN	180,917	3.5	191,454	3.6	202,127	3.8	229,566	2.9	215,254	2.8
Index No.	*100.0*		*105.8*		*111.7*		*126.9*		*119.0*	
UNITED KINGDOM	731,021	14.7	720,155	14.6	699,601	13.5	875,663	13.0	643,637	12.9
Index No.	*100.0*		*98.5*		*95.7*		*119.8*		*88.0*	
TOTAL EUROPE	2,947,433	20.9	3,137,593	20.5	3,203,633	20.7	3,509,553	20.7	2,893,897	19.6
Index No.	*100.0*		*106.5*		*108.7*		*119.1*		*98.2*	
NORTH AMERICA	2,338,019	52.1	2,201,883	50.8	2,145,876	49.0	2,447,816	47.7	1,914,115	47.9
Index No.	*100.0*		*94.2*		*91.8*		*104.7*		*81.9*	
JAPAN	1,137,588	49.0	1,099,593	46.3	1,135,032	44.6	1,304,149	47.2	1,078,371	47.9
Index No.	*100.0*		*96.7*		*99.8*		*114.6*		*94.8*	
TOTAL, TRIAD REGIONS	6,423,040	39.8	6,439,069	37.6	6,484,541	36.4	7,261,518	37.0	5,886,383	36.1
Index No.	*100.0*		*100.2*		*101.0*		*113.1*		*91.6*	
ASIAN-RUSSIAN	709,678	40.4	811,751	40.0	940,941	38.5	1,085,351	36.8	1,042,092	36.4
Index No.	*100.0*		*114.4*		*132.6*		*152.9*		*146.8*	
REST OF WORLD	239,425	57.9	256,564	57.8	278,596	56.4	313,168	57.6	281,401	60.5
Index No.	*100.0*		*107.2*		*116.4*		*130.8*		*117.5*	
TOTAL INDUSTRIALS	7,372,143	40.5	7,507,384	38.6	7,704,078	37.4	8,660,037	37.8	7,209,876	37.2
Index No.	*100.0*		*101.8*		*104.5*		*117.5*		*97.8*	
SOFTWARE & WEB COMPANIES	...	...	...	...	...	...	...	...	149,865	49.4
Index No.	...		...		...		...		*100.0*	
TELECOMS	764,702	61.7	758,295	57.0	762,367	55.0	802,926	55.3	807,962	52.0
Index No.	*100.0*		*99.2*		*99.7*		*105.0*		*105.7*	
UTILITIES	463,749	62.3	513,582	59.8	520,992	56.6	588,870	53.3	564,451	51.7
Index No.	*100.0*		*110.7*		*112.3*		*127.0*		*121.7*	

	2010		2011		2012		2013		2014	
	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]	N.	*home country*[1]
INDUSTRIAL COMPANIES										
AUSTRIA	40,546	21.8	53,207	24.4	61,718	28.3	61,787	26.1	55,432	19.0
Index No.	*150.8*		*197.8*		*229.5*		*229.7*		*206.1*	
BENELUX	342,738	6.6	384,875	6.2	389,581	5.7	372,748	6.0	393,617	6.0
Index No.	*129.6*		*145.6*		*147.3*		*141.0*		*148.9*	
FRANCE	556,735	18.8	598,503	18.6	627,640	18.2	612,293	18.1	597,051	19.5
Index No.	*114.2*		*122.8*		*128.8*		*125.6*		*122.5*	
GERMANY	750,188	21.3	832,858	21.4	890,876	19.7	872,356	19.0	902,068	19.0
Index No.	*107.9*		*119.8*		*128.1*		*125.5*		*129.7*	
IRELAND	28,810	3.7	30,740	3.1	31,842	2.9	31,825	3.0	32,752	2.8
Index No.	*123.6*		*131.8*		*136.6*		*136.5*		*140.5*	
ITALY	216,102	35.1	256,103	23.4	302,840	18.8	296,785	18.5	299,085	17.5
Index No.	*133.0*		*157.6*		*186.4*		*182.6*		*184.0*	
SCANDINAVIA	348,081	21.6	398,345	23.0	416,955	24.3	381,165	21.4	361,563	20.7
Index No.	*116.0*		*132.7*		*138.9*		*127.0*		*120.5*	
SPAIN	70,673	44.5	84,393	48.2	83,311	52.1	77,795	52.2	68,048	51.4
Index No.	*93.6*		*111.8*		*110.3*		*103.0*		*90.1*	
SWITZERLAND-LIECHTEN-STEIN	252,921	2.4	249,524	2.6	262,689	2.5	260,387	2.5	268,981	2.4
Index No.	*139.8*		*137.9*		*145.2*		*143.9*		*148.7*	
UNITED KINGDOM	824,171	12.5	1,018,744	12.5	988,320	12.3	940,849	12.8	990,294	12.7
Index No.	*112.7*		*139.4*		*135.2*		*128.7*		*135.5*	
TOTAL EUROPE	3,430,965	19.0	3,907,292	18.7	4,055,772	18.0	3,907,990	17.3	3,968,891	16.9
Index No.	*116.4*		*132.6*		*137.6*		*132.6*		*134.7*	
NORTH AMERICA	2,341,826	47.7	2,776,027	46.8	2,731,778	46.9	2,610,298	47.7	2,911,594	48.1
Index No.	*100.2*		*118.7*		*116.8*		*111.6*		*124.5*	
JAPAN	1,406,169	46.7	1,508,860	48.4	1,378,243	46.2	1,225,616	44.8	1,264,787	41.7
Index No.	*123.6*		*132.6*		*121.2*		*107.7*		*111.2*	
TOTAL, TRIAD REGIONS	7,178,960	36.1	8,192,179	36.2	8,165,793	34.8	7,743,904	34.3	8,145,272	34.4
Index No.	*111.8*		*127.5*		*127.1*		*120.6*		*126.8*	
ASIAN-RUSSIAN	1,490,618	40.7	1,803,686	43.4	1,993,814	41.3	1,995,314	40.1	2,163,755	39.3
Index No.	*210.0*		*254.2*		*280.9*		*281.2*		*304.9*	
REST OF WORLD	385,064	59.5	450,488	57.7	453,984	58.8	404,280	54.0	433,493	54.7
Index No.	*160.8*		*188.2*		*189.6*		*168.9*		*181.1*	
TOTAL INDUSTRIALS	9,054,642	37.9	10,446,353	38.4	10,613,591	37.1	10,143,498	36.3	10,742,520	36.2
Index No.	*122.8*		*141.7*		*144.0*		*137.6*		*145.7*	
SOFTWARE & WEB COMPANIES	186,394	50.7	229,004	50.5	260,741	50.8	285,484	51.7	370,807	52.2
Index No.	*124.4*		*152.8*		*174.0*		*190.5*	247.4		
TELECOMS	903,111	52.8	960,437	52.8	973,235	52.2	922,856	51.2	988,461	49.5
Index No.	*118.1*		*125.6*		*127.3*		*120.7*		*129.3*	
UTILITIES	620,633	50.9	661,953	48.5	719,876	48.2	708,575	48.2	685,984	47.0
Index No.	*133.8*		*142.7*		*155.2*		*152.8*		*147.9*	

1 Like-for-like. As % of total sales, covering only those companies which provide separate figures for domestic sales throughout the period and whose data account for more than 40% of total net sales of the sample.

TABLE: I.19 - EUROPEAN MANUFACTURING COMPANIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	2.720.184	2.869.728	5,5	*100,0*	*100,0*	
Operating expenses	-2.438.470	-2.589.318	6,2	*-89,6*	*-90,2*	*-0,6*
Net operating margin	**281.714**	**280.410**	**-0,5**	***10,4***	***9,8***	***-0,6***
Interest and financing revenues (charges)	-36.359	-34.857	-4,1	*-1,3*	*-1,2*	*0,1*
Other financial and sundry gains (losses)	12.734	7.325	-42,5	*0,5*	*0,3*	*-0,2*
Current pre-tax profit	**258.089**	**252.878**	**-2,0**	***9,5***	***8,8***	***-0,7***
Non current gains (losses)	-13.054	-778	-94,0	*-0,5*	*0,0*	*0,5*
Taxation	-59.896	-62.643	4,6	*-2,2*	*-2,2*	*0,0*
Net profit attributable to parent company	**185.139**	**189.457**	**2,3**	***6,8***	***6,6***	***-0,2***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	1.333.681	1.413.441	6,0	***54,0***	*53,6*	*-0,4*
Minority interests in net worth	58.840	68.883	17,1	*2,4*	*2,6*	*0,2*
Borrowings	1.075.278	1.156.943	7,6	*43,5*	*43,8*	*0,3*
Capital invested	**2.467.799**	**2.639.267**	**6,9**	***100,0***	***100,0***	
Tangible capital invested	**1.432.850**	**1.496.392**	**4,4**			
Net worth as % of borrowings	*129,5*	*128,1*				
Net worth less intangibles as % of borrowings	*33,3*	*29,3*				
Total assets	**3.982.392**	**4.184.783**	**5,1**			
of which intangibles	***1.034.949***	***1.142.875***	***10,4***			
Total assets less intangibles	**2.947.443**	**3.041.908**	**3,2**			
Cash and cash equivalents	**314.168**	**328.332**	**4,5**			
Marketable securities	**62.589**	**62.577**	**0,0**			
Capital expenditure	**177.735**	**195.253**	**9,9**			
Average number of employees	**8.899.519**	**8.832.499**	**-0,8**			

TABLE: I.20 - EUROPEAN ENERGY COMPANIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	1.361.470	917.099	-32,6	*100,0*	*100,0*	
Operating expenses	-1.252.497	-886.741	-29,2	*-92,0*	*-96,7*	*-4,7*
Net operating margin	**108.973**	**30.358**	**-72,1**	***8,0***	***3,3***	***-4,7***
Interest and financing revenues (charges)	-2.908	-4.636	59,4	*-0,2*	*-0,5*	*-0,3*
Other financial and sundry gains (losses)	12.694	4.747	-62,6	*0,9*	*0,5*	*-0,4*
Current pre-tax profit	**118.759**	**30.469**	**-74,3**	***8,7***	***3,3***	***-5,4***
Non current gains (losses)	-38.027	-40.659	6,9	*-2,8*	*-4,4*	*-1,6*
Taxation	-45.413	-10.384	-77,1	*-3,3*	*-1,1*	*2,2*
Net profit attributable to parent company	**35.319**	**-20.574**	neg/pos	***2,6***	***- 2,2***	***-4,8***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	658.991	594.948	-9,7	*64,0*	*60,8*	*-3,2*
Minority interests in net worth	43.691	37.267	-14,7	*4,2*	*3,8*	*-0,4*
Borrowings	327.154	346.558	5,9	*31,8*	*35,4*	*3,6*
Capital invested	**1.029.836**	**978.773**	**-5,0**	***100,0***	***100,0***	
Tangible capital invested	**937.060**	**895.213**	**-4,5**			
Net worth as % of borrowings	*214,8*	*182,4*				
Net worth less intangibles as % of borrowings	*186,4*	*158,3*				
Total assets	**1.576.558**	**1.518.868**	**-3,7**			
of which intangibles	***92.776***	***83.560***	***-9,9***			
Total assets less intangibles	**1.483.782**	**1.435.308**	**-3,3**			
Cash and cash equivalents	**125.158**	**122.540**	**-2,1**			
Marketable securities	**11.992**	**14.677**	**22,4**			
Capital expenditure	**142.629**	**120.905**	**-15,2**			
Average number of employees	**716.156**	**638.212**	**-10,9**			

TABLE: I.21 - NORTH AMERICAN MANUFACTURING COMPANIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	USD m	USD m	%	%	%	
Net sales	2.562.099	2.527.637	-1,3	*100,0*	*100,0*	
Operating expenses	-2.196.662	-2.128.452	-3,1	*-85,7*	*-84,2*	*1,5*
Net operating margin	**365.437**	**399.185**	**9,2**	***14,3***	***15,8***	***1,5***
Interest and financing revenues (charges)	-19.198	-21.529	12,1	*-0,7*	*-0,9*	*-0,2*
Other financial and sundry gains (losses)	22.843	5.058	-77,9	*0,9*	*0,2*	*-0,7*
Current pre-tax profit	**369.082**	**382.714**	**3,7**	***14,4***	***15,1***	***0,7***
Non current gains (losses)	-8.368	-20.938	150,2	*-0,3*	*-0,8*	*-0,5*
Taxation	-86.087	-83.928	-2,5	*-3,4*	*-3,3*	*0,1*
Net profit attributable to parent company	**274.627**	**277.848**	**1,2**	***10,7***	***11,0***	***0,3***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	1.313.977	1.270.011	-3,3	*62,4*	*56,3*	*-6,1*
Minority interests in net worth	18.887	17.926	-5,1	*0,9*	*0,8*	*-0,1*
Borrowings	771.407	967.400	25,4	*36,7*	*42,9*	*6,2*
Capital invested	**2.104.271**	**2.255.337**	**7,2**	***100,0***	***100,0***	
Tangible capital invested	**1.034.690**	**1.098.621**	**6,2**			
Net worth as % of borrowings	*172,8*	*133,1*				
Net worth less intangibles as % of borrowings	*34,1*	*13,6*				
Total assets	**3.468.521**	**3.665.257**	**5,7**			
of which intangibles	***1.069.581***	***1.156.716***	***8,1***			
Total assets less intangibles	**2.398.940**	**2.508.541**	**4,6**			
Cash and cash equivalents	**280.799**	**290.342**	**3,4**			
Marketable securities	**219.258**	**229.453**	**4,6**			
Capital expenditure	**105.238**	**99.515**	**-5,4**			
Average number of employees	**5.924.133**	**5.846.091**	**-1,3**			

TABLE: I.22 - NORTH AMERICAN ENERGY COMPANIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	USD m	USD m	%	%	%	
Net sales	944.899	605.198	-36,0	*100,0*	*100,0*	
Operating expenses	-854.223	-587.542	-31,2	*-90,4*	*-97,1*	*-6,7*
Net operating margin	**90.676**	**17.656**	**-80,5**	***9,6***	***2,9***	***-6,7***
Interest and financing revenues (charges)	-3.423	-4.831	41,1	*-0,4*	*-0,8*	*-0,4*
Other financial and sundry gains (losses)	29.660	15.413	-48,0	*3,1*	*2,5*	*-0,6*
Current pre-tax profit	**116.913**	**28.238**	**-75,8**	***12,4***	***4,7***	***-7,7***
Non current gains (losses)	-5.227	-30.517	483,8	*-0,6*	*-5,0*	*-4,4*
Taxation	-40.566	-812	-98,0	*-4,3*	*-0,1*	*4,2*
Net profit attributable to parent company	**71.120**	**-3.091**	neg/pos	***7,5***	***- 0,5***	***-8,0***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	533.063	490.428	-8,0	*77,1*	*71,2*	*-5,9*
Minority interests in net worth	14.214	19.745	38,9	*2,1*	*2,9*	*0,8*
Borrowings	144.229	178.908	24,0	*20,9*	*26,0*	*5,1*
Capital invested	**691.506**	**689.081**	**-0,4**	***100,0***	***100,0***	
Tangible capital invested	**677.957**	**673.456**	**-0,7**			
Net worth as % of borrowings	*379,5*	*285,2*				
Net worth less intangibles as % of borrowings	*370,1*	*276,4*				
Total assets	**1.047.536**	**994.010**	**-5,1**			
of which intangibles	***13.549***	***15.625***	***15,3***			
Total assets less intangibles	**1.033.987**	**978.385**	**-5,4**			
Cash and cash equivalents	**40.686**	**28.908**	**-28,9**			
Marketable securities	**4.491**	**1.503**	**-66,5**			
Capital expenditure	**120.634**	**95.873**	**-20,5**			
Average number of employees	**342.924**	**316.893**	**-7,6**			

TABLE: I.23 - JAPANESE MANUFACTURING COMPANIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	JPY bn	JPY bn	%	%	%	
Net sales	161.529	193.549	19,8	*100,0*	*100,0*	
Operating expenses	-150.726	-183.002	21,4	*-93,3*	*-94,6*	*-1,3*
Net operating margin	**10.803**	**10.547**	**-2,4**	***6,7***	***5,4***	***-1,3***
Interest and financing revenues (charges)	162	168	3,7	*0,1*	*0,1*	*0,0*
Other financial and sundry gains (losses)	935	682	-27,1	*0,6*	*0,4*	*-0,2*
Current pre-tax profit	**11.900**	**11.397**	**-4,2**	***7,4***	***5,9***	***-1,5***
Non current gains (losses)	-1.483	-1.323	-10,8	*-0,9*	*-0,7*	*0,2*
Taxation	-3.511	-3.561	1,4	*-2,2*	*-1,8*	*0,4*
Net profit attributable to parent company	**6.906**	**6.513**	**-5,7**	***4,3***	***3,4***	***-0,9***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	76.344	72.843	-4,6	*53,5*	*52,9*	*-0,6*
Minority interests in net worth	7.988	7.608	-4,8	*5,6*	*5,5*	*-0,1*
Borrowings	58.483	57.165	-2,3	*41,0*	*41,5*	*0,5*
Capital invested	**142.815**	**137.616**	**-3,6**	***100,0***	***100,0***	
Tangible capital invested	**133.304**	**127.854**	**-4,1**			
Net worth as % of borrowings	*144,2*	*140,7*				
Net worth less intangibles as % of borrowings	*127,9*	*123,7*				
Total assets	**212.466**	**207.838**	**-2,2**			
of which intangibles	***9.511***	***9.762***	***2,6***			
Total assets less intangibles	**202.955**	**198.076**	**-2,4**			
Cash and cash equivalents	**16.015**	**17.829**	**11,3**			
Marketable securities	**5.632**	**4.843**	**-14,0**			
Capital expenditure	**11.110**	**12.243**	**10,2**			
Average number of employees	**...**	**...**	**...**			

TABLE: I.24 - JAPANESE ENERGY COMPANIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	JPY bn	JPY bn	%	%	%	
Net sales	15.512	12.308	-20,7	*100,0*	*100,0*	
Operating expenses	-15.836	-12.390	-21,8	*-102,1*	*-100,7*	*1,4*
Net operating margin	**-324**	**-82**	**-74,7**	***-2,1***	***-0,7***	***1,4***
Interest and financing revenues (charges)	18	16	-11,1	*0,1*	*0,1*	*0,0*
Other financial and sundry gains (losses)	35	23	-34,3	*0,2*	*0,2*	*0,0*
Current pre-tax profit	**-271**	**-43**	**-84,1**	***-1,7***	***-0,3***	***1,4***
Non current gains (losses)	-152	-308	102,6	*-1,0*	*-2,5*	*-1,5*
Taxation	8	36	350,0	*0,1*	*0,3*	*0,2*
Net profit attributable to parent company	**-415**	**-315**	**-24,1**	***-2,7***	***-2,6***	***0,1***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	2.524	1.999	-20,8	*37,8*	*33,6*	*-4,2*
Minority interests in net worth	536	467	-12,9	*8,0*	*7,8*	*-0,2*
Borrowings	3.626	3.492	-3,7	*54,3*	*58,7*	*4,4*
Capital invested	**6.686**	**5.958**	**-10,9**	***100,0***	***100,0***	
Tangible capital invested	**6.525**	**5.817**	**-10,9**			
Net worth as % of borrowings	*84,4*	*70,6*				
Net worth less intangibles as % of borrowings	*80,0*	*66,6*				
Total assets	**10.154**	**9.127**	**-10,1**			
of which intangibles	***161***	***141***	***-12,4***			
Total assets less intangibles	**9.993**	**8.986**	**-10,1**			
Cash and cash equivalents	**442**	**614**	**38,9**			
Marketable securities	**–**	**–**	**–**			
Capital expenditure	**395**	**285**	**-27,8**			
Average number of employees	**...**	**...**	**...**			

TABLE: I.25 - ASIAN-RUSSIAN MANUFACTURING COMPANIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	1.166.833	1.172.443	0,5	*100,0*	*100,0*	
Operating expenses	-1.093.502	-1.095.119	0,1	*-93,7*	*-93,4*	*0,3*
Net operating margin	**73.331**	**77.324**	**5,4**	***6,3***	***6,6***	***0,3***
Interest and financing revenues (charges)	-4.907	-6.688	36,3	*-0,4*	*-0,6*	*-0,2*
Other financial and sundry gains (losses)	8.929	8.611	-3,6	*0,8*	*0,7*	*-0,1*
Current pre-tax profit	**77.353**	**79.247**	**2,4**	***6,6***	***6,8***	***0,2***
Non current gains (losses)	3.522	-7.266	neg/pos	*0,3*	*-0,6*	*-0,9*
Taxation	-16.968	-16.154	-4,8	*-1,5*	*-1,4*	*0,1*
Net profit attributable to parent company	**63.907**	**55.827**	**-12,6**	***5,5***	***4,8***	***-0,7***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	506.285	540.366	6,7	*62,0*	*62,8*	*0,8*
Minority interests in net worth	40.288	44.689	10,9	*4,9*	*5,2*	*0,3*
Borrowings	270.361	275.310	1,8	*33,1*	*32,1*	*-1,0*
Capital invested	**816.934**	**860.365**	**5,3**	***100,0***	***100,0***	
Tangible capital invested	**727.952**	**777.968**	**6,9**			
Net worth as % of borrowings	*202,2*	*212,5*				
Net worth less intangibles as % of borrowings	*169,3*	*182,6*				
Total assets	**1.182.198**	**1.228.184**	**3,9**			
of which intangibles	***88.982***	***82.397***	***-7,4***			
Total assets less intangibles	**1.093.216**	**1.145.787**	**4,8**			
Cash and cash equivalents	**130.064**	**144.818**	**11,3**			
Marketable securities	**72.093**	**69.895**	**-3,0**			
Capital expenditure	**53.839**	**62.958**	**16,9**			
Average number of employees	**...**	**...**	**...**			

Table: I.26 - Asian-russian energy companies: annual results

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	879.113	722.547	-17,8	*100,0*	*100,0*	
Operating expenses	-776.113	-648.266	-16,5	*-88,3*	*-89,7*	*-1,4*
Net operating margin	**103.000**	**74.281**	**-27,9**	***11,7***	***10,3***	***-1,4***
Interest and financing revenues (charges)	-9.738	-10.272	5,5	*-1,1*	*-1,4*	*-0,3*
Other financial and sundry gains (losses)	-6.932	-688	-90,1	*-0,8*	*-0,1*	*0,7*
Current pre-tax profit	**86.330**	**63.321**	**-26,7**	***9,8***	***8,8***	***-1,0***
Non current gains (losses)	-10.943	-12.878	17,7	*-1,2*	*-1,8*	*-0,6*
Taxation	-23.948	-13.613	-43,2	*-2,7*	*-1,9*	*0,8*
Net profit attributable to parent company	**51.439**	**36.830**	**-28,4**	***5,9***	***5,1***	***-0,8***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	588.414	609.897	3,7	*64,5*	*63,4*	*-1,1*
Minority interests in net worth	52.896	58.615	10,8	*5,8*	*6,1*	*0,3*
Borrowings	270.310	292.831	8,3	*29,7*	*30,5*	*0,8*
Capital invested	**911.620**	**961.343**	**5,5**	***100,0***	***100,0***	
Tangible capital invested	**875.302**	**917.374**	**4,8**			
Net worth as % of borrowings	*237,2*	*228,3*				
Net worth less intangibles as % of borrowings	*223,8*	*213,3*				
Total assets	**1.185.156**	**1.219.392**	**2,9**			
of which intangibles	***36.318***	***43.969***	***21,1***			
Total assets less intangibles	**1.148.838**	**1.175.423**	**2,3**			
Cash and cash equivalents	**130.064**	**85.652**	**-34,1**			
Marketable securities	**72.093**	**32.996**	**-54,2**			
Capital expenditure	**122.356**	**111.798**	**-8,6**			
Average number of employees	**...**	**...**	**...**			

Table: I.27 - Rest of world manufacturing companies: annual results

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	152.983	168.590	10,2	*100,0*	*100,0*	
Operating expenses	-138.808	-152.421	9,8	*-90,7*	*-90,4*	*0,3*
Net operating margin	**14.175**	**16.169**	**14,1**	***9,3***	***9,6***	***0,3***
Interest and financing revenues (charges)	-5.446	-4.995	-8,3	*-3,6*	*-3,0*	*0,6*
Other financial and sundry gains (losses)	578	249	-56,9	*0,4*	*0,1*	*-0,3*
Current pre-tax profit	**9.307**	**11.423**	**22,7**	***6,1***	***6,8***	***0,7***
Non current gains (losses)	-1.809	-2.302	27,3	*-1,2*	*-1,4*	*-0,2*
Taxation	-2.585	-3.116	20,5	*-1,7*	*-1,8*	*-0,1*
Net profit attributable to parent company	**4.913**	**6.005**	**22,2**	***3,2***	***3,6***	***0,4***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	69.174	73.220	5,8	*47,8*	*44,1*	*-3,7*
Minority interests in net worth	7.043	7.690	9,2	*4,9*	*4,6*	*-0,3*
Borrowings	68.399	84.948	24,2	*47,4*	*51,2*	*3,8*
Capital invested	**144.616**	**165.858**	**14,7**	***100,0***	***100,0***	
Tangible capital invested	**107.777**	**120.424**	**11,7**			
Net worth as % of borrowings	*111,4*	*95,2*				
Net worth less intangibles as % of borrowings	*57,6*	*41,8*				
Total assets	**195.712**	**221.913**	**13,4**			
of which intangibles	***36.839***	***45.434***	***23,3***			
Total assets less intangibles	**158.873**	**176.479**	**11,1**			
Cash and cash equivalents	**17.880**	**22.430**	**25,4**			
Marketable securities	**2.801**	**2.404**	**-14,2**			
Capital expenditure	**9.443**	**13.331**	**41,2**			
Average number of employees	**...**	**...**	**...**			

Table: I.28 - Rest of world energy companies: annual results

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	252.277	187.066	-25,8	*100,0*	*100,0*	
Operating expenses	-210.110	-161.671	-23,1	*-83,3*	*-86,4*	*-3,1*
Net operating margin	**42.167**	**25.395**	**-39,8**	***16,7***	***13,6***	***-3,1***
Interest and financing revenues (charges)	-10.878	-16.866	55,0	*-4,3*	*-9,0*	*-4,7*
Other financial and sundry gains (losses)	-117	-4.851	n.c.	*0,0*	*-2,6*	*-2,6*
Current pre-tax profit	**31.172**	**3.678**	**-88,2**	***12,4***	***2,0***	***-10,4***
Non current gains (losses)	-27.802	-19.811	-28,7	*-11,0*	*-10,6*	*0,4*
Taxation	2.038	1.774	-13,0	*0,8*	*0,9*	*0,1*
Net profit attributable to parent company	**5.408**	**-14.359**	**neg/pos**	***2,1***	***-7,7***	***-9,8***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	207.119	174.659	-15,7	*52,2*	*43,4*	*-8,8*
Minority interests in net worth	24.038	24.344	1,3	*6,1*	*6,1*	*0,0*
Borrowings	165.452	203.312	22,9	*41,7*	*50,5*	*8,8*
Capital invested	**396.609**	**402.315**	**1,4**	***100,0***	***100,0***	
Tangible capital invested	**387.084**	**394.177**	**1,8**			
Net worth as % of borrowings	*139,7*	*97,9*				
Net worth less intangibles as % of borrowings	*134,0*	*93,9*				
Total assets	**550.217**	**531.092**	**-3,5**			
of which intangibles	***9.525***	***8.138***	***-14,6***			
Total assets less intangibles	**540.692**	**522.954**	**-3,3**			
Cash and cash equivalents	**17.708**	**41.361**	**133,6**			
Marketable securities	**8.018**	**10.576**	**31,9**			
Capital expenditure	**56.514**	**44.951**	**-20,5**			
Average number of employees	**...**	**...**	**...**			

Table: I.29 - Software & Web: annual results

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	370.810	466.815	25,9	*100,0*	*100,0*	
Operating expenses	-294.035	-378.637	28,8	*-79,3*	*-81,1*	*-1,8*
Net operating margin	**76.775**	**88.178**	**14,9**	***20,7***	***18,9***	***-1,8***
Interest and financing revenues (charges)	840	432	-48,6	*0,2*	*0,1*	*-0,1*
Other financial and sundry gains (losses)	886	35	-96,0	*0,2*	*0,0*	*-0,2*
Current pre-tax profit	**78.501**	**88.645**	**12,9**	***21,2***	***19,0***	***-2,2***
Non current gains (losses)	8.543	-519	pos/neg	*2,3*	*-0,1*	*-2,4*
Taxation	-23.037	-21.787	-5,4	*-6,2*	*-4,7*	*1,5*
Net profit attributable to parent company	**64.007**	**66.339**	**3,6**	***17,3***	***14,2***	***-3,1***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	388.003	458.675	18,2	*75,6*	*73,6*	*-2,0*
Minority interests in net worth	3.348	6.684	99,6	*0,7*	*1,1*	*0,4*
Borrowings	121.880	157.830	29,5	*23,7*	*25,3*	*1,6*
Capital invested	**513.231**	**623.189**	**21,4**	***100,0***	***100,0***	
Tangible capital invested	**337.864**	**432.537**	**28,0**			
Net worth as % of borrowings	*321,1*	*294,8*				
Net worth less intangibles as % of borrowings	*177,2*	*174,1*				
Total assets	**740.103**	**905.461**	**22,3**			
of which intangibles	***175.367***	***190.652***	***8,7***			
Total assets less intangibles	**564.736**	**714.809**	**26,6**			
Cash and cash equivalents	**110.469**	**120.472**	**9,1**			
Marketable securities	**163.649**	**218.680**	**33,6**			
Capital expenditure	**25.481**	**29.454**	**15,6**			
Average number of employees	**801.075**	**871.927**	**8,8**			

TABLE: I.30 - TELECOMMUNICATIONS: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	681.436	706.379	3,7	*100,0*	*100,0*	
Operating expenses	-586.512	-597.429	1,9	*-86,1*	*-84,6*	*1,5*
Net operating margin	**94.924**	**108.950**	**14,8**	***13,9***	***15,4***	***1,5***
Interest and financing revenues (charges)	-19.801	-19.916	0,6	*-2,9*	*-2,8*	*0,1*
Other financial and sundry gains (losses)	2.273	4.896	115,4	*0,3*	*0,7*	*0,4*
Current pre-tax profit	**77.396**	**93.930**	**21,4**	***11,4***	***13,3***	***1,9***
Non current gains (losses)	-6.089	-872	-85,7	*-0,9*	*-0,1*	*0,8*
Taxation	-20.445	-28.373	38,8	*-3,0*	*-4,0*	*-1,0*
Net profit attributable to parent company	**50.862**	**64.685**	**27,2**	***7,5***	***9,2***	***1,7***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	459.211	501.038	9,1	*46,7*	*47,3*	*0,6*
Minority interests in net worth	27.508	30.153	9,6	*2,8*	*2,8*	*0,0*
Borrowings	497.303	527.764	6,1	*50,4*	*49,8*	*-0,6*
Capital invested	**984.022**	**1.058.955**	**7,6**	***100,0***	***100,0***	
Tangible capital invested	**498.861**	**487.186**	**-2,3**			
Net worth as % of borrowings	*97,9*	*100,6*				
Net worth less intangibles as % of borrowings	*0,3*	*-7,7*				
Total assets	**1.474.830**	**1.623.973**	**10,1**			
of which intangibles	***485.161***	***571.769***	***17,9***			
Total assets less intangibles	**989.669**	**1.052.204**	**6,3**			
Cash and cash equivalents	**78.638**	**57.068**	**-27,4**			
Marketable securities	**52.123**	**48.088**	**-7,7**			
Capital expenditure	**123.072**	**130.815**	**6,3**			
Average number of employees	**2.074.690**	**2.292.775**	**10,5**			

TABLE: I.31 - UTILITIES: ANNUAL RESULTS

	12 months			12 months		
	2014	2015	Change	2014	2015	Change
	EUR m	EUR m	%	%	%	
Net sales	692.460	692.768	0,0	*100,0*	*100,0*	
Operating expenses	-618.285	-620.234	0,3	*-89,3*	*-89,5*	*-0,2*
Net operating margin	**74.175**	**72.534**	**-2,2**	***10,7***	***10,5***	***-0,2***
Interest and financing revenues (charges)	-25.589	-23.569	-7,9	*-3,7*	*-3,4*	*0,3*
Other financial and sundry gains (losses)	2.628	3.986	51,7	*0,4*	*0,6*	*0,2*
Current pre-tax profit	**51.214**	**52.951**	**3,4**	***7,4***	***7,6***	***0,2***
Non current gains (losses)	-20.181	-21.160	4,9	*-2,9*	*-3,1*	*-0,2*
Taxation	-9.320	-8.403	-9,8	*-1,3*	*-1,2*	*0,1*
Net profit attributable to parent company	**21.713**	**23.388**	**7,7**	***3,1***	***3,4***	***0,3***
	as at 31/12/2014	*as at 31/12/2015*				
Net worth	349.570	332.701	-4,8	*38,7*	*37,0*	*-1,7*
Minority interests in net worth	57.783	61.713	6,8	*6,4*	*6,9*	*0,5*
Borrowings	496.330	504.914	1,7	*54,9*	*56,1*	*1,2*
Capital invested	**903.683**	**899.328**	**-0,5**	***100,0***	***100,0***	
Tangible capital invested	**706.013**	**709.797**	**0,5**			
Net worth as % of borrowings	*82,1*	*78,1*				
Net worth less intangibles as % of borrowings	*42,2*	*40,6*				
Total assets	**1.562.793**	**1.732.601**	**10,9**			
of which intangibles	***197.670***	***189.531***	***-4,1***			
Total assets less intangibles	**1.365.123**	**1.543.070**	**13,0**			
Cash and cash equivalents	**58.728**	**52.015**	**-11,4**			
Marketable securities	**32.916**	**39.903**	**21,2**			
Capital expenditure	**176.000**	**182.198**	**3,5**			
Average number of employees	**1.051.207**	**1.060.276**	**0,9**			