

Report on Limited Review

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and Interim Management Report
for the six-month month period ended
June 30, 2019

REPORT ON LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Translation of a report and financial statement originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the shareholders of GESTAMP AUTOMOCIÓN, S.A. at the request of the Company's Directors:

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of GESTAMP AUTOMOCIÓN, S.A. (hereinafter the parent) and subsidiaries (hereinafter the Group), which comprise the balance sheet at June 30, 2019, the income statement, the statement of total changes in equity, the cash flow statement, the statement of recognized income and expense and the notes thereto, all of which have been condensed and consolidated, for the six-month period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with the requirements established by IAS 34, "Interim Financial Reporting," adopted by the European Union for the preparation of interim condensed financial reporting as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope

We have performed our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

During the course of our limited review, which under no circumstances can be considered an audit of accounts, no matter came to our attention which would cause us to believe that the accompanying interim financial statements for the six-month period ended June 30, 2019 have not been prepared, in all material respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted by the European Union in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim condensed financial statements.

Emphasis of matter paragraphs

We draw attention to the matter described in Note 4.1 of the accompanying explanatory notes, which indicates that the abovementioned accompanying interim financial statements do not include all the information that would be required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2018. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated management report for the six-month period ended June 30, 2019 contains such explanations as the parent's directors consider necessary regarding significant events which occurred during this period and their effect on these interim financial statements, of which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six-month period ended on June 30, 2019. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph, and does not include the review of information other than that obtained from the accounting records of GESTAMP AUTOMOCIÓN S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the Directors of the parent, GESTAMP AUTOMOCIÓN, S.A., with regard to the publication of the half yearly financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23, approving the consolidated text of the Securities Market Law enacted by Royal Decree 1362/2007 of October 19.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Ramón Masip López

July 25, 2019

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

**Interim Condensed Consolidated Financial Statements
for the six-month period ended
30 June 2019**



GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
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GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2019 AND DECEMBER 31, 2018
(In thousands of euros)

ASSETS	Note	June 30, 2019	December 31, 2018
Non-current assets			
Intangible assets	10	467,967	450,707
Goodwill		95,892	98,343
Other intangible assets		372,075	352,364
Property, plant and equipment	11	4,473,506	3,877,695
Land and buildings		1,387,364	1,172,492
Plant and other PP&E		2,443,491	2,032,335
PP&E under construction and prepayments		642,651	672,868
Financial assets	12	77,057	58,015
Investments in associates accounted for using the equity method		14,372	2,390
Loans and receivables		32,514	37,407
Derivatives in effective hedges		17,624	6,019
Other non-current financial assets		12,547	12,199
Deferred tax assets		349,570	322,888
Total non-current assets		5,368,100	4,709,305
Current assets			
Inventories	13	563,707	490,745
Commodities and other consumables		450,592	404,794
By-products and scrap		1,062	1,266
Prepayments to suppliers		112,053	84,685
Assets from contracts with customers	14	759,988	678,217
Work in progress		228,758	204,612
Finished products and by-products		152,034	142,589
Trade receivables, tooling		379,196	331,016
Trade and other receivables	15	1,144,602	1,001,710
Trade receivables		812,310	717,165
Other receivables		36,455	44,501
Current income tax assets		5,637	28,333
Receivables from public authorities		290,200	211,711
Other current assets	15	127,694	109,926
Financial assets	12	87,851	94,258
Loans and receivables		36,103	35,320
Securities portfolio		16,749	4,316
Other current financial assets		34,999	54,622
Cash and cash equivalents	15	491,470	616,497
Total current assets		3,175,312	2,991,353
Total assets		8,543,412	7,700,658

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2019 AND DECEMBER 31, 2018

(In thousands of euros)

	Note	June 30, 2019	December 31, 2018
EQUITY AND LIABILITIES			
Equity			
Capital and reserves attributable to equity holders of the parent			
Issued capital	16	287,757	287,757
Treasury shares	16	(4,256)	(6,041)
Share premium	16	61,591	61,591
Retained earnings	17	1,849,338	1,829,418
Translation differences	18	(364,055)	(387,381)
Interim dividend	17	-	(37,346)
Equity attributable to equity holders of the parent		1,830,375	1,747,998
Equity attributable to non-controlling interest	19	465,266	430,997
Total equity		2,295,641	2,178,995
Liabilities			
Non-current liabilities			
Deferred income	20	26,301	22,695
Non-current provisions	21	127,586	121,915
Non trade liabilities	22	3,307,016	2,751,784
Interest-bearing loans and borrowings and debt issues		2,620,819	2,589,086
Derivative financial instruments		80,774	56,117
Other non-current financial liabilities		592,517	96,571
Other non-current liabilities		12,906	10,010
Deferred tax liabilities		294,114	285,795
Other non-current liabilities		17,237	18,164
Total non-current liabilities		3,772,254	3,200,353
Current liabilities			
Non trade liabilities	22	471,074	446,747
Interest-bearing loans and borrowings and debt issues		180,110	75,897
Derivative financial instruments		-	1,197
Other current financial liabilities		73,778	182,350
Other non-trade liabilities		217,186	187,303
Trade and other payables	23	1,990,326	1,857,193
Trade accounts payable		1,632,052	1,539,592
Current tax liabilities		72,217	32,568
Other accounts payable		286,057	285,033
Current provisions	21	11,837	13,246
Other current liabilities		2,280	4,124
Total current liabilities		2,475,517	2,321,310
Total liabilities		6,247,771	5,521,663
Total equity and liabilities		8,543,412	7,700,658

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND JUNE 30, 2018
(In thousands of euros)**

	Note	June 30, 2019	June 30, 2018
CONTINUING OPERATIONS			
OPERATING INCOME	24	4,646,298	4,399,607
Revenue		4,513,202	4,277,772
Other operating income		100,514	85,378
Changes in inventories		32,582	36,457
OPERATING EXPENSE	25	(4,401,833)	(4,121,590)
Raw materials and other consumables		(2,709,508)	(2,552,638)
Personnel expenses		(826,534)	(788,179)
Depreciation, amortization, and impairment losses		(276,262)	(209,919)
Other operating expenses		(589,529)	(570,854)
OPERATING PROFIT		244,465	278,017
Financial income	26	3,030	2,158
Financial expenses	26	(78,070)	(66,357)
Exchange gains (losses)		13,132	(8,189)
Share of profits from associates - equity method	12	2,405	144
Change in fair value of financial instruments	22	(13,231)	(1,913)
Impairment and gains (losses) on sale of financial instruments		-	(399)
Inflation result	4.5	115	-
PROFIT BEFORE TAXES FROM CONTINUING OPERATIONS		171,846	203,461
Income tax expense	27	(42,313)	(52,031)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		129,533	151,430
PROFIT FOR THE YEAR		129,533	151,430
Profit (loss) attributable to non-controlling interest	19	(29,366)	(15,832)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		100,167	135,598
Earnings per share (euros)			
-Basic	28	0.17	0.24
From continuing operations		0.17	0.24
From discontinued operations		-	-
-Diluted	28	0.17	0.24
From continuing operations		0.17	0.24
From discontinued operations		-	-

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND JUNE 30, 2018
(In thousands of euros)**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
PROFIT FOR THE YEAR	129,533	151,430
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income not to be reclassified to income in next years:</i>		
Actuarial gains and losses	17	(76)
<i>Other comprehensive income to be reclassified to income in next years:</i>		
From cash flow hedges	22.b.1)	(1,398)
Translation differences	<u>33,330</u>	<u>(13,227)</u>
Attributable to Parent Company	18	23,326
Attributable to non-controlling interest	19	10,004
TOTAL COMPREHENSIVE INCOME NET OF TAXES	<u>161,389</u>	<u>140,862</u>
Attributable to:		
- Parent Company	122,019	127,044
- Non-controlling interest	39,370	13,818
	<u>161,389</u>	<u>140,862</u>

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR PERIOD ENDED JUNE 30, 2019

(In thousands of euros)

	Issued capital (Note 16)	Treasury Shares (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Translation differences (Note 18)	Interim Dividend (Note 17)	Total capital and reserves	Non-controlling interest (Note 19)	Total equity
AT JANUARY 1, 2019	287,757	(6,041)	61,591	1,829,418	(387,381)	(37,346)	1,747,998	430,997	2,178,995
Profit for the period	-	-	-	100,167	-	-	100,167	29,366	129,533
Fair value adjustments (hedge) (Note 22.b.1))	-	-	-	(1,398)	-	-	(1,398)	-	(1,398)
Variation in translation differences (Note 18)	-	-	-	-	23,326	-	23,326	10,004	33,330
Actuarial gains and losses	-	-	-	(76)	-	-	(76)	-	(76)
Total comprehensive income	-	-	-	98,693	23,326	-	122,019	39,370	161,389
Dividends distributed by the Parent Company (Note 17.3)	-	-	-	(77,632)	-	37,346	(40,286)	-	(40,286)
Dividends distributed by subsidiaries (Note 17.3 and Note 19)	-	-	-	-	-	-	-	(9,073)	(9,073)
Tresury Shares acquisition (Note 17.3)	-	1,785	-	(225)	-	-	1,560	-	1,560
Business Combinations (Gestamp Etem Automotive Bulgaria, S.A)	-	-	-	-	-	-	-	4,854	4,854
Other movements and adjustments from prior years	-	-	-	(916)	-	-	(916)	(882)	(1,798)
AT JUNE 30, 2019	287,757	(4,256)	61,591	1,849,338	(364,055)		1,830,375	465,266	2,295,641

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR PERIOD ENDED JUNE 30, 2018

(In thousands of euros)

	Issued capital (Note 16)	Share premium (Note 16)	Retained earnings (Note 17)	Translation differences (Note 18)	Total capital and reserves	Non-controlling interest (Note 19)	Total equity
AT JANUARY 1, 2018	287,757	61,591	1,551,924	(366,516)	1,534,756	435,799	1,970,555
Profit for the period	-	-	135,598	-	135,598	15,832	151,430
Fair value adjustments (hedge)	-	-	2,691	-	2,691	-	2,691
Variation in translation differences	-	-	-	(11,229)	(11,229)	(1,998)	(13,227)
Actuarial gains and losses	-	-	(16)	-	(16)	(16)	(32)
Total comprehensive income	-	-	138,273	(11,229)	127,044	13,818	140,862
Dividends distributed by the Parent Company (Note 17.3)	-	-	(71,939)	-	(71,939)	-	(71,939)
Dividends distributed by subsidiaries	-	-	-	-	-	(6,119)	(6,119)
Acquisitions of non-controlling interest (control over the company previously) (Note 2.b))	-	-	(4,162)	-	(4,162)	(34,857)	(39,019)
Acquisitions of non-controlling interest (assuming control over the company) (Note 2.b))	-	-	-	-	-	1,794	1,794
IFRS 15 adoption impact	-	-	11,194	-	11,194	1,263	12,457
IFRS 9 adoption impact	-	-	80,097	-	80,097	-	80,097
Other movements and adjustments from prior years	-	-	(267)	-	(267)	248	(19)
AT JUNE 30, 2018	287,757	61,591	1,705,120	(377,745)	1,676,723	411,946	2,088,669

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 AND JUNE 30, 2018
(In thousands of euros)**

	Note	June 30, 2019	June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxes and after non-controlling interest		142,480	187,629
Adjustments to profit		397,359	296,584
Depreciation and amortization of intangible assets and PP&E	10-11	276,262	209,919
Gain (loss) attributable to non-controlling interest	19	29,366	15,832
Financial income	26	(3,030)	(2,158)
Financial expenses	26	78,070	66,357
Exchange rate differences		(13,132)	-
Share of profit/(loss) from associates - equity method	12	(2,405)	(144)
Change in fair value of financial instruments		13,231	1,912
Result of exposure to inflation		(115)	-
Impairment	13-14-15	-	(169)
Change in provisions	21	5,630	(192)
Grants released to income	20	(1,963)	(1,955)
Gain (loss) from disposal of intangible assets and PP&E		(260)	(80)
Realized exchange rate differences		16,892	-
Unrealized exchange rate differences		-	7,329
Other incomes and expenses		(1,187)	(67)
Changes in working capital		(233,238)	(230,065)
(Increase)/Decrease in Inventories	13-14	(105,125)	(59,685)
(Increase)/Decrease in Trade and other receivables	14-15	(176,006)	(162,251)
(Increase)/Decrease in Other current assets	15	(17,758)	(28,199)
Increase/(Decrease) in Trade and other payables	23	71,110	20,360
Increase/(Decrease) in Other current liabilities		(5,459)	(290)
Other cash-flows from operating activities		(103,200)	(76,415)
Interest paid		(74,107)	(53,450)
Interest received		3,030	2,641
Income tax received/(paid)		(32,123)	(25,606)
Cash flows from operating activities		203,401	177,733
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		(454,575)	(562,073)
Group companies and associates		(12,000)	(14,252)
Addition to consolidation scope		4,083	-
Other intangible assets	10-22	(60,698)	(55,830)
Property, plant and equipment	11-22	(385,960)	(476,220)
Net change in financial assets		-	(15,771)
Proceeds from divestments		24,306	5,290
Other intangible assets	10	2,985	663
Tangible assets	11	10,285	4,627
Net change of financial assets		11,036	-
Grants, donations and legacies received	20	5,558	736
Cash flows from investing activities		(424,711)	(556,047)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds and payments on equity instruments		11,173	(39,194)
Net Change in non-controlling interests	19	(3,382)	(37,254)
Treasury shares	16	1,785	-
Other movements in equity		12,770	(1,940)
Proceeds and payments on financial liabilities		126,216	132,127
Issue		220,569	770,020
Bonds and other marketable securities		-	393,313
Interest-bearing loans and borrowings		145,143	182,775
Net change in credit facilities, discounted bills and factoring		72,530	20,253
Borrowings from related parties		-	146,517
Other borrowings		2,896	27,162
Repayment of		(94,353)	(637,893)
Net change in credit facilities, discounted bills and factoring		(72,542)	(612,654)
Borrowings from related parties		(20,884)	(5,606)
Other borrowings		(927)	(19,633)
Payments on dividends and other equity instruments		(37,346)	(5,496)
Dividends	17-19-22	(37,346)	(5,496)
Cash flows from financing activities		100,043	87,437
Effect of changes in exchange rates		(3,760)	(6,290)
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS		(125,027)	(297,167)

GESTAMP AUTOMOCIÓN, S.A. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

Nota 1. Activity of Gestamp Automoción, S.A. and Subsidiaries (hereinafter, the Group)

GESTAMP AUTOMOCIÓN, S.A., hereinafter the "Parent Company", was incorporated on 22 December 1997. Its registered office is in Abadiano (Vizcaya, Spain), at the Lebario Industrial Park.

Its corporate purpose is to provide advisory and financing services and a link with the automobile industry for all its subsidiaries.

On 2 August 2012, the Parent Company registered the deed of transformation into a public limited company at the Vizcaya Commercial Registry. Additionally, since 7 April 2017 the shares of the Parent Company are listed on the four Spanish Stock Exchanges (Madrid, Barcelona, Valencia and Bilbao).

The Parent, in turn, forms part of a group headed by its majority shareholder, Acek, Desarrollo y Gestión Industrial, S.L., and the companies forming such group perform significant commercial and financial transactions under the terms and conditions established among the parties on an arm's length basis. Intra-Group and related parties transfer prices are duly documented in a transfer price dossier as stipulated by the prevailing legislation.

All the Group's subsidiaries centre their activities around the development and manufacture of metal components for the automotive industry via stamping, assembly, welding, tailor welded blanks, the construction of tools (moulds for the manufacture of parts) and machinery and the Group also has services companies and companies engaging in the research and development of new technologies.

Most of the Group's activities are located in the Western Europe segment; the North America segment constitutes the second most significant geographic market and the Asia segment the third one (Note 9).

Group sales are concentrated across a limited number of customers due to the nature of the automotive industry.

Nota 2. Scope of Consolidation

2.a Breakdown of scope of consolidation

Appendix I lists the companies forming the scope of consolidation, together with the consolidation method used, registered office, line of business, ownership interest (direct and indirect) and the auditors of such companies.

Appendix II lists the companies that hold the indirect investments corresponding to 30 June 2019 and 31 December 2018.

No significant subsidiaries have been excluded from the scope of consolidation.

The closing of the financial year for the companies included in the scope of consolidation is 31 December, with the exception of the subsidiaries Gestamp Services India Private, Ltd., Gestamp

Automotive India Private, Ltd, Gestamp Automotive Chennai Private Ltd. and Gestamp Pune Automotive Private Ltd, whose financial years close on 31 March. However, an accounting close at 31 December was performed to include the financial statements of these companies in the Group's Interim Condensed Consolidated Financial Statements at 30 June 2019 and 31 December 2018.

There are no significant restrictions on the capability to access or use the assets or settle the liabilities of the subsidiaries included in the scope of consolidation.

2.b Changes in the scope of consolidation

2019

The main changes in the scope of consolidation during 2019 were the following:

- On 24 April 2019, the subsidiary Gestamp North Europe Services, S.L. acquired 51% of the share capital of Etem Automotive Bulgaria, S.A. This company was included in the scope of consolidation using the full consolidation method (Note 3). Subsequently, this company became known as Gestamp Etem Automotive Bulgaria, S.A. The net effect of this business combination amounted to 2,552 thousand euros is registered under the heading "Operating Profit" (income) (Note 3)
- Also, on 24 April 2019, the subsidiary Gestamp North Europe Services, S.L. acquired 49% of the share capital of Etem Aluminium Extrusions, S.A. amounting to 9.500 thousand euros. This company was included in the scope of consolidation using the equity method (Note 12). Subsequently, this company became known as Etem Gestamp Aluminium Extrusions, S.A. The net effect of this acquisition amounted to 1,956 thousand euros is registered under the heading "Share of profits from associates-equity method" (income) (Note 12.a).
- In January 2019, Edscha North America Technologies, LLC. was formed. This company was wholly owned by the subsidiary Edscha Automotive Michigan, Inc. It was included in the scope of consolidation using the full consolidation method.

2018

The main changes in the scope of consolidation during 2018 were the following:

- On 14 December 2018, Autotech Engineering Spain, S.L. was formed, in which the subsidiaries Gestamp Bizkaia, S.A. and Autotech Engineering, S.L. have shareholdings of 0.01% and 99.99%, respectively. This company was included in the scope of consolidation using the full consolidation method.
- On 14 December 2018, Autotech Engineering France, SAS was formed, in which the subsidiaries Gestamp Bizkaia, S.A. and Autotech Engineering, S.L. have shareholdings of 55% and 45%, respectively. This company was included in the scope of consolidation using the full consolidation method.
- On 10 October 2018, the merger operation took place between Gestamp Palencia, S.A. (the acquiring company) and Gestamp Galvanizados, S.A.U. (the acquired company).
- On 18 September 2018, Gestamp Auto Components Sales (Tianjin), Co., Ltd. was formed, in which the subsidiary Gestamp China Holding Co., Ltd. has an ownership interest of 49% and the non-controlling interest Beijing Hainachuan Automotive Parts, Co., Ltd. has an ownership

interest of 51%. This company was included in the scope of consolidation using the equity method.

- On 14 September 2018, the Parent Company and the subsidiary, Gestamp Bizkaia, S.A., acquired 99.99% and 0.01%, respectively, of the share capital of Reparaciones Industriales Zaldibar, S.L., with 14 November being the effective acquisition date. This company was included in the scope of consolidation using the full consolidation method (Note 3).
- On 30 July 2018, an increase was recognised in the share capital of the subsidiary of Gestamp Auto Components (Tianjin) Co., Ltd., whereby the non-controlling interest, Beijing Hainachuan Automotive Parts, Co., Ltd. was incorporated with the acquisition of 49% of the company's share capital. Accordingly, the Group went from owning 100% of the capital of that company to owning 51%.

Since the transaction involves a change in the ownership interest retaining the control, the difference between the adjustment of the controlling interest (13,438 thousand euros) (Note 19) and the fair value of the consideration paid (16,333 thousand euros) is directly recognised in equity (2,895 thousand euros).

- On 3 July 2018, Edscha Pha Automotive Components (Kunshan) Co., Ltd. was formed. (China), in which the Group owns 100% of its share capital. This company was included in the scope of consolidation using the full consolidation method.
- On 17 May 2018, the subsidiary GMF Holding GmbH acquired from the non-controlling interest 35% of the capital of its investee Sofedit S.A.S. Accordingly, it became the owner of 100% of the capital of that company and of its investee (Gestamp Wroclaw, sp. Z.o.o.). Since the transaction involves a change in the ownership interest retaining the control, the difference between the adjustment of the non-controlling interest (34,857 thousand euros) (Note 19) and the fair value of the consideration paid (39,019 thousand euros) is directly recognised in equity (4,162 thousand euros) (Note 17).
- On 8 May 2018, Gestamp Autocomponents Beijing Co., Ltd was formed. This company was included in the scope of consolidation using the full consolidation method.
- On April 26, 2018 Tuyauto Gestamp Morocco (Morocco) was created, in which the Group holds a 50% stake. As a result of assuming control over this company, non-controlling interests of 1,765 thousand euros arose (Note 19).
- On 9 March 2018, Gestamp Mejicana de Servicios Laborales II, S.A. de C.V. was formed. This company was included in the scope of consolidation using the full consolidation method.
- On 5 February 2018, Gestamp Brasil Industria de Autopeças, S.A, in which the Group holds a 70% stake, acquired 100% of the capital of NCSG Sorocaba Industria Metalúrgica Ltda. (Brazil) (Note 3). As a result of assuming control over this company, non-controlling interests amounting to 29 thousand euros were generated (Note 19).

Nota 3. Business combinations**2019****Gestamp Etem Automotive Bulgaria, S.A.**

On 24 April 2019, the subsidiary Gestamp North Europe Services, S.L. signed a purchase and sale agreement with Etem Automotive Bulgaria, S.A. , acquiring 51% of the capital of that company for 2,500 thousand euros, which were paid in full at the acquisition date. Subsequently, this company became known as Gestamp Etem Automotive Bulgaria, S.A.

The company's object is the marketing and industrialisation of post-extrusion activities.

The fair value of the assets and liabilities of Gestamp Etem Automotive Bulgaria S.A. obtained from the balance sheet upon consolidation is as follows:

	Thousands of euros
Intangible assets (Note 10)	247
Property, plant and equipment	
Plant and other PP&E (Note 11)	6,723
Inventories	
Commodities and other consumables (Note 13)	598
Finished and semi-finished products	804
Prepayments	26
Trade receivables	4,157
Deferred Tax Assets	38
Cash and cash equivalents	4,083
Other assets	10
	<u>16,686</u>
Other non-current liabilities	27
Other current liabilities	3,615
Trade accounts payable	3,138
	<u>6,780</u>
Net assets	9,906
Percentage of direct shareholding acquired	51.00%
Attributable net assets	5,052
Total consideration	2,500
Net effect of the business combination	(2,552)

The net effect of the business combination amounted to 2,552 thousand euros and was registered under the heading "Other operating income" in the Consolidated Income Statement at 30 June 2019. (Note 24.b)

Revenue and profit attributable to the business combination from the date of incorporation to 30 June 2019 was not significant.

The headcount of this business unit incorporated into the Group comprised approximately 124 people.

There were no significant costs associated with this transaction.

2018**Reparaciones Industriales Zaldibar, S.L.**

On 14 September 2018, the Parent Company and the subsidiary, Gestamp Bizkaia, S.A. signed an agreement to purchase Reparaciones Industriales Zaldibar, S.L. , acquiring 100% of the capital of that

company for 4,000 thousand euros, of which a contingent liability amounting to 2,000 thousand euros was pending payment at 31 December, subject to certain conditions stipulated in the agreement.

The effective date of that agreement was 14 November 2018.

This business combination generated goodwill amounting to 444 thousand euros (Note 10).

The company's object is to provide integral assembly, disassembly, improvements, transfers and other works related with the industrial equipment.

The fair value of the assets and liabilities of Reparaciones Industriales Zaldívar, S.L., obtained from the consolidation balance sheet was as follows:

	Thousands of euros
Property, plant and equipment	
Plant and other PP&E (Note 11)	100
Trade receivables	1,026
Cash and cash equivalents	815
Financial Assets (Note 12)	29
	<u>1,970</u>
Other non-current liabilities	1
Other current liabilities	10
Trade accounts payable	396
Deferred Taxes	7
	<u>414</u>
Net assets	1,556
Percentage of direct shareholding acquired	100.00%
Attributable net assets	1,556
Total consideration	2,000
Net effect of the business combination	444
Percentage of indirect shareholding	100.00%
Final net effect of the business combination	444

The revenue and the income attributable to this business combination since the incorporation date to 31 December 2018 amounted to 360 thousand euros and 77 thousand euros of profit, respectively.

The headcount of this business unit incorporated into the Group comprised approximately 17 people.

There were no significant costs associated with this transaction.

NCSG Sorocaba Industria Metalúrgica Ltda.

On 5 February 2018, Gestamp Brasil Industria de Autopeças, S.A. signed an agreement to purchase NCSG Sorocaba Industria Metalúrgica Ltda. , acquiring 100% of the capital of that company for 80,000 thousand Brazilian reais (19,671 thousand euros). Of this amount, 23,532 thousand Brazilian reais (5,558 thousand euros) were pending at 31 December 2018 and the outstanding payment is booked under the heading "Other current liabilities" (Note 22.d).

The agreement entered into force on 2 April 2018.

The company's main activity is the manufacturing of automobile components.

The fair value of the assets and liabilities of NCSG Sorocaba Industria Metalúrgica Ltda., obtained from the balance sheet upon consolidation, was as follows:

	Thousands of euros
Intangible assets (Note 10)	8
Property, plant and equipment (Note 11)	
Land and buildings	6,592
Plant and other PP&E	9,514
Inventories	
Commodities and other consumables (Note 13)	1,412
Finished and semi-finished products	510
Trade receivables	4,864
	<u>22,900</u>
Deferred Taxes	389
Other current liabilities	1,331
Trade accounts payable	1,413
	<u>3,133</u>
Net assets	19,766
Percentage of direct shareholding acquired	100.00%
Attributable net assets	19,766
Total consideration	19,671
Net effect of the business combination	(95)
Percentage of indirect shareholding	70.00%
Final net effect of the business combination	(67)

The net effect of the business combination amounted to 67 thousand euros and was registered under the heading “Other operating income” in the Consolidated Income Statement at 31 December 2018.

The revenue and the income attributable to this business combination since the incorporation date to 31 December 2018 amounted to 28,819 thousand euros and 2,073 thousand euros of profit, respectively.

The headcount of this business unit incorporated into the Group comprised approximately 482 people.

There were no significant costs associated with this transaction.

Nota 4. Basis of presentation

4.1 Fair presentation

The Group’s Interim Condensed Consolidated Financial Statements at 30 June 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and approved by European Commission Regulations, in force at 30 June 2019. However, these Interim Condensed Consolidated Financial Statements do not include all the information that would be required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and, accordingly, the Interim Condensed Consolidated Financial Statements should be read together with the Group’s Consolidated Financial Statements for the year ended 31 December 2018.

The Interim Condensed Consolidated Financial Statements have been prepared on the basis of the auxiliary accounting records at 30 June 2019 and 31 December 2018 of each of the Group companies. Each company prepares its Financial Statements in accordance with the accounting principles and standards in force in the country in which it operates; the required adjustments and reclassifications were made in the consolidation process in order to harmonise the policies and methods used to adapt them to IFRS.

The figures stated in the documents comprising these Interim Condensed Consolidated Financial Statements are expressed in thousands of euros unless otherwise indicated and are therefore roundable.

4.2 [Comparison of information](#)

The following companies were incorporated in the scope of consolidation in 2019:

- Edscha North America Technologies, LLC.
- Gestamp Etem Automotive Bulgaria, S.A.
- Etem Gestamp Aluminium Extrusions, S.A.

The first two companies were included in the scope of consolidation by the full consolidation method and the latter company using the equity method.

The following companies were incorporated into the scope of consolidation in 2018 using the full consolidation method:

- Reparaciones Industriales Zaldívar, S.L.
- Autotech Engineering Spain, S.L.
- Autotech Engineering France, S.A.S.
- Edscha Pha Automotive Components (Kunshan) Co., Ltd.
- NCSG Sorocaba Industria Metalúrgica Ltda.
- Tuyauto Gestamp Morocco, S.A.
- Gestamp Autocomponents (Beijing), co. Ltd.
- Gestamp Mejicana de Servicios Laborales, II S.A. de C.V.

Also, Gestamp Auto Components Sales (Tianjin), Co., Ltd. was incorporated using the equity method.

Lastly, the merger by absorption took place between Gestamp Palencia, S.A. (the acquiring company) and Gestamp Galvanizados, S.A.U. (the acquired company).

4.3 [Basis of consolidation](#)

The Interim Condensed Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiaries at 30 June 2019.

The Group controls a subsidiary if and only if the Group in turn:

- Power over the subsidiary (rights that give the ability to direct the relevant activities of the subsidiary)
- Exposure, or rights to variable returns from its involvement in the subsidiary and
- The ability to use its power over the subsidiary to affect the said variable returns.

When the Group does not hold the majority of voting rights or similar rights of the subsidiary, the Group considers all relevant facts and circumstances to assess the existence of control. This includes:

- Contractual agreements with other investors holding voting rights of the subsidiary
- Rights arisen from other contractual agreements
- Potential voting rights of the Group
- Power over relevant activities of the subsidiary

When facts and circumstances indicate changes in one or more elements determining control over a subsidiary, the Group reassesses the existence of control over such subsidiary (Note 7).

Subsidiaries are fully consolidated from the acquisition date, when the Group obtains control, and continue to be consolidated until the date when such control ceases. If the Group loses or relinquishes control of a subsidiary, the Interim Condensed Consolidated Financial Statements include that subsidiary's results for the portion of the year during which the Group held control.

The financial statements of the subsidiaries have the same closing date as the Parent Company, except for the companies mentioned in Note 2.a. The said companies have an additional closing for the financial year for their inclusion to the Interim Condensed Consolidated Financial Statements, which are drawn up using the same accounting policies in a uniform and coherent procedure.

The profit or loss of a subsidiary company is attributed to non-controlling interests, even if it involves recording a debit balance with them.

Changes in shareholding percentage that do not mean loss of control are reflected as an equity transaction. When the Group loses control of a subsidiary:

- The Group derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of non-controlling interests.
- Derecognises translation differences taken to equity.
- Recognises the fair value of the consideration received for the transaction.
- Recognises the fair value of any retained investment.
- Recognises any gain or loss in the Interim Condensed Consolidated Income Statement.
- Reclassifies to profit or loss or to retained earnings, as appropriate, the Parent Company's interest in the items previously recognised in Other Comprehensive Income.

Subsidiaries

The full consolidation method is used for companies included in the scope of consolidation, controlled by the Parent Company, in accordance with the definition included at the beginning of this section.

Joint ventures

Interests in joint ventures are consolidated using the equity method until the date on which the Group ceases to have joint control over the venture.

A joint venture is an arrangement whereby the parties have joint control of the rights to the net assets of the joint venture. Joint control is the contractual agreement to share control and it exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities. Those parties are called joint operators.

The joint operations where the Group acts as joint operator are consolidated under interest in assets, liabilities, income and expenses.

Associates

Investments in which the Group has significant influence but not control have been consolidated under the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the subsidiary but it does not imply control or joint control on those policies. Considerations to make in order to decide whether there is significant influence are similar to those made to decide whether there is control over a subsidiary.

For the purposes of the preparation of the accompanying Interim Condensed Consolidated Financial Statements, significant influence is deemed to exist in investments in which the Group, directly or indirectly, holds over 20% of the voting power, and in certain instances where the Group's holding is less than 20%, but significant influence can be clearly demonstrated.

Translation of financial statements of foreign companies

The assets and liabilities and income statements of foreign companies included in the Interim Condensed Consolidated Financial Statements, whose functional currency is different from the presentation currency, are translated to euros using the closing foreign exchange rates method as follows:

- The assets, rights and liabilities of foreign operations are translated at the exchange rate prevailing at the date of the Interim Condensed Consolidated Financial Statements.
- Income and expenses are translated using the average exchange rate, as long as that average is a reasonable approximation of the cumulative effect of the actual exchange rates prevailing at the transactions dates.

The difference between the amount of the equity of the foreign companies, including the balance of the income statement in accordance with the preceding paragraph, translated at the historical exchange rate and the equity position resulting from the translation of the assets, rights and obligations in accordance with the first paragraph above, is recorded, with the corresponding negative or positive sign, in the Equity in the Interim Condensed Consolidated Balance Sheet under the heading "Translation differences" (Note 18).

Exchange gains and losses due to the impact of changes in the functional currency relative to the euro on foreign currency borrowings between Group companies considered permanent are taken directly to equity under "Translation differences", net of their tax effect. Such reclassification in 2019 represents an increase of translation differences amounting to 10.8 million euros (decrease of 21.4 million euros in 2018).

Permanent financing transactions are considered to be intragroup loans to subsidiaries whose repayment is not foreseen and are therefore treated as equity.

At 30 June 2019, the Parent Company held own shares representing 0.14% of its share capital (0.19% at 31 December 2018) (Note 16.b). The subsidiaries do not own investments issued by the Parent Company at 30 June 2019 or at 31 December 2018.

The effect of the change in exchange rates when presenting the Statement of Cash Flows using the indirect method has been calculated taking into account an average of the year for Cash and cash equivalents and the change in exchange rates has been applied at the end of each of the years.

Transactions between companies included in the scope of consolidation

The following transactions and balances were eliminated upon consolidation:

- Reciprocal receivables/payables and expenses/income relating to intra-Group transactions.
- Income from the purchase and sale of property, plant and equipment and intangible assets as well as unrealised gains on inventories, if the amount is significant.
- Intra-Group dividends and the debit balance corresponding to interim dividends recognised at the company that paid them.

Non-controlling interests

The value of non-controlling interests in the equity and results of the consolidated subsidiaries is presented under "Non-controlling interest" in the Equity in the Interim Condensed Consolidated Balance Sheet and in "Profit (loss) attributable to non-controlling interest" in the Interim Condensed Consolidated Income Statement and Interim Condensed Consolidated Statement of Comprehensive Income, respectively.

4.4 Going concern

The Group's management has drawn up these Interim Condensed Consolidated Financial Statements on a going concern basis given its judgment that there are no uncertainties regarding its ability to continue as a going concern.

The Group has sufficient financing in place to fund its operations. The outstanding balance at 30 June 2019 of the Group's gross financial debt amounted to 3,467 million euros (2,944 million euros at 31 December 2018) (Note 4.6), of which 93% matures at over 12 months (91% at 31 December 2018).

At 30 June 2019, the Group had cash and cash equivalents totalling 1,504.7 million euros (31 December 2018: 1,508.7 million euros), whose breakdown was as follows.

	Million euros	
	30-06-2019	2018
Cash and Cash equivalents	491.5	616.4
Short-term investments	16.7	4.3
Undrawn credit facilities		
Maturing at over 12 months	299.2	287.0
Revolving Credit Facility	325.0	280.0
Maturing at under 12 months	372.3	320.0
TOTAL	1,504.7	1,508.7

4.5 Argentina hyperinflation adjustment

Since all the inflation indicators for Argentina point to cumulative inflation in three years exceeding 100%, and there are no qualitative matters to mitigate the situation, Argentina must be considered to be a hyperinflationary economy from 1 July 2018, so IAS 29 "Financial Reporting in Hyperinflationary Economies", applies, requiring the Interim Condensed Consolidated Financial Statements to be expressed in terms of the current measurement unit on the date of the year reported. This restatement of accounting values was carried out as follows:

- Separation and identification of all balance sheet items between monetary and non-monetary. The monetary items are cash and the balances receivable or payable in Argentine pesos, including the assets from customer contracts. The non-monetary items are intangible assets,

property, plant and equipment, tooling and other similar assets. The income statement and equity items are also deemed to be non-monetary items for the purposes of calculating hyperinflation. No significant items measured at current cost were identified.

- Non-monetary assets and liabilities: These assets were recognised at cost from their acquisition date. These items are restated from their acquisition date, multiplying the carrying amount at historical cost by the index obtained as a result of dividing the index at year-end by the index at the acquisition date.
- Income and expenses: These items were restated in line with the performance of the price index from the date on which they were recognised until the period-end date.
- The Income Statement of the Argentine companies in the Interim Condensed Consolidated Financial Statements was translated to euros at the year-end exchange rate.
- Calculation and recognition of the deferred taxes arising from the change in accounting values with respect to tax values.

The index used for the restatement was a synthetic index. To restate the balances prior to 31 December 2016, the wholesale price index was used and, from 1 January 2017, the National Consumer Price Index was used.

The comparative figures in the Interim Condensed Consolidated Financial Statements with respect to the companies in Argentina are those of the previous year, that is, they are not adjusted by hyperinflation nor will they be adjusted for subsequent changes in the level of prices or exchange rates in subsequent years. This gives rise to differences between equity at the end of the previous year and equity at the beginning of the year under way and, as an accounting policy option, these changes are presented in the Translation Differences heading.

The effect on the Interim Condensed Consolidated Financial Statements at 30 June 2019 of the inflation adjustment made in the manner described in the previous paragraphs was as follows:

		Thousands of euros					
		30-06-19			31-12-18		
		Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	Total	Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	Total
Plant and other PP&E	(Note 11)	11,381	25,856	37,237	11,451	25,227	36,678
Intangible Assets		24	41	65	21	-	21
Accounts receivable by stage of completion, tools		2,108	4,947	7,055	1,773	2,531	4,304
Trade payables (Tooling)		(3,141)	(5,260)	(8,401)	(3,042)	(3,956)	(6,998)
Deferred tax assets		-	78	78	-	0	0
Deferred tax liabilities		(2,507)	(6,474)	(8,981)	(2,487)	(5,950)	(8,437)
EFFECT NON-MONETARY ASSETS AND LIABILITIES (Asset increase)		7,865	19,188	27,053	7,716	17,852	25,568
Revenue		197	730	927	3,504	13,041	16,545
Cost of materials used		(33)	(1,322)	(1,355)	(1,248)	(7,136)	(8,384)
Staff costs		(48)	(93)	(141)	(1,446)	(2,308)	(3,754)
Other operating expenses		(58)	(132)	(190)	(733)	(1,118)	(1,851)
EFFECT ON EBITDA		58	(817)	(759)	77	2,479	2,556
Depreciation and amortisation and impairment		440	1,069	1,509	955	2,369	3,324
Finance income		(7)	(10)	(17)	10	438	448
Finance costs		(9)	(41)	(50)	(80)	(1,011)	(1,091)
Exchange gains (losses)		(15)	(5)	(20)	(116)	(26)	(142)
Income tax		2,787	231	3,018	143	188	331
Result of exposure to inflation		(1,447)	1,332	(115)	952	4,159	5,111
EFFECT ON RESULTS FOR THE YEAR (Loss)		1,807	1,759	3,566	1,941	8,596	10,537
EFFECT ON RESERVES (Losses from previous years)		1,941	8,596	10,537	-	-	-
PRIOR EFFECT ON TRANSLATION DIFFERENCES (Asset increase)		(11,613)	(29,543)	(41,156)	(9,657)	(26,448)	(36,105)
Effect non-controlling interests due allocation of translation differences		(3,398)	(8,241)	(11,639)	(2,813)	(6,691)	(9,504)
Effect non-controlling interests due allocation of income and expenses		498	528	1,026	499	1,336	1,835
Effect non-controlling interests due allocation of reserves		499	1,336	1,835	-	-	-
EFFECT ON NON-CONTROLLING INTEREST (Equity and liabilities increase)		(2,401)	(6,377)	(8,778)	(2,314)	(5,355)	(7,669)
TOTAL EFFECT ON TRANSLATION DIFFERENCES (Assets increase)	(Note 18)	(8,215)	(21,302)	(29,517)	(6,844)	(19,757)	(26,601)
TOTAL EFFECT ON INCOME AND EXPENSES (loss)		1,309	1,231	2,540	1,442	7,260	8,702
EFFECT ON RESERVES (Equity and liabilities decrease/losses from previous years)		1,442	7,260	8,702	-	-	-

Balance-sheet accounts with a positive sign relate to receivable balances and the negative sign to payable balances. Income statement accounts with a positive sign relate to expenses and the negative sign to income.

4.6 Alternative management indicators

Together with the indicators given in the IFRS, the Group uses a set of alternative management indicators, since it considers that they help in the decision-making process and economic-financial situation and are widely used by investors, financial analysts and other stakeholders. These indicators are not defined by IFRS and thus may not be directly comparable with other similar indicators used by other companies.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

EBITDA is an alternative management indicator because it provides useful information regarding the plants' ability to generate operating results (before interest, taxes and amortisation), divisions and the Group as a whole, and it is one of the indicators used by lenders to measure our financial capacity, on comparing it with debt.

The impact of the amendments to the IFRS in the year (Note 5) have not changed the definition of EBITDA.

EBITDA represents the operating profit before depreciation, amortization and impairment losses. It is calculated as the difference between two aggregates defined under IFRS, without performing any adjustments thereto.

The calculation of EBITDA at 30 June 2019 and 30 June 2018 is as follows:

	30-06-2019	30-06-2018
Operating Profit	244,465	278,017
Depreciation and amortisation and impairment	276,262	209,919
	520,727	487,936

For the purposes of providing comparable figures, the proforma EBITDA at 30 June 2019, excluding the impact of the application of IFRS 16, would be 477,701 thousand euros.

The calculation of the EBITDA at 30 June 2019, based on the information contained in the Interim Condensed Consolidated Statement of Cash Flows was as follows:

Profit before taxes attributable to equity holders of the company	142,480
Adjustments to profit	378,247
Depreciation and amortization of assets	276,262
Gain (loss) attributable to non-controlling interest	29,366
Financial incomes	(3,030)
Financial expenses	78,070
Exchange rate differences	(13,132)
Share of profit/(loss) from associates - equity method	(2,405)
Change in fair value of financial instruments	13,231
Result of exposure to inflation	(115)
TOTAL EBITDA	520,727

EBIT (Earnings Before Interest and Taxes)

EBIT is the Operating Profit. It is calculated before Tax and Non-controlling interest.

CAPEX

The Group uses the CAPEX as an alternative management indicator, since it provides significant information on the investment decisions performed by the Group, and it is also related with the financing of operations.

CAPEX is calculated by adding the additions to Other intangible assets and to Property, plant and equipment.

The calculation of the CAPEX at 30 June 2019 and 31 December 2018 is as follows (Notes 10.b) and 11):

	30-06-2019	2018
Additions to Other intangible assets	57,391	112,411
Additions to Property, plant and equipment	377,246	807,804
	434,637	920,215

Net Financial Debt

Net Financial Debt provides useful information with regard to the level of debt held by the Group related with compliance with financial obligations (“covenants”), and the changes therein relate to cash generation before lending transactions more directly than the changes in gross debt. The impact of IFRS 9 in the year (Note 22) did not change the definition of such Alternative Management Indicator, calculating it by reference to the data from the Interim Condensed Consolidated Financial Statements.

The calculation of the Net Financial Debt at 30 June 2019 and 31 December 2018 is as follows (Note 22):

	Thousands of euros	
	30-06-2019	31-12-2018
Interest-bearing loans and borrowings and debt issues	2,800,929	2,664,983
Finance lease	54,082	46,638
Borrowings from related parties	182,643	203,527
Other borrowings	27,770	28,756
Operating lease (IFRS 16)	401,800	-
Gross Financial Debt (Note 22 and Note 4.4)	3,467,224	2,943,904
Current financial assets	(87,851)	(94,258)
Cash and cash equivalents	(491,470)	(616,497)
Subtotal	(579,321)	(710,755)
Net financial debt	2,887,904	2,233,150

For the purposes of providing comparable figures, the proforma Net financial debt at 30 June 2019, excluding the impact of the application of IFRS 16, would be 2,486,104 thousand euros.

Nota 5. Changes in accounting policies**a) Standards and interpretations approved by the European Union and applied for the first time during the period****IFRS 16 - Leases**

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions in the Legal Form of a Lease*. This standard establishes the principles for the recognition, measurement, presentation and disclosures to be revealed regarding the leases, and requires the lessees to recognise all the leases under a single balance-sheet model.

The Group adopted IFRS 16 applied for the first time on 1 January 2019, using the modified retroactive method. This means that the cumulative effect of the initial application is recognised as an adjustment to the opening balance of the initial cumulative profits for the six-month period ended 30 June 2019 and that the comparative figures for the preceding year have not been restated.

For transition purposes, at the date of first-time application, the Group decided to use the practical solution of applying IFRS 16, exclusively for the leases that were already identified as such, in accordance with the previous standards (IAS 17 and IFRIC 4). The Group has also decided to apply the exemptions proposed under the standard to the lease arrangements that ended within 12 months of the date of first-time application ("short-term leases"), and for the lease arrangements for which the underlying asset has a low value ("low value assets").

The impact of the adoption of IFRS 16 at 1 January 2019 was as follows:

	Thousands of euros
Assets	
Assets for rights of use	395,110
Liabilities	
Lease liabilities	395,110

In addition to these liabilities for lease arrangements recognised at the date of first application, 1 January 2019, the Group held liabilities for lease arrangements totalling 46,638 thousand euros, corresponding to the lease arrangements classified as finance leases. Also, the Group recognised rights on the use of leases that had been previously classified as finance leases, for a gross cost of 63,251 thousand euros (see Note 11).

Nature of the impact of IFRS 16

The Group is lessee of buildings, warehouses, machinery and vehicles. Prior to the adoption of IFRS 16, the Group assessed at the commencement of these arrangements whether an operating lease or a

finance lease was involved. The lease was classified as a finance lease if substantially all the risks and benefits of ownership of the asset were transferred; otherwise they were classified as operating leases.

In the finance leases, a fixed asset was recognised for the fair value of the asset, or for the present value of the minimum lease payments, if lower. The financial liability was subsequently recognised at amortised cost.

With regard to operating leases, an asset was not recognised on the balance sheet and, in exchange, an expense was recognised on a straight-line basis in the income statement during the lease period. All advance payments or accrued income are recognised as prepaid expenses or accounts payable, respectively.

However, with the adoption of IFRS 16, the Group applies a single recognition and measurement model for all leases in which it operates as lessee, except for low value assets and short-term leases.

The standard provides certain practical solutions and requirements in the transition that have been applied by the Group:

- *Leases previously classified as finance leases*

The Group has not modified the carrying amount of the assets and liabilities recognised at the date of first-time application of the leases that had previously been classified as finance leases. That is, the rights of use and the leased liabilities are the same as the leased assets and liabilities recognised under IAS 17. Accordingly, the requirements of IFRS 16 for this type of lease will be applied from 1 January 2019.

- *Leases previously classified as operating leases*

The Group recognised the rights of use and the leased liabilities for those leases previously classified as operating leases, except for short-term leases and those relating to low value assets.

The leased liabilities were calculated at the present value of the outstanding payments, using the incremental interest rate at the date of first-time application. For most of the leases, the rights of use were calculated as if the standard had always been in force, but using the incremental interest rate at the date of first-time application. For the remaining leases, rights of use were calculated at the same amount for lease liabilities, adjusting the advance payments made.

The Group also applied the following practical solutions available: such as considering short-term leases as those that end in the following 12 months or less from the date of first-time application and using current information.

In relation to the presentation, the rights of use and lease liabilities were presented separately from other assets and liabilities in the statement of financial position.

The reconciliation of lease liabilities recognised in the transition to IFRS 16 on 1 January 2019 to the operating lease commitments detailed in the financial statements at 31 December 2018 was as follows:

	Thousands of euros
Operating leases commitments at December 31, 2018	524,279
Detail:	
Commitments relating to IFRS 16 at December 31, 2018	479,688
Commitments relating to software at December 31, 2018	7,696
Commitments related to current lease agreements and non material assets at December 31, 2018	36,895
Commitments relating to IFRS 16 at December 31, 2018	479,688
weighted average discount rate	5.16%
Lease agreements liabilities at January 1, 2019 (Discounted commitments relating to IFRS 16)	395,110

IFRIC 23 – Uncertainty over Income Tax Treatments

The Interpretation addresses the recognition of income tax when the tax treatments imply uncertainty that affects the application of IAS 12. This interpretation is not applied to taxes or levies excluded from the scope of IAS 12, nor does it include the treatment of the related interest and penalties that may arise. The interpretation specifically addresses the following aspects:

- ▶ When an entity should consider uncertainty as to tax separately.
- ▶ The hypothesis that must be made by an entity about whether the tax treatment will be reviewed by the tax authorities.
- ▶ How an entity should determine taxable income, tax bases, tax losses to be offset, tax deductions and tax rates.
- ▶ How an entity should consider changes in facts and circumstances.

Any entity must determine to consider every uncertainty over income tax separately or jointly with other uncertainties over income tax. The criterion to be applied is that which best clarifies the uncertainty linked to income tax. Following the assessment performed by the Group, it was concluded that this interpretation did not have a significant effect on the Interim Condensed Consolidated Financial Statements.

b) Standards and interpretations issued by the IASB, but not applicable in this year

Amendments to IFRS 3 - Business combinations

The amendments change the business definition of IFRS 3 to help entities to determine whether a transaction must be recognised as a business combination or as the acquisition of a group of assets. This distinction is highly important, since the acquirer only recognises goodwill when a business is acquired.

The new business definition emphasises that the purpose of a business is to provide goods and services to customers, which generate investment income (such as dividends or interest) or which generate other income from ordinary activities, while the previous definition focused on providing return in the form of dividends, less costs or other economic benefits directly to investors or other owners, members or participants.

The new business definition will be applied by the Group to acquisitions that take place from 1 January 2020 or later.

Amendments to IAS 1 and IAS 8 – Definition of material

The amendments to the definition of material are made so that it is easier to make judgements on what is material. The definition of material helps the entities to decide whether the information must

be included in the Consolidated Financial Statements or, where appropriate, in the Interim Condensed Consolidated Financial Statements. These amendments clarify this definition and include guides on how it must be applied. Also, the explanations accompanying this definition were improved and it was ensured that the definition of material is consistent in all the standards.

The amendments will be applied to the annual periods beginning on 1 January 2020 or later, and their early application is permitted. The Group will assess the content of its Consolidated Financial Statement in accordance with the new definition, although it does not expect significant changes.

Nota 6. Summary of significant accounting policies

6.1 Foreign currency transactions

Functional and presentation currency

Line items included in the financial statements of each entity are valued using the functional currency of the primary economic environment in which it operates.

The Interim Condensed Consolidated Financial Statements are presented in thousands of euros, as the Euro is the Group's presentation currency and the functional currency of the Parent Company.

Transactions in foreign currency other than the functional currency of each company

Transactions in foreign currencies different to the functional currency of each company are translated to the Group's functional currency at the exchange rate prevailing at the date of the transaction. Exchange gains and losses arising on the settlement of these transactions or on translating foreign currency denominated monetary assets and liabilities at closing rates are recognised in the Interim Condensed Consolidated Income Statement.

6.2 Property, plant and equipment

Property, plant and equipment is carried at either acquisition, transition cost to IFRS (1 January 2007), or production cost, including all the costs and expenses directly related with assets acquired until ready for use, less accumulated depreciation and any impairment losses. Land is not depreciated and is presented net of any impairment charges.

Acquisition cost includes:

- Purchase price.
- Cash discounts that reduce the value of the asset.
- Directly attributable costs incurred to ready the asset for use.

Prior to the date of transition to international accounting standards (1 January 2007), certain Group companies remeasured certain tangible assets under various legal provisions (RDL 7/1996; Norma foral del Gobierno vasco 6/1996 and various international legal provisions), the amount of these remeasurements being considered as part of the cost of the assets in accordance with IAS 1.

At the date of transition to EU-IFRS (1 January 2007), all property, plant and equipment was measured at fair value at that date on the basis of a report by an independent expert, which led to a revaluation of the Group's assets (Note 11).

The carrying value of Property plant, and equipment acquired by means of a business combination is measured at its fair value, determined by an independent expert at the moment of its incorporation into the Group (Note 6.3).

Specific spare parts: certain major parts of some items of Property, plant and equipment may require replacement at irregular intervals. The cost of these parts is capitalized when the part is replaced and depreciated over their estimated useful lives. The net carrying amount of replaced parts is retired with a charge to income when the replacement occurs.

Ordinary repair or maintenance work is not capitalised.

An item of Property, plant and equipment is retired upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on retirement of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is included in the Interim Condensed Consolidated Income Statement in the year the asset is retired.

Finance costs directly attributable to the acquisition or implementation of property, plant and equipment that require a substantial period of time to be available for use are capitalised in accordance with the accounting treatment in IAS 23. The amount of these capitalised finance costs is not material.

Annual depreciation is calculated using the straight-line method based on the estimated useful lives of the various assets.

The estimated useful lives of the various asset categories are:

	Estimated useful life (years)	
	2019	2018
Buildings	17 to 35	17 to 35
Plant and machinery	3 to 20	3 to 20
Other plant, tools and furniture	2 to 10	2 to 10
Other PP&E items	4 to 10	4 to 10

The estimated assets' useful lives are reviewed at each financial year end, and adjusted prospectively if revised expectations differ significantly from previous estimates.

No significant residual values at the end of useful lives are expected.

When the net book value of an individual item from Property, plant and equipment is higher than their recoverable value, impairment is considered and the value of the item is decreased to the recoverable value.

6.3 [Business combinations and consolidation goodwill](#)

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition cost is the sum of the total consideration transferred, measured at fair value at the acquisition date, and the amount of non-controlling interest of the acquired company, if any.

For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs incurred are registered under the heading “Other operating expenses”.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of the implicit derivatives of the main contracts of the acquired company.

Consolidation goodwill

Goodwill acquired in a business combination is initially measured, at the time of acquisition, at cost, that is, the excess of the total consideration paid for the business combination over the Parent Company’s interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquired business.

For companies whose functional currency is different from the presentation currency, the value of the goodwill recognised is updated using the rate of exchange prevailing at the Interim Condensed Consolidated Balance Sheet date, recognizing in Translation differences the differences between beginning and ending balances, according to IAS 21, considered to be belonging to the acquired business assets.

If the Parent Company’s interest in the net fair value of the identifiable acquired assets, assumed liabilities, and contingent liabilities exceeds the cost of the business combination, the Parent Company reconsiders the identification and measurement of the assets, liabilities, and contingent liabilities of the acquired company, as well as the measurement of the cost of the business combination (even non-monetary) and recognises any excess that continues to exist after this reconsideration in the Interim Condensed Consolidated Income Statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units or groups of cash-generating units (Note 6.7) expected to benefit from the business combination’s synergies, irrespective of any other Group assets or liabilities assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units to which the goodwill relates. If the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, the Group recognizes an impairment loss (Note 6.7).

6.4 Investment in associates and joint ventures

The Group has several participations in joint ventures, businesses over which the Group exercises joint control, where contractual agreements exist establishing joint control over the economic activities of the said companies. The contracts require that the agreement between the parties with respect to the operating and financial decisions be unanimous.

The Group also has interests in associates, which are companies over which the Group has significant influence.

The Group records its interest in associates and joint ventures using the equity method.

According to this method, the investment in an associate or a joint venture is initially recorded at cost. From the acquisition date on, the carrying amount of the investment is adjusted to reflect the changes of the investor's share of the net assets of the associate and the joint venture. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not amortised or individually tested for impairment.

The Interim Condensed Consolidated Income Statement reflects the Group's share of the results of operations of the associate or joint venture. When there has been a change recognised directly in equity by the associate or joint venture, the Group recognises its share of this change, when applicable, in the Interim Condensed Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated on the basis of the Group's interest in the associate or joint venture.

The Group's share of the results of the associate and joint venture is shown directly in the Interim Condensed Consolidated Income Statement and represents the profit after tax and the profit or loss of minority interests of the subsidiaries of the associate or joint venture.

The financial statements of the associate and the joint venture are prepared for the same period as the Group; the required adjustments and reclassifications have been made in consolidation in order to harmonise the policies and methods used by the Group.

After using the equity method, the Group decides if impairment losses on the investment in the associate or joint venture have to be recognised. At the closing date the Group considers if there are evidences of impairment of the investment in the associate or joint venture. If this is the case, the Group calculates the amount of the impairment loss as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognises this amount under the heading "Share of profit or loss of associates and joint ventures" in the Interim Condensed Consolidated Income Statement.

When the Group ceases to have significant influence over an associate or joint venture, the Group measures and recognises the investment it holds at fair value. Any difference between the carrying amount of the associate or joint venture at the time of the loss of significant influence and the fair value of the investment held plus the proceeds from the sale is recognised in the Interim Condensed Consolidated Income Statement.

6.5 [Other intangible assets](#)

Other intangible assets acquired by the Group are measured at cost less accumulated amortisation and any accumulated impairment losses.

An intangible asset is recognised only if it is probable that it will generate future benefits for the Group and that its cost can be reliably measured.

Research and development costs

Research costs are expensed as incurred.

Development expenditure is capitalised when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the resulting asset;

- Its ability to use or sell the intangible asset;
- The economic and commercial profitability of the project is reasonably ensured;
- The availability of adequate technical and financial resources to complete and to use or sell the resulting asset; and
- Its ability to measure reliably the expenditure during development.

Capitalised development expenses are amortised on a straight-line basis, over the period in which it is expected to obtain income or profits from the aforementioned project, which does not exceed 6 years.

At 30 June 2019 and 31 December 2018, no intangible assets corresponding to development expenses had been capitalised more than one year prior (with respect to those dates) and that had not begun to be amortised on those dates.

Concessions, patents, licences, trademarks, et al.

These intangible assets are initially measured at acquisition cost. They are assessed as having a finite useful life and are accordingly carried at cost net of accumulated amortization. Amortization is calculated using the straight-line method, based on the estimated useful life, in all instances less than 5 years; except the GESTAMP brand which is considered an asset of indefinite useful life.

Software

Software is measured at acquisition cost.

Software acquired from third parties, recognised as assets, is amortised over its estimated useful life, which does not exceed 5 years.

IT maintenance costs are expensed as incurred.

6.6 Financial assets

Following the IFRS 9's criteria, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Debt financial asset instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the IFRS 9 is as follows:

- instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.
- instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition.

The Group's financial instruments included in non-current financial assets, trade and other receivables, other current assets and current financial investments are recognised at amortised cost, taking into account the business model and the evaluation of the SPPI.

Investments accounted for using the equity method

Investments in associates or joint ventures, companies in which the Group has significant influence, are accounted for using the equity method (Note 6.4).

Derecognition of financial instruments

The Group retires a transferred financial asset from the Interim Condensed Consolidated Balance Sheet when it has transferred its rights to receive cash flows from the asset or, retaining these rights, when the Group has assumed a contractual obligation to pay the cash flows to a third party, and the Group has transferred substantially all the risks and rewards of ownership of the asset.

If the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity does not retire the transferred asset from its balance sheet and recognises a financial liability for the consideration received. This financial liability is subsequently measured at amortised cost. The transferred financial asset continues to be measured using the same criteria as prior to the transfer. The Group recognises any income on the financial asset transferred, together with any expense incurred on the financial liability, in the Interim Condensed Consolidated Income Statement, without any offsetting entry.

6.7 Impairment losses on assets

Impairment of assets Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount as either the group of assets' or cash-generating unit's fair value less costs to sell, or its value in use, whichever is higher.

The indicators of impairment are analysed at two levels: One, at the level of the Group's CGUs and the other for the corporate development expense intangible assets (R&D projects). It is considered that a CGU has signs of impairment if it is observed that its level of profitability is significantly below the average return of the segment and of the Group for an on-going period. Other qualitative factors that may affect the CGU are also considered. In the case of the R&D Projects, a significant variation in actual income with regard to expected income in the business plans estimated at the start of the project represent a sign of impairment.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets. The smallest identifiable group of assets designated are the operating plants or the individual companies.

When the carrying amount of a group of assets or CGU exceeds its recoverable amount, an impairment loss is recognised and its carrying amount is decreased to its recoverable amount.

Impairment losses with respect to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and, then, to proportionally reduce the carrying amount of the assets of the CGU unless, based on a review of the individual assets, it is considered that their fair value less costs to sell is higher than their carrying amount.

When assessing value in use, estimated future cash-flows are discounted at present value by using a pre-tax discount rate that reflects current market valuations of money and risks of the asset. For calculating the fair value of the asset less costs to sell, recent transactions are considered and if they

cannot be identified, a proper valuation method is used. These calculations are based on several considerations, market prices and other available indicators of the fair value.

The calculation of impairment is based on detailed budgets and provisions individually prepared for each CGU to which the asset is allocated. Those budgets and provisions refer to a five-year and after that it applies a long-term growth rate using for estimating future cash-flows.

Impairment losses on continuing operations, including inventory impairment, are recognised in the Interim Condensed Consolidated Income Statement under the expense headings relating to the function of the impaired asset.

For all assets except goodwill, an assessment is made every year to see if there is evidence that the impairment registered in previous years has been reduced or has disappeared. In such case, the Group estimates the recoverable value of the asset or the CGU.

A previously recognised impairment loss is reversed, with the reversal recognized in the Interim Condensed Consolidated Income Statement, if there has been a change in the assumptions used to determine the asset's recoverable amount. The restated recoverable amount of the asset cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

The following assets present specific characteristics when assessing their impairment:

Consolidation goodwill

Impairment test of goodwill is carried out on year end basis, and when there is also evidence that goodwill may be impaired.

The impairment test for the goodwill assesses the recoverable value of each CGU allocated to it. If the recoverable value of the CGU is lower than its carrying amount, an impairment loss is registered.

Goodwill impairment losses cannot be reversed in future periods.

Intangible assets

At year-end an impairment test is performed on intangible assets with indefinite useful lives, both at the individual level and at the CGU level, as appropriate, and when circumstances indicate that the carrying amount may be impaired.

Impairment of financial assets

The reduction in the fair value of available-for-sale financial assets that has been recognised directly in equity when there is objective evidence of impairment must be recognised in the Interim Condensed Consolidated Income Statement for the year. The cumulative loss recognised in the Interim Condensed Consolidated Income Statement is measured as the difference between the acquisition cost and current fair value.

Once an equity investment classified as available-for-sale has been impaired, any increase in value is registered in "Other comprehensive income" with no effect on the profit or loss for the year.

In the case of debt instruments classified as available-for-sale assets, if the fair value of an impaired debt instrument subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Interim Condensed Consolidated Income

Statement, the impairment loss would be reversed through the Interim Condensed Consolidated Income Statement.

The recoverable amount of held-to-maturity investments and loans and receivables carried at amortised cost is calculated as the present value of the expected future cash flows discounted at the original effective interest rate. The carrying amount of the asset will be reduced through the provision account. The amount of the loss is recognised in the Interim Condensed Consolidated Income Statement for the year. Current investments are not discounted to present value.

Impairment losses on loans and receivables carried at amortised cost are reversed if the subsequent increase in the recoverable amount can be objectively related to an event occurring after the impairment loss was recognised.

6.8 Assets and liabilities held for sale and discontinued operations

Assets and liabilities included in a disposal group whose recovery is expected through sale and not through continued use are included in this category. These assets are valued at lower cost between carrying amount and fair value less costs for sale.

Discontinued operations are reflected in the Interim Condensed Consolidated Income Statement separately from the revenue and expenses from continued operations. They are reflected on a single line as profit after taxes from discontinued operations.

At 30 June 2019 and 31 December 2018, no assets or liabilities were recognised under this heading or profits/losses from discontinued operations.

6.9 Trade and other receivables

Trade receivables are shown in the accompanying Interim Condensed Consolidated Balance Sheet at their face value.

Discounted bills pending maturity at year end are included in the accompanying Interim Condensed Consolidated balance sheet under "Trade receivables," with a balancing entry in "Interest-bearing loans and borrowings". The balances transferred to banks as Non-Recourse Factoring are not included in "Trade receivables" since all risks related to them, including bad and past-due debt risks, have been transferred to the bank (Note 15.a).

The Group records impairment allowances in order to cover the expected loss model.

6.10 Inventories

Inventories are valued at the lower of acquisition or production cost and net realisable value.

Cost includes all expenses derived from the acquisition and transformation of inventories, including any other expenses incurred to bring them to their present condition and location.

Inventories have been valued using the average weighted cost method.

When inventories are deemed impaired, their initially recognized value is written down to net realizable value (selling price less estimated costs of completion and sale).

6.11 Revenue recognition and assets from contracts with customers

Recognition of revenue from customer contracts

The Company earns its revenue primarily from the sale of welded and stamped parts, as well as the construction of toolings. These goods and services are delivered to customers over time and not necessarily together.

The policy of recognising the Group's income is determined by the five-stage model proposed by IFRS 15 Revenue from Contracts with Customers.

Identification of the contract with the customer

The Group's contracts are normally supply agreements for an unspecified number of orders and thus the term of each contract depends on the orders received.

The contracts are identified with the orders received from the customer, since this is when rights and obligations are created between both parties to produce the parts or build the tools.

Identification of the performance obligations

Given that control of manufactured toolings is transferred to the customer, the toolings are considered contract's goods and services. Manufacturing of the toolings as well as the parts necessary to ensure their correct operation is a single performance obligation.

Once the toolings are manufactured, each part requested by a customer corresponds to a separate performance obligation and thus, for practical purposes, they are not considered a series, given the short duration of the orders and the little time needed to produce the parts.

Taking into account the just in time production model with customers, at year-end, there were no significant performance obligations pending execution in relation to parts.

Determination of the price of the transaction and its allocation to the performance obligations

The price agreed in the orders represents the independent sales price of the goods and services being transferred in the contracts. The Group negotiates concessions or incentives that are discounted from expected future revenue despite the fact that the number of parts ordered with each contract is not known. Some orders have variable consideration for the reviews of prices under negotiation, which are estimated based on the expected probability method and, where appropriate, they would be limited to the amount that is highly unlikely to be reversed in the future.

On certain occasions, advance payments of future discounts are applicable to the agreement, which are normally paid at the beginning of the project to the customer. This payment complies with the definition of the asset, to the extent that the associated contracts (resource criteria controlled by the company) are going to generate profit (probability criteria). Once the manufacture of the tools has been completed and the parts manufacturing phase has commenced, it is highly unlikely that the customer will cancel the project and choose another supplier, because it would mean a significant delay in its production and therefore it is probable that profit will be generated. Furthermore, it is highly probable that the payment will be recovered through sales of future parts and it is probable that economic benefits will be generated.

This payment is normally associated with the parts supply agreement to the customer, which will determine the time criteria to transfer the asset to results for the advance payment.

The accounting treatment afforded is to recognise this asset for the payment made early and to transfer it to results as reduced income when the goods and services expected in the agreement are delivered, that is, for the number of parts supplied to the customer. Given that the agreement term with the customer normally exceeds one year and the payment is made at the beginning of the project, the amount paid reflects the current net value of the asset to be recognised, hence, in subsequent periods, the corresponding finance income must accrue.

Recognition of income

As the parts are made, goods are created that have no alternative use and the related orders generate rights and obligations wherein control of the parts is transferred to the customer.

Since the control of toolings and parts is transferred over time, progress is measured using the stage-of-completion method. The method that best represents the progress of the Group's activities is costs incurred as a percentage of total estimated costs. If the results of a contract cannot be reliably estimated, revenue is recognised only to the extent that the expenses recognised are recoverable.

Based on historical experience and the Group's current estimates, except in extraordinary circumstances, no losses will be generated upon final settlement of the manufacturing contracts for tools under construction. Exceptionally, should it be deemed likely that costs will not be recovered, an onerous contract provision would be recognised.

Other aspects of the income recognition policy

There are no incremental direct costs for obtaining contracts. Performance obligations representing a guarantee do not exist either.

A residual part of income corresponds to access licences (royalties). They are recognised in line with the accrual principle.

Assets from contracts with customers

Customer advances corresponding to tooling construction contracts reflect billing milestones and not necessarily the stage of completion of the tooling construction. Assets from contracts with customers includes the balancing entry for income recognised according to the stage of completion method for which the customer was not invoiced, deducting the customer advances received. These Assets from contracts with customers are presented at contract level with a customer.

Interest, royalties and dividends

Interest revenue is recognised as interest accrues taking into account the effective return of the asset (using the effective interest method, i.e., the rate that makes discounted future cash receipts through the expected life of the financial instrument equal to the initial carrying amount of the asset).

Dividends received from associates, integrated by the equity method, are recognised in results on an accrual basis.

6.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are subject to an insignificant risk of changes in value. An investment is

considered a cash equivalent when it has a maturity of three months or less from the date of acquisition or establishment.

6.13 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants related to assets (capital grants) are recognised in the Interim Condensed Consolidated Balance Sheet under "Deferred Income" and are recognised for the amount granted. The Interim Condensed Consolidated Income Statement will be allocated as the subsidised asset is depreciated/amortised.

When the grant relates to expenditure or operating items, it is recognised directly in the Interim Condensed Consolidated Income Statement as income.

6.14 Financial liabilities (suppliers, borrowings and others)

Financial liabilities are initially recognised at fair value net of transaction costs, except for financial liabilities at fair value with changes in the Interim Condensed Consolidated Income Statement. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, measured as the difference between their cost and redemption value, using the effective interest rate method.

Liabilities maturing in less than 12 months from the Interim Condensed Consolidated Balance Sheet date are classified as current, while those with longer maturity periods are classified as non-current.

A financial liability is retired when the obligation under the liability is discharged or cancelled or expires.

6.15 Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or implicit) as a result of past events, being probably that an outflow of resources will be required to settle the obligation, and when a reliable estimate can be made of the amount of the mentioned obligation.

Provisions are reviewed at each Interim Condensed Consolidated Balance Sheet date and adjusted to reflect the current best estimate of the liability.

Provisions for personnel restructuring are recorded for the expenses necessarily incurred in restructuring and for those not associated with the entity's normal activities.

Provisions for personnel restructuring are only recognised when there is a formal plan that identifies:

- the affected business;
- the main locations affected;
- the employees to receive redundancy payments;
- the outlays to be incurred;
- when it will be implemented;
- and it is also necessary that a real expectation has been generated that the restructuring will be carried out and that those affected have been informed.

The provisions are determined by discounting expected future cash outlays using the pre-tax market rate and, where appropriate, the risks specific to the liability. This method is only applied if the effects are significant. When discounting is used, the increase in the provision due to the passage of time is recognised as a financial expense.

Contingent liabilities are potential obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Group, as well as present obligations arising from past events, the amount of which cannot be reliably estimated or whose settlement may not require an outflow of resources. These contingent liabilities are only subject to disclosure and are not accounted for.

6.16 Employee benefits

The Group has assumed pension commitments for some companies located in Germany and France.

The Group classifies its pension commitments depending on their nature in defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into a separate entity (insurance company or pension plan), and will have no legal or constructive obligation to pay further contributions if the separate company does not carry out its assumed commitments. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

The Group carries out predetermined contributions into a separate entity (insurance company or pension plan), and will have no legal or implicit obligation to pay further contributions if the separate company does not have enough assets to attend employee benefits related to their services rendered in current and previous years.

The contributions made to defined contribution plans are recognized in profit and loss according to the accrual principle.

The amount registered in the Interim Condensed Consolidated Income Statement at 30 June 2019 was 2.3 million euros (30 June 2018: 2.4 million euros) (Note 25.b). This figure corresponds to contributions made in the United Kingdom.

Defined benefit plans

For defined benefit plans, the cost of providing these benefits is determined separately for each plan using the projected unit credit method. The actuarial gains and losses are recognised in OCI (Other Comprehensive Income) when incurred. In subsequent years, these actuarial gains and losses are registered as equity, and are not reclassified to profit and loss.

The amounts to be recognised in profit and loss are:

- Current service cost.
- Any past service cost and gains or losses upon payment.
- Net interest on the net defined benefit liability (asset), which is determined by applying the discount rate to the net defined benefit liability (asset).

The past service costs will be recognised as expenses at the earlier of the following dates (i) in the period when the plan is amended or curtailment occurs (ii) when the Group recognises related restructuring costs or benefits of termination.

The defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The rate used to discount post-employment benefit obligations shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds.

The deficit or surplus is:

- The present value of the defined benefit obligation.
- Less the fair value of plan assets with which obligations are directly cancelled.

Plan assets comprise assets held by a long-term employee benefit fund, and qualifying insurance policies. These assets are not available to the reporting entity's own creditors and cannot be returned to the reporting entity. Fair value is based on market price and in case of stock market values, it corresponds to published prices.

There are defined benefit schemes in Germany and France.

Indemnities

Indemnities to pay to employees dismissed through no fault of their own are calculated based on years of service. Any expenses incurred for indemnities are charged to the Interim Condensed Consolidated Income Statement as soon as they are known.

6.17 Leases

Rights of use

The Group recognises the rights of use on commencement of the lease. That is, the date on which the underlying asset is available for use. The rights of use are measured at cost, less accumulated amortisation and impairment losses, and they are adjusted due to any changes in the measurement of the associated lease liabilities. The initial cost of the rights of use includes the amount of the lease liabilities recognised, the initial direct costs and the lease payments made prior to the start of the lease. The incentives received are discounted at the initial cost. Unless the Group is reasonably certain of obtaining the ownership of the leased asset at the end of the lease period, the rights of use are amortised on a straight-line basis at the lower of the estimated useful life and the lease term. Rights of use are subject to the impairment analysis.

Lease liabilities

At the start of the lease, the Group recognises lease liabilities for the current value of the lease payments made during the lease period. Lease payments include fixed payments (including fixed payments in essence), less lease incentives, variable payments that depend on an index or a rate and the amounts expected to be paid to guarantee the residual value. Lease payments also include the exercise price of a purchase option if the Group has reasonable certainty that it will exercise such option and pay penalties to terminate the lease, if the lease term reflects the exercise by the Group of the option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which the event or condition occurs triggering the payment.

When the present value of lease payments is calculated, the Group uses the incremental interest rate at the start of the lease if the implicit interest rate in the lease cannot be determined easily. After the commencement date, the amount of the lease liabilities is increased to reflect cumulative interest and it is reduced as a result of the lease payments made. Furthermore, the lease liability will be measured

again in the event of a modification, a change in the lease term, a change in lease payments fixed in essence or a change in the assessment to purchase the underlying asset. The liability is also increased in the event of a change in future lease payments arising from a change in the index or rate used to determine these payments.

Short-term leases and leases of low value assets

The Group applies the exemption from recognising the short-term lease to its machinery and equipment leases that have a lease term of 12 month or less from the commencement date and that do not have a purchase option. It also applies the exemption from recognising low value assets to assets considered to have a low value. Lease payments in short-term leases and leases of low value assets are recognised as expenses on a straight-line basis during the lease period.

Criteria applied when determining the lease term for contracts with a renewal option.

The Group determines the lease period as the non-cancellable term of a lease, to which optional periods are added to extend the lease, if it is reasonably certain that such option will be exercised. It also includes the periods covered by the option to terminate the lease, if it is reasonably certain that such option will not be exercised.

The Group has the option, under some of its agreements, to lease assets for additional terms to the non-cancellable period. The Group is assessing whether it is reasonably certain that the option to renew will be exercised. That is, it considers all the pertinent factors that create an economic incentive to renew. After the commencement date, the Group re-assesses the lease term if there is a significant event or change in circumstances under its control affecting its ability to exercise or not exercise the renewal option. The Group included the renewal period as part of the lease term for offices, factories and warehouses due to the importance of these assets for its operations.

6.18 Income tax

The income tax recognised in the Interim Condensed Consolidated Income Statement includes current and deferred taxes.

Income tax expense is recognised in the Interim Condensed Consolidated Income Statement except for current income tax relating to line items in equity, which is recognised in equity and not in the income statement.

Current tax expense

Current tax expense is the amount of income taxes payable in respect of the taxable profit for the year and is calculated based on net profit for the year before deducting tax expense (accounting profit), increased or decreased, as appropriate, by permanent and temporary differences between accounting and taxable profit as provided for in prevailing tax legislation.

Tax credits

The carry forward of unused tax credits and tax losses is recognised as a reduction in tax expense in the year in which they are applied or offset, unless there is reasonable doubt as to their realisation, in which case they are not capitalised and are considered as a decrease in income tax expense in the year in which they are applied or offset.

Temporary differences

Deferred tax liabilities: a deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill or the

initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, affects neither the accounting nor the fiscal result.

Deferred tax assets: a deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting nor the fiscal result.

6.19 Derivative financial instruments

The Parent Company has arranged cash flow (interest rate) hedges through entities that operate on organized markets. These instruments are used to hedge exposure to fluctuations in floating interest rates on a portion of the bank loans granted to the Parent Company and on a portion of expected future borrowings. Options were sold to extend hedges on some of these operations. The Parent Company has actively managed its hedging operations during the second quarter of this year, including partial cancellation as well as buying option structures to act as protection.

These financial derivatives hedging cash flows are initially recognised in the Interim Condensed Consolidated Balance Sheet at acquisition cost and, subsequently, they are marked to market.

Any gains or losses arising from changes in the market value of derivatives in respect of the ineffective portion of an effective hedge are taken directly to the Interim Condensed Consolidated Income Statement, while gains or losses on the effective portion are recognised in “Effective hedges” within “Retained earnings” with respect to cash flow hedges. The cumulative gain or loss recognised under these headings is taken to the Interim Condensed Consolidated Income Statement when the hedged item affects profit or loss or in the year of disposal of the item. The extension options are not recognised for accounting purposes as hedges; accordingly, the change in value is recognised directly in the Interim Condensed Consolidated Financial Statements.

Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, shall be accounted for similarly to cash flow hedges.

The ineffective portion of the bonds’ exchange differences is recognised in the Interim Condensed Consolidated Income Statement and the effective portion in Translation differences (Consolidated Equity).

After cancellation of the debt instrument issued to hedge the net investment, the amounts deemed to be translation differences will stay in this heading until derecognition of the investment in the foreign operation, transferring the cumulative loss or gain in this heading to the Interim Condensed Consolidated Income Statement.

Over the year, the Group has arranged short-term currency options to protect itself against depreciating currencies. Changes in fair value are recognised in the Interim Condensed Consolidated Income Statement without being significant.

6.20 Related parties

The Group considers as related parties: direct and indirect shareholders, companies over which it has significant influence or joint control, such as companies accounted for using the equity method and its directors.

Companies not belonging to the Group but belonging to the major shareholder of the Parent Company, with control or significant influence, are also considered related parties.

6.21 Environment

Expenses relating to decontamination and restoration work in polluted areas, as well as the elimination of waste and other expenses incurred to comply with the environmental protection legislation, are registered in the year they are incurred, unless they correspond to the acquisition cost of assets to be used over an extended period. In this case, they are recognised in the corresponding heading under “Property, plant and equipment” and are depreciated using the same criteria described in Note 6.2.

The probable economic cost of any contingent liabilities for these items, if any, would be subject to a provision on the liability side of the Interim Condensed Consolidated Balance Sheet.

Nota 7. Significant accounting estimates and criteria

The preparation of the accompanying Interim Condensed Consolidated Financial Statements under IFRS requires management to make estimates and assumptions that affect the Interim Condensed Consolidated Balance Sheet and the Interim Condensed Consolidated Income Statement for the year. The estimates that have a significant impact are as follows:

Impairment of non-financial assets

There is impairment when the carrying amount of an asset or a cash-generating unit (CGU) is higher than its recoverable value, which is the higher of its recoverable value less costs of sale and its value in use.

For CGUs with a goodwill or an asset with indefinite useful life assigned, an impairment test is carried out every year by calculating the recoverable value through the value in use. The calculation is based on the discounting of cash flows. Cash flows are obtained from the most conservative budget and business plan for the next five years and they do not include uncommitted restructuring activities or the significant future investments which will increase the output of the asset related to the cash-generating unit under analysis. The recoverable amount is very sensitive to the discount rate used for discounting cash flows, to the expected future inflows and to the growth rate used for extrapolating them.

The key assumptions used for calculating the recoverable amount of the cash-generating units as well as the sensitivity analysis are further detailed in Note 6.7 and Note 10.

The discounted cash flow method and the calculation of the perpetual value use a standardised period in which all those assumptions that are considered reasonable and recurring in the future are included.

For the remaining CGUs with no goodwill assigned but including significant non-current assets, an impairment test is carried out only when there is evidence of impairment according to indicators detailed in Note 6.7.

Revenue recognition and the stage of completion

The Group estimates the stage of completion of certain services to customers such as die design and tooling. The stage of completion is determined by the incurred costs with respect to the total expected costs, including certain assumptions regarding the total costs according to historic experience.

Pension benefits

The cost of the defined benefit plans and other post-employment benefits and the present value of the pension obligations are determined according to actuarial valuations. The actuarial valuations imply assumptions that may differ from the real future events. They include the discount rate, future salary increases, mortality rates and future pension increases. Since the valuation is complex and for the long-term, the calculation of the obligation for defined benefit plans is very sensitive to changes in those assumptions. All assumptions are revised at every closing date.

The most changing parameter is the discount rate. To calculate the proper discount rate the Management uses, as an essential reference, the interest rate of 10-year bonds and extrapolates them over the underlying curve corresponding to the expected maturity of the obligation for defined benefit plans, based on the bonds yield curves or swaps interest rate. In addition, the quality of the underlying bonds is reviewed. Those bonds with excessive credit spreads are excluded from the analysis as they are not considered to be of a high credit rating.

Mortality rate is based in public mortality tables from the specific country. These tables use to change only in intervals according to demographic changes. Future salary increases and future pension increases are based on future expected inflation rates for each country.

Further details on assumptions considered and a sensitivity analysis are included in Note 21.

Taxes

Deferred tax assets are recognized for negative tax bases and other unused tax incentives to the extent that it is probable that taxable profit will be available against which they can be utilized. The deferred tax asset to be registered depends on important judgments by Management according to a reasonable period and the future tax profits.

The Group does not register deferred tax assets in the following cases: negative tax bases to be offset from subsidiaries keeping a loss history, which cannot be used to offset future tax profits from other group companies and when there are no taxable temporary differences in the company.

Review of useful lives

Useful life of tangible fixed assets is determined according to the expected use of the asset as well as the past experience of use and duration of similar assets.

With respect to the useful life of intangible assets that do not have a definite useful life, including capitalised expenses implementation, it has been calculated that, based on internal analyses, their useful life does not exceed 6 years and that their recovery is linear in accordance with the consumption pattern represented by the production of the operating plants.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recognised in the Interim Condensed Consolidated Balance Sheet is not obtained through quoted prices in active markets, it is determined using valuation techniques that include the discounted cash flow model. The required data are obtained from observable markets when possible and when not, some value judgments are made in order to establish reasonable values. Judgments refer to liquidity risk, credit risk and volatility. Changes in assumptions related to these factors may affect the reasonable value of financial instruments reported (Note 12 and Note 22.b.1).

Assessment of gain of control in subsidiaries

According to IFRS 10, currently in force, Group Management assesses the existence of control of significant companies with 50% shareholdings, such as Beyçelik Gestamp Kalip, A.S., Gestamp Automotive India Private Ltd and Tuyauto Gestamp Morocco.

Regarding Beyçelik Gestamp Kalip, A.S. and Tuyauto Gestamp Morocco, non-controlling interests are third parties external to the Gestamp Automoción Group and over whom the shareholders of the Parent Company have no control.

Although in these companies the members of the board of directors are elected on the basis of the percentage of ownership, it is considered that control over the company is exercised taking into account the following facts and circumstances regarding the relevant activities:

1. Car manufacturers require from their suppliers the capability to reach and maintain quality standards across a wide geographic presence in order to negotiate global supply.
2. Accordingly, the most important activities for a supplier in this sector are as follows:
 - a. Continuous investment in technological research and development to satisfy customer requirements.
 - b. Global negotiation for approval and homologation of every component comprising a product, as well as management of prices.
 - c. All activities aimed to achieve excellent quality of components.

The above activities are carried out directly by the Group since the shareholders owning the remaining shares do not have these capacities.

3. In this sense, the subsidiary technologically depends on the Group. Research and Development activities are fully carried out by the Group and the technology is provided to the subsidiary according to the agreement signed with the shareholders. Accordingly, Beyçelik Gestamp Kalip A.S. has right to use but no intellectual property. The design to apply the technology of hot stamping currently used by the subsidiary is exclusive property of the Group.
4. In order to prove this excellence, an OEM supplier needs to be accredited as a Tier 1 supplier (high quality supplier) by the car manufacturer. The subsidiary could not obtain this certification if they did not belong to the Group.

In the particular case of Gestamp Automotive India Private Ltd, in addition to the above, the Group holds a majority on the Board, having appointed 4 members out of a total of 6 Board members. Regarding this company the non-controlling interests corresponding to the remaining 50% shareholding are Group related parties since it is to a company controlled by shareholders of the Parent Company.

Nota 8. Changes in significant accounting policies and estimates and restatement of errors

Changes in accounting estimates

The effect of any change in accounting estimates is recorded under the same heading of the Interim Condensed Consolidated Income Statement in which the expense or revenue is recorded with the previous estimate.

Changes in significant accounting policies and restatement of errors

The effect of this type of changes in accounting policies and the correction of errors is recognised in those cases that are significant at Group level. The cumulative effect at the beginning of the year is adjusted under "Retained Earnings" and the effect for the year is recorded in the Interim Condensed Consolidated Income Statement for the year. In these instances, the prior year's balances are also restated to make them comparable.

Nota 9. Segment reporting

According to IFRS 8 "Operating segments", segment information below is based on internal reports regularly reviewed by the board of directors of the Group in order to allocate resources to each segment and assess their performance.

Operating segments identified by the board of directors of the Group are based on a geographical approach. The segments and countries included are as follows:

- ✓ Europa Occidental
 - Spain
 - Germany
 - United Kingdom
 - France
 - Portugal
 - Sweden
 - Luxembourg
 - Morocco

- ✓ Eastern Europe
 - Russia
 - Poland
 - Hungary
 - Czech Republic
 - Slovakia
 - Turkey
 - Romania
 - Bulgaria

- ✓ Mercosur
 - Brazil
 - Argentina

- ✓ Norteamérica
 - USA
 - Mexico

- ✓ Asia
 - China
 - South Korea
 - India
 - Thailand
 - Japan
 - Taiwan

Each segment includes the activity of Group companies located in countries belonging to the segment.

The Group's Management Committee managed the operating segments corresponding to continuing activities mainly according to the changes in the main financial indicators from each segment such as revenue, EBITDA, EBIT and investments in fixed assets. Financial income and expenses, as well as income tax, and the allocation of profit to non-controlling interests are analysed together at Group level since they are basically centrally managed.

Inside certain segments there are some countries meeting the definition of a significant segment; however, they are presented in the aggregate since the products and services generating ordinary income as well as productive processes are similar and additionally they show similar long-term financial performance and they belong to the same economic environment.

Segment information for 2019 and 2018 is as follows:

ITEM	Thousands of euros					TOTAL
	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	
NON-CURRENT ASSETS						
Goodwill	70,906	13,930	8,154	2,890	12	95,892
Other intangible assets	291,032	15,544	4,082	25,288	36,129	372,075
Property, plant and equipment	1,542,373	686,380	313,591	1,372,556	558,606	4,473,506
Non-current financial assets	49,289	30	2,239	6,412	19,087	77,057
Deferred tax assets	203,872	18,224	20,495	89,408	17,571	349,570
Total non-current assets	2,157,472	734,108	348,561	1,496,554	631,405	5,368,100
WORKING CAPITAL						
Inventories/Assets from contracts with customers	651,746	72,038	111,343	280,856	207,712	1,323,695
Trade and other receivables	329,725	224,233	65,334	255,406	269,904	1,144,602
Other current assets	23,778	26,237	11,738	56,652	9,289	127,694
Subtotal	1,005,249	322,508	188,415	592,914	486,905	2,595,991
Trade and other payables	(1,055,845)	(308,390)	(93,699)	(290,758)	(241,634)	(1,990,326)
Current provisions	(7,558)	(2,150)	-	21	(2,150)	(11,837)
Other current liabilities	(1,580)	(1,511)	137	(993)	1,667	(2,280)
Other current borrowed liabilities	(123,824)	(12,081)	(27,581)	(27,567)	(26,133)	(217,186)
Total working capital	(183,558)	(1,624)	67,272	273,617	218,655	374,362

ITEM	Thousands of euros					TOTAL
	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	
Revenue	2,060,758	695,464	295,502	940,229	521,249	4,513,202
EBITDA	192,340	112,784	36,104	113,005	66,494	520,727

Thousands of euros						
31-12-2018						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
NON-CURRENT ASSETS						
Goodwill	72,463	14,943	8,036	2,890	11	98,343
Other intangible assets	272,683	14,296	4,516	26,607	34,262	352,364
Property, plant and equipment	1,340,538	596,384	295,782	1,102,922	542,069	3,877,695
Non-current financial assets	40,416	31	2,631	6,505	8,432	58,015
Deferred tax assets	185,507	17,414	22,638	82,746	14,583	322,888
Total non-current assets	1,911,607	643,068	333,603	1,221,670	599,357	4,709,305
WORKING CAPITAL						
Inventories	117,370	64,764	68,765	144,982	94,864	490,745
Assets from contracts with custom	475,500	9,482	56,731	29,990	106,514	678,217
Trade and other receivables	281,950	162,606	42,198	251,802	263,154	1,001,710
Subtotal	874,820	236,852	167,694	426,774	464,532	2,170,672
Other current assets	12,186	30,722	10,482	48,230	8,306	109,926
Trade and other payables	(962,097)	(245,524)	(96,484)	(256,986)	(296,102)	(1,857,193)
Current provisions	(8,485)	(2,187)	-	(13)	(2,561)	(13,246)
Other current liabilities	(1,415)	(903)	-	(1,799)	(7)	(4,124)
Other current borrowed liabilities	(90,438)	(9,079)	(28,741)	(25,385)	(33,660)	(187,303)
Total working capital	(175,429)	9,881	52,951	190,821	140,508	218,732

Thousands of euros						
30-06-2018						
ITEM	WESTERN EUROPE	EASTERN EUROPE	MERCOSUR	NORTH AMERICA	ASIA	TOTAL
Revenue	2,135,346	572,430	305,986	757,516	506,494	4,277,772
EBITDA	231,469	71,160	37,259	71,374	76,674	487,936

Recurring operating transactions between subsidiaries in different segments are not material.

The heading "EBITDA" from each segment includes the costs of Group corporate services according to:

- The criteria for distribution of management costs as per global agreements signed by Group companies.
- The agreements for rendering specific services signed by certain Group companies.

The additions of Other intangible assets (Note 10.b) by segments are as follows:

Thousands of euros		
Segment	30-06-2019	31-12-2018
Western Europe	49,633	87,332
Eastern Europe	3,294	6,033
Mercosur	87	1,113
North America	2,072	11,815
Asia	2,305	6,118
Total	57,391	112,411

The additions of Property, plant and equipment (Note 11) by segments are as follows:

Segment	Thousands of euros	
	30-06-2019	31-12-2018
Western Europe	127,233	211,592
Eastern Europe	87,526	165,229
Mercosur	24,757	46,961
North America	111,876	294,325
Asia	25,854	89,697
Total	377,246	807,804

Additions of PP&E at 30 June 2019 include additions due to the adoption of IFRS 16, in the amount of 18,095 thousand euros.

The three customers representing the highest contribution to sales (including the companies in their own groups) represent 49.1% of revenue (2018: 47.6%) of total revenue and each of them represents more than 9.0% of revenue in the first six months of 2019 (over 9.5% in that period of year 2018).

Nota 10. Intangible assets

a) Consolidation goodwill

The movement in this heading in 2019 and 2018 is as follows:

Segment / CGU	Thousands of euros			
	Balance at 31-12-2018	Acquisitions	Translation differences	Balance at 30-06-2019
Western Europe				
Gestamp HardTech AB	37,623	-	(1,556)	36,067
Gestamp Metalbages S.A.	15,622	-	-	15,622
Gestamp Aveiro, S.A.	7,395	-	-	7,395
Gestamp Levante, S.A.	6,944	-	-	6,944
Griwe Subgroup	6,466	-	-	6,466
Adral, matricería y puesta a punto S.L.	857	-	-	857
Reparaciones Industriales Zaldibar, S.L.	444	-	-	444
Eastern Europe				
Beyçelik Gestamp Kalip, A.S.	11,832	-	(854)	10,978
Gestamp Severstal Vsevolozhsk, LLC	95	-	8	103
Çelik Form Gestamp Otomotive, A.S.	2,055	-	(148)	1,907
MPO Providers Rez. S.R.L.	962	-	(19)	943
Mercosur				
Gestamp Brasil Industria de Autopeças, S.A.	8,037	-	118	8,155
Asia				
Gestamp Services India Private, Ltd.	11	-	-	11
Total	98,343	-	(2,451)	95,892

Segment / CGU	Thousands of euros			
	Balance at 31-12-2017	Acquisitions	Translation differences	Balance at 31-12-2018
Western Europe				
Gestamp HardTech AB	38,898	-	(1,275)	37,623
Gestamp Metalbages S.A.	15,622	-	-	15,622
Gestamp Aveiro, S.A.	7,395	-	-	7,395
Gestamp Levante, S.A.	6,944	-	-	6,944
Griwe Subgroup	6,466	-	-	6,466
Adral, matricería y puesta a punto S.L.	857	-	-	857
Reparaciones Industriales Zaldibar, S.L.	-	444	-	444
Eastern Europe				
Beyçelik Gestamp Kalip, A.S.	15,774	-	(3,942)	11,832
Gestamp Severstal Vsevolozhsk, LLC	109	-	(14)	95
Çelik Form Gestamp Otomotive, A.S.	2,740	-	(685)	2,055
MPO Providers Rez. S.R.L.	959	-	3	962
Mercosur				
Gestamp Brasil Industria de Autopeças, S.A.	8,982	-	(945)	8,037
Asia				
Gestamp Services India Private, Ltd.	11	-	-	11
Total	104,757	444	(6,858)	98,343

The additions recognised in 2018 correspond to the acquisition of Reparaciones Industriales Zaldibar, S.L. This company was included in the scope of consolidation by the full consolidation method, since control was acquired over it and it was therefore a business combination (Note 3).

Translation differences in 2019 and 2018 correspond to the adjustments to the goodwill of companies whose functional currency is different from the Euro, translated at the exchange rate prevailing at Interim Condensed Consolidated Balance Sheet date, according to IAS 21 (Note 6.3).

Impairment test of Goodwill

The Group has implemented annual procedures to test goodwill for impairment. This assessment is carried out for each of the CGUs or groups of CGUs to which goodwill has been allocated.

A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets.

At 30 June 2019 and 31 December 2018, the recoverable amount of CGUs was determined by taking the higher of the fair value less costs necessary to sell the CGU or by calculating the value in use, using cash flow projections for a period of five years and based on the future performance of the businesses.

For those CGUs tested in the prior year, test variables were updated with the latest available information. Except for WACC rates and certain variables, the hypotheses used to calculate discounted cash flows were the same as those applied at 31 December 2018.

In accordance with the estimates and projections available to the Group, it is concluded that the recoverable amount is higher than the carrying amount of all CGUs, enabling the Group to recover the value of the consolidated goodwill recognised at 30 June 2019.

b) Other intangible assets

The breakdown and movements of the different categories of Other intangible assets are:

Thousands of euros								
	Balance at 31-12-2018	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Hyperinflation adjustment	Other changes	Balance at 30-06-2019
Cost								
Development costs	445,547	-	40,050	(190)	907	-	3,126	489,440
Concessions	19,438	-	-	-	420	-	2,050	21,908
Patents, licences and trademarks	39,937	502	115	(941)	(143)	-	(1)	39,469
Goodwill	911	-	-	-	143	-	(221)	833
Transfer rights	23	-	-	-	-	-	251	274
Software	184,201	24	13,493	(1,276)	852	44	5,021	202,359
Prepayments	14,378	-	3,733	(584)	143	-	(7,022)	10,648
Total cost	704,435	526	57,391	(2,991)	2,322	44	3,204	764,931
Amortisation and impairment								
Development costs	(217,269)	-	(27,618)	-	(390)	-	(3)	(245,280)
Concessions	(2,869)	-	(379)	-	(62)	-	-	(3,310)
Goodwill	-	-	-	-	(100)	-	100	-
Patents, licences and trademarks	(5,174)	(259)	(1,320)	-	85	-	1	(6,667)
Transfer rights	(1,360)	-	(41)	-	(30)	-	1,157	(274)
Software	(122,735)	(20)	(10,105)	6	(529)	-	(1,111)	(134,494)
Accumulated amortisation	(349,407)	(279)	(39,463)	6	(1,026)	-	144	(390,025)
Impairment of intangible assets	(2,664)	-	(119)	-	(7)	-	(41)	(2,831)
Net value	352,364	247	17,809	(2,985)	1,289	44	3,307	372,075

Changes in consolidation scope at 30 June 2019 correspond to the incorporation of Gestamp Etem Automotive Bulgaria, S.A. (Note 3).

Additions to development expenses mainly correspond to development and design costs of portfolio projects, as well as the application of new technologies and the introduction of new materials related to the business.

The net balance of the Other movements column mainly reflects reclassifications between intangible assets and PP&E and prior years' differences.

Thousands of euros								
	Balance at 31-12-2017	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Hyperinflation adjustment	Other changes	Balance at 31-12-2018
Cost								
Development costs	361,198	-	85,790	(1,401)	860	-	(900)	445,547
Concessions	19,349	-	-	-	(161)	-	250	19,438
Patents, licences and trademarks	40,924	-	105	(893)	(130)	-	(69)	39,937
Goodwill	1,101	-	-	-	260	-	(450)	911
Transfer rights	7	-	19	-	-	-	(3)	23
Software	160,890	55	18,822	(1,639)	(1,097)	21	7,149	184,201
Prepayments	14,276	-	7,675	123	46	-	(7,742)	14,378
Total cost	597,745	55	112,411	(3,810)	(222)	21	(1,765)	704,435
Amortisation and impairment								
Development costs	(171,535)	-	(47,029)	1,962	(487)	-	(180)	(217,269)
Concessions	(2,527)	-	(366)	-	24	-	-	(2,869)
Goodwill	-	-	(38)	-	(169)	-	207	-
Patents, licences and trademarks	(4,370)	-	(923)	75	47	-	(3)	(5,174)
Transfer rights	(838)	-	(332)	-	34	-	(224)	(1,360)
Software	(106,645)	(47)	(20,148)	1,396	696	-	2,013	(122,735)
Accumulated amortisation	(285,915)	(47)	(68,836)	3,433	145	-	1,813	(349,407)
Impairment of intangible assets	(1,890)	-	(1,505)	425	(7)	-	313	(2,664)
Net value	309,940	8	42,070	48	(84)	21	361	352,364

Changes in consolidation scope at 31 December 2018 correspond to the incorporation of NCSG Sorocaba Industria Metalúrgica Ltda. (Note 3).

Additions to R&D expenses mainly correspond to development and design costs of portfolio projects, as well as the application of new technologies or the introduction of new materials related to the business.

Additions to Software mainly correspond to software licence renewal and to costs of SAP development and implementation.

The net balance of the Other movements column mainly reflects reclassifications between intangible assets and PP&E and prior years' differences.

The most significant investments by segment are shown in Note 9.

Development expenses corresponding to projects not fulfilling requirements to be capitalised were registered in the heading Other operating expenses in the Interim Condensed Consolidated Income Statement and they amount to 521 thousand euros and 228 thousand euros at 30 June 2019 and 30 June 2018, respectively.

Impairment test on assets with indefinite useful lives

Assets with indefinite useful life are yearly tested by the royalty relief method to identify impairment. It is concluded that their recoverable value is far higher than their net carrying amount.

Nota 11. Property, plant and equipment

The breakdown and changes in the items comprising Property, plant and equipment are as follows:

	Thousands of euros								Balance at 30-06-2019
	Balance at 31-12-2018	IFRS 16 Impact 01-01-2019	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Hyperinflation adjustment	Other changes	
Cost									
Land and buildings	1,617,529	228,846		2,789	(645)	16,237	-	(1,272)	1,863,484
Plant and other PP&E	5,386,696	166,264	7,306	102,052	(34,206)	37,676	559	325,435	5,991,782
PP&E under construction and prepayments	672,868	-	459	272,405	(935)	10,729	-	(312,876)	642,650
Total cost	7,677,093	395,110	7,765	377,246	(35,786)	64,642	559	11,287	8,497,916
Amortisation and impairment									
Land and buildings	(444,801)	-		(29,664)	539	(2,513)	-	555	(475,884)
Plant and other PP&E	(3,348,662)	-	(1,042)	(205,507)	25,222	(16,236)	-	3,352	(3,542,873)
Accumulated amortisation	(3,793,463)	-	(1,042)	(235,171)	25,761	(18,749)	-	3,907	(4,018,757)
Impairment of PP&E	(5,935)	-	-	-	-	(5)	-	287	(5,653)
Net value	3,877,695	395,110	6,723	142,075	(10,025)	45,888	559	15,481	4,473,506

The impact of the adoption of IFRS 16 in the amount of 395,110 thousand euros is detailed in Note 5.

Changes in consolidation scope at 30 June 2019 correspond to the incorporation of Gestamp Etem Automotive Bulgaria, S.A. (Note 3).

The cost value of the property, plant and equipment additions at 30 June 2019 mainly corresponds to investments in plants and production lines, with the aim of increasing the productive capacity of the Group, as well as to capital expenditure to maintain existing activities, basically corresponding to companies located in the USA, United Kingdom, Spain, Mexico, Germany, Turkey, Slovakia, China, Poland, Brazil and Portugal.

The inflation adjustment corresponds to the restatement of the value of non-current assets in Argentina, under IAS 29 (Note 4.5).

The net value of Other movements mainly reflects reclassifications between PP&E and intangible assets as well as adjustments relating to prior years, and to the adoption of IFRS 16.

	Thousands of euros							Balance at 31-12-2018
	Balance at 31-12-2017	Changes in scope of consolidation	Additions	Disposals	Currency translation differences	Hyperinflation adjustment	Other changes	
Cost								
Land and buildings	1,459,572	7,799	53,143	(9,315)	(16,222)	-	122,552	1,617,529
Plant and other PP&E	4,871,777	14,065	211,238	(87,872)	(62,985)	36,678	403,795	5,386,696
PP&E under construction and prepayments	638,619	-	543,423	10,397	3,036	-	(522,607)	672,868
Total cost	6,969,968	21,864	807,804	(86,790)	(76,171)	36,678	3,740	7,677,093
Amortisation and impairment								
Land and buildings	(418,473)	(1,207)	(35,827)	4,357	4,890	-	1,459	(444,801)
Plant and other PP&E	(3,137,794)	(4,451)	(326,469)	77,470	36,120	-	6,462	(3,348,662)
Accumulated amortisation	(3,556,267)	(5,658)	(362,296)	81,827	41,010	-	7,921	(3,793,463)
Impairment of PP&E	(5,922)	-	2,751	-	13	-	(2,777)	(5,935)
Net value	3,407,779	16,206	448,259	(4,963)	(35,148)	36,678	8,884	3,877,695

Changes in the consolidation scope at 31 December 2018 correspond to the incorporation of NCSG Sorocaba Industria Metalúrgica Ltda. and Reparaciones Industriales Zaldibar, S.L. (Note 3).

The cost value of the property, plant and equipment additions at 31 December 2018 mainly corresponds to investments in plants and production lines, with the aim of increasing the productive capacity of the Group, as well as to replacements to maintain existing activities, basically corresponding to companies located in the USA, Spain, Turkey, Japan, the Czech Republic, the United Kingdom, Slovakia, China, Mexico, Germany and Brazil.

The net value of Disposals of PP&E mainly corresponds to the disposal of fully amortized items out of use.

The inflation adjustment corresponds to the restatement of the value of non-current assets in Argentina, under IAS 29 (Note 4.5).

The net balance of the Other movements column mainly reflects reclassifications between inventories, intangible assets and PP&E and prior years' adjustments.

The changes in PP&E in 2019 include the effect of the adoption of IFRS 16, broken down as follows:

	Thousands of euros					
	Balance at 1-1-2019	Additions	Disposals	Currency translation differences	Other changes	Balance at 30-06-2019
Cost						
Land and buildings	228,846	-	(362)	1,278	(4,086)	225,676
Plant and other PP&E	166,264	18,095	-	1,278	22,503	208,140
Total cost	395,110	18,095	(362)	2,556	18,417	433,816
Amortisation and impairment						
Land and buildings	-	(13,114)	362	112	-	(12,640)
Plant and other PP&E	-	(23,939)	-	159	-	(23,780)
Accumulated amortisation	-	(37,053)	362	271	-	(36,420)
Net value	395,110	(18,958)	-	2,827	18,417	397,396

The net balance of the Other movements column mainly reflects amendments to the terms of the agreements affected by this standard and agreements provided to the Group companies in 2019.

The effect of the asset revaluation that was carried out in 2007 as a result of the IFRS transition, is as follows:

	Thousands of euros	
	30-06-2019	31-12-2018
Initial cost	266,567	266,567
Fair value	509,428	509,428
Revaluation	242,861	242,861
Accumulated amortisation	(51,001)	(48,949)
Deferred tax liabilities	(48,391)	(48,935)
Total	143,469	144,977
Non-controlling interests	(24,514)	(24,636)
Reserves (Note 17.4.b)	(120,341)	(123,113)
Profit for the year	1,386	2,772
Total	(143,469)	(144,977)

The rights of use corresponding to leases previously classified as finance leases at 30 June 2019 and 31 December 2018 are as follows:

30-06-2019						
Segment	Cost of the asset (thousands of euros)	Lease term	Instalments paid	Thousands of euros		Purchase option value
				Present value of lease obligations (Note 22.c.1)		
				Short term	Long term	
Eastern Europe						
Machinery	8,593	2 years	3,147	891	5,841	-
Machinery	8,021	3 years	1,164	1,980	4,004	-
Machinery	493	4 years	79	79	409	-
Machinery	4,159	5 years	2,020	648	2,019	-
Machinery	21,842	7 years	9,141	3,499	7,424	-
Transportation equipment	21	2 years	1	14	6	-
North America						
Machinery	22,383	20 years	8,117	1,029	17,648	-
Western Europe						
Machinery	2,253	6 years	163	391	1,711	-
Machinery	6,886	7 years	540	533	5,956	-
Total	74,651			9,064	45,018	

31-12-2018						
Segment	Cost of the asset (thousands of euros)	Lease term	Instalments paid	Thousands of euros		Purchase option value
				Present value of lease obligations (Note 22.c.1)		
				Short term	Long term	
Eastern Europe						
Machinery	8,557	2 years	1,425	1,295	5,066	-
Machinery	7,877	3 years	841	972	5,218	-
Machinery	96	4 years	47	24	24	-
Machinery	2,747	5 years	1,411	445	1,009	-
Machinery	22,144	7 years	6,801	2,853	10,982	-
North America						
Machinery	21,830	20 years	7,219	1,078	17,672	-
Total (Note 5)	63,251			6,667	39,971	

The figures in the tables above are affected by the application of different exchange rates in the conversion process of the financial statements of the companies with currencies other than the euro in the different consolidation periods.

Impairment test of Property, Plant and Equipment

Impairment tests calculate recoverable value and are carried out for those CGU's whose signs of deterioration are found according to indicators mentioned in Note 6.7. As in the previous year, some of the Company's CGUs show indications of impairment. As a result, we performed an impairment test on these CGUs and calculated their recoverable amount.

The CGUs' recoverable value has been determined by choosing the higher of the fair value less necessary costs to sell the CGU, and the calculation of value in use, using cash flow projections covering a five-year period and based on future business performance.

For those CGUs tested in the prior year, test variables were updated with the latest available information. Except for WACC rates and certain variables, the hypotheses used to calculate discounted cash flows were the same as those applied at 31 December 2018.

According to economic projections forecasted in previous years the recoverable value is higher than the net value for all the CGUs, so the Group can recover the value of the consolidated assets of each CGU at 30 June 2019.

Pledged property, plant and equipment to secure bank loans with in rem guarantees and others

At 30 June 2019 and 31 December 2018, no property, plant and equipment was pledged as security for bank loans (Note 22.a.1).

Nota 12. Financial investments

The detail, by class and maturity, of the Group's financial investments at 30 June 2019 and 31 December 2018, in thousands of euros, is as follows:

	Thousands of euros									
	Investments accounted for using the equity method		Loans granted		Derivative financial instruments		Current securities portfolio		Other financial assets	
	30-06-2019	31-12-2018	30-06-2019	31-12-2018	30-06-2019	31-12-2018	30-06-2019	31-12-2018	30-06-2019	31-12-2018
Non-current financial assets	14,372	2,390	32,514	37,407	17,624	6,019	-	-	12,547	12,199
Investments accounted for using the equity method	14,372	2,390	-	-	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	-	-	898	898
Loans and receivables	-	-	32,514	37,407	-	-	-	-	11,649	11,301
Derivative financial instruments (Note 22.b.1)	-	-	-	-	17,624	6,019	-	-	-	-
Current financial assets	-	-	36,103	35,320	-	-	16,749	4,316	34,999	54,622
Held-to-maturity investments	-	-	-	-	-	-	16,749	4,316	-	-
Loans and receivables	-	-	36,103	35,320	-	-	-	-	34,999	54,622
Total financial assets	14,372	2,390	68,617	72,727	17,624	6,019	16,749	4,316	47,546	66,821

a) **Non-current financial assets**

The movement of non-current financial assets in 2019 and 2018 are the following:

	Thousands of euros			
	Investments accounted for using the equity method	Loans granted	Derivative financial instruments	Other financial assets
Balance at December 31, 2017	1,787	39,248	14,718	13,674
Changes in scope of consolidation	-	614	20	7
Additions	-	-	39	1,677
Disposals	-	-	(2,583)	(3,347)
Change in valuation of derivatives	-	-	-	(8,699)
Transfers	-	-	(320)	-
Other changes	-	-	1,124	118
Profit for the year	(46)	-	-	-
Translation differences	35	-	(121)	70
Balance at December 31, 2018	2,390	37,407	6,019	12,199
Changes in scope of consolidation	-	9,500	-	-
Additions	-	-	70	934
Disposals	-	-	(6,060)	(678)
Change in valuation of derivatives	-	-	-	11,605
Transfers	-	-	-	13
Other changes	-	-	1,091	1
Profit for the year	2,405	-	-	-
Translation differences	77	-	6	78
Balance at June 30, 2019	14,372	32,514	17,624	12,547

a.1) **Investments accounted for using the equity method**

Changes in the scope of consolidation in 2019 corresponded to the incorporation of the subsidiary Etem Gestamp Aluminium Extrusions, S.A. using the equity method. (Note 2.b).

Changes in the scope of consolidation in 2018 corresponded to the incorporation of the subsidiary Gestamp Auto Components Sales (Tianjin) Co., Ltd. by the equity method. (Note 2.b).

Gains in 2019 amounting to 2,405 thousand euros relate, firstly, to the application of the Group's percentage of ownership in the results obtained by each company, representing profits of 449 thousand euros and, secondly, to the difference between the price of acquiring Etem Gestamp Aluminium Extrusions, S.A. and the shareholders' equity of such company on the acquisition date, totalling 1,956 thousand euros.

Losses for 2018, amounting to 46 thousand euros, relate to the application of the Group's percentage of ownership interest in the results obtained by each company.

No dividends have been received from companies accounted for using the equity method in 2019 and 2018.

The summarised financial information on the Group's investment in these associates in 2019 and 2018 is as follows:

Condensed balance sheet:

	30-06-2019				
	Global Laser Araba	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	GGM & subsidiaries	Etem Gestamp Aluminium Extrusions, S.A.	Industrias Tamer, S.A.
Total non-current assets	10,606	-	61,379	35,603	1,776
Total current assets	1,439	82,404	80,423	37,358	2,152
Total non-current liabilities	(9,303)	-	(31,550)	(5,635)	(475)
Total current liabilities	(219)	(79,810)	(107,969)	(44,291)	(2,213)
Equity	(2,523)	(2,548)	(2,341)	(23,035)	(1,240)
Translation differences	-	(46)	58	-	-
Percentage of shareholding	30%	49%	30%	49%	30%
Carrying amount of investment	757	1,271	685	11,287	372

	31-12-2018			
	Global Laser Araba	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	GGM & subsidiaries	Industrias Tamer, S.A.
Total non-current assets	11,080	-	63,100	1,275
Total current assets	1,205	49,791	75,449	2,668
Total non-current liabilities	(10,734)	-	(33,149)	(298)
Total current liabilities	216	(48,115)	(102,983)	(2,598)
Equity	(1,767)	(1,661)	(2,681)	(1,047)
Translation differences	-	(15)	264	-
Percentage of shareholding	30%	49%	30%	30%
Carrying amount of investment	530	821	725	314

Condensed income statement:

	30-06-2019				
	Global Laser Araba	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	GGM and subsidiaries	Etem Gestamp Aluminium Extrusions, S.A.	Industrias Tamer, S.A.
Operating income	3,969	142,978	17,968	14,979	1,874
Operating expense	(3,067)	(141,803)	(18,229)	(15,172)	(1,614)
OPERATING PROFIT/LOSS	902	1,175	(261)	(193)	260
Finance profit/loss	(103)	9	(247)	(150)	(9)
Exchange gains (losses)	-	-	258	-	-
Impairment and other gains/losses	-	-	-	-	-
PROFIT/LOSS BEFORE TAX	799	1,184	(250)	(343)	251
Income tax expense	-	(298)	(5)	-	-
Restatement of prior years' profit/loss	(42)	-	(88)	-	(54)
PROFIT/LOSS FOR THE YEAR	757	886	(343)	(343)	197
Percentage of shareholding	30%	49%	30%	49%	30%
Participation of the Group in profit/loss for the year	227	434	(103)	(168)	59

	30-06-2018		
	Global Laser Araba	GGM and subsidiaries	Industrias Tamer, S.A.
Operating income	3,313	12,715	1,471
Operating expense	(2,888)	(12,660)	(1,140)
OPERATING PROFIT/LOSS	425	55	331
Finance profit/loss	(104)	(266)	(4)
Exchange gains (losses)	-	134	-
Impairment and other gains/losses	-	-	-
PROFIT/LOSS BEFORE TAX	321	(77)	327
Income tax expense	-	-	-
Restatement of prior years' profit/loss	209	131	(430)
PROFIT/LOSS FOR THE YEAR	530	54	(103)
Percentage of shareholding	30%	30%	30%
Participation of the Group in profit/loss for the year	159	16	(31)

a.2) Loans granted

The Loans granted heading includes mainly the loans provided to Group employees for the purchase from Acek Desarrollo y Gestión Industrial, S.L. of shares of the Parent Company in 2016, amounting to 31,172 thousand euros at 30 June 2019 (35,764 thousand euros at 31 December 2018), and the balance held by Edscha do Brasil Ltda. with the Brazilian tax authorities for 633 thousand euros (978 thousand euros at 31 December 2018).

Disposals in 2019 mainly corresponded to partial payment from employees amounting to 5,682 thousand euros corresponding to loans granted to employees for Parent Company shares acquired from Acek Desarrollo y Gestión Industrial S.L.

The amount recorded under Other movements totalling 1,091 thousand euros relates to the capitalisation of interest on the long-term loan that the Parent Company has with its employees.

Changes in the scope of consolidation in 2018 corresponded to the incorporation of the subsidiary Reparaciones Industriales Zaldívar, S.L. using the full consolidation method.

Disposals in 2018 mainly corresponded to partial payment from employees amounting to 2,020 thousand euros, corresponding to loans granted to Group employees for Parent Company shares acquired from Acek Desarrollo y Gestión Industrial S.L.

The amount recorded under Other movements totalling 1,124 thousand euros relates to the capitalisation of interest on the long-term loan that the Parent Company has with its employees.

a.3) Derivative financial instruments

The change in the measurement at 30 June 2019 and 31 December 2018 relates to changes in the present value of embedded derivatives due mainly to the reduction in the notional amount hedged and to changes in the exchange rate applicable to the sale and purchase prices of certain contracts with customers and suppliers (Note 22.b.1).

a.4) Other financial investments

The amount recognised under "Other financial investments" at 30 June 2019 includes mainly guarantees and deposits, amounting to 11,989 thousand euros (11,625 thousand euros at 31 December 2018).

Changes in the scope of consolidation in 2018 corresponded to the incorporation of the subsidiary Reparaciones Industriales Zaldívar, S.L. using the full consolidation method.

The most significant additions at 31 December 2018 corresponded to the arrangement of deposits as guarantee for operating leases, amounting to 1,103 thousand euros.

The most significant disposals at 31 December 2018 mainly correspond to the refund of security deposits for finance lease arrangements in the amount of 1,172 thousand euros, and to the payment of compensation for accidents at work, amounting to 1,783 thousand euros.

b) Current financial assets

The movements in current financial assets in 2019 and 2018 were as follows:

	Thousands of euros		
	Loans granted	Current securities portfolio	Other financial assets
Balance at December 31, 2017	34,598	5,376	38,922
Changes in scope of consolidation	-	-	2
Additions	2,368	8,213	59,385
Disposals	(558)	(9,076)	(38,438)
Transfers	320	-	12
Other changes	(144)	-	(1)
Translation differences	(1,264)	(197)	(5,260)
Balance at December 31, 2018	35,320	4,316	54,622
Additions	1,322	15,400	6,813
Disposals	-	(3,104)	(24,670)
Transfers	-	60	(60)
Other changes	(725)	-	(80)
Translation differences	186	77	(1,626)
Balance at June, 30 2019	36,103	16,749	34,999

b.1) Loans granted

The balance recognised under Loans granted at 30 June 2019 and 31 December 2018 mainly corresponded to:

- Loan granted by Gestamp Automoción, S.A. to Gestión Global de Matricería, S.L., in the amount of 13,000 thousand euros.
- Loan granted by Gestamp Finance Slovakia, S.R.O. to Gestión Global de Matricería, S.L., for the amount of 8,400 thousand euros.
- Balances that Gestamp Brasil Industria de Autopeças, S.A. holds with the Brazilian public authorities, amounting to 13,992 thousand euros (12,794 thousand euros at 31 December 2018).

The most significant additions at 30 June 2019 relate mainly to the increase in receivables from public authorities of Gestamp Brasil Industria de Autopeças, S.A., amounting to 1,009 thousand euros.

The most significant additions at 31 December 2018 mainly corresponded to the increase in receivables from public authorities by Gestamp Brasil Industria de Autopeças S.A., for 2,061 thousand euros.

b.2) Current securities portfolio

The amount recorded under the Current securities portfolio at 30 June 2019 and 31 December 2018 corresponded mainly to the following:

- Short-term deposits arranged by Edscha do Brasil, amounting to 5,521 thousand euros (290 thousand euros at 31 December 2018), providing an average return of between 4% and 5.5%.
- Short-term deposits arranged by NCSG Sorocaba Industria Metalúrgica, Ltd, amounting to 4,920 thousand euros (2,252 thousand euros at 31 December 2018), providing an average return of between 1.35% and 6.25%.
- Short-term deposits arranged by Gestamp Metal Forming (Wuhan), LTD, amounting to 582 thousand euros (1,773 thousand euros at 31 December 2018), providing an average return of between 0.30% and 1.30%.

The most significant additions at 30 June 2019 relate to short-term deposits arranged in the year by Gestamp Pune Automotive Pvt, Ltd., totalling 5,432 thousand euros, which were pending maturity in full at 30 June 2019, and which accrue average return of 7%; together with short-term deposits arranged in the year by NCSG Sorocaba Industria Metalúrgica, Ltd., totalling 3,427 thousand euros, Gestamp Auto Components (Dongguan), Co. Ltd., for 591 thousand euros and Edscha do Brasil, previously indicated, totalling 5,223 thousand euros.

The most significant disposals at 30 June 2019 correspond to the maturity of short-term deposits contracted by NCSG Sorocaba Industria Metalúrgica, Ltd. and Gestamp Metal Forming (Wuhan), LTD for 791 thousand euros and 1,795 thousand euros, respectively.

The most significant additions at 31 December 2018 relate to short-term deposits arranged in the year by Gestamp Metal Forming (Wuhan), LTD and NCSG Sorocaba Industria Metalurgica, Ltd, for a total amount of 8,213 thousand euros, of which a total of 2,252 thousand euros were pending maturity at 31 December 2018, relating to NCSG Sorocaba Industria Metalurgica, Ltd. and which earn average yields of between 1.35% and 6.25%.

b.3) Other financial investments

The balance of Other financial investments at 30 June 2019 mainly includes bank deposits amounting to 33,368 thousand euros (53,006 thousand euros at 31 December 2018), and guarantees and deposits for 1,114 thousand euros (1,311 thousand euros at 31 December 2018).

The additions recognised at 30 June 2019 related mainly to bank deposits of Gestamp Córdoba, S.A., and Gestamp Baires, S.A., totalling 6,274 thousand euros.

Disposals at 30 June 2019 related mainly to the cancellation of bank deposits of Gestamp Baires, S.A., Gestamp Córdoba, S.A. and Gestamp Automotive India Private, Ltd, totalling 24,008 thousand euros.

Additions recognised at 31 December 2018 related mainly to bank deposits of Gestamp Baires, S.A., Gestamp Córdoba, S.A. and Gestamp Automotive India Private, Ltd, totalling 58,859 thousand euros.

Disposals at 31 December 2018 mainly corresponded to the cancellation of bank deposits of the companies Gestamp Baires, S.A. and Gestamp Córdoba, S.A.

Nota 13. Inventories

The breakdown of this item in the Interim Condensed Consolidated Balance Sheet at 30 June 2019 and 31 December 2018 is as follows:

	Thousands of euros	
	30-06-2019	31-12-2018
Commercial inventories	25,994	21,864
Raw materials	252,186	233,200
Parts and assemblies	78,017	67,739
Spare parts	112,149	100,251
Packaging materials	2,596	2,192
Total cost of raw materials and other supplies (*)	470,942	425,246
By-products, waste and recovered materials	1,062	1,266
Prepayments to suppliers	112,053	84,685
Total cost of inventories	584,057	511,197
Impairment of raw materials (*)	(11,151)	(11,307)
Impairment of other supplies (*)	(9,199)	(9,145)
Total impairment	(20,350)	(20,452)
Total inventories	563,707	490,745

(*) The variation in commodities and other supplies is recorded under "Cost of materials used" in the Interim Condensed Consolidated Income Statement and is detailed below:

	Thousands of euros					Balance at 30-06-2019
	Balance at 31-12-2018	Change in inventories	Impairment	Reversal of impairment	Changes in scope of consolidation (Note 3)	
Raw materials and other supplies	425,246	-	-	45,098	598	470,942
Impairment of raw materials and other supplies	(20,452)	(1,178)	1,280	-	-	(20,350)
Consumption (Note 25.a)	404,794	(1,178)	1,280	45,098	598	450,592

There are no restrictions on the availability of inventories at 30 June 2019 and 31 December 2018.

Nota 14. Assets from contracts with customers

The breakdown of this Interim Condensed Consolidated Balance Sheet heading is the following:

	Thousands of euros	
	30-06-2019	31-12-2018
Work in progress	116,886	102,470
Semi-finished products	118,233	108,578
Impairment of semi-finished products	(6,361)	(6,436)
Finished products	160,677	151,301
Impairment of finished products	(8,643)	(8,712)
Trade receivables, tooling	379,196	331,016
Total	759,988	678,217

Customer tools correspond to the income recognised pending invoicing. There are no prepayments exceeding the stage of completion by customer. The amount of the construction certificates for tools in progress, which were recognised by reducing the balance of the Customer tools heading at 30 June

2019 amounted to 812 million euros. Likewise, this item amounted to 682 million euros at 31 December 2018.

Nota 15. Trade and other receivables/ Other current assets/ Cash and cash equivalents

a) Trade receivables for sales and services

	Thousands of euros	
	30-06-2019	31-12-2018
Trade receivables	656,188	566,045
Trade bills receivable	18,326	24,634
Trade receivables by stage of completion, machinery	28,179	34,154
Trade receivables, doubtful collection	92	510
Impairment of trade receivables	(3,343)	(4,044)
Trade receivables, related parties (Note 30)	112,868	95,866
Total	812,310	717,165

As indicated in Note 1, Group sales, as well as trade receivable balances, are concentrated across a limited number of customers due to the nature of the automotive industry. In general, trade receivable balances have high credit quality.

The movement in the impairment provision at 30 June 2019 relates to an application of 369 thousand euros (1,471 thousand euros at 31 December 2018) (Note 25.c) and to bad debts and translation differences.

The amount of the collection rights not yet due assigned by the Group under the factoring without recourse agreements arranged with Spanish, German, Portuguese, French, UK, US, Brazilian, Mexican, Polish, Czech Republic, Rumanian, Turkish, Slovakian and Swedish banks, that were eliminated from the Interim Condensed Consolidated Balance Sheet, amounted to 650,419 thousand euros and to 566,319 thousand euros at 30 June 2019 and 31 December 2018, respectively.

The expense recognised at 30 June 2019 for the assignment of the receivables not yet due at that date under the non-recourse factoring agreements amounted to 5,437 thousand euros (30 June 2018: 4,151 thousand euros) (Note 26.b).

b) Other receivables

	Thousands of euros	
	30-06-2019	31-12-2018
Debtors	28,643	40,343
Debtors, related parties (Note 30)	67	74
Remuneration prepayments	7,666	3,971
Short-term loans to staff	79	113
Total	36,455	44,501

c) Current income tax assets

The balance of this heading amounted to 5,637 thousand euros at 30 June 2019 (28,333 thousand euros at 31 December 2018) and includes the collection rights of the Parent Company and the Group companies for the refund of corporate income tax.

d) Receivables from public authorities

	Thousands of euros	
	30-06-2019	31-12-2018
Misc. receivables from tax authorities	260,041	210,823
VAT refunds	174,979	137,817
Grants and subsidies	5,148	5,315
Income tax refunds	27,064	21,301
Other	52,850	46,390
Receivables from Social Security	939	888
Withholdings and installment payments on income tax	29,220	-
Total	290,200	211,711

e) Other current assets

This heading, amounting to 127,694 thousand euros, at 30 June 2019 (31 December 2018: 109,926 thousand euros), mainly reflects operating expenses relating to insurance premiums, maintenance and repair contracts, rentals and software licences paid for during the year but for which the expense will accrue in the following year, as well as advance payments for commercial agreements.

The breakdown of this heading was as follows:

	Thousands of euros	
	30-06-2019	31-12-2018
Operating expenses	69,451	44,688
Commercial agreements	42,830	49,640
Exchange rate derivative Brazil (Note 22.b.1)	1,611	1,845
Others	13,802	13,753
Total	127,694	109,926

f) Cash and cash equivalents

	Thousands of euros	
	30-06-2019	31-12-2018
Cash	425,560	548,645
Cash equivalents	65,910	67,852
Total	491,470	616,497

Cash equivalents correspond to deposits and cash investments maturing in less than three months. The breakdown by currency and interest rate at 30 June 2019 and 31 December 2018 is as follows:

Company	30-06-2019		
	Thousands of euros	Source	currency Interest rate range
Gestamp Severstal Vsevolozhsk, Llc.	6,498	Russian ruble	5.35%
Gestamp Severstal Kaluga, Llc.	9,343	Russian ruble	5,28%-7,35%
Gestamp Brasil Industria de Autopeças, S.A.	50,069	Brazilian real	100%-101% CDI
Total	65,910		

Company	31-12-2018		
	Thousands of euros	Source	currency Interest rate range
Gestamp Severstal Kaluga, Llc.	11,923	Russian ruble	4,14%-7%
Gestamp Brasil Industria de Autopeças, S.A.	55,929	Brazilian real	100%-101% CDI
Total	67,852		

There are no restrictions on the disposal by the holders of the balances included under this heading in the accompanying Interim Condensed Consolidated Balance Sheet.

Nota 16. Capital, own shares and share premium

The information related to these headings at 30 June 2019 and 31 December 2018 was as follows:

ITEM	30-06-2019	31-12-2018
No. of shares	575,514,360	575,514,360
Par value	0.50	0.50
	Thousands of euros	
Issued capital (par value)	287,757	287,757
Treasury shares	(4,256)	(6,041)
Share premium	61,591	61,591

a) Share capital

The shareholder structure at 30 June 2019 and 31 December 2018 was as follows:

Shareholders	% shareholding	
	30-06-2019	31-12-2018
Acek Desarrollo y Gestión Industrial, S.L.	19.69%	19.69%
Gestamp 2020, S.L.	50.10%	50.10%
Treasury shares	0.14%	0.19%
Free Float	30.07%	30.02%

Acek Desarrollo y Gestión Industrial, S.L. has an equity interest of 75% in the capital of Gestamp 2020, S.L.; thus, its total holding (direct and indirect) in the Parent was 57.26%.

There are no bylaw restrictions on the transfer of shares forming the Group's capital.

b) Own shares

On 27 July 2018, the Parent Company entered into a liquidity agreement with JB Capital Markets, S.V., S.A.U., adapted to Circular 1/2017, of 26 April, of the CNMV.

The framework of this agreement will be the Spanish stock markets.

This agreement stipulates the conditions in which the financial intermediary will operate for the account of the issuer, buying or selling own shares of the latter, with the sole objective of favouring the liquidity and regularity of their listing, and it will have a duration of 12 months, deemed to be tacitly extended for the same period, unless indicated otherwise by the parties.

The amount earmarked to the cash account associated with the agreement is 9,000 thousand euros.

The own shares at 30 June 2019 represented 0.14% of the Parent Company's share capital (0.19% at 31 December 2018) and total 821,185 shares (1,078,834 at 31 December 2018), at an average acquisition price of 5.18 euros per share (5.60 at 31 December 2018).

The movement in 2019 and 2018 was as follows:

	Number of own shares	Thousands of euros
Balance at december 31, 2017	-	-
Increases/Purchases	2,648,637	15,497
Decreases/Sales	(1,569,803)	(9,456)
Balance at december 31, 2018	1,078,834	6,041
Increases/Purchases	4,784,464	25,235
Decreases/Sales	(5,042,113)	(27,020)
Balance at june 30, 2019	821,185	4,256

The sales price of the own shares detailed in the previous table amounted to 26,795 thousand euros (8,702 thousand euros at 31 December 2018), generating a negative result of 225 thousand euros (754 thousand euros at 31 December 2018). Likewise, fees amounted to 13 thousand euros at 31 December 2018. Loss amounting to 225 thousand euros (767 thousand euros at 31 December 2018) was recognised under Unrestricted reserves (Note 17.3).

c) Share premium

At 30 June 2019 and 31 December 2018, the share premium of the Parent Company amounted to 61,591 thousand euros.

The amended Spanish Corporate Enterprises Act expressly allows the use of share premium balance to increase share capital balance, corresponding to an unrestricted reserve.

Nota 17. Retained earnings

The movements in “Retained earnings” for 2019 and 2018 are as follows:

	Legal reserve (Parent Company)	Goodwill reserves (Parent Company)	Unrestricted reserves (Parent Company)	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT JANUARY 1, 2019	57,550		375,910	1,163,688	(3,344)	257,690	(22,076)	1,829,418
Profit for the period						100,167		100,167
Fair value adjustments reserve (hedge) (Note 22.b.1)							(1,398)	(1,398)
Actuarial gains and losses				(76)				(76)
Appropriation of 2018 profits			21,468	236,269	(47)	(257,690)		
Dividends distributed by the Parent Company (Note 17.3)			(77,632)					(77,632)
Treasury shares acquisitions (Note 17.3)			(225)					(225)
Interest from participative loans			5,276	(5,276)				
Other movements and adjustments from prior years			(12,625)	11,709				(916)
AT JUNE 30, 2019	57,550		312,172	1,406,314	(3,391)	100,167	(23,474)	1,849,338

	Legal reserve (Parent Company)	Goodwill reserves (Parent Company)	Unrestricted reserves (Parent Company)	Reserves at fully consolidated entities	Reserves at associates	Profit for the year	Effective hedges	Total
AT JANUARY 1, 2018	47,109	4,455	272,199	1,019,304	(2,346)	239,692	(28,489)	1,551,924
Profit for the period						135,598		135,598
Fair value adjustments reserve (hedge)							2,691	2,691
Actuarial gains and losses				(16)				(16)
Appropriation of 2017 profits	10,441		20,103	210,146	(998)	(239,692)		-
Dividends distributed by the Parent Company (Note 17.3)			(71,939)					(71,939)
Acquisitions of non-controlling interest (control over the company previously) (Note 2.b))				(4,162)				(4,162)
Interest from participative loans (Note 17.3)			10,167	(10,167)				-
IFRS 15 adoption impact				11,194				11,194
IFRS 9 adoption impact			38,927	41,170				80,097
Other movements and adjustments from prior years				(267)				(267)
AT JUNE 30, 2018	57,550	4,455	269,457	1,267,202	(3,344)	135,598	(25,798)	1,705,120

17.1 Legal reserves of the Parent Company

The Parent Company's legal reserve amounted to 57,550 thousand euros at 30 June 2019 (57,550 thousand euros at 30 June 2018).

The Parent Company is obliged to allocate 10% of the profit for each year to the creation of a reserve fund until it reaches at least 20% of the share capital, equivalent to 57.6 million euros at 30 June 2019. This reserve is not distributable to shareholders and may only be used to cover, in the event that no other reserves are available, the debit balance of the income statement.

At 31 December 2018, the Legal Reserve had already reached 20% of the Parent Company's Share Capital; accordingly, in 2019 it was not necessary to allocate any amount of 2018 profits to increase such reserve.

17.2 Reserve for goodwill of the Parent Company

The reserve for goodwill of the Parent Company was formed as an obligation to set up a restricted reserve equivalent to the goodwill recognised on the asset side of the Parent Company's balance sheet, which was eliminated from the consolidation process, and whose net value amounted to 2,219 thousand euros at 30 June 2018 and to 0 euros at 30 June 2019.

The balance of such reserve at 30 June 2018 amounted to 4,455 thousand euros. At 31 December 2018, it was available since this goodwill had been completely amortised; hence, it was transferred to the Parent Company's unrestricted reserves.

17.3 Unrestricted reserves of the Parent Company

The most significant changes at 30 June 2019 and 30 June 2018 in the distributable reserves, apart from those relating to the distribution of 2018 profit, of 21,468 thousand euros and 2017 profit of 20,103 thousand euros, respectively, included in the retained earnings tables, are as follows:

June 2019

- Reclassification of the interim dividend paid by the Parent Company in 2018, for the application of 2018 profit approved at the meeting of 6 May 2019, amounting to 37,346 thousand euros.
- Dividend distribution by the Parent Company from voluntary reserves, approved at the meeting on 6 May 2019, amounting to 40,286 thousand euros. This dividend will be paid on 5 July 2019. (Note 22.d)
- Result of the purchase and sale of own shares for -225 thousand euros (Note 16.b).

June 2018

- Dividend distribution by the Parent Company with a charge to voluntary reserves for the allocation of 2017 results on 7 May, 2018 amounting to 71,939 thousand euros. These dividends will be paid on 6 July 2018.

- Reclassification of participative loan interests, from reserves at fully consolidated companies in the amount of 10,167 thousand euros.
- Impact of the adoption from 1 January 2018 of IFRS 9 in the amount of 38,927 thousand euros.

17.4 Availability of reserves at fully consolidated companies

Reserves held by companies consolidated under the full consolidation method are subject to a number of restrictions as to their availability depending on whether they are legal reserves, revaluation reserves or other special reserves.

The restrictions regarding the reserves mentioned above are the following:

a) Legal reserves at subsidiaries

According to prevailing legislation in the countries where these companies are located, legal reserves must reach a certain percentage of share capital, so that each year a percentage of net profit is applied to offset losses or increase share capital.

The balance of these reserves at 30 June 2019 and 30 June 2018 amounts to 112,910 thousand euros and 94,748 thousand euros, respectively.

b) Reserve for the first-time application of IFRS (1 January 2007)

As a result of the measurement of Property, plant and equipment at fair value, the land and buildings of certain subsidiaries were valued at their appraised values and an increase in reserves has been recognised in the amount of the difference between the said assets' fair values and the net carrying amounts posted by each company.

The reserves generated by these value adjustments, net of the tax effect, at 30 June 2019 and 30 June 2018 amounted to 120 million euros and 123 million euros, respectively (Note 11). This reserve is not distributable.

c) Other reserves of subsidiaries

In accordance with the current legislation of the countries in which the Group operates, the distributions of dividends are governed by law. Also, restrictions exist relating to revaluation reserves (4,884 thousand euros in Spain at 30 June 2019 and 30 June 2018), development costs and other legal restrictions.

Nota 18. Translation differences

The breakdown of translation differences by country is as follows:

Segment / Country	Thousands of euros		
	30-06-2019	31-12-2018	Difference
Western Europe			
Germany	1,353	1,352	1
Spain	(38,891)	(45,347)	6,456
Luxembourg	(1)	(1)	-
United Kingdom	(12,018)	(14,764)	2,746
Sweden	(8,990)	(6,520)	(2,470)
Morocco	74	59	15
Eastern Europe			
Hungary	(343)	(2,150)	1,807
Poland	(28,216)	(28,283)	67
Czech Republic	(3,687)	(3,142)	(545)
Romania	(98)	(36)	(62)
Russia	(58,146)	(61,887)	3,741
Turkey	(54,680)	(51,506)	(3,174)
Mercosur			
Argentina	(72,138)	(72,987)	849
Brazil	(15,262)	(16,205)	943
North America			
USA	(23,731)	(24,581)	850
Mexico	(58,975)	(61,323)	2,348
Asia			
China	6,805	(1,922)	8,727
South Korea	2,000	3,913	(1,913)
India	(287)	(2,053)	1,766
Japan	928	(168)	1,096
Thailand	185	110	75
Taiwan	63	60	3
Total	(364,055)	(387,381)	23,326

Changes in translation differences during the year gave rise to a net positive change of 23,326 thousand euros compared with 31 December 2018 (a net negative change of 20,865 thousand euros in 2018), mainly due to the following changes:

- in Spain, mainly corresponding to the permanent financing in dollars granted to subsidiaries, which generated translation differences in US dollars;
- in the United Kingdom relates to the fluctuation of the pound sterling.
- in Eastern Europe due to fluctuations in the Turkish lira and Russian rouble;
- in North America mainly regarding the fluctuation of the Mexican peso; and
- in Asia, primarily due to the fluctuation of the Chinese renminbi.

Also, the variation in translation differences in Argentina includes the effect of the inflation adjustment amounting to 29,517 thousand euros (26,601 thousand euros at 31 December 2018) (Note 4.5).

Nota 19. Non-controlling interests

The changes in this heading, by company, in 2019 and 2018 were as follows:

Company	Thousands of euros						
	31-12-2018	Changes in scope of consolidation	Translation differences	Dividends paid	Other changes	Profit (loss) for the year	30-06-2019
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Severstal Vsevolozhsk LLC./ Gestamp Severstal Kaluga, LLC.	15,848	-	1,708	-	183	3,802	21,541
Gestamp Auto Components (Kunshan) Co., Ltd./Gestamp Holding China, AB	39,810	-	864	-	(30)	97	40,741
Shanghai Edscha Machinery Co., Ltd.	10,884	-	235	-	(2)	(22)	11,095
Edscha Pha, Ltd.	9,162	-	(345)	-	(7)	1,661	10,471
Edscha Aapico Automotive Co. Ltd.	1,359	-	72	-	(3)	239	1,667
Sofedit, SAS	18	-	-	-	-	(17)	1
Gestamp Wroclaw, sp. Z.o.o.	(2)	-	-	-	-	-	(2)
Gestamp Brasil Indústria Autopeças, S.A.	32,745	-	224	-	974	1,009	34,952
Gestamp Holding Argentina, S.L. and Argentinian companies	5,706	-	362	-	205	(238)	6,035
Gestamp Holding México, S.L. and Mexican companies	100,186	-	1,316	-	295	5,400	107,197
Gestamp North America, INC and North American companies	88,199	-	1,946	-	(44)	(1,422)	88,679
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	47,438	-	630	-	(397)	2,643	50,314
Beyçelik Gestamp Kalip, A.S. / Çelik Form Gestamp Otomotive, A.S./ Beyçelik Gestamp Teknoloji Kalip, A.S./ MPO Providers rez. S.R.L./Beyçelik Gestamp Sasi, L.S.	30,702	-	1,609	(9,073)	(1,903)	10,166	31,501
Gestamp Automotive India Private Ltd.	32,583	-	1,027	-	-	3,637	37,247
Jui Li Edscha Body System Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd./ Jui Li Edscha Holding Co. Ltd.	2,540	-	48	-	-	(8)	2,580
NCSG Sorocaba Indústria Metalúrgica Ltda.	356	-	89	-	(48)	354	751
Tuyauto Gestamp Morocco	1,727	-	15	-	(61)	(239)	1,442
Gestamp Etem Automotive Bulgaria, S.A.	-	4,854	-	-	-	(53)	4,801
Gestamp Auto Components (Tianjin) Co. Ltd./Gestmp Auto Components Beijing Co. Ltd.	11,736	-	204	-	(44)	2,357	14,253
Total	430,997	4,854	10,004	(9,073)	(882)	29,366	465,266

The movements in “Non-controlling interests” at 30 June 2019 are mainly due to the following:

- The incorporation of Gestamp Etem Automotive Bulgaria, S.A., from which 51% was acquired. (Note 2.b).
- Dividends paid by Beyçelik Gestamp Kalip, A.S. and Beyçelik Gestamp Teknoloji Kalip, A.S. on 28 March 2019.
- The Other movements column mainly reflects prior years' differences of the Turkish companies.

Company	Thousands of euros							
	31-12-2017	Changes in scope of consolidation	Translation differences	Dividends paid	Application of IFRS 15	Other changes	Profit (loss) for the year	31-12-2018
Gestamp Holding Rusia, S.L./Todlem, S.L./ Gestamp Severstal Vsevolozhsk LLC./ Gestamp Severstal Kaluga, LLC.	19,380	-	(2,852)	-	61	89	(830)	15,848
Gestamp Auto Components (Kunshan) Co., Ltd./Gestamp Holding China, AB	37,435	-	(317)	-	104	(100)	2,688	39,810
Shanghai Edscha Machinery Co., Ltd.	10,102	-	(86)	-	113	(51)	806	10,884
Edscha Pha, Ltd.	6,409	-	106	-	16	178	2,453	9,162
Edscha Aapico Automotive Co. Ltd.	1,456	-	68	(623)	2	4	452	1,359
Sofedit, SAS	39,251	(40,590)	-	-	-	-	1,357	18
Gestamp Wroclaw, sp. Z.o.o.	(6,008)	5,733	-	-	-	-	-	(2)
Gestamp Brasil Indústria Autopeças, S.A.	35,130	-	(2,037)	-	111	1	(460)	32,745
Gestamp Holding Argentina, S.L. and Argentinian companies	1,949	-	4,679	-	44	(378)	(588)	5,706
Gestamp Holding México, S.L. and Mexican companies	96,657	-	4,132	(8,797)	90	266	7,838	100,186
Gestamp North America, INC and North American companies	91,178	-	3,758	-	354	-	(7,091)	88,199
Mursolar 21, S.L./Gestamp A. Shenyang, Co. Ltd./Gestamp A. Dongguan, Co. Ltd.	42,474	-	(240)	-	86	(4)	5,122	47,438
Beyçelik Gestamp Kalip, A.S. / Çelik Form Gestamp Otomotive, A.S./ Beyçelik Gestamp Teknoloji Kalip, A.S./ MPO Providers rez. S.R.L./Beyçelik Gestamp Sasi, L.S.	29,793	-	(4,446)	(5,497)	199	(25)	10,678	30,702
Gestamp Automotive India Private Ltd.	28,310	-	(1,179)	-	43	-	5,409	32,583
Jui Li Edscha Body System Co. Ltd./Jui Li Edscha Hainan Industry Enterprise Co. Ltd./ Jui Li Edscha Holding Co. Ltd.	2,283	-	(9)	(232)	40	66	392	2,540
NCSG Sorocaba Indústria Metalúrgica Ltda.	-	29	(533)	-	-	-	860	356
Tuyauto Gestamp Morocco	-	1,765	59	-	-	-	(97)	1,727
Gestamp Auto Components (Tianjin) Co. Ltd./Gestmp Auto Components Beijing Co. Ltd.	-	13,438	(472)	-	-	-	(1,230)	11,736
Total	435,799	(19,625)	904	(15,149)	1,263	46	27,759	430,997

The most significant changes in "Non-controlling Interests" at 31 December 2018 related to:

- The increased ownership percentage in companies with prior control is due to the purchase by the subsidiary GMF Holding GmbH's of a 35% stake in the share capital of Sofedit S.A.S. (Note 2.b).
- Inclusion of the companies NCSG Sorocaba Industria Metalúrgica Ltda. and Tuyauto Gestamp Morocco (Note 2.b).
- The capital increase of Gestamp Auto Components (Tianjin) Co., Ltd., whereby the non-controlling interest Beijing Hainachuan Automotive Parts, Co., Ltd. was incorporated. (Note 2.b).
- Distribution of dividends by Edscha Aapico Automotive Co. Ltd on 25 May, Jui Li Edscha Body System Co. Ltd on 19 June, Beyçelik Gestamp Kalip, A.S. on 22 March 2018 and of Gestamp Holding México, S.L. on 18 December 2018.

The most significant non-controlling interests mentioned in this Note have protecting rights mainly related to significant decisions on divestments of fixed assets, company restructuring, granting of guarantees, distribution of dividends and changes in articles of association. These protecting rights do not significantly restrict the Group's capacity to access or to use its assets as well as to liquidate its liabilities.

Nota 20. Deferred income

This heading includes the grants related to assets obtained by the Group companies pending their transfer to the Interim Condensed Consolidated Income Statement.

The variations in this heading at 30 June 2019 and 31 December 2018 were as follows:

	Thousands of euros
Balance at December 31, 2017	22,315
Grants received during the financial year	5,622
Grants returned during the financial year	(1,098)
Grants released to income in the year	(4,616)
Translation differences	(99)
Other changes	571
Balance at December 31, 2018	22,695
Grants received during the financial year	6,019
Grants returned during the financial year	(325)
Grants released to income in the year (Note 24.b))	(1,963)
Translation differences	11
Other changes	(136)
Balance at June 30, 2019	26,301

The Group companies are able to meet all the requirements demanded by administrative resolutions regarding the awarding of subsidies to qualify as non-reimbursable grants.

Nota 21. Provisions and contingent liabilities

The breakdown of the provisions, by item, at 30 June 2019 and 31 December 2018, is as follows:

	Thousands of euros					
	Non-current		Current		Total	
	30-06-2019	31-12-2018	30-06-2019	31-12-2018	30-06-2019	31-12-2018
Provision for employee compensation	105,413	100,722	510	403	105,923	101,125
Provision for tax proceedings	8,207	8,229	1	-	8,208	8,229
Provision for other responsibilities	13,966	12,963	11,326	12,843	25,292	25,807
	127,586	121,915	11,837	13,246	139,423	135,161

The changes in this heading during 2019 and 2018 are as follows:

	Thousands of euros			
	Provision for employee compensation	Provision for tax proceedings	Provision for other responsibilities	Total
Balance at December 31, 2017	101,609	7,848	45,310	154,767
Additions	9,947	2,834	8,188	20,969
Retirements/amount applied	(10,730)	(2,675)	(30,693)	(44,098)
Translation differences	(10)	(431)	(1,400)	(1,841)
Other movements	309	653	4,402	5,364
Balance at December 31, 2018	101,125	8,229	25,807	135,161
Additions	8,965	591	5,905	15,461
Retirements/amount applied	(3,670)	(680)	(2,715)	(7,065)
Translation differences	(495)	68	(941)	(1,368)
Other movements	(2)	-	(2,764)	(2,766)
Balance at June 30, 2019	105,923	8,208	25,292	139,423

Provision for remuneration to employees

According to the commitments undertaken, the Group has legal, contractual and implicit obligations to staff of certain subsidiaries whose amount or maturity is uncertain.

The provision for long-term defined benefit plans is quantified considering the possible affected assets according to the recognition and measurement standards.

Increases in 2019 and 2018 mainly correspond to:

- Provisions for employee remuneration regarding seniority awards and other benefits for remaining at the company.
- Provisions based on actuarial calculations.
- Provisions for employee compensation based on a long-term incentive plan. Such incentive plan is not related to the process for admission to listing of the Group on the Madrid Stock Exchange.

Derecognitions in 2019 and 2018 mainly correspond to reversals of long term employee compensation provisions.

Provision for taxes

The Group basically books the estimated amount of tax debts related to tax assessments commenced by the tax authorities and currently appealed against before the courts and others whose exact amount or payment date is uncertain.

Derecognitions in 2019 and 2018 mainly correspond to the application of provisions relating to tax assessments.

Provision for other responsibilities

This line item primarily reflects provisions recognised by certain Group companies to cover specific risks arising from their day-to-day businesses and provisions for personnel restructuring.

Decreases in 2018 are mainly amounts used of provisions for operating expenses and trade operations of different Group companies.

Group Management considers that provisions registered in the Interim Condensed Consolidated Balance Sheet duly cover the risks for litigations, arbitration and other contingencies, and no additional related liabilities are expected.

At 30 June 2019 and 31 December 2018, there were no significant contingent liabilities in the group.

Nota 22. Borrowed funds

The detail of the Group's borrowings at 30 June 2019 and 31 December 2018, classified by item, is as follows:

Item	Thousands of euros					
	Non current			Current		
	30-06-2019	31-12-2018		30-06-2019	31-12-2018	
a) Interest-bearing loans, borrowings and debt issues	a.1)	2,620,819	2,589,086	a.2)	180,110	75,897
b) Derivative financial instruments	b.1)	80,774	56,117	b.1)	-	1,197
c) Other financial liabilities		<u>592,517</u>	<u>96,571</u>		<u>73,778</u>	<u>182,350</u>
Finance lease prior IFRS 16	c.1)	45,018	39,971	c.1)	9,064	6,667
Borrowings from related parties	c.2)	179,718	27,844	c.2)	2,925	175,683
Other borrowings	c.3)	27,770	28,756	c.3)	-	-
Operating lease (IFRS 16)	c.4)	340,011	-	c.4)	61,789	-
d) Other liabilities	d)	12,906	10,010	d)	217,186	187,303
Total		3,307,016	2,751,784		471,074	446,747

The changes in liabilities related to financing activities, as shown in a) and c) and in derivative financial instruments in b) of the table above, are detailed as follows:

	Thousand of euros							
	31-12-2018	Cash flow	Variations in foreign currency	Changes in fair value	New lease contracts	Others	IFRS 16	30-06-2019
Non-current interest-bearing loans, borrowings and debt issues	2,589,086	47,339	5,427	-	-	(21,033)	-	2,620,819
Current bank borrowings	75,897	(13,679)	(1,692)	-	-	119,584	-	180,110
Non-current finance lease	39,971	-	(1,334)	-	2,839	3,542	-	45,018
Current finance lease	6,668	(3,607)	(414)	-	999	5,418	-	9,064
Non-current operating lease (IFRS 16)	-	-	-	-	-	(1,311)	341,322	340,011
Current operating lease (IFRS 16)	-	-	-	-	-	(262)	62,051	61,789
Non-current payables to related parties	27,844	-	(45)	-	-	151,919	-	179,718
Current payables to related parties	175,683	(19,075)	3,764	-	-	(157,447)	-	2,925
Other non-current borrowings	28,756	-	-	-	-	(986)	-	27,770
Total (Note 4.6)	2,943,905	10,978	5,706	-	3,838	99,424	403,373	3,467,224
Derivative financial instruments	56,117	-	-	24,657	-	-	-	80,774
Total	3,000,022	10,978	5,706	24,657	3,838	99,424	403,373	3,547,998

The "Other" column includes mainly the effect of the reclassification between non-current and current and the impact of the adoption of IFRS 9 (Note 22).

a) Bank borrowings and debt securities

a.1) Bank borrowings and long-term debt securities

The breakdown, by segment and maturity date, of non-current bank borrowings and debt securities is as follows:

Description	Thousands of euros						31-12-2018
	30-06-2019						
	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	July 2023 to June 2024	Beyond	Total	Total
In Euro	178,113	290,485	883,636	457,776	444,717	2,254,727	2,226,646
Western Europe	153,409	280,252	873,574	457,776	444,717	2,209,728	2,178,746
Eastern Europe	24,704	10,233	10,062	-	-	44,999	47,900
In foreign currency	14,954	56,072	186,941	66,383	41,742	366,092	362,440
Brazilian real							
Mercosur	13,715	4,384	1,459	46,596	412	66,566	73,716
Dollars							
Western Europe	-	39,567	173,393	-	-	212,960	211,491
Turkish lira							
Eastern Europe	1,032	32	-	-	-	1,064	447
Czech crown							
Eastern Europe	-	12,089	12,089	12,089	12,089	48,356	48,572
Romanian leu							
Eastern Europe	-	-	-	7,698	-	7,698	-
Korean won							
Asia	-	-	-	-	1,132	1,132	1,188
Japannese Yen							
Asia	-	-	-	-	28,109	28,109	27,026
Indian rupees							
Asia	207	-	-	-	-	207	-
Total	193,067	346,557	1,070,577	524,159	486,459	2,620,819	2,589,086

At 30 June 2019, the Group held long-term bilateral credit lines amounting to 400,000 thousand euros which had been drawn down amounting to 100,792 thousand euros at that date (31 December 2018: 320,000 thousand euros which no amount had been drawn down). The interest rate on these policies ranges between 0.60% and 1.20%.

The detail of the repayments corresponding to the balances of this account at 31 December 2018 is as follows:

Thousands of euros					
31-12-2018					
2020	2021	2022	2023	Beyond	Total
262,158	328,300	741,217	815,094	442,317	2,589,086

The guarantees granted are personal guarantees of the borrower and were granted by a group of subsidiary companies (Appendix III).

At 30 June 2019 and 31 December 2018, there were no assets pledged as security for loans (Note 11).

In addition, there are security interests and related guarantees in the description of the individual transactions included in this Note.

The nominal interest rate on Interest-bearing loans at 30 June 2019 is as follows:

	<u>Interest rate</u>
• Loans denominated in euros:	0.90% - 1.45%
• Loans denominated in Brazilian reals*	3.50% - 8.70%
• Loans denominated in US dollars	3.95%-4.25%

* The lower level of the range corresponds to loans received by BNDES with a subsidised interest rate.

The nominal interest rate on the loans at 31 December 2018 is as follows:

	<u>Interest rate</u>
• Loans denominated in euros:	0.90% - 1.45%
• Loans denominated in Brazilian reals*	3.50% - 8.70%
• Loans denominated in US dollars	3.95% - 4.25%

* The lower level of the range corresponds to loans received by BNDES with a subsidised interest rate.

The loans in the schedule above where certain Group companies are guarantors or which are subject to covenants are as follows:

I) Syndicated loan 2013 (modified 2016)

The Group adopted IFRS 9 *Financial instruments* for the first time in 2018. The accounting treatment adopted by IFRS 9 for restructurings requires adjusting the debt balance to the sum of the adjusted cash flows discounted to the original effective interest rate. This rate, once adjusted using the possible restructuring fees, must be used for subsequent periods.

On 20 May 2016, the Parent Company signed an agreement modifying the original syndicated loan agreement signed on 19 April 2013, modifying both the principal, whose original amount was 532 million euros, (Tranche A1), increasing it by 340 million euros (Tranche A2), and certain conditions of such loan.

Also, a tranche of a Revolving Credit Facility exists, the amount of which was increased at 30 June 2019 to 325,000 thousand euros, the initial amount of which was 280,000 thousand euros at 31 December 2018.

After the required analysis, this operation was considered as a refinancing of the syndicated loan since there was no substantial modification of the debt.

On 25 July 2017, the Parent Company signed a new agreement to modify the original syndicated loan agreement signed in April 2013. This agreement implies changes in interest rates and payment dates. The maturity date for the contract was 15 July 2022.

On 11 May 2018, the Parent Company signed a new agreement to modify the original syndicated loan agreement signed in April 2013. This agreement implies changes in clauses of the agreement, without altering economic terms, maturities, drawdowns and allowing interim dividend distribution.

The impact of the adoption of IFRS 9 at 1 January 2018 for the syndicated loan is as follows:

	Thousands of euros
Liabilities	
Interest-bearing loans and borrowings and debt issues	(54,064)
Deferred tax liabilities	12,976
Total liabilities	(41,088)
Net positive impact on equity	41,088

Lastly, on 25 February 2019, the Parent Company signed a new agreement to modify the syndicated loan agreement modifying the maturity dates. The initial maturity date in 2020 and 2021 has been modified to April 30, 2023 amounted to 324 thousand euros. The first Tranche (Tranche 1) relates to the initial transaction while the second (Tranche 2) results from the extension made in 2016; accordingly, each one was treated separately given that the initial IRR of each transaction is different. The effect at 30 June 2019 recognised for said restructuring transaction was Finance income of 13,289 thousand euros, whose tax effect amounted to 3,189 thousand euros.

The estimate at 25 February 2019, that is, having considered the restructuring performed at that date, of the amount to be recorded in future years under "Finance costs" with the corresponding increase in Bank borrowings, and its tax effect, is as follows:

Thousands of euros			
Year	Finance cost	Tax effect	Total impact on results
2019	12,018	(2,884)	9,134
2020	14,422	(3,461)	10,961
2021	14,422	(3,461)	10,961
2022	9,470	(2,273)	7,197
2023	2,283	(548)	1,735
Total	52,615	(12,627)	39,988

These amounts may be altered in the case of extensions or early cancellations that change the accrual period.

The amount accrued under Finance costs at 30 June 2019, as a result of applying this standard and the subsequent increase in Bank borrowings, amounted to 7,146 thousand euros (12,400 thousand euros at 31 December 2018), with the corresponding reversal of the Deferred tax liability of 1,715 thousand euros (2,976 thousand euros at 31 December 2018).

The Parent Company must comply with certain financial obligations during the term of the loan related to its Interim Condensed Consolidated Financial Statements over the life of the loan. These obligations are as follows:

- “EBITDA / Financial expense” above 4.00x
- “Net Financial Debt / EBITDA” below 3.50x

The non-fulfilment of these ratios implies the early repayment of the loan. A period of 20 working days exists to remedy the breach of these financial obligations. At 30 June 2019 and 31 December 2018, these ratios were within the limits mentioned above (the “EBITDA / Financial expense” ratio was 6.92 at 30 June 2019 and 7.45 at 31 December 2018 and the “Net Financial Debt / EBITDA” ratio was 2.70 at 30 June 2019 and 2.47 at 31 December 2018). Ratios must be calculated in accordance with the accounting rules in force at the time of signing (19 April 2013). This means, in particular, that the impacts due to the amendment of IFRS 16 applicable as from 1 January 2019 will be undone.

In addition, there is a limitation on the distribution of dividends whereby the dividend to be distributed in each year may not exceed 50% of the consolidated profit for the year.

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 852,473 thousand euros.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint and several guarantors of the aforementioned loans. The detail of these companies is provided in Appendix III.

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. and Gestamp Toledo, S.A.

II) May 2013 and May 2016 Bonds and April 2018

On 11 May 2016, a bond issue was completed through the subsidiary Gestamp Funding Luxembourg, S.A., amounting to 500 million euros at an interest rate of 3.5%.

This bond issue initially matures on 15 May 2023 and the interest will be payable every six months (in November and May).

The amortised cost of the bond issued in May 2016, at 30 June 2019, amounts to 451 million euros (at 31 December 2018: 483 million euros).

In April 2018, the Group completed an issuance of senior bonds guaranteed through the Parent Company for a total aggregate amount of 400 million euros with an annual coupon of 3.25% and an IRR of 3.375%.

The initial maturity date of the bonds was 30 April 2026 and the interest will be paid every six months.

The amortised cost of the bond issued in April 2018, at 30 June 2019, amounts to 392 million euros (31 December 2018: 393 million euros).

Certain Group companies, which together represent a significant portion of total consolidated assets and consolidated EBITDA, act as joint and several guarantors of the bonds. The detail of these companies is provided in Appendix III.

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. and Gestamp Toledo, S.A.

As mentioned in heading I), the Group adopted IFRS 9 *Financial instruments* for the first time in 2018. The accounting treatment adopted by IFRS 9 for restructurings requires adjusting the debt balance to the sum of the adjusted cash flows discounted to the original effective interest rate. This rate, once adjusted using the possible restructuring fees, must be used for subsequent periods.

The impact of the adoption of IFRS 9 at 1 January 2018 for the syndicated loan is as follows:

	Thousands of euros
Liabilities	
Interest-bearing loans and borrowings and debt issues	(52,116)
Deferred tax liabilities	10,944
Total liabilities	(41,172)
Net positive impact on equity	41,172

The estimate at 1 January 2019 of the amount to be recorded in future years under “Finance costs” with the corresponding increase in bank borrowings, and its tax effect, is as follows:

Thousands of euros			
Year	Finance cost	Tax effect	Total impact on results
2019	8,799	(1,848)	6,951
2020	9,440	(1,982)	7,458
2021	10,128	(2,127)	8,001
2022	10,867	(2,282)	8,585
2023	5,727	(1,203)	4,524
Total	44,961	(9,442)	35,519

These amounts may be altered in the case of extensions or early cancellations that change the accrual period.

The amount accrued under Finance costs at 30 June 2019, as a result of applying this standard and the subsequent increase in Bank borrowings, amounted to 4,399 thousand euros (7,155 thousand euros

at 31 December 2018), with the corresponding reversal of the Deferred tax liability of 924 thousand euros (1,502 thousand euros at 31 December 2018).

III) European Investment Bank

On 15 June 2016, the Parent Company signed a financing agreement with the European Investment Bank for 160 million euros.

The loan has a initially duration of seven years, maturing on 22 June 2023. The Parent Company undertakes to comply with certain financial obligations during the term of the loan and relating to its Interim Condensed Consolidated Financial Statements. These obligations are as follows:

- “EBITDA / Financial expense” above 4.00x
- “Net Financial Debt / EBITDA” below 3.50x

The non-fulfilment of these ratios implies the early repayment of the loan. A period of 20 working days exists to remedy the breach of these financial obligations. At 30 June 2019 and 31 December 2018, these ratios were within the limits mentioned above (the “EBITDA / Financial expense” ratio was 6.92 at 30 June 2019 and 7.45 at 31 December 2018 and the “Net Financial Debt / EBITDA” ratio was 2.70 at 30 June 2019 and 2.47 at 31 December 2018).

In addition, there is a limitation on the distribution of dividends whereby the dividend to be distributed in each year may not exceed 50% of the consolidated profit for the year.

The outstanding amount of this loan granted to the Parent Company is recorded as non-current, amounting to 160 million euros.

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint and several guarantors of this loan. The detail of these companies is provided in Appendix III.

IV) Banco KfW IPEX Bank GmbH

On 26 June 2017, the Parent Company signed a financing agreement with Banco KfW IPEX Bank GmbH for 45 million euros.

The initially loan term is five years with maturity on 19 June 2022.

The outstanding amount of the syndicated loan, granted to the Parent Company, is registered as long-term in the amount of 45 million euros.

The Parent Company must comply with certain financial obligations during the term of the loan related to its Interim Condensed Consolidated Financial Statements. These obligations are as follows:

- “EBITDA / Financial expense” above 4.00x
- “Net Financial Debt / EBITDA” below 3.50x

The non-fulfilment of these ratios implies the early repayment of the loan. A period of 20 working days exists to remedy the breach of these financial obligations. At 30 June 2019 and 31 December 2018, these ratios were within the limits mentioned above (the “EBITDA / Financial expense” ratio was 6.92

at 30 June 2019 and 7.45 at 31 December 2018 and the “Net Financial Debt / EBITDA” ratio was 2.70 at 30 June 2019 and 2.47 at 31 December 2018).

Certain Group companies, which together represent a significant portion of total consolidated assets, revenue and EBITDA, act as joint and several guarantors of this loan. The detail of these companies is provided in Appendix III.

a.2) Current interest-bearing loans and borrowings

The breakdown by segment of current interest-bearing loans and borrowings is as follows:

Description	Thousands of euros													
	Credit facilities				Loans (b)		Accrued interest (c)		Discounted bills and Factoring (d)		(a)+(b)+(c)+(d)			
	Drawn down (a)		Limit		30-06-2019	2018	30-06-2019	2018	30-06-2019	2018	30-06-2019	2018	30-06-2019	2018
In Euro	54,958	20,386	327,189	234,877	38,879	(10,091)	11,970	6,772	1,950	2,862	107,757	19,929		
Western Europe	49,818	1,586	257,300	178,800	30,027	(14,997)	10,487	7,219	1,950	2,862	92,282	(3,330)		
Eastern Europe	5,140	18,800	69,889	56,077	8,852	4,906	1,483	(447)	-	-	15,475	23,259		
In foreign currency	8,768	13,401	108,818	86,770	62,996	40,806	589	1,761	-	-	72,353	55,969		
US dollar														
North America	-	-	-	-	15,905	1,937	-	-	-	-	15,905	1,937		
Turkish lira														
Eastern Europe	2,126		25,613	3,331	4,010	12,785		1,105	-	-	6,136	13,890		
Argentine peso														
Mercosur	-	-	-	-	6,299	-	-	-	-	-	6,299	-		
Brazilian real														
Mercosur	-	-	-	-	19,697	14,228	395	616	-	-	20,092	14,844		
Indian rupee														
Asia	1,098	8,956	44,018	45,002	-	2,966	-	-	-	-	1,098	11,923		
Remimbi yuan														
Asia	5,544	4,445	37,678	36,863	16,330	7,602	194	40	-	-	22,068	12,087		
Czech crown														
Eastern Europe	-	-	-	-	734	1,261	-	-	-	-	734	1,261		
Korean won														
Asia	-	-	1,509	1,574	21	27	-	-	-	-	21	27		
Total	63,726	33,787	436,007	321,647	101,875	30,715	12,559	8,533	1,950	2,862	180,110	75,898		

The Group has 912 million euros in with-recourse and non-recourse factoring and trade bill discounting facilities at 30 June 2019 (810 million euros at 31 December 2018).

The interest rate on the credit facilities is basically indexed to a floating rate of Euribor plus a spread between 0.60% and 0.75% in 2019 and 2018.

b) Derivative financial instruments

b.1) Interest rate derivatives and exchange rate derivatives

These Interim Condensed Consolidated Balance Sheet headings include the fair value of the interest rate hedges and derivatives held for trading arranged by the Group:

Description	Thousands of euros	
	30-06-2019	31-12-2018
Financial assets - derivatives (Note 12.a.3))	17,624	6,019
Derivatives held for trading	1,905	-
Others	15,719	6,019
Financial liabilities - derivatives	80,774	56,117
Derivatives held for trading	23,508	19,949
Cash flow hedges	40,603	29,965
Exchange rate hedges	944	184
Others	15,719	6,019
Financial liabilities - derivatives	-	1,197
Derivatives held for trading	-	1,197

Interest rate derivatives

The interest rate financial swaps, arranged by the Group, in place at 30 June 2019 and 31 December 2018, are as follows:

Contract	Item	Thousands of euros			
		30-06-2019		31-12-2018	
		Asset	Liability	Asset	Liability
1	Derivatives held for trading	-	-	-	6,011
2	Derivatives held for trading	-	19,071	-	9,215
5	Derivatives held for trading	-	4,437	-	4,723
7	Derivatives held for trading	(1,137)	-	-	-
8	Derivatives held for trading	(204)	-	-	-
9	Derivatives held for trading	(564)	-	-	-
Total derivatives held for trading		(1,905)	23,508	-	19,949
1	Cash flow	-	5,513	-	6,525
2	Cash flow	-	12,601	-	14,913
3	Cash flow	-	3,041	-	3,707
4	Cash flow	-	-	-	8
5	Cash flow	-	4,116	-	4,812
6	Cash flow	-	15,332	-	-
Total cash flow hedges		-	40,603	-	29,965

At 30 June, the Group had implemented a strategy to hedge interest rate risk on the notional value of the Group's estimated bank debt for the period from 2019 to 2020, through these financial interest rate swaps with the following notional amounts at 31 December of each year in thousands of euros:

Year	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	Contract 6
2019	140,000	320,000	77,835	-	110,000	-
2020	140,000	320,000	77,835	-	110,000	190,000
2021	-	-	-	-	-	190,000
2022	-	-	-	-	-	190,000
2023	-	-	-	-	-	190,000
2024	-	-	-	-	-	190,000
2025	-	-	-	-	-	190,000

The interest rate swaps arranged by the Group in place at 30 June 2019 have the following terms:

Contract	Effective date	Maturity date	Floating rate (to be received)	Fixed rate (to be paid)
Contract 1	July 1, 2015	January 4, 2021	3-month Euribor	1.98% (2019) and 2.15% (2020)
Contract 2	December 30, 2014	January 4, 2021	3-month Euribor	1.98% (2019) and 2.15% (2020)
Contract 3	January 2, 2015	January 4, 2021	3-month Euribor	2.09%
Contract 5	July 1, 2015	January 4, 2021	3-month Euribor	1.80% (2019) and 2.05% (2020)
Contract 6	December 31, 2020	December 31, 2025	3-month Euribor	1.46%

The hedging arrangements, outlined above, are qualified as effective cash flow hedges under IFRS hedge accounting criteria. Accordingly, changes in the fair value of the swaps are recognised in Equity while the accrued interest is recognised in the Interim Condensed Consolidated Income Statement.

The cash flows underlying the hedges are expected to affect the Interim Condensed Consolidated Income Statement during the following years:

Thousands of euros	
30-06-19	
2019	(7,819)
2020	(17,256)
2021	122
2022	(1,447)
2023	(674)
2024	(661)
2025	(739)
Total	(28,474)

Thousands of euros	
31-12-2018	
2019	(14,524)
2020	(15,280)
2021	(161)
Total	(29,965)

At 30 June 2019, the Group had transferred an expense of 7,417 thousand euros from equity to the Interim Condensed Consolidated Income Statement as a result of the settlements made in the year relating to interest rate hedging transactions. In 2018, expense recognised for this same item amounted to 13,592 thousand euros.

In 2019, the Group recognised an expense for the amount of 13,231 thousand euros relating to changes in the value of derivatives held for trading. In 2019, all hedging operations were efficient; accordingly, there was no impact on the Interim Condensed Consolidated Income Statement. In 2018, an expense of 8,035 thousand euros was recognised in the Interim Condensed Consolidated Income Statement, relating to the changes in value of derivatives held for trading.

Exchange rate derivatives

In July 2018, Gestamp Brasil, S.A. signed a loan granted by Bank of América, amounting to 50,000 thousand dollars. To cover this loan, an exchange rate derivative was signed with the financial entity, whose fair value at 30 June 2019 amounted to 944 thousand euros (184 thousand euros) at 31 December 2018.

The initial measurement arising in July 2018 was negative in the amount of 9,157 thousand Brazilian reals. This amount was recognised under Other current assets and accrues over the term of the loan on a straight-line basis over 48 months, with its balance at 30 June 2019 amounting to 1,611 thousand euros (1,845 thousand euros at 31 December 2018) (Note 15.e).

At 30 July 2019, the Group transferred 11,215,000 thousand Brazilian reals (5,775 thousand Brazilian reals at 31 December 2018) from Equity to the Interim Condensed Consolidated Income Statement, in order to offset the exchange gains (exchange losses at 31 December 2018), generated in the measurement of the loan.

Furthermore, on 13 February 2018, the Parent signed an exchange rate hedge for which dollars were sold and euros were purchased on 14 January 2019. This hedge was considered to be held for trading and its fair value at 31 December 2018 was 1,197 thousand euros, which was recognised in the Interim Condensed Consolidated Income Statement.

This hedge was ultimately settled on 19 March 2019, with a final measurement of 2,119 thousand euros, leading to the recognition of an exchange loss in that month of 922 thousand euros.

The effect of financial instruments on retained earnings in 2019 and 2018 is as follows:

	Thousands of euros
Adjustment due to change value 2017	(28,489)
Variation in fair value adjustment	6,413
Variation in deferred tax from financial instruments	(3,888)
Variation in derivative financial instruments (liabilities)	<u>1,069</u>
Interest rate derivatives	1,569
Exchange rate derivatives	(500)
Effect in profit due to hedge inefficiency	<u>9,232</u>
Adjustment due to change value 2018	(22,076)
Variation in fair value adjustment	(1,398)
Variation in deferred tax from financial instruments	(225)
Variation in derivative financial instruments (liabilities)	<u>(14,404)</u>
Interest rate derivatives	(23,869)
Cancellation of derivatives	11,577
Exchange rate derivatives	(2,112)
Effect in profit due to hedge inefficiency	<u>13,231</u>
Adjustment due to change value 2019	(23,474)

Lastly, "Others" under "Long-term derivative financial liabilities" includes the present value of implicit derivatives with respect to the exchange rate applicable to sales and purchase prices in a customer and supplier agreement (Note 12.a.3).

c) Other financial liabilities

c.1) Leasing classified previously as financial leasing (prior IFRS 16)

The finance lease obligations recognised under this heading relate to the discounted values of the payments under finance lease agreements detailed in Note 11. Details of the expected maturities of these obligations, and future financial expenses are as follows:

30-06-2019							
Thousands of euros							
Segment	Present value of lease obligations				Total	Future financial expenses	Financial lease installments
	Short term		Long term				
	Less than one year	Between one and five years	More than five years				
North America	1,029	4,803	12,845	17,648		4,417	23,094
Eastern Europe	7,111	18,470	1,233	19,703		3,060	29,874
Western Europe	924	6,546	1,121	7,667		540	9,131
Total	9,064	29,819	15,199	45,018		8,017	62,099

31-12-2018							
Thousands of euros							
Segment	Present value of lease obligations				Total	Future financial expenses	Financial lease installments
	Short term		Long term				
	Less than one year	Between one and five years	More than five years				
North America	1,078	4,684	12,988	17,672		4,488	23,238
Eastern Europe	5,589	18,638	3,661	22,299		1,673	29,561
Total	6,667	23,322	16,649	39,971		6,161	52,799

c.2) Borrowings from related parties

This heading in the Interim Condensed Consolidated Balance Sheet includes the following items with related parties:

Description	Long term		Short term	
	30-06-2019	31-12-2018	30-06-2019	31-12-2018
Loans (Note 30)	157,755	4,698	1,030	174,005
Fixed assets suppliers (Note 30)	21,963	23,146	-	-
Interest (Note 30)	-	-	1,613	1,678
Current accounts (Note 30)	-	-	282	-
Total	179,718	27,844	2,925	175,683

At 30 June 2019 and 31 December 2018, the debt posted in long-term fixed asset suppliers with Acek, Desarrollo y Gestión Industrial, S.L. corresponds to the purchase of the GESTAMP brand.

On 26 February 2019, it was agreed with Mitsui & Co. Ltd to extend its 171 million dollar loan to Gestamp North America, its December 2019 maturity being divided into three equal tranches maturing in December 2020, 2021 and 2022.

The breakdown of expected maturities for long-term borrowings with related parties is as follows (Note 30):

Description	Thousands of euros					Total 30-06-2019	Total 31-12-2018
	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	July 2023 to June 2024	Beyond		
Loans	51,034	51,034	51,034	4,653	-	157,755	4,698
North America	51,034	51,034	51,034	-	-	153,102	-
Eastern Europe	-	-	-	4,653	-	4,653	4,698
Fixed assets suppliers	1,260	1,343	1,431	1,525	16,404	21,963	23,146
Western Europe	1,260	1,343	1,431	1,525	16,404	21,963	23,146

The detail of the repayments corresponding to the balance of this account at 31 December 2018 is as follows:

Thousands of euros					
31-12-2018					
2019	2020	2021	2022	Beyond	Total
1,183	1,260	1,343	6,129	17,929	27,844

Interest rates on loans granted by related parties are at arm's length.

c.3) Other liabilities

Other non-current liabilities

The amounts included under this heading, broken down by maturity at 30 June 2019 and 31 December 2018, are as follows:

Description	Thousands of euros					Total 30-06-2019	Total 31-12-2018
	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	July 2023 to June 2024	Beyond		
Loans from Ministry of Science and Technology	9,293	5,467	4,775	2,997	5,238	27,770	28,756

The detail of these amounts corresponds to companies included in the Western Europe segment.

The detail of the repayments corresponding to the balance of this account at 31 December 2018 is as follows:

Thousands of euros					
31-12-2018					
2020	2021	2022	2023	Beyond	Total
9,283	5,607	4,975	3,211	5,680	28,756

c.4) Operating leases (IFRS 16)

The operating lease commitments, recognised under this heading, correspond to the present value of the lease arrangements, in accordance with the application of IFRS 16 (applied from 1 January 2019). The breakdown by current and non-current assets is as follows:

Type of asset	30-06-2019				Total
	Thousands of euros				
	Short term	Between 1 to 5 years	More than 5 years		
Stores	4,657	15,102	27,177		46,936
Machinery	27,982	71,495	12,015		111,492
Offices	5,024	21,827	25,234		52,085
Plants	9,403	30,859	38,122		78,384
Tooling	6,887	30,441	6,255		43,583
Lands	2,580	12,195	23,645		38,420
Others	5,256	21,483	4,161		30,900
Total	61,789	203,402	136,609		401,800

d) Other borrowed funds

Other non-current borrowed funds

The breakdown of the amounts included under this heading by maturity and segment at 30 June 2019 and 31 December 2018 is as follows:

Description	Thousands of euros					Total 30-06-2019	Total 31-12-2018
	July 2020 to June 2021	July 2021 to June 2022	July 2022 to June 2023	July 2023 to June 2024	Beyond		
Guarantees received	8	14	3	-	546	571	562
Western Europe	8	14	3	-	546	571	558
Mercosur	-	-	-	-	-	-	4
Other creditors	3,993	980	980	949	5,433	12,335	9,448
Western Europe	1,121	980	980	949	5,433	9,463	9,448
Eastern Europe	1,574	-	-	-	-	1,574	-
North America	5	-	-	-	-	5	-
Mercosur	610	-	-	-	-	610	-
Asia	683	-	-	-	-	683	-
Total	4,001	994	983	949	5,979	12,906	10,010

The detail of the repayments corresponding to the balances of this account at 31 December 2018 is as follows:

Thousands of euros					
31-12-2018					
2019	2020	2021	2022	Beyond	Total
1,313	979	979	5,866	873	10,010

Other current borrowings

The amounts included under this heading in the accompanying Interim Condensed Consolidated Balance Sheet, by item, are as follows:

Item	Thousands of euros	
	30-06-2019	31-12-2018
Fixed assets suppliers	126,553	122,338
Other suppliers (Note 30)	1,323	1,232
<u>Dividends (Note 30)</u>	<u>44,882</u>	<u>37,351</u>
Interim dividends	-	37,346
Dividends	44,882	5
Short term debts	44,686	26,030
Deposits and guarantees	234	445
Others	(492)	(93)
Total	217,186	187,303

On 14 January 2019, the unpaid dividend at 31 December 2018, amounting to 37,346 thousand euros, was paid.

Dividends of 44,882 thousand euros include 40,286 thousand euros of dividends to be distributed by the Parent Company. (Note 17.3).

Both at 30 June 2019 and at 31 December 2018, “Short term debts” included an outstanding amount of 5,370 thousand euros (5,558 thousand euros at 31 December 2018) (Note 3) relating to the acquisition of 100% of the shares of NCSG Sorocaba Industria Metalúrgica Ltda.

Nota 23. Suppliers and accounts payable

a) Trade payables

	Thousands of euros	
	30-06-2019	31-12-2018
Trade accounts payable	1,080,450	1,043,127
Trade bills payable	150,242	154,411
Suppliers from related parties (Note 30)	401,360	341,920
Trade creditors, related parties (Note 30)	-	134
Total	1,632,052	1,539,592

b) Other payables

	Thousands of euros	
	30-06-2019	31-12-2018
VAT payable	64,498	78,577
Tax withholdings payable	8,712	14,379
Other items payable to the tax authorities	23,829	30,043
Payable to social security	38,147	32,259
Other payables	6,299	7,292
Outstanding remuneration	144,572	122,483
Total	286,057	285,033

Nota 24. Operating revenue

a) Revenue

The breakdown of revenue by category in 2019 and 2018 is as follows:

	Thousands of euros	
	30-06-2019	30-06-2018
Parts, prototypes and components	4,164,574	3,946,141
Tooling	165,587	153,673
Byproducts and containers	165,827	168,702
Services rendered	17,214	9,256
Total	4,513,202	4,277,772

The geographical breakdown of consolidated Revenue was as follows:

	Thousands of euros	
	30-06-2019	30-06-2018
Western Europe	2,060,757	2,135,346
Spain	813,051	813,845
Germany	516,615	577,444
United Kingdom	295,428	320,570
France	269,794	266,531
Portugal	140,819	121,501
Sweden	24,674	35,455
Morocco	376	-
Eastern Europe	695,465	572,430
Turkey	215,648	181,531
Czech Republic	126,445	103,241
Russia	79,546	66,073
Poland	171,999	152,857
Hungary	48,637	38,720
Slovakia	26,763	4,967
Romania	24,004	25,041
Bulgaria	2,423	-
Mercosur	295,503	305,986
Brazil	237,532	217,649
Argentina	57,971	88,337
North America	940,229	757,516
USA	668,300	492,261
Mexico	271,929	265,255
Asia	521,248	506,494
China	370,553	324,430
India	86,212	100,944
South Korea	53,423	73,437
Japan	6,905	4,432
Thailand	4,098	3,142
Taiwan	57	109
	4,513,202	4,277,772

b) Other operating income

	Thousands of euros	
	30-06-2019	30-06-2018
Other operating income	17,817	14,096
Grants related to income	6,582	3,032
Capital grants transferred to income for the year (Note 20)	1,963	1,955
Excess provision for taxes	70	3
Excess provision for environmental actions and other liabilities	739	1,087
Own work capitalized	73,083	60,782
Other gains/losses	260	4,423
Gains/(losses) from disposals of intangible assets and PP&E	260	80
Other	-	4,343
Total	100,514	85,378

Other operating income in 2019 and 2018 mainly includes invoices to third parties for transactions other than the companies' core business.

Also, at 30 June 2019, it includes the net effect of the business combination for the acquisition of Gestamp Etem Automotive Bulgaria, S.A., amounting to 2,552 thousand euros (Note 3).

Nota 25. Operating expenses

a) Cost of materials used

	Thousands of euros	
	30-06-2019	30-06-2018
Purchases of goods and tools	169,043	183,896
Discounts on early payment purchases	(847)	(838)
Returns for purchases and similar transactions	(1,802)	(4,760)
Volume discounts	(2,991)	(2,900)
Change in inventories (**)	(45,098)	(46,807)
Purchases of raw materials	1,882,737	1,741,733
Consumption of other supplies	549,160	501,964
Work carried out by other companies	159,408	180,170
Losses due to impairment of goods, raw materials (**)	1,178	1,854
Reversal of impairment of goods, raw materials (**)	(1,280)	(1,674)
Total	2,709,508	2,552,638

** The total of these line items amounts to a net consumption of commodities of 45,200 thousand euros (Note 13).

b) Staff costs

The breakdown of “Staff costs” in the Interim Condensed Consolidated Income Statement is as follows:

	Thousands of euros	
	30-06-2019	30-06-2018
Salaries	657,337	623,192
Social security	113,468	108,760
Other benefits expenses	55,729	56,227
Total	826,534	788,179

Other welfare expenses include the amounts relating to contributions from defined contribution pension plans amounting to 2.3 million euros in 2019 (2.4 million euros at 30 June 2018) (Note 6.16).

c) Other operating expenses

	Thousands of euros	
	30-06-2019	30-06-2018
Operation and maintenance	340,266	349,322
Other external services	224,550	205,251
Taxes	21,237	16,865
Impairment of accounts receivable (Note 15.a))	(369)	(798)
Other gains/losses	3,845	214
Provision for contingencies and expenses	1,588	214
Other	2,257	-
Total	589,529	570,854

Nota 26. Finance income and finance costs

a) Finance income

	Thousands of euros	
	30-06-2019	30-06-2018
From current loans to third parties	1	-
Other finance income	2,817	1,942
From current loans to related parties (Note 30)	94	98
From non-current loans to third parties	118	118
Total	3,030	2,158

b) Finance costs

	Thousands of euros	
	30-06-2019	30-06-2018
Interest on bank borrowings	53,275	53,756
Interest on discounted bills of exchange at banks	35	2,553
On trade factoring operations with credit institutions (Note 15.a))	5,437	4,151
Other finance expenses	3,715	1,108
Finance expenses IFRS 16	10,625	-
On update provisions	138	-
Interest from receivables, related parties (Note 30)	4,845	4,789
Total	78,070	66,357

Nota 27. Income tax

The Parent Company and its subsidiaries file their income tax returns separately except:

- From January 1, 2014 on, the Parent Company chooses to apply the special fiscal consolidation regime, regulated under Basque Regional Law 11/2013. The subsidiaries included in this fiscal group are Gestamp Bizkaia, S.A; Gestamp Tooling Erandio, S.L.; Gestamp North Europe Services, S.L., Loire S.A.F.E., Gestamp Global Tooling S.L., Matricería Deusto S.L., Adral Matricería y Puesta a punto S.L., Gestamp Tool Hardening S.L., Gestamp Try Out Services S.L., Gestamp Technology Institute S.L. and Diede Die Development S.L.
- The subsidiaries Gestamp North America, Inc., Gestamp Alabama, Llc., Gestamp Mason, Llc., Gestamp Chattanooga, Llc., Gestamp Chattanooga II Llc., Gestamp South Carolina, Llc., Gestamp West Virginia, Llc. and Gestamp Washtenaw Llc. file a tax return according to fiscal transparency system.
- The subsidiaries Griwe Innovative Umforttechnik GmbH, Griwe Werkzeug Produktions GmbH and Griwe System Produktions GmbH file a tax return according to a profit and loss transfer agreement.
- The subsidiaries Edscha Holding, GmbH, Edscha Automotive Hengersberg, GmbH, Edscha Automotive Hauzenberg, GmbH, Edscha Engineering, GmbH, Edscha Kunststofftechnik GmbH, Edscha Hengersberg Real Estate, GmbH and Edscha Hauzenberg Real Estate, GmbH file an income tax return in line with a profit and loss transfer agreement.
- The subsidiaries GMF Holding GmbH and Gestamp Umformtechnik GmbH file a tax return according to a profit and loss transfer agreement.

- The subsidiaries Gestamp Sweden, AB and Gestamp HardTech AB file a tax return according to a profit and loss transfer agreement.

The detail of income tax income and expense in 2019 and 2018, in thousands of euros, is as follows:

	Thousands of euros	
	30-06-2019	30-06-2018
Current tax	56,542	54,836
Deferred tax	(14,213)	(3,315)
Other adjustments to tax expense	(16)	510
Total	42,313	52,031

Nota 28. Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are also calculated by adjusting the profit attributable to ordinary equity holders of the Parent Company and the weighted average number of ordinary shares outstanding by all the dilutive effects inherent to potential ordinary shares.

Basic and diluted earnings per share for 2019 and 2018 are as follows:

	30-06-2019	30-06-2018
Profit attributable to the shareholders of the Parent (thousands of euros)	100,167	135,598
Loss from discontinued activities attributable to the shareholders of the Parent (thousands of euros)	-	-
Weighted average number of ordinary shares outstanding (thousands of shares)	574,641	575,514
Basic earnings per share from continuing operations (Euros per share)	0.17	0.24
Basic earnings per share from discontinued operations (Euros per share)	-	-
Diluted earnings per share from continuing operations (Euros per share)	0.17	0.24

The calculation of the weighted average number of ordinary shares at 30 June 2019 does not include the average number of own shares in the first semester of 2019, which amounted to 873 thousand shares. No treasury shares were held in the first semester of 2018.

Nota 29. Commitments

The Group is lessee of buildings, warehouses, machinery and vehicles. At 1 January 2019, the Group implemented the transition to IFRS 16 without modifying the comparative figures for the previous year (Note 5).

The information relating to the lease arrangements at 30 June 2019 was included in the corresponding Notes, by type (Note 11 and Note 22. c.4).

The amount recognised as a lease expense at 30 June 2019 relates to agreements of one year or less, which are not material, and to lease arrangements that may be similar to the provision of services, totalling 45,981 thousand euros, recognised under Other operating expenses (Note 25.c).

The lease expenses charged at 30 June 2018 in the Interim Condensed Consolidated Income Statement amount to 74,416 thousand euros, in line with the previous criteria regulated under IAS 17, and the breakdown by segment is as follows:

	Thousands of euros
	30-06-2018
Western Europe	39,248
Eastern Europe	7,323
Mercosur	2,020
North America	21,399
Asia	4,426
Total	74,416

Total future minimum payments for non-cancellable operating lease contracts at 31 December 2018 amounted to 524,279 thousand euros (Note 5), respectively, with the following breakdown:

	Thousands of euros		
	Less than 1 year	Between 1 and 5 years	More than 5 years
Western Europe	45,629	87,759	88,969
Eastern Europe	4,841	14,978	1,903
Mercosur	1,951	-	-
North America	43,621	133,818	89,372
Asia	4,795	3,809	2,834
Total 2018	100,837	240,364	183,078

The commitments acquired by Group companies relating to the acquisition of fixed assets and tools amounted to 408.7 million euros at 30 June 2019. It is likely that the execution of these orders will be from 2018 to 2021.

The Group has no guarantees granted to third parties. Guarantees received from financial entities by the Group and presented to third parties at 30 June amounted to 229 million euros (31 December 2018: 179 million euros).

Nota 30. Related party transactions

Balances and transactions with related parties

At 30 June 2019 and 31 December 2018, transactions with related parties are as follows:

30-06-2019			
Company	Thousands of euros	Company	Thousands of euros
Shareholders		Shareholders	
JSC Karelsky Okatysh	(4,652)	Acek, Desarrollo y Gestión Industrial, S.L.	(253)
Mitsui & Co., Ltd.	(153,103)	JSC Karelsky Okatysh	(132)
Total non-current loans (Note 22.c.2)	(157,755)	Mitsui & Co., Ltd.	(1,192)
Shareholders		Related parties	
Tuyauto, S.A.	(937)	Gonvarri I. Centro Servicios, S.L.	(36)
Related parties	-	Total interest payable (Note 22.c.2)	(1,613)
Gescrap Bilbao, S.L.	(93)	Associates	
Total current loans (Note 22.c.2)	(1,030)	Esymo Metal, S.L.	160
Associates		Total Non-current Loans	160
Esymo Metal, S.L.	320	Shareholders	
Gestión Global de Matricería, S.L.	21,400	Acek, Desarrollo y Gestión Industrial, S.L.	(7,932)
Total Current Loans	21,720	Others	(5)
Associates		Beyçelik Holding A.Ş.	(4,592)
Esymo Metal, S.L.	3	Free Float	(12,170)
Gestión Global de Matricería, S.L.	90	Gestamp 2020, S.L.	(20,183)
Total Interest receivable	93	Total Dividends payable (Note 22.d)	(44,882)
Shareholders		Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	4	Acek, Desarrollo y Gestión Industrial, S.L.	(6,244)
Related parties		Related parties	
GES Recycling, Ltd.	3	ArcelorMittal Flat Carbon, Luxemburg	(914)
GES Recycling USA Llc.	10,085	ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	(15,562)
Gescrap Aragón, S.L.	152	Dongguan Gonvarri Center, LTD.	(2,105)
Gescrap Autometal Comercio de Sucatas, S.A.	891	Gescrap Autometal México, S.A. de C.V.	(19)
Gescrap Autometal México, S.A. de C.V.	1,175	Gescrap France S.A.R.L.	2
Gescrap Bilbao, S.L.	3,971	Gescrap GmbH	(11)
Gescrap Centro, S.L.	1,787	Gescrap Navarra, S.L.	(3)
Gescrap Czech S.R.O.	137	Gescrap Slovakia S.R.O.	(628)
Gescrap France S.A.R.L.	3,729	Gonvarri Argentina, S.A.	(5,213)
Gescrap GmbH	5,144	Gonvarri Czech, S.R.O.	(1,208)
Gescrap Hungary, Kft.	241	Gonvarri Galicia, S.A.	(44,671)
Gescrap Navarra, S.L.	612	Gonvarri I. Centro Servicios, S.L.	(140,468)
Gescrap Noroeste, S.L.U.	671	Gonvarri Polska SP, Z.o.o.	(28,454)
Gescrap Polska SP, ZOO.	1,824	Gonvarri Ptos. Siderúrgicos, S.A.	(20,402)
Gescrap Rusia, Ltd.	15	Gonvauto Asturias, S.L.	(4,778)
Gescrap Slovakia S.R.O.	182	Gonvauto Navarra, S.A.	(9,209)
Gestamp Solar Steel, S.L.	46	Gonvauto Puebla, S.A. de C.V.	(24,222)
Gonvarri Argentina, S.A.	57	Gonvauto South Carolina Llc.	(14,219)
Gonvarri Czech, S.R.O.	148	Gonvauto Thüringen, GMBH	(14,244)
Gonvarri I. Centro Servicios, S.L.	176	Gonvauto, S.A.	(27,304)
Gonvarri Industrial, S.A.	465	Gonvvama, Ltd.	6
Gonvarri Polska SP, Z.o.o.	16	Grupo Arcelor	(4,895)
Gonvauto Asturias S.L.	640	Grupo Arcelor (rappel)	752
Gonvauto Navarra, S.A.	548	Industrial Ferrodistribuidora, S.A.	(3,910)
Gonvauto Puebla, S.A. de C.V.	499	Inmobiliaria Acek, S.L.	(92)
Gonvauto South Carolina Llc.	2,714	Laser Automotive Barcelona, S.L.	(2,234)
Gonvauto Thüringen, GMBH	1,699	Severstal Gonvarri Kaluga, LLC	(5,410)
Gonvauto, S.A.	821	Steel & Alloy, Ltd.	(10,598)
GS Hot-Stamping Co., Ltd.	5	Air Executive, S.L.	(197)
Industrial Ferrodistribuidora, S.A.	208	Gonvarri Valencia, S.A.	(151)
Láser Automotive Barcelona S.L.	17	Others	(4)
Road Steel Engineering, S.L.	3	Associates	
Gescrap India Private Limited	(3)	Esymo Metal, S.L.	(2,004)
Associates		Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(2,506)
Esymo Metal, S.L.	21	Gestión Global de Matricería, S.L.	(918)
Gestamp Auto Components Sales (Tianjin) Co., Ltd.	64,964	GGM Puebla, S.A. de C.V.	(118)
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	1,978	Global Laser Araba, S.L.	(1,172)
GGM Puebla, S.A. de C.V.	5,092	Ingeniería y Construcción Matrices, S.A.	(394)
Global Laser Araba, S.L.	3	IxCxT, S.A.	(6,389)
Ingeniería y Construcción Matrices, S.A.	1,685	Kunshan Gestool Tooling Manufacturing Co, Ltd	(524)
IxCxT, S.A.	217	Etem Gestamp Aliminium Extrusions, S.A.	(726)
Gestión Global de Matricería, S.L.	219	Total Suppliers, related parties (Note 23.a)	(401,360)
Etem Gestamp Aliminium Extrusions, S.A.	7	Shareholders	
Total Trade receivables from related parties (Note 15.a)	112,868	Acek, Desarrollo y Gestión Industrial, S.L.	(21,963)
Related parties		Total long-term asset suppliers (Note 22.c.2)	(21,963)
Gonvauto Thüringen, GMBH	67	Associates	
Total Debtors, related parties (Note 15.b)	67	GGM Puebla, S.A. de C.V.	(282)
Shareholders		Total payable Current account (Note 22.c.2)	(282)
Acek, Desarrollo y Gestión Industrial, S.L.	(1,183)		
Related parties			
Gescrap Autometal México, S.A. de C.V.	(90)		
Associates			
GGM Puebla, S.A. de C.V.	(50)		
Total Other current suppliers (Note 22.d)	(1,323)		
Total debit/credit balances			(495,300)

31-12-2018			
Company	Thousands of euros	Company	Thousands of euros
Shareholders		Shareholders	
JSC Karelsky Okatysh	(4,698)	Acek, Desarrollo y Gestión Industrial, S.L.	(1,193)
Total non-current loans (Note 22.c.2)	(4,698)	JSC Karelsky Okatysh	(449)
Shareholders		Related parties	
JSC Karelsky Okatysh	(4,599)	Gonvarri I. Centro Servicios, S.L.	(36)
Mitsui & Co., Ltd.	(168,394)	Total interest payable (Note 22.c.2)	(1,678)
Tuyauto, S.A.	(918)	Associates	
Related parties		Esymo Metal, S.L.	160
Gescrap Bilbao, S.L.	(92)	Total Non-current Loans	160
Otros	(2)	Shareholders	
Total current loans (Note 22.c.2)	(174,005)	Acek, Desarrollo y Gestión Industrial, S.L.	(7,365)
Associates		Gestamp 2020, S.L.	(18,742)
Esymo Metal, S.L.	320	Free float	(11,239)
Gestión Global de Matricería, S.L.	21,400	Others shareholders	(5)
Total Current Loans	21,720	Total Dividends payable (Note 22.d)	(37,351)
Shareholders		Shareholders	
Acek, Desarrollo y Gestión Industrial, S.L.	904	Acek, Desarrollo y Gestión Industrial, S.L.	(7,182)
Related parties		Related parties	
GES Recycling, Ltd.	(2)	ArcelorMittal Flat Carbon, Luxemburg	(5,080)
GES Recycling USA LLC.	6,596	ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	(9,390)
Gescrap Aragón, S.L.	32	Bursa Celik Sigorta Aracilik Hizma. A.S.	(44)
Gescrap Autometal Comercio de Sucatas, S.A.	692	Dongguan Gonvarri Center, LTD.	(3,614)
Gescrap Autometal México, S.A. de C.V.	1,502	Gescrap Autometal México, S.A. de C.V.	(2)
Gescrap Bilbao, S.L.	2,915	Gescrap France S.A.R.L.	(27)
Gescrap Centro, S.L.	1,394	Gescrap GmbH	(12)
Gescrap Czech S.R.O.	171	Gescrap Navarra, S.L.	(2)
Gescrap Desarrollo, S.L.U.	(522)	Gescrap Slovakia S.R.O.	(1,246)
Gescrap France S.A.R.L.	3,353	Gonvarri Argentina, S.A.	(6,459)
Gescrap GmbH	2,880	Gonvarri Czech, S.R.O.	(1,481)
Gescrap Hungary, Kft.	991	Gonvarri Galicia, S.A.	(34,206)
Gescrap Navarra, S.L.	272	Gonvarri I. Centro Servicios, S.L.	(113,491)
Gescrap Noroeste, S.L.U.	509	Gonvarri Polska SP, Z.o.o.	(21,432)
Gescrap Polska SP, ZOO.	2,611	Gonvarri Ptos. Siderúrgicos, S.A.	(17,127)
Gescrap Rusia, Ltd.	779	Gonvauto Asturias, S.L.	(3,888)
Gescrap Slovakia S.R.O.	95	Gonvauto Navarra, S.A.	(6,019)
Gestamp Solar Steel, S.L.	46	Gonvauto Puebla, S.A. de C.V.	(23,305)
Gonvarri Argentina, S.A.	2	Gonvauto South Carolina Llc.	(11,538)
Gonvarri Czech, S.R.O.	52	Gonvauto Thüringen, GMBH	(9,404)
Gonvarri Galicia, S.A.	1,275	Gonvauto, S.A.	(19,424)
Gonvarri I. Centro Servicios, S.L.	2,822	Gonvvama, Ltd.	(190)
Gonvarri Industrial, S.A.	435	Arcelor Group	(13,550)
Gonvarri Polska SP, Z.o.o.	(34)	Arcelor Group (rappel)	8,399
Gonvauto Navarra, S.A.	960	Industrial Ferrodistribuidora, S.A.	(2,421)
Gonvauto Puebla, S.A. de C.V.	10	Inmobiliaria Acek, S.L.	(496)
Gonvauto South Carolina Llc.	2,760	Laser Automotive Barcelona, S.L.	(1,271)
Gonvauto Thüringen, GMBH	1,414	Severstal Gonvarri Kaluga, LLC	(5,235)
Gonvauto, S.A.	1,483	Steel & Alloy, Ltd.	(12,365)
Gonvvama, Ltd.	286	Others	(3)
GS Hot-Stamping Co., Ltd.	5	Associates	
Industrial Ferrodistribuidora, S.A.	608	Esymo Metal, S.L.	(2,443)
Road Steel Engineering, S.L.	3	Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(9,688)
Severstal Gonvarri Kaluga, LLC	1	Gestión Global de Matricería, S.L.	(335)
Associates		GGM Puebla, S.A. de C.V.	(5,196)
Esymo Metal, S.L.	10	Global Laser Araba, S.L.	(996)
Gestamp Auto Components Sales (Tianjin) Co., Ltd.	49,748	Ingeniería y Construcción Matrices, S.A.	(1,605)
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	2,214	IxCxT, S.A.	(152)
Gestión Global de Matricería, S.L.	214	Total Suppliers, related parties (Note 23.a)	(341,920)
GGM Puebla, S.A. de C.V.	4,683	Related parties	
Global Laser Araba, S.L.	47	Gestamp Solar Infraestructuras, S.L.	(134)
Ingeniería y Construcción Matrices, S.A.	1,485	Total Trade creditors, related parties (Note 23.a)	(134)
IxCxT, S.A.	165	Shareholders	
Total Trade receivables from related parties (Note 15.a)	95,866	Acek, Desarrollo y Gestión Industrial, S.L.	(23,146)
Related parties		Total long-term asset suppliers (Note 22.c.2)	(23,146)
Gonvauto Thüringen, GMBH	74		
Total Debtors, related parties (Note 15.b)	74		
Shareholders			
Acek, Desarrollo y Gestión Industrial, S.L.	(1,110)		
Related parties			
Gescrap Autometal México, S.A. de C.V.	(61)		
Gonvauto Puebla, S.A. de C.V.	(3)		
Associates			
GGM Puebla, S.A. de C.V.	(49)		
Global Laser Araba, S.L.	(9)		
Total Other current suppliers (Note 22.d)	(1,232)		
		Total debit/credit balances	(466,344)

The related parties in the following tables are subsidiaries and associates of the Acek Desarrollo y Gestión Industrial, S.L. Group in which the Parent Company does not directly or indirectly hold any ownership interests.

There are no purchase commitments with related parties that are not related to the Group's own production activity.

At 30 June 2019 and 30 June 2018, transactions with Related Parties are as follows:

	Thousands of euros	
	30-06-2019	30-06-2018
Revenue		
Sales of goods	(291,718)	(130,157)
Services rendered	(1,734)	(1,788)
Finance income	(94)	(98)
Expenses		
Purchases	797,091	766,795
Services received	38,931	32,381
Finance expenses	4,845	4,789

The breakdown of transactions carried out with related parties at 30 June 2019 has been as follows:

30-06-2019			
Company	Thousands of euros	Company	Thousands of euros
Related parties		Related parties	
GES Recycling, Ltd.	(26)	ArcelorMittal Flat Carbon, Luxemburg	37,781
GES Recycling USA LLC.	(27,505)	ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	53,404
Gescrap Aragón, S.L.	(972)	Dongguan Gonvarri Center, LTD.	10,397
Gescrap Autometal Comercio de Sucatas, S.A.	(8,645)	Gonvarri Argentina, S.A.	18,584
Gescrap Autometal México, S.A. de C.V.	(12,707)	Gonvarri Galicia, S.A.	53,779
Gescrap Bilbao, S.L.	(14,766)	Gonvarri I. Centro Servicios, S.L.	203,870
Gescrap Centro, S.L.	(4,789)	Gonvarri Polska SP, Z.o.o.	85,168
Gescrap Czech S.R.O.	(728)	Gonvarri Ptos. Siderúrgicos, S.A.	24,631
Gescrap France S.A.R.L.	(11,531)	Gonvauto Asturias, S.L.	6,739
Gescrap GmbH	(19,790)	Gonvauto Navarra, S.A.	11,502
Gescrap Hungary, Kft.	(1,620)	Gonvauto Puebla, S.A. de C.V.	70,334
Gescrap Navarra, S.L.	(3,400)	Gonvauto South Carolina LLC.	38,814
Gescrap Noroeste, S.L.U.	(1,806)	Gonvauto Thüringen, GMBH	61,837
Gescrap Polska SP, ZOO.	(13,250)	Gonvauto, S.A.	36,518
Gescrap Rusia, Ltd.	(2,305)	Gonvvama, Ltd.	(14)
Gescrap Slovakia S.R.O.	(449)	Grupo Arcelor	44,202
Gonvarri Czech, S.R.O.	(209)	Industrial Ferrodistribuidora, S.A.	5,192
Gonvarri I. Centro Servicios, S.L.	(541)	Laser Automotive Barcelona, S.L.	50
Gonvauto Asturias S.L.	(2,914)	Severstal Gonvarri Kaluga, LLC	30,512
Gonvauto Navarra, S.A.	(2,665)	Steel & Alloy, Ltd.	1,930
Gonvauto Puebla, S.A. de C.V.	(509)	Associates	-
Gonvauto South Carolina LLC.	(673)	Esymo Metal, S.L.	323
Gonvauto Thüringen, GMBH	(4,380)	Gestamp Tooling Manufacturing Kunshan Co., Ltd.	520
Gonvauto, S.A.	(5,707)	GGM Puebla, S.A. de C.V.	1,018
Industrial Ferrodistribuidora, S.A.	11	Total Purchases	797,091
Láser Automotive Barcelona S.L.	(17)	Shareholders	
Severstal Gonvarri Kaluga, LLC	(62)	Acek, Desarrollo y Gestión Industrial, S.L.	7,565
Gescrap India Private Limited	(208)	Related parties	
Associates		Air Executive, S.L.	367
Gestamp Auto Components Sales (Tianjin) Co., Ltd.	(131,296)	ArcelorMittal Gonvarri Brasil Ptos. Siderúrgicos, S.A.	798
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(40)	Dongguan Gonvarri Center, LTD.	1
Gestión Global de Matricería, S.L.	(16,800)	Gescrap Autometal Comercio de Sucatas, S.A.	4
GGM Puebla, S.A. de C.V.	(1,349)	Gescrap Autometal México, S.A. de C.V.	2
Ingeniería y Construcción Matrices, S.A.	(70)	Gescrap GmbH	137
Total Sales	(291,718)	Gescrap Slovakia S.R.O.	1,110
Shareholders		Gonvarri Argentina, S.A.	228
Acek, Desarrollo y Gestión Industrial, S.L.	(102)	Gonvarri Czech, S.R.O.	4,972
Related parties		Gonvarri I. Centro Servicios, S.L.	43
GES Recycling USA LLC.	(4)	Gonvarri Polska SP, Z.o.o.	376
Gescrap Autometal México, S.A. de C.V.	(32)	Gonvarri Ptos. Siderúrgicos, S.A.	130
Gescrap Bilbao, S.L.	(1)	Gonvauto Asturias, S.L.	(104)
Gescrap France S.A.R.L.	(19)	Gonvauto Navarra, S.A.	236
Gescrap Hungary, Kft.	(2)	Gonvauto Puebla, S.A. de C.V.	30
Gescrap Polska SP, ZOO.	(32)	Gonvauto South Carolina LLC.	5,996
Gescrap Rusia, Ltd.	(2)	Gonvauto Thüringen, GMBH	7
Gonvarri Industrial, S.A.	(46)	Gonvauto, S.A.	17
Gonvarri Polska SP, Z.o.o.	(12)	Gonvvama, Ltd.	6
Gonvarri Ptos. Siderúrgicos, S.A.	(1)	Grupo Arcelor	82
Gonvauto Puebla, S.A. de C.V.	(5)	Industrial Ferrodistribuidora, S.A.	48
Gonvauto South Carolina LLC	(11)	Inmobiliaria Acek, S.L.	1,153
Gonvauto Thüringen, GMBH	(71)	Laser Automotive Barcelona, S.L.	1,932
Gonvvama, Ltd.	(334)	Others	1
Inmobiliaria Acek, S.L.	(1)	Associates	
Road Steel Engineering, S.L.	(13)	Esymo Metal, S.L.	1,417
Associates		Gestamp Tooling Manufacturing Kunshan Co., Ltd.	2,008
Esymo Metal, S.L.	(19)	Gestión Global de Matricería, S.L.	1,259
Gestamp Tooling Manufacturing Kunshan Co., Ltd.	(326)	GGM Puebla, S.A. de C.V.	1,177
Gestión Global de Matricería, S.L.	(6)	Global Laser Araba, S.L.	4,631
GGM Puebla, S.A. de C.V.	(388)	Ingeniería y Construcción Matrices, S.A.	2,401
Global Laser Araba, S.L.	(29)	IxCxT, S.A.	901
Ingeniería y Construcción Matrices, S.A.	(220)	Total Services received	38,931
IxCxT, S.A.	(58)	Shareholders	
Total Services rendered	(1,734)	Acek, Desarrollo y Gestión Industrial, S.L.	650
Associates		JSC Karelsky Okatysh	284
Esymo Metal, S.L.	(5)	Mitsui & Co., Ltd.	3,384
Gestión Global de Matricería, S.L.	(89)	Related parties	
Total Financial income (Note 26.a)	(94)	Gonvarri Argentina S.A.	117
		Gonvarri Galicia, S.A.	111
		Gonvarri I. Centro Servicios, S.L.	135
		Gonvarri Ptos. Siderúrgicos, S.A.	77
		Gonvauto Navarra, S.A.	11
		Gonvauto Puebla, S.A. de C.V.	33
		Gonvauto, S.A.	38
		Industrial Ferrodistribuidora, S.A.	5
		Total Financial expenses (Note 26.b)	4,845

The breakdown of transactions carried out with related parties at 30 June 2018 was as follows:

30-06-2018			
Company	Thousands of euros	Company	Thousands of euros
Related parties		Related parties	
Gescrap Autometal Comercio de Sucata S.A.	(7,622)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	42,384
Gescrap Autometal México, S.A. de C.V.	(9,959)	Gonvauto Asturias	8,922
Gescrap Centro, S.L	(2,758)	Gonvarri Argentina S.A.	23,999
Gescrap France S.A.R.L.	(13,124)	Gonvarri Galicia, SA	52,188
Gescrap Navarra, S.L	(3,458)	Gonvarri I. Centro Servicios, S.L.	228,608
Gescrap Polska SPZOO	(9,758)	Gonvarri Polska, SP, ZOO.	70,040
Gescrap Czech S.R.O.	(642)	Gonvarri Ptos. Siderúrgicos, SA	25,044
GES Recycling Ltd.	(6,792)	Gonvauto Puebla S.A. de C.V.	57,193
Gescrap RUS LLC	(2,711)	Gonvauto Thuringen, GMBH	48,008
Gescrap GmbH	(10,512)	Gonvauto, SA	49,145
Gonvauto South Carolina Llc.	(648)	Severstal Gonvarri Kaluga, LLC	30,595
Gescrap Aragón, S.L.	(884)	Steel & Alloy	46,961
Gonvarri Galicia, SA	(4,516)	Gonvauto South Carolina Llc.	13,680
Gonvarri I. Centro Servicios, S.L.	(1,016)	Dongguan Gonvarri Center Ltd.	20,287
Gonvauto Navarra, SA	(2,822)	Grupo Arcelor	33,240
Gonvauto, SA	(9,664)	Gonvauto Navarra, SA	10,337
Gonvauto Thuringen, GMBH	(7,500)	Ind. Ferrodistribuidora, S.L.	3,791
Gescrap Noroeste, S.L.U.	(2,537)	Associates	
Grupo Arcelor (rappel)	8,362	Gestamp Tooling Manufacturing Kunshan Co Ltd	672
Gescrap Bilbao, S.L	(21,512)	Esymo Metal, S.L.	400
GES Recycling USA Llc.	(16,304)	GGM Puebla, S.A de C.V	1,301
Gescrap Hungary Kft	(3,118)	Total Purchases	766,795
Others	(188)	Shareholders	
Associates		Acek, Desarrollo y Gestión Industrial, S.L.	4,745
Ingeniería y Construcción Matrices, S.A.	(286)	Related parties	
GGM Puebla, S.A de C.V	(191)	Arcelormittal Gonvarri Brasil Ptos. Siderúrgicos, S.A	923
Global Laser Araba, S.L.	3	Gescrap Polska SP, ZOO.	31
Total Sales	(130,157)	Gonvarri Polska, SP, ZOO.	557
Shareholders		Gonvarri I. Centro Servicios, S.L.	67
Acek, Desarrollo y Gestión Industrial, S.L.	(16)	Gonvauto Puebla S.A. de C.V.	109
Related parties	0	Gonvauto, SA	38
Gescrap Autometal Comercio de Sucata S.A.	(1)	Gonvauto Navarra, SA	158
Gescrap France S.A.R.L.	(100)	Gonvauto South Carolina Llc.	3,156
Gescrap Polska SP, ZOO.	(31)	Láser Automotive Barcelona, S.L.	2,192
Gescrap RUS LLC	(2)	Gonvarri Czech	2,504
Gescrap Hungary Kft	(5)	Inmobiliaria Acek, S.L.	1,036
Gescrap Aragón, S.L.	(2)	Gonvauto Asturias	64
Gonvarri Czech, s.r.o.	(16)	Others	28
Gonvauto Thuringen, GMBH	(19)	Associates	
Gonvarri Polska, SP, ZOO.	(4)	Ingeniería y Construcción Matrices, S.A.	2,440
Others	(11)	IxCxT, S.A	1,061
Associates		Gestamp Tooling Manufacturing Kunshan Co Ltd	3,136
Ingeniería y Construcción Matrices, S.A.	(212)	Esymo Metal, S.L.	1,984
IxCxT, S.A	(58)	Gestión Global de Matricería, S.L.	1,246
Global Laser Araba, S.L.	(31)	Global Laser Araba, S.L.	3,853
Esymo Metal, S.L.	(62)	GGM Puebla, S.A de C.V	2,899
GGM Puebla, S.A de C.V	(566)	Gonvvama, Ltd.	154
Gestamp Tooling Manufacturing Kunshan Co Ltd	(322)	Total Services received	32,381
Gestión Global de Matricería, S.L.	(5)	Shareholders	
Gonvvama, Ltd.	(325)	Acek, Desarrollo y Gestión Industrial, S.L	680
Total Services rendered	(1,788)	Mitsui & Co	2,731
Associates		JSC Karelsky Okatysh	523
Esymo Metal, S.L.	(8)	Related parties	
Gestion Global de Matricería, S.L	(90)	Gonvarri Galicia, SA	175
Total Financial income (Note 26.a)	(98)	Gonvarri I. Centro Servicios, S.L.	81
		Gonvarri Ptos. Siderúrgicos, SA	53
		Gonvauto, SA	59
		Gonvauto Puebla S.A. de C.V.	477
		Others	10
		Total Financial expenses (Note 26.b)	4,789

Nota 31. Financial risk management

The Group uses the review of business plans, the study of the relationship between exposure and the present value of the cash flows arising from an investment, and the accounting vision that allows the assessment of the state and development of the different risk situations for financial risk management.

31.1 Financial risk factors

In compliance with prevailing legislation, below is a description of the main financial risks to which the Group is exposed:

- Market risk
 - Exchange rate risk
 - Interest rate risk
- Liquidity risk
- Credit risk
- Commodity price risk

Exchange rate risk

The exchange rate risk mainly arises from: (i) the Group's international diversification, which leads it to invest and obtain income, results and cash flows in currencies other than the euro, (ii) payables in currencies other than those of the countries in which the companies are located that have taken the debt and (iii) accounts receivable or payable in foreign currency from the standpoint of the company recognising the transaction.

The fluctuation in the exchange rate of the currency in which a given transaction is carried out against the accounting currency may have a negative or positive impact on profit or loss and equity.

The Group operates in the following currencies:

Euro	US dollar	Mexican peso
Argentine peso	Brazilian real	Pound sterling
Swedish crown	Polish zloty	Hungarian forint
Turkish lira	Indian rupee	Korean won
Chinese renmimbi	Russian rouble	Czech crown
Japanese yen	Thai Baht	Romanian leu
Taiwanese dollar	Moroccan dirham	Bulgarian lev

To manage exchange rate risk, the Group uses (or evaluates the possibility of using) a series of financial instruments, basically (Note 22.b.1):

- A. Foreign currency forward contracts: These arrangements lock in the price at which an entity can buy or sell a currency on a set date; the timing can be adjusted to align the transactions with the hedged cash flows.
- B. Options: The objective is to seek to protect against the negative impact of any exchange rate exposure, or any price ranges, or to fix a maximum or minimum exchange rate (collar or tunnel) on the date of settlement, or structures with a minimum cost or even zero (by renouncing benefits in different scenarios in exchange for achieving protection in other scenarios).

Interest rate risk

The Group's borrowings mainly bear interest at floating rates to the extent that rate fluctuations affect cash flows and how they are reflected in Finance costs. The Group mitigates this risk by using interest rate derivative financial instruments, mainly swaps, by which it converts the floating rate on a loan into a fixed rate. It may swap the rate on a portion of the loan or on the entire loan, and for its entire duration or a part thereof (Note 22.b.1).

The Group's borrowings accrue a floating rate indexed to the Euribor, Dollar Libor and other foreign exchange interbank indexes. Conversely, the bonds issued by the Group on May 2016 and April 2018 accrue a fixed interest rate.

The Group's financial debt accrues both a floating and a fixed rate as a consequence of seeking a balance in the financial expenses, adapting them to the economic cycle, the interest rate (short and long term) and their foreseeable development and the financing alternatives (especially the terms, costs and depreciation). It is also influenced by the changes in debt, which leads to using the facilities and performing repayments dynamically, based on the agreement facilities.

Liquidity risk

Liquidity risk is evaluated as the risk that the Group will not be able to service its payment commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts or cash liquidity needs exceeding those budgeted.

The Group manages liquidity risk looking for cash availability to cover its cash needs and debt maturity for a period of 12 months, thereby avoiding the need to raise funds on disadvantageous terms to cover short term needs. The available liquidity comprises cash and cash equivalents and undrawn credit lines with a maturity beyond 12 months, according to the Interim Condensed Consolidated Balance Sheet, without adjusting them proportionally by the shareholdings, or by resources in subsidiaries subject to administrative authorisations.

At 30 June 2019, cash and cash equivalents amounted to 491.5 million euros and unused long-term credit facilities amounted to 624.2 million euros (including 325 million euros in the Revolving Credit Facility). Current financial debt repayments amounted to 253.9 million euros (2.9 million euros of payables to related parties, 180.1 million euros of bank borrowings and 70.9 million euros of finance leases). At 30 June 2019, cash flows from investing activities (excluding intercompany purchases and sales) exceeded the cash flows from operations by 209.3 million euros.

Liquidity risk management in the next 12 months is complemented with the management of the debt maturity profile, seeking an appropriate average maturity and refinancing in advance the short term maturities, especially in the first two years. At 30 June 2019, the average maturity of the Group's net financial debt was 4.2 years (estimated considering the use of long-term cash and credit lines with a maturity date beyond 12 months to repay short-term debt). The average maturity of the gross debt was 3.5 years.

The permanent financial resources that finance the company's current activities, that is, the portion of current assets financed with long-term funds, amounted to 490 million euros as of 30 June 2019. This is the difference between the long-term financial debt (3,213 million euros) plus equity (2,296 million euros), less net fixed assets, excluding deferred tax assets (5,019 million euros). This amount not exceeded the working capital amounting to 374 million euros at 30 June 2019.

Credit risk

Credit risk is concentrated primarily in the Group's accounts receivable, which have a high credit rating.

Each business unit manages its credit risk according to policies, procedures and controls determined by the Group regarding credit risk management of customers.

At each closing date, the Group companies analyse on the basis of real historical data the balances of each major client individually in order to determine the need for provisions or impairment.

The Group has no guarantee on debts and has concluded that the risk concentration is low given that its customers belong to distinct jurisdictions and operate in highly independent markets.

The credit risk with banks is managed by the treasury department of the Group according to Group policies.

Investments of excess funds are only made with authorised counterparties and always within the credit limits assigned to such counterparties.

The limits are established in order to minimise risk concentration, thereby mitigating financial losses in the event of a default by the counterparty.

The maximum exposure of the Group to credit risk at 30 June 2019 and 31 December 2018 amounts to the carrying values (Note 15), except for financial guarantees and derivative financial instruments.

The net Credit Valuation Adjustment by counterparty (CVA + DVA) is the method used to value the credit risk of the counterparties and the Parent Company in calculating the fair value of derivative financial instruments. This adjustment reflects the possibility of bankruptcy or impairment of the credit quality of the counterparty and the Parent Company. The simplified formula corresponds to the expected exposure multiplied by the possibility of bankruptcy and by the expected loss in case of non-payment. For calculating such variables the Parent Company uses market references.

Commodity price risk

Steel, followed by aluminium, is the main commodity used in the business.

At 30 June 2019, 61% of the steel had been purchased through "re-sale" programs with customers (61% in 2018), whereby the automobile manufacturer periodically negotiates with the steel maker the price of the steel that the Group uses for the production of automotive components. The selling price of the final product is directly adjusted to any fluctuations in steel prices.

In the case of products that use steel purchased outside the "re-sale" method, a part of the customers adjust the prices of the Group products, taking as a base the fluctuations in steel prices that the customers agree with the iron and steel industry, others adjust the prices based on public indexes and with others negotiations are held upon the initiative of the parties. Historically, the Group has negotiated its steel purchase agreements with the iron and steel manufacturers to ensure suitable conditions.

31.2 Hedge accounting

For the purpose of hedge accounting, the Group classifies its hedges as:

- Fair value hedges when hedging the exposure to changes in the market value of an asset or liability recognised in the Interim condensed consolidated balance sheet, or of a firm commitment attributable to a specific risk.
- Cash flow hedges when hedging exposure to fluctuations in cash flows that are either attributable to a particular risk associated with an asset or liability recognised in the Interim condensed consolidated balance sheet, or a highly probable forecast transaction.
- Hedges of a net investment in a foreign operation when hedging exposure to variability in exchange rates relative to a net investment in a foreign operation.

Such derivative financial instruments are initially recognized in the Interim condensed consolidated balance sheet at acquisition cost and are subsequently measured at fair value. Changes in fair value are normally accounted for in keeping with specific hedge accounting criteria.

The accounting for these instruments is carried out as follows:

- Fair value hedges: changes in the fair value of the hedging instrument and the hedged item, in both instances attributable to the risk hedged, are recognised in the Interim Condensed Consolidated Income Statement.
- Cash flow hedges: changes in the fair value of the hedging instrument attributable to the risk hedged, as long as the hedge is effective, are recognised in "Retained earnings" under "Equity". Amounts taken to equity are transferred to the Interim Condensed Consolidated Income Statement when the hedged cash flows affect profit or loss.
- Hedges of a net investment in a foreign operation: accountin is similar to cash flow hedges and the account used to record changes in the value of the hedging instrument in the condensed consolidated balance sheet is the "Translation differences" caption. The cumulative amount of the valuation in Translation differences is transferred to income to the extent that the foreign investment that gave rise to it is disposed of.

31.3 Fair value of financial instruments

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices.
- Where there is no active market, fair value is determined using cash flow analysis discounted at market discount rates and based on market assumptions at the time of the estimate. In relation to options, fair value is determined using implied volatility in market participants' quoted prices.

Non-current financial assets

There is no difference between the fair value and carrying amount of non-current loans granted since they all accrue interest at floating rates.

Equity investments are carried on the Interim condensed consolidated balance sheet at fair value when they can be measured reliably. Since it is usually not possible to measure the fair value of shareholdings in unlisted companies reliably, these investments are valued at acquisition cost or lower if there is evidence of impairment.

Changes in fair value, net of the related tax effect, are recognised with a charge or credit, as appropriate, under “Equity - Retained earnings” until these investments are sold, at which time the cumulative amount recognised in Equity is allocated in full in the Interim Condensed Consolidated Income Statement. If fair value is lower than acquisition cost, the difference is recognised directly in equity, unless the asset is determined to be impaired, in which case, it is recognised in the Interim Condensed Consolidated Income Statement.

Trade receivables

For receivables due in less than one year, the Group considers the carrying amount a reasonable approximation of fair value.

Current financial assets

There is no difference between the fair value and carrying amount of short term loans granted since they all accrue interest at market rates.

For other current financial assets, as their maturity is near the financial year end, the Group considers their carrying amounts a reasonable approximation of fair value.

Interest-bearing loans and borrowings

For current and non-current bank borrowings there is no difference between fair value and carrying amount since all these borrowings carry interest at market rates.

Trade and other payables

The Group’s management considers the carrying amount of the items recorded in this Interim condensed consolidated statement of financial position line item to be a reasonable approximation of fair value.

Fair values of financial instruments

The fair values of current and non-current financial assets and liabilities do not differ significantly from their respective carrying amounts.

The Group uses the following sequence of three levels, based on the relevance of the variables used, to measure the fair value of its financial instruments:

- Level 1: Unadjusted quoted price for identical assets or liabilities in active markets.

- Level 2: Variables which are observably different from the prices quoted in Level 1, either directly (price), or indirectly (derived from the price).
- Level 3: Variables which are not based on observable market data (non-observable variables).

31.4 Capital risk management

The objective of the Group's capital management is to protect its ability to continue as a going concern, upholding the commitment to remain solvent and looking for a high shareholder value for shareholdings.

The Group monitors its capital structure based on its leverage ratio. It defines leverage as net financial debt (financial borrowings, finance lease payables, borrowing from related parties and other financial liabilities less short-term financial investments and cash and cash equivalents) divided by total equity (consolidated equity plus grants pending release to the income statement). At 30 June 2019, this ratio was 1.24.

Likewise, the ratio "Net Financial Debt / EBITDA" is used for the analysis of the solvency margin and amounted to 3.36 at 30 June.

Gestamp Automoción, S.A.'s rating is BB from Standard & Poor's and Ba2 from Moody's, which makes it a speculative grade.

Nota 32. Subsequent events

There were no significant events after the reporting period.

Nota 33. Additional note for English translation

This document is a translation into English of an original document drafted in Spanish. This translation is for information purposes only; therefore, in case of discrepancy, the Spanish version shall prevail.

Appendix I

Scope of consolidation

June 30, 2019							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio company	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering S.L.	Vizcaya	Spain	10.00%	90.00%	Research and development	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Property	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailor-welded blanks	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Business promotion and support	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	No activity	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Service provision	Full	Ernst & Young

June 30, 2019							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio company	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Dies, stamping and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administration services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Tooling and welding	Full	N/A
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administration services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio company	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLC.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Mould engineering and design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Employment services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.

June 30, 2019							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severstal Vsevolozhsk Llc	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Mould manufacturing and tuning	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Chattanooga, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio company	Full	Ernst & Young
Gestamp South Carolina, LLC	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio company	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultancy services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		Manufacturing of dies	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio company	Full	Ernst & Young
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Manufacturing of dies	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		No activity	Equity method	Ernst & Young
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

June 30, 2019							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCxT, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio company	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering R&D Uk Limited	Durhan	United Kingdom		100.00%	Research and development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio company	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio company	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio company	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Employment services	Equity method (A)	N/A
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Manufacturing of dies	Equity method (A)	Ernst & Young
Gestamp Technology Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	Ernst & Young
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Manufacturing of dies	Full	N/A
Gestamp Chattanooga II, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	IT, and research and development	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	Ernst & Young
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, LLC.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Employment services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio company	Full	N/A
Autotech Engineering (Shanghai) Co. Ltd.	Shanghai	China		100.00%	Research and development	Full	Ernst & Young
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Global Laser Araba, S.L.	Álava	Spain	30.00%	0.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Die maintenance	Full	Ernst & Young
Gestamp (China) Holding, Co. Ltd	Shanghai	China		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Autotech Japan Co., Ltd.	Tokio	Japan		100.00%	Research and development	Full	Ernst & Young
NCSG Sorocaba Industria Metalúrgica Ltda.	Sorocaba	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tuyauto Gestamp Morocco	Kenitra	Morocco		50.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Autocomponents (Beijing) Co., Ltd.	Beijin	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mexicana Serv. Lab. II, S.A. de CV	México DF	Mexico		100.00%	Employment services	Full	N/A
Reparaciones Industriales Zaldibar, S.L.	Vizcaya	Spain	0.01%	99.99%	Industrial equipment services	Full	N/A
Autotech Engineering Spain, S.L.	Madrid	Spain		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering France S.A.S.	Meudon la Forêt	France		100.00%	Research and development	Full	N/A
Gestamp Auto Components Sales (Tianjin) Co., LTD.	Tianjin	China		49.00%	Consulting and Post-sales services	Equity method	N/A
Gestamp Etem Automotive Bulgaria, S.A.	Sofia	Bulgaria		51.00%	Industrialization of post-extrusion activities	Full	N/A
Etem Gestamp Aluminium Extrusions, S.A.	Sofia	Bulgaria		49.00%	Aluminium extruded profile manufacturing	Equity method	N/A

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

June 30, June							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research and development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Manufacturing of dies	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonguéjar (Burgos)	Spain		100.00%	Portfolio company	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonguéjar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research and development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio company	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research and development	Full	Shangai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltd.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, Llc.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltda.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio company	Full	Ernst & Young
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Parts manufacture research and development	Full	Ernst & Young
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Pha Automotive Components (Kunshan) Co., Ltd.	Kunshan	China		100.00%	Parts manufacturing	Full	Deloitte
Edscha North America Technologies, Llc.	Kunshan	USA		100.00%	Holding/Divisional company	Full	
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio company	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempre	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z.o.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Automoción, S.A.	Vizcaya	Spain	Parent company		Portfolio company	Full	Ernst & Young
Gestamp Bizkaia, S.A.	Vizcaya	Spain	85.31%	14.69%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Vigo, S.A.	Pontevedra	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cerveira, Lda.	Viana do Castelo	Portugal	42.25%	57.75%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toledo, S.A.	Toledo	Spain	99.99%	0.01%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering S.L.	Vizcaya	Spain	10.00%	90.00%	Research and development	Full	Ernst & Young
SCI de Tournan en Brie	Tournan	France	0.10%	99.90%	Property	Full	N/A
Gestamp Solblank Barcelona, S.A.	Barcelona	Spain	5.01%	94.99%	Tailor-welded blanks	Full	Ernst & Young
Gestamp Palencia, S.A.	Palencia	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Argentina, S.A.	Buenos Aires	Argentina		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Córdoba, S.A.	Córdoba	Argentina		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Linares, S.A.	Jaén	Spain	5.02%	94.98%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios, S.A.	Madrid	Spain	100.00%		Business promotion and support	Full	Ernst & Young
Matricerías Deusto, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tech, S.L.	Palencia	Spain	0.33%	99.67%	No activity	Full	N/A
Gestamp Brasil Industria de Autopeças, S.A.	Parana	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Metalbages, S.A.	Barcelona	Spain	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Esmar, S.A.	Barcelona	Spain	0.10%	99.90%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Noury, S.A.S	Tournan	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aveiro, S.A.	Aveiro	Portugal		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Griwe Subgroup	Westerburg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Aguascalientes, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Mexicana Servicios Laborales, S.A.de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Puebla, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Cartera de México, S.A. de C.V.	Puebla	Mexico		70.00%	Portfolio company	Full	Ernst & Young
Gestamp Mexicana de Serv. Laborales, S.A. de C.V.	Aguas Calientes	Mexico		70.00%	Employment services	Full	Ernst & Young
Gestamp Ingeniería Europa Sur, S.L.	Barcelona	Spain		100.00%	Service provision	Full	Ernst & Young

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Todlem, S.L.	Barcelona	Spain		58.13%	Portfolio company	Full	Ernst & Young
Gestamp Navarra, S.A.	Navarra	Spain	71.37%	28.63%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Baires, S.A.	Buenos Aires	Argentina		70.00%	Dies, stamping and parts manufacturing	Full	Ernst & Young
Ingeniería Global MB, S.A.	Barcelona	Spain		100.00%	Administration services	Full	N/A
Gestamp Aragón, S.A.	Zaragoza	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Abrera, S.A.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Levante, S.A.	Valencia	Spain	88.50%	11.50%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Solblank Navarra, S.L.	Navarra	Spain		100.00%	Tooling and welding	Full	N/A
MB Aragón P21, S.L.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Polska, SP. Z.O.O.	Wielkopolska	Poland		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washington UK Limited	Newcastle	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Hungaria KFT	Akai	Hungary	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North America, INC	Michigan	USA		70.00%	Administration services	Full	Ernst & Young
Gestamp Sweden, AB	Lulea	Sweden		100.00%	Portfolio company	Full	Ernst & Young
Gestamp HardTech, AB	Lulea	Sweden		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mason, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Alabama, LLC.	Alabama	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Ronchamp, S.A.S	Ronchamp	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Manufacturing Autochasis, S.L.	Barcelona	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Industrias Tamer, S.A.	Barcelona	Spain		30.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
Gestamp Tooling Services, AIE	Vizcaya	Spain		100.00%	Mould engineering and design	Full	Ernst & Young
Gestamp Auto Components (Kunshan) Co., Ltd	Kunshan	China		68.95%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Kartek Co, Ltd.	Gyeongsangnam-Do	South Korea		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Kalip, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Toluca SA de CV	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Servicios Laborales de Toluca SA de CV	Puebla	Mexico		69.93%	Employment services	Full	Ernst & Young
Gestamp Services India Private, Ltd.	Mumbai	India		100.00%	Tooling and parts manufacturing	Full	S.B. Dave & Co.

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Gestamp Severstal Vsevolozhsk LLC	Saint Petersburg	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Adral, matriceria y pta. a punto, S.L.	Vizcaya	Spain		100.00%	Mould manufacturing and tuning	Full	Ernst & Young
Gestamp Severstal Kaluga, LLC	Kaluga	Russia		58.13%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive India Private Ltd.	Pune	India		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Pune Automotive, Private Ltd.	Pune	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Chattanooga, LLC	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding Rusia, S.L.	Madrid	Spain	25.19%	52.34%	Portfolio company	Full	Ernst & Young
Gestamp South Carolina, LLC	South Carolina	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Holding China, AB	Lulea	Sweden		68.95%	Portfolio company	Full	Ernst & Young
Gestamp Global Tooling, S.L.	Vizcaya	Spain	99.99%	0.01%	Manufacturing of dies	Full	Ernst & Young
Gestamp Tool Hardening, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Vendas Novas Lda.	Évora	Portugal	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Automotive Chennai Private Ltd.	Chennai	India		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Palau, S.A.	Barcelona	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp North Europe Services, S.L.	Vizcaya	Spain	99.97%	0.03%	Consultancy services	Full	Ernst & Young
Loire Sociedad Anónima Franco Española	Guipúzcoa	Spain	100.00%		#N/A	Full	Ernst & Young
Gestamp Tooling Erandio, S.L.	Guipúzcoa	Spain		100.00%	Portfolio company	Full	Ernst & Young
Diede Die Developments, S.L.	Vizcaya	Spain	100.00%		Manufacturing of dies	Full	IZE Auditores
Gestamp Louny, S.R.O.	Prague	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Shenyang), Co. Ltd.	Shenyang	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp West Virginia, LLC.	Michigan	USA		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Sasi, L.S.	Kocaeli	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Autocomponents (Dongguan), Co. Ltd.	Dongguan	China		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Try Out Services, S.L.	Vizcaya	Spain		100.00%	Manufacturing of dies	Full	Ernst & Young
Gestión Global de Matricería, S.L.	Vizcaya	Spain	30.00%		No activity	Equity method	Ernst & Young
Ingeniería y Construcción Matrices, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
IxCxT, S.A.	Vizcaya	Spain		30.00%	Manufacturing of dies	Equity method (A)	IZE Auditores
Gestamp Funding Luxembourg, S.A.	Luxembourg	Luxembourg	100.00%		Portfolio company	Full	Ernst & Young
Gestamp Puebla II, S.A. de C.V.	Puebla	Mexico		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Autotech Engineering Deutschland GmbH	Bielefeld	Germany		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering R&D Uk limited	Durhan	United Kingdom		100.00%	Research and development	Full	Ernst & Young
Gestamp Holding México, S.L.	Madrid	Spain		69.99%	Portfolio company	Full	Ernst & Young
Gestamp Holding Argentina, S.L.	Madrid	Spain	10.80%	59.19%	Portfolio company	Full	Ernst & Young
Mursolar 21, S.L.	Madrid	Spain		65.00%	Portfolio company	Full	Ernst & Young
GGM Puebla, S.A. de C.V.	Puebla	Mexico		30.00%	Tooling and parts manufacturing	Equity method (A)	N/A
GGM Puebla de Servicios Laborales, S.A. de C.V.	Puebla	Mexico		30.00%	Employment services	Equity method (A)	N/A
Kunshan Gestool Tooling Manufacturing, Co., Ltd	Kunshan	China		30.00%	Manufacturing of dies	Equity method (A)	Ernst & Young
Gestamp Technology Institute, S.L.	Vizcaya	Spain	99.99%	0.01%	Education	Full	Ernst & Young
Gestamp Tooling Engineering Deutschland, GmbH	Braunschweig.	Germany		100.00%	Manufacturing of dies	Full	N/A
Gestamp Chattanooga II, Llc	Chattanooga	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Autotech Engineering R&D USA	Delaware	USA		100.00%	IT, and research and development	Full	N/A
Gestamp Autocomponents Wuhan, co. Ltd.	Wuhan	China	100.00%	0.00%	Tooling and parts manufacturing	Full	Ernst & Young
Çelik Form Gestamp Otomotive, A.S.	Bursa	Turkey		50.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Washtenaw, Llc.	Delaware	USA		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Employment services	Full	N/A
Gestamp San Luis Potosí Servicios Laborales S.A.P.I. de C.V.	Mexico City	Mexico		70.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Auto Components (Tianjin) Co., LTD.	Tianjin	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2017, S.L.	Madrid	Spain	100.00%		Portfolio company	Full	N/A
Autotech Engineering (Shanghai) Co. Ltd.	Shanghai	China		100.00%	Research and development	Full	Ernst & Young
Gestamp Hot Stamping Japan K.K.	Tokio	Japan		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Global Laser Araba, S.L.	Álava	Spain	30.00%	0.00%	Tooling and parts manufacturing	Equity method	Ernst & Young
MPO Providers Rezistent, S.R.L.	Darmanesti	Romania		35.00%	Tooling and parts manufacturing	Full	Ernst & Young
Beyçelik Gestamp Teknoloji Kalip, A.S.	Bursa	Turkey		50.00%	Manufacturing of dies	Full	Ernst & Young
Gestamp Nitra, S.R.O.	Bratislava	Slovakia	100.00%		Tooling and parts manufacturing	Full	Ernst & Young
Almussafes Mantenimiento de Troqueles, S.L.	Barcelona	Spain		100.00%	Die maintenance	Full	Ernst & Young
Gestamp (China) Holding, Co. Ltd	Shanghai	China		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Autotech Japan Co., Ltd.	Tokio	Japan		100.00%	Research and development	Full	Ernst & Young
NCSG Sorocaba Industria Metalúrgica Ltda.	Sorocaba	Brazil		70.00%	Tooling and parts manufacturing	Full	Ernst & Young
Tuyauto Gestamp Morocco	Kenitra	Morocco		50.00%	Tooling and parts manufacturing	Full	N/A
Gestamp Autocomponents (Beijing) Co., Ltd.	Beijin	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Mexicana Serv. Lab. II, S.A. de CV	México DF	Mexico		100.00%	Employment services	Full	N/A
Reparaciones Industriales Zaldibar, S.L.	Vizcaya	Spain	0.01%	99.99%	Industrial equipment services	Full	N/A
Autotech Engineering Spain, S.L.	Madrid	Spain		100.00%	Research and development	Full	Ernst & Young
Autotech Engineering France S.A.S.	Meudon la Forêt	France		100.00%	Research and development	Full	N/A
Gestamp Auto Components Sales (Tianjin) Co., LTD.	Tianjin	China		49.00%	Consulting and Post-sales services	Equity method	N/A

(A) This company is consolidated under full consolidation method in Gestión Global de Matricería Subgroup. This Subgroup is accounted for in Gestamp Automoción Group using the equity method.

December 31, 2018							
Company	Address	Country	Direct shareholding	Indirect shareholding	Activity	Consolidation method	Auditors
Edscha Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Edscha Automotive Hengersberg GmbH	Hengersberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Hauzenberg GmbH	Hauzenberg	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering GmbH	Remscheid	Germany		100.00%	Research and development	Full	Ernst & Young
Edscha Hengersberg Real Estate GmbH	Hengersberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Hauzenberg Real Estate GmbH	Hauzenberg	Germany	5.10%	94.90%	Property	Full	N/A
Edscha Automotive Kamenice S.R.O.	Kamenice	Czech Republic		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Hradec S.R.O.	Hradec	Czech Republic		100.00%	Manufacturing of dies	Full	Ernst & Young
Edscha Velky Meder S.R.O.	Velky Meder	Slovakia		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp 2008, S.L.	Villalonquéjar (Burgos)	Spain		100.00%	Portfolio company	Full	Ernst & Young
Edscha Burgos, S.A.	Villalonquéjar (Burgos)	Spain		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Santander, S.L.	El Astillero (Cantabria)	Spain	5.01%	94.99%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Briey S.A.S.	Briey Cedex	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Engineering France S.A.S.	Les Ulis	France		100.00%	Research and development	Full	Ernst & Young
Edscha do Brasil Ltda.	Sorocaba	Brazil		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Edscha Japan Co., Ltd.	Tokio	Japan		100.00%	Sales office	Full	N/A
Jui Li Edscha Body Systems Co., Ltd.	Kaohsiung	Taiwan		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Jui Li Edscha Holding Co., Ltd.	Apia	Samoa		60.00%	Portfolio company	Full	N/A
Jui Li Edscha Hainan Industry Enterprise Co., Ltd.	Hainan	China		60.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Technology Co., Ltd.	Shanghai	China		100.00%	Research and development	Full	Shanghai Ruitong Cpa
Shanghai Edscha Machinery Co., Ltd.	Shanghai	China		55.00%	Tooling and parts manufacturing	Full	Ernst & Young
Anhui Edscha Automotive Parts Co Ltd.	Anhui	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive Michigan, Inc	Lapeer	USA		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Togliatti, LLC.	Togliatti	Russia		100.00%	Tooling and parts manufacturing	Full	National Audit Corporation
Edscha Automotive Components Co., Ltd.	Kunshan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Finance Slovakia S.R.O.	Velky Meder	Slovakia	25.00%	75.00%	Portfolio company	Full	Ernst & Young
Edscha Kunststofftechnik GmbH	Remscheid	Germany		100.00%	Tooling and parts manufacturing	Full	JKG Treuhand
Edscha Pha, Ltd.	Seul	South Korea		50.00%	Parts manufacture research and development	Full	Ernst & Young
Edscha Aapico Automotive Co. Ltd	Pranakorn Sri Ayutthaya	Thailand		51.00%	Tooling and parts manufacturing	Full	Ernst & Young
Edscha Automotive SLP, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Mexico City	Mexico		100.00%	No activity	Full	N/A
Edscha Automotive Components (Chongqing) Co. Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	N/A
Edscha Pha Automotive Components (Kunshan) Co., Ltd.	Kunshan	China		100.00%	Parts manufacturing	Full	Deloitte
GMF Holding GmbH	Remscheid	Germany		100.00%	Portfolio company	Full	Ernst & Young
Gestamp Metal Forming (Wuhan), Ltd	Wuhan	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Umformtechnik GmbH	Ludwigsfelde	Germany		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Automotive Chassis Products Plc.	Newton Aycliffe, Durham	United Kingdom		100.00%	Portfolio company	Full	Ernst & Young
Sofedit, S.A.S	Le Theil sur Huisne	France		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Prisma, S.A.S	Usine de Messempré	France		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Tallent, Ltd	Newton Aycliffe, Durham	United Kingdom		100.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Wroclaw Sp.z.o.o.	Wroclaw	Poland		65.00%	Tooling and parts manufacturing	Full	Ernst & Young
Gestamp Auto components (Chongqing) Co., Ltd.	Chongqing	China		100.00%	Tooling and parts manufacturing	Full	Ernst & Young

The companies comprising the Griwe Subgroup at 30 June 2019 and 31 December 2018 were as follows:

June 30, 2019				
Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Haynrode GmbH	Haynrode	Germany	100.00%	Full

December 31, 2018				
Company	Address	Country	Shareholding	Consolidation method
Gestamp Griwe Westerburg GmbH	Westerburg	Germany	Parent company	Full
Gestamp Griwe Haynrode GmbH	Haynrode	Germany	100.00%	Full

Appendix II

Indirect investments at 30 June 2019

June 30, 2019		
Company	Company holding indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerveira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerveira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerveira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerveira, Lda.	26.370%
Autotech Engineering S.L.	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	51.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.030%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shangai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Autotech Japan K.K.	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering Spain, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering France S.A.S.	Gestamp Bizkaia, S.A.	55.000%
Reparaciones Industriales Zaldibar, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	15.660%
Gestamp Holding México, S.L.	Gestamp Palencia, S.A.	0.150%
Tuyauto Gestamp Morocco	Gestamp Palencia, S.A.	50.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Autocomponents (Beijing) Co., Ltd.	Gestamp Autocomponents (Tianjin) Co., Ltd.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	7.906%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	94.990%
Subgrupo Griwe	Gestamp Metalbages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metalbages, S.A.	67.000%
ESSA PALAU, S.A.	Gestamp Metalbages, S.A.	60.000%
GMF Holding GmbH	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%

Company	Company holding indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	4.272%
NCSG Sorocaba Industria Metalúrgica Ltda.	Gestamp Brasil Industria de Autopeças, S.A.	100.000%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha Holding GmbH	Gestamp Polska, SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50.000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100.000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6.673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100.000%
Gestamp Mason, Llc.	Gestamp North America, INC	100.000%
Gestamp Alabama, Llc	Gestamp North America, INC	100.000%
Gestamp West Virginia, Llc.	Gestamp North America, INC	100.000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100.000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100.000%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100.000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.000%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private Ltd.	73.630%
Mursolar, 21, S.L.	Subgrupo Griwe	19.540%
Gestamp Louny S.R.O.	Subgrupo Griwe	47.280%
Gestamp Palau, S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Almussafes Mantenimiento Troqueles, S.L.	Gestamp Palau, S.A.	100.000%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	38.250%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	50.670%
Autotech Engineering Deutschland GmbH	Autotech Engineering S.L.	45.000%
Autotech Engineering (Shanghai), Co. Ltd.	Autotech Engineering S.L.	45.000%
Gestamp Autotech Japan K.K.	Autotech Engineering S.L.	45.000%
Autotech Engineering Spain, S.L.	Autotech Engineering S.L.	99.990%
Autotech Engineering France S.A.S.	Autotech Engineering S.L.	45.000%
Autotech Engineering R&D Uk limited	Autotech Engineering S.L.	45.000%
Autotech Engineering R&D USA limited	Autotech Engineering S.L.	45.000%
Gestamp Tooling Erandio, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3.000%
Gestamp Hot Stamping Japan K.K.	Gestamp Kartek Co., LTD	50.000%
Gestamp Mexicana Serv. Lab. II, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Mexicana Serv. Lab. II, S.A. de CV	Gestamp Puebla, S.A. de CV	0.010%
Gestamp Tooling Erandio, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp (China) Holding, Co. Ltd	51.000%
Gestamp Autocomponents Sales (Tianjin) Co., Ltd.	Gestamp (China) Holding, Co. Ltd	49.000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.000%
IxCxT, S.A.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Kunshan Gestool Tooling Manufacturing, Co. Ltd.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Celik Form Gestamp Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
MPO Providers Rezistent, SRL	Beyçelik Gestamp Kalip, A.S.	70.000%
Beyçelik Gestamp Teknoloji Kalip, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
Gestamp Etem Auotomotive Bulgaria, S.A.	Gestamp North Europe, S.A.	51.000%
Etem Gestamp Aluminium Extrusions, S.A.	Gestamp North Europe, S.A.	49.000%

Company	Company holding indirect investment	% investment
Edscha Automotive Hengersberg GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Hauzenberg GmbH	Edscha Holding GmbH	100.000%
Edscha Engineering GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Technology, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp 2008, S.L.	Edscha Holding GmbH	100.000%
Anhui Edscha Automotive parts, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Hradec, S.R.O.	Edscha Holding GmbH	100.000%
Gestamp edscha Japan, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Burgos, S.A.	Edscha Holding GmbH	0.010%
Edscha Velky Meder, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Automotiv Kamenice, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Engineering France SAS	Edscha Holding GmbH	100.000%
Edscha Hengersberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Edscha Hauzenberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery, Co. Ltd.	Edscha Holding GmbH	55.000%
Edscha Automotive Michigan, Inc.	Edscha Holding GmbH	100.000%
Edscha Togliatti, LLC.	Edscha Holding GmbH	100.000%
Edscha Automotive Components, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp Finance Slovakia, S.R.O.	Edscha Holding GmbH	75.000%
Edscha Kunststofftechnik GmbH	Edscha Holding GmbH	100.000%
Edscha Pha, Ltd.	Edscha Holding GmbH	50.000%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive Components (Chongqing) Co. Ltd.	Edscha Holding GmbH	100.000%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	60.000%
Edscha Automotive Italy	Edscha Holding GmbH	100.000%
Edscha Automotive Aapico, Co. Ltd.	Edscha Holding GmbH	50.990%
Edscha Pha Automotive Components (Kunshan) Co., Ltd.	Edscha Pha, Ltd.	100.000%
Jui li Edscha Holding, Co. Ltd.	Jui li Edscha Body Systems Co. Ltd.	100.000%
Jui li Edscha Hainan Industry Enterprise, Co. Ltd.	Jui li Edscha Holding, Co. Ltd.	100.000%
Edscha do Brasil, Ltd.	Edscha Engineering GmbH	83.260%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive Aapico, Co. Ltd.	Edscha Engineering GmbH	0.010%
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.990%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.990%
Edscha Briey, S.A.S.	Edscha Santander, S.L.	100.000%
Edscha do Brasil, Ltd.	Edscha Santander, S.L.	16.740%
GMF Wuhan, Ltd.	GMF Holding GmbH	100.000%
Gestamp Umformtechnik GmbH	GMF Holding GmbH	100.000%
Automotive Chassis Products, Plc.	GMF Holding GmbH	100.000%
Sofedit SAS	GMF Holding GmbH	100.000%
Gestamp Auto Components (Chongqing), Co. Ltd.	GMF Holding GmbH	100.000%
Gestamp (China) Holding, Co. Ltd	GMF Holding GmbH	100.000%
Gestamp Prisma SAS	GMF Holding GmbH	100.000%
Gestamp Tallent, Ltd.	Automotive Chassis Products Plc.	100.000%
Gestamp Wroclaw, Sp. Z.o.o.	Sofedit, S.A.S	100.000%
Gestamp Washington Uk, Limited	Gestamp Tallent , Ltd	95.010%
Gestamp Hot Stamping Japan K.K.	Gestamp Tallent , Ltd	50.000%
Gestamp Sweden, AB	Gestamp Tallent , Ltd	18.970%

Indirect investments at 31 December 2018

December 31, 2018		
Company	Company holding indirect investment	% investment
Gestamp Vigo, S.A.	Gestamp Servicios, S.A.	0.010%
Gestamp Toledo, S.L.	Gestamp Servicios, S.A.	0.010%
Gestamp Brasil Industria de Autopeças, S.A.	Gestamp Servicios, S.A.	70.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Servicios, S.A.	0.040%
Gestamp Esmar, S.A.	Gestamp Servicios, S.A.	99.900%
Gestamp Bizkaia, S.A.	Gestamp Servicios, S.A.	14.690%
Gestamp Kartek Co., LTD	Gestamp Servicios, S.A.	100.000%
Gestamp Services India Private, Ltd.	Gestamp Servicios, S.A.	1.010%
Beyçelik Gestamp Kalip, A.S.	Gestamp Servicios, S.A.	50.000%
Gestamp Holding México, S.L.	Gestamp Servicios, S.A.	69.850%
Gestamp Holding Rusia, S.L.	Gestamp Servicios, S.A.	7.655%
Gestamp Togliatti, LLC.	Gestamp Servicios, S.A.	100.000%
Gestamp Cerqueira, Lda.	Gestamp Vigo, S.A.	57.750%
Gestamp Washington Uk, Limited	Gestamp Vigo, S.A.	4.990%
Gestamp Noury, S.A.	Gestamp Vigo, S.A.	100.000%
Gestamp Louny S.R.O.	Gestamp Cerqueira, Lda.	52.720%
Gestamp Aveiro, S.A.	Gestamp Cerqueira, Lda.	45.660%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Cerqueira, Lda.	26.370%
Autotech Engineering AIE	Gestamp Bizkaia, S.A.	90.000%
Gestamp Sweden, AB	Gestamp Bizkaia, S.A.	55.010%
Gestamp North Europe Services, S.L.	Gestamp Bizkaia, S.A.	0.030%
Autotech Engineering Deutschland GmbH	Gestamp Bizkaia, S.A.	55.000%
Autotech Engineering R&D Uk limited	Gestamp Bizkaia, S.A.	55.000%
Gestamp Technology Institute, S.L.	Gestamp Bizkaia, S.A.	0.010%
Gestamp Global Tooling, S.L.	Gestamp Bizkaia, S.A.	0.010%
Autotech Engineering R&D USA, Inc.	Gestamp Bizkaia, S.A.	55.000%
Loire S.A. Franco Española	Gestamp Bizkaia, S.A.	1.000%
Autotech Engineering (Shanghai), Co. Ltd.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Autotech Japan K.K.	Gestamp Bizkaia, S.A.	55.000%
Gestamp Tooling AIE	Gestamp Bizkaia, S.A.	40.000%
Gestamp Levante, S.L.	Gestamp Linares, S.A.	11.500%
Gestamp Hard Tech AB	Gestamp Sweden, AB	100.000%
Gestamp Holding China, AB	Gestamp HardTech, AB	68.940%
Gestamp Tool Hardening, S.L.	Matricerías Deusto, S.L.	0.100%
Gestamp Tooling AIE	Matricerías Deusto, S.L.	20.000%
SCI Tournan en Brie	Gestamp Noury, S.A.S	99.900%
Gestamp Linares, S.L.	Gestamp Toledo, S.A.	94.980%
Gestamp Holding Argentina, S.L.	Gestamp Toledo, S.A.	43.530%
Gestamp Aveiro, S.A.	Gestamp Palencia, S.A.	54.340%
Gestamp Galvanizados, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Tech, S.L.	Gestamp Palencia, S.A.	99.670%
Gestamp Holding Argentina, S.L.	Gestamp Palencia, S.A.	7.040%
Gestamp Autocomponents (Tianjin) Co., Ltd.	Gestamp Palencia, S.A.	100.000%
Gestamp Romchamp, S.A.	Gestamp Palencia, S.A.	100.000%
Gestamp Córdoba, S.A.	Gestamp Argentina, S.A.	10.669%
Mursolar, 21, S.L.	Gestamp Aragón, S.A.	16.924%
Gestamp Holding México, S.L.	Gestamp Galvanizados, S.A.	0.150%
Gestamp Holding Argentina, S.L.	Gestamp Galvanizados, S.A.	8.620%
Gestamp North America, INC	Gestamp Aveiro, S.A.	70.000%
Gestamp Navarra, S.A.	Gestamp Metalbages, S.A.	28.630%
Ingeniería Global MB, S.A.	Gestamp Metalbages, S.A.	100.000%
Gestamp Aragon, S.A.	Gestamp Metalbages, S.A.	94.990%
Gestamp Abrera, S.A.	Gestamp Metalbages, S.A.	94.990%
MB Aragon P21, S.L.	Gestamp Metalbages, S.A.	100.000%
Gestamp Polska SP. Z.O.O.	Gestamp Metalbages, S.A.	100.000%
Gestamp Ingeniería Europa Sur, S.L.	Gestamp Metalbages, S.A.	99.960%
Gestamp Manufacturing Autochasis, S.L.	Gestamp Metalbages, S.A.	94.990%
Subgrupo Griwe	Gestamp Metalbages, S.A.	100.000%
Edscha Holding GmbH	Gestamp Metalbages, S.A.	67.000%
ESSA PALAU, S.A.	Gestamp Metalbages, S.A.	60.000%
GMF Holding GmbH	Gestamp Metalbages, S.A.	100.000%
Gestamp Services India private. Ltd.	Gestamp Levante, S.A.	98.990%
Gestamp Holding Rusia, S.L.	Gestamp Levante, S.A.	7.810%
Mursolar, 21, S.L.	Gestamp Navarra, S.A.	28.535%

Company	Company holding indirect investment	% investment
Gestamp Holding Rusia, S.L.	Gestamp Solblank Navarra, S.L.	5.642%
Gestamp Severstal Vsevolozhsk Llc	Todlem, S.L.	100.000%
Gestamp Severstal Kaluga, Llc	Todlem, S.L.	100.000%
Mexicana Servicios Laborales, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Aguascalientes, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla, S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Mexicana Serv. Lab., S.A. de CV	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp Puebla II, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.990%
Gestamp Sevicios Laborales de Toluca, S.A. de C.V.	Gestamp Cartera de México, S.A. de C.V.	99.900%
Gestamp Córdoba, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	4.272%
NCSG sorocaba Industria Metalúrgica Ltda.	Gestamp Brasil Industria de Autopeças, S.A.	100.000%
Gestamp Baires, S.A.	Gestamp Brasil Industria de Autopeças, S.A.	6.770%
MB Solblank Navarra, S.L.	Gestamp Abrera, S.A.	100.000%
Gestamp Solblank Barcelona, S.A.	Gestamp Abrera, S.A.	94.990%
Gestamp Holding Rusia, S.L.	Gestamp Polska, SP. Z.O.O.	24.561%
Edscha Holding GmbH	Gestamp Polska, SP. Z.O.O.	33.000%
Gestamp Automotive India Private Ltd.	Gestamp Polska, SP. Z.O.O.	50.000%
Gestamp Automotive Chennai Private, Ltd.	Gestamp Solblank Barcelona, S.A.	100.000%
Gestamp Holding Rusia, S.L.	Gestamp Solblank Barcelona, S.A.	6.673%
Gestamp Chattanooga, LLC.	Gestamp North America, INC	100.000%
Gestamp Mason, Llc.	Gestamp North America, INC	100.000%
Gestamp Alabama, Llc	Gestamp North America, INC	100.000%
Gestamp West Virginia, Llc.	Gestamp North America, INC	100.000%
Gestamp South Carolina, LLC.	Gestamp North America, INC	100.000%
Gestamp Washtenaw, LLC.	Gestamp North America, INC	100.000%
Gestamp Chattanooga II, LLC.	Gestamp North America, INC	100.000%
Todlem, S.L.	Gestamp Holding Rusia, S.L.	74.980%
Gestamp Auto Components (Kunshan) Co., Ltd	Gestamp Holding China, AB	100.000%
Industrias Tamer, S.A.	Gestamp Esmar, S.A.	30.000%
Gestamp Pune Automotive, Pvt. Ltd.	Gestamp Automotive Chennai Private Ltd.	73.630%
Mursolar, 21, S.L.	Subgrupo Griwe	19.540%
Gestamp Louny S.R.O.	Subgrupo Griwe	47.280%
Gestamp Palau, S.A.	Gestamp Manufacturing Autochasis, S.L.	40.000%
Almussafes Mantenimiento Troqueles, S.L.	Gestamp Palau, S.A.	100.000%
Matricerías Deusto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Try Out Services, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tooling Services, AIE	Gestamp Global Tooling, S.L.	40.000%
Adral Matricería y puesta a punto, S.L.	Gestamp Global Tooling, S.L.	100.000%
Gestamp Tool Hardening, S.L.	Gestamp Global Tooling, S.L.	99.900%
Gestamp Tooling Engineering Deutschland GmbH	Gestamp Global Tooling, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding Argentina, S.L.	97.000%
Gestamp Córdoba, S.A.	Gestamp Holding Argentina, S.L.	51.615%
Gestamp Baires, S.A.	Gestamp Holding Argentina, S.L.	93.230%
Gestamp Córdoba, S.A.	Gestamp Baires, S.A.	33.443%
Autotech Engineering Deutschland GmbH	Autotech Engineering AIE	45.000%
Autotec Engineering (Shangai), Co. Ltd.	Autotech Engineering AIE	45.000%
Gestamp Autotech Japan K.K.	Autotech Engineering AIE	45.000%
Autotech Engineering R&D Uk Iimited	Autotech Engineering AIE	45.000%
Autotech Engineering R&D USA Iimited	Autotech Engineering AIE	45.000%
Gestamp Tooling Erandio, S.L.	Gestamp Tool Hardening, S.L.	20.000%
Gestamp Cartera de Mexico, S.A. de CV	Gestamp Holding México, S.L.	100.000%
Gestamp Argentina, S.A.	Gestamp Holding México, S.L.	3.000%
Gestamp Tooling Erandio, S.L.	Loire Sociedad Anónima Franco Española	80.000%
Ingeniería y Construcción Matrices, S.A.	Gestión Global de Matricería, S.L.	100.000%
IxCXT, S.A.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	0.001%
GGM Puebla, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Kunshan Gestool Tooling Manufacturing, Co, Ltd.	Gestión Global de Matricería, S.L.	100.000%
GGM Puebla de Servicios Laborales, S.A. de C.V.	Gestión Global de Matricería, S.L.	99.990%
Gestamp Auto Components (Shenyang), Co. Ltd.	Mursolar 21, S.L.	100.000%
Gestamp Autocomponents (Dongguan) Co., Ltd.	Mursolar 21, S.L.	100.000%
Gestamp San Luis Potosí, S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Gestamp San Luis Potosí, Servicios Laborales S.A.P.I. de C.V.	Gestamp Puebla, S.A. de CV	0.010%
Celik Form Gestamp Otomotive, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
MPO Providers Rezistent, SRL	Beyçelik Gestamp Kalip, A.S.	70.000%
Beyçelik Gestamp Teknoloji Kalip, A.S.	Beyçelik Gestamp Kalip, A.S.	100.000%
Beyçelik Gestamp Sasi, L.S.	Beyçelik Gestamp Kalip, A.S.	100.000%

Company	Company holding indirect investment	% investment
Edscha Automotive Hengersberg GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Hauzenberg GmbH	Edscha Holding GmbH	100.000%
Edscha Engineering GmbH	Edscha Holding GmbH	100.000%
Edscha Automotive Technology, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp 2008, S.L.	Edscha Holding GmbH	100.000%
Anhui Edscha Automotive parts, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Hradec, S.R.O.	Edscha Holding GmbH	100.000%
Gestamp edscha Japan, Co. Ltd.	Edscha Holding GmbH	100.000%
Edscha Burgos, S.A.	Edscha Holding GmbH	0.010%
Edscha Velky Meder, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Automotiv Kamenice, S.R.O.	Edscha Holding GmbH	100.000%
Edscha Engineering France SAS	Edscha Holding GmbH	100.000%
Edscha Hengersberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Edscha Hauzenberg Real Estate GmbH	Edscha Holding GmbH	94.900%
Shanghai Edscha Machinery, Co. Ltd.	Edscha Holding GmbH	55.000%
Edscha Automotive Michigan, Inc.	Edscha Holding GmbH	100.000%
Edscha Togliatti, LLC.	Edscha Holding GmbH	100.000%
Edscha Automotive Components, Co. Ltd.	Edscha Holding GmbH	100.000%
Gestamp Finance Slovakia, S.R.O.	Edscha Holding GmbH	75.000%
Edscha Kunststofftechnik GmbH	Edscha Holding GmbH	100.000%
Edscha Pha, Ltd.	Edscha Holding GmbH	50.000%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Holding GmbH	99.990%
Edscha Automotive Components (Chongqing) Co. Ltd.	Edscha Holding GmbH	100.000%
Jui li Edscha Body Systems Co. Ltd.	Edscha Holding GmbH	60.000%
Edscha Automotive Italy	Edscha Holding GmbH	100.000%
Edscha Automotive Aapico, Co. Ltd.	Edscha Holding GmbH	50.990%
Jui li Edscha Holding, Co. Ltd.	Jui li Edscha Body Systems Co. Ltd.	100.000%
Jui li Edscha Hainan Industry Enterprise, Co. Ltd.	Jui li Edscha Holding, Co. Ltd.	100.000%
Edscha do Brasil, Ltd.	Edscha Engineering GmbH	83.260%
Edscha Automotive SLP, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive SLP Servicios Laborales, S.A.P.I. de C.V.	Edscha Engineering GmbH	0.010%
Edscha Automotive Aapico, Co. Ltd.	Edscha Engineering GmbH	0.010%
Edscha North America Technologies, LLC.	Edscha Automotive Michigan, Inc.	100.000%
Edscha Santander, S.L.	Gestamp 2008, S.L.	94.990%
Edscha Burgos, S.A.	Gestamp 2008, S.L.	99.990%
Edscha Briey, S.A.S.	Edscha Santander, S.L.	100.000%
Edscha do Brasil, Ltd.	Edscha Santander, S.L.	16.740%
GMF Wuhan, Ltd.	GMF Holding GmbH	100.000%
Gestamp Umformtechnik GmbH	GMF Holding GmbH	100.000%
Automotive Chassis Products, Plc.	GMF Holding GmbH	100.000%
Sofedit SAS	GMF Holding GmbH	65.000%
Gestamp Auto Components (Chongqing), Co. Ltd.	GMF Holding GmbH	100.000%
Gestamp (China) Holding, Co. Ltd	GMF Holding GmbH	100.000%
Gestamp Prisma SAS	GMF Holding GmbH	100.000%
Gestamp Tallent, Ltd.	Automotive Chassis Products Plc.	100.000%
Gestamp Wroclaw, Sp. Z.o.o.	Sofedit, S.A.S	100.000%
Gestamp Washington Uk, Limited	Gestamp Tallent , Ltd	95.010%
Gestamp Hot Stamping Japan K.K.	Gestamp Tallent , Ltd	100.000%
Gestamp Sweden, AB	Gestamp Tallent , Ltd	44.990%

APPENDIX III**Guarantor Companies for 2013 Syndicated Loan (modified in 2016, 2017 and 2018)**

Gestamp Navarra, S.A.	Gestamp Palencia, S.A.
Edscha Automotive Kamenice, S.R.O.	Gestamp Polska, Sp.Z.o.o.
Edscha Engineering, GmbH.	Gestamp Cerveira, Ltda
Edscha Briey, S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Engineering France , S.A.S.	Gestamp Servicios, S.A.
Edscha Automotive Hauzenberg, GmbH	Gestamp Washington UK Limited
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vigo, S.A.
Edscha Automotive Hengersberg, GmbH.	Gestamp Umformtechnik, GmbH
Edscha Holding, GmbH.	Subgrupo Griwe
Edscha Hradec, S.r.o.	Ingeniería Global MB, S.A.
Edscha Velky Meder, S.r.o.	Loire S.A. Franco Española
Gestamp Bizkaia, S.A.	Gestamp Abrera, S.A.
Gestamp Automoción,S.A.	Gestamp Aragón, S.A.
Gestamp Aveiro, S.A.	Gestamp Metalbages, S.A.
Gestamp HardTech, AB	Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.	SCI de Tournan en Brie
Gestamp Linares, S.A.	Gestamp Solblank Barcelona, S.A.
Gestamp Louny, S.r.o.	Gestamp Tallent Limited
Gestamp Esmar, S.A.	Gestamp Sweden AB
Gestamp Wroclaw, Sp. Z.o.o	Edscha Burgos, S.A
Sofedit, S.A.S.	Gestamp Levante, S.A.
Gestamp Toledo, S.A.	Edscha Santander, S.L.
Gestamp Noury, SAS	

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. y Gestamp Toledo, S.A.

Guarantors for May 2013 and May 2016 bond issues

Gestamp Navarra, S.A.	Gestamp Palencia, S.A.
Edscha Automotive Kamenice, S.R.O.	Gestamp Polska, Sp.Z.o.o.
Edscha Engineering, GmbH.	Gestamp Cerveira, Ltda
Edscha Briey, S.A.S.	Gestamp Ronchamp, S.A.S.
Edscha Engineering France , S.A.S.	Gestamp Servicios, S.A.
Edscha Automotive Hauzenberg, GmbH	Gestamp Washington UK Limited
Edscha Hauzenberg Real Estate GmbH, & Co.	Gestamp Vendas Novas Unipessoal, Lda.
Edscha Hengersberg Real Estate GmbH, & Co.	Gestamp Vigo, S.A.
Edscha Automotive Hengersberg, GmbH.	Gestamp Umformtechnik, GmbH
Edscha Holding, GmbH.	Subgrupo Griwe
Edscha Hradec, S.r.o.	Ingeniería Global MB, S.A.
Edscha Velky Meder, S.r.o.	Loire S.A. Franco Española
Gestamp Bizkaia, S.A.	Gestamp Abrera, S.A.
Gestamp Automoción,S.A.	Gestamp Aragón, S.A.
Gestamp Aveiro, S.A.	Gestamp Metalbages, S.A.
Gestamp HardTech, AB	Gestamp Prisma, S.A.S.
Gestamp Hungaria, KFT.	SCI de Tournan en Brie
Gestamp Linares, S.A.	Gestamp Solblank Barcelona, S.A.
Gestamp Louny, S.r.o.	Gestamp Tallent Limited
Gestamp Esmar, S.A.	Gestamp Sweden AB
Gestamp Wroclaw, Sp. Z.o.o	Edscha Burgos, S.A
Sofedit, S.A.S.	Gestamp Levante, S.A.
Gestamp Toledo, S.A.	Edscha Santander, S.L.
Gestamp Noury, SAS	

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. y Gestamp Toledo, S.A.

Guarantors for European Investment Bank Loan

Gestamp Navarra, S.A.
 Edscha Automotive Kamenice, S.R.O.
 Edscha Engineering, GmbH.
 Edscha Briey, S.A.S.
 Edscha Engineering France, S.A.S.
 Edscha Automotive Hauzenberg, GmbH
 Edscha Hauzenberg Real Estate GmbH, & Co.
 Edscha Hengersberg Real Estate GmbH, & Co.
 Edscha Automotive Hengersberg, GmbH.
 Edscha Holding, GmbH.
 Edscha Hradec, S.r.o.
 Edscha Velky Meder, S.r.o.
 Gestamp Bizkaia, S.A.
 Gestamp Automoción, S.A.
 Gestamp Aveiro, S.A.
 Gestamp HardTech, AB
 Gestamp Hungaria, KFT.
 Gestamp Linares, S.A.
 Gestamp Louny, S.r.o.
 Gestamp Esmar, S.A.
 Gestamp Wroclaw, Sp. Z.o.o
 Sofedit, S.A.S.

Gestamp Noury, SAS
 Gestamp Palencia, S.A.
 Gestamp Polska, Sp.Z.o.o.
 Gestamp Cerveira, Ltda
 Gestamp Ronchamp, S.A.S.
 Gestamp Servicios, S.A.
 Gestamp Washington UK Limited
 Gestamp Vendas Novas Unipessoal, Lda.
 Gestamp Vigo, S.A.
 Gestamp Umformtechnik, GmbH
 Subgrupo Griwe
 Ingeniería Global MB, S.A.
 Loire S.A. Franco Española
 Gestamp Abrera, S.A.
 Gestamp Aragón, S.A.
 Gestamp Metalbages, S.A.
 Gestamp Prisma, S.A.S.
 SCI de Tournan en Brie
 Gestamp Solblank Barcelona, S.A.
 Gestamp Tallent Limited
 Gestamp Sweden AB
 Gestamp Funding Luxemburgo, S.A.

Guarantors for Kfw IPEX Bank GmbH Loan

Gestamp Navarra, S.A.
 Edscha Automotive Kamenice, S.R.O.
 Edscha Engineering, GmbH.
 Edscha Briey, S.A.S.
 Edscha Engineering France, S.A.S.
 Edscha Automotive Hauzenberg, GmbH
 Edscha Hauzenberg Real Estate GmbH, & Co.
 Edscha Hengersberg Real Estate GmbH, & Co.
 Edscha Automotive Hengersberg, GmbH.
 Edscha Holding, GmbH.
 Edscha Hradec, S.r.o.
 Edscha Velky Meder, S.r.o.
 Gestamp Bizkaia, S.A.
 Gestamp Automoción, S.A.
 Gestamp Aveiro, S.A.
 Gestamp HardTech, AB
 Gestamp Hungaria, KFT.
 Gestamp Linares, S.A.
 Gestamp Louny, S.r.o.
 Gestamp Esmar, S.A.
 Gestamp Wroclaw, Sp. Z.o.o
 Sofedit, S.A.S.
 Edscha Burgos, S.A.
 Gestamp Levante, S.A.
 Gestamp Noury, SAS

Gestamp Palencia, S.A.
 Gestamp Polska, Sp.Z.o.o.
 Gestamp Cerveira, Ltda
 Gestamp Ronchamp, S.A.S.
 Gestamp Servicios, S.A.
 Gestamp Washington UK Limited
 Gestamp Vendas Novas Unipessoal, Lda.
 Gestamp Vigo, S.A.
 Gestamp Umformtechnik, GmbH
 Subgrupo Griwe
 Ingeniería Global MB, S.A.
 Loire S.A. Franco Española
 Gestamp Abrera, S.A.
 Gestamp Aragón, S.A.
 Gestamp Metalbages, S.A.
 Gestamp Prisma, S.A.S.
 SCI de Tournan en Brie
 Gestamp Solblank Barcelona, S.A.
 Gestamp Tallent Limited
 Gestamp Sweden AB
 Gestamp Funding Luxemburgo, S.A.
 Gestamp Toledo, S.A.
 Edscha Santander, S.A.

Guarantors for April 2018 bond issue

Edscha Automotive Hengersberg GmbH	Ingeniería Global MB, S.A.
Edscha Holding GmbH	Gestamp Global Tooling, S.L.
Gestamp Griwe westerburg, GmbH	Gestamp Noury, SAS
Gestamp Griwe Haynrode, GmbH	Gestamp Ronchamp, S.A.S.
Edscha Automotive Hauzenberg, GmbH	Edscha Briey, S.A.S.
Gestamp Umformtechnik, GmbH	Sofedit, S.A.S.
Edscha Hengersberg Real Estate GmbH, & Co.	SCI de Tournan en Brie
Edscha Hauzenberg Real Estate GmbH, & Co.	Edscha Engineering France, S.A.S.
Edscha Engineering, GmbH.	Gestamp Prisma, S.A.S.
GMF Holding GmbH	Gestamp Hungaria, KFT.
Gestamp Servicios, S.A.	Gestamp Polska, Sp.Z.o.o.
Gestamp Navarra, S.A.	Gestamp Wroclaw, Sp. Z.o.o
Gestamp Bizkaia, S.A.	Gestamp Aveiro, S.A.
Edscha Santander, S.A.	Gestamp Cerveira, Ltda
Gestamp Esmar, S.A.	Gestamp Vendas Novas Unipessoal, Lda.
Gestamp Palencia, S.A.	Edscha Automotive Kamenice, S.R.O.
Gestamp Abrera, S.A.	Edscha Hradec, S.r.o.
Edscha Burgos, S.A.	Gestamp Louny, S.r.o.
Gestamp Solblank Barcelona, S.A.	Gestamp Tallent Limited
Loire S.A. Franco Española	Gestamp Washington UK Limited
Gestamp Aragón, S.A.	Edscha Velky Meder, S.r.o.
Gestamp Toledo, S.A.	Gestamp HardTech, AB
Gestamp Linares, S.A.	Gestamp Sweden AB
Gestamp Vigo, S.A.	Gestamp Funding Luxemburgo, S.A.
Gestamp Levante, S.A.	

Also, a pledge was arranged on shares of the subsidiaries Gestamp Metalbages, S.A., Gestamp Bizkaia, S.A., Gestamp Vigo, S.A., Gestamp Palencia, S.A., Gestamp Servicios, S.A. y Gestamp Toledo, S.A.



**Interim Consolidated Management Report
Management Discussion and Analysis of the Financial Condition and
Results of Operations for the six months period ended June 30, 2019**

Gestamp Automoción, S.A.

July 25, 2019

1. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information and operational data

Unless otherwise indicated, all financial information in this report has been prepared in accordance with IFRS applicable at the relevant date and is presented in Euros. IFRS differs in certain significant respects from generally accepted accounting principles in the US.

We have presented certain information in this report that has not been prepared in accordance with IFRS or any other accounting standards. As used in this report, this information includes “EBITDA”, which represents operating profit before amortization, impairment and depreciation. This report also contains other measures such as: cash, cash equivalent and current financial assets, total financial debt and net financial debt, growth at constant exchange rates, and capex split by categories. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

In particular, we believe that EBITDA is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. To facilitate the analysis of our operations, this indicator excludes amortization, impairment and depreciation expenses from operating profit in order to eliminate the impact of general long-term capital investment. Although we are presenting this measure to enhance the understanding of our historical operating performance, EBITDA should not be considered an alternative to operating profit as an indicator of our operating performance, or an alternative to cash flows from operating activities as a measure of our liquidity. Growth at constant exchange rates is a numerical translation of our figures from local currencies to euros, and not a description of the situation if the currencies had not moved, as this could have had some other implications on the economy and our business situation and contracts. Capex split in categories is a management judgement, and should not be considered as a substitute for additions of tangible and intangible assets, nor depreciation and amortization. The presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

Rounding adjustments have been made in calculating some of the financial information included in this report. Figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

Industry data

In this report, we may rely on and refer to information regarding our business and the market in which we operate and compete. We have obtained this information from various third party sources, including providers of industry data, discussions with our customers and our own internal estimates. We cannot assure that any of this information is accurate or correctly reflects our position in the industry, and none of our internal surveys or information has been verified by any independent sources. We do not make any representation or warranty as to the accuracy or completeness of any such information set forth in this report.

Forward looking statements and other qualifications

The following discussion and analysis is based on and should be read in conjunction with our historical financials included elsewhere in this quarterly report. Certain capitalized terms used herein have the meaning set out in the offering memorandum for our senior secured notes due 2023 and 2026.

The discussion includes forward looking statements, which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those implied herein. Please be cautioned not to place undue reliance on these forward looking statements. These forward statements are made as of the date of this report and are not intended to give any assurance as to future results.

Adjustment for inflation in Argentina

During the third quarter of 2018 the inflation indicators for Argentina, and especially the *Índice de Precios Internos al por Mayor* (IPIM) for wholesale prices, have shown accumulated inflation in three years exceeding 100% and there are no qualitative aspects that mitigate the situation; therefore Argentina should be considered as a hyperinflationary economy, and therefore IASS 29 should be applied.

The hyperinflation adjustment recorded on Argentinean companies has impacted our figures of Revenue and EBITDA in euro terms in the first half of 2019, for an amount of -0.9 million euros for Revenue, and 0.7 million euros for EBITDA. Additionally, the impact on the depreciation and amortization stands at -1.5 million euros and 0.2 million euros for financial results and -2.5 million euros for Attributable Profit.

Our figures for the first half of 2018 do not include any effect from the hyperinflation adjustment. According to the information provided in the third quarter of 2018, the impact in the first half of 2018 was -16.6 million euros for Revenue and -2.3 million euros for EBITDA, while the impact on the depreciation and amortization is -1.1 million euros, the financial results stood at -1.3 million euros and on -3.4 million euros for Attributable Profit.

2. BUSINESS PERFORMANCE AND RESULT

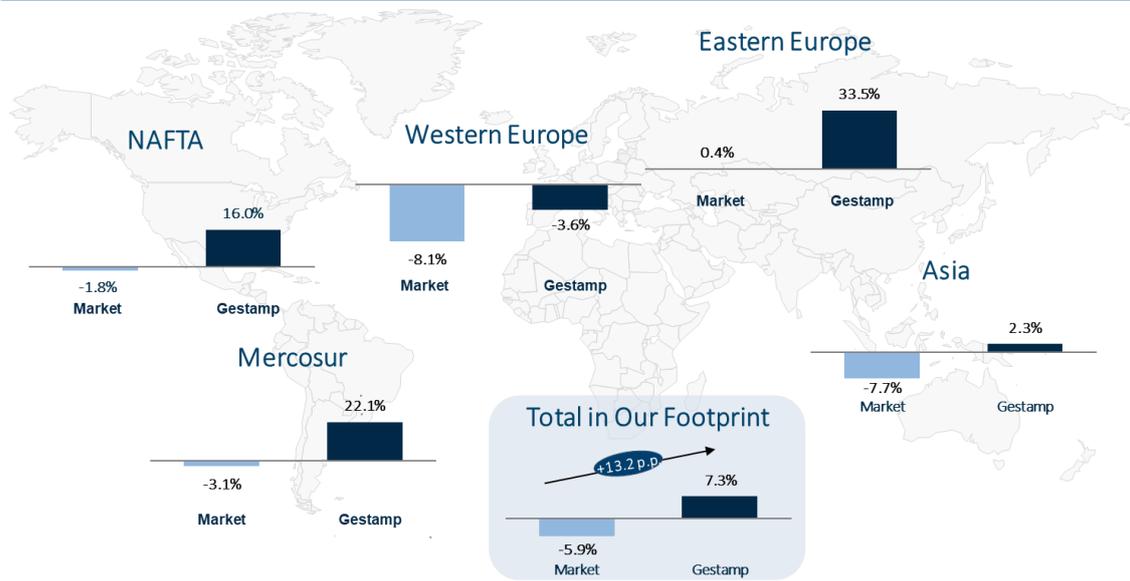
Macroeconomic outlook continues to be solid although the International Monetary Fund (*IMF World Economic Outlook as of July 2019*) revised its latest global growth forecasts slightly downwards to 3.2% for 2019 and to 3.5% for 2020 (0.1 percentage point lower than in the April 2019 WEO projections for both years).

The auto market environment has been challenging during Q2 2019, with continued volume declines across the most relevant geographies. Global light vehicle production in H1 2019 in Gestamp's footprint (according to IHS as of July 2019) declined by 5.9%. The market uncertainties seen during Q1 2019 continued during Q2 2019 with China and Western Europe as the main contributors to the declines. In China, consumer confidence declined as a result of ongoing trade discussions whilst in Western Europe the declines were mainly driven by Germany and the UK. Gestamp has continued to receive enquiries for new business opportunities as OEMs focus on CASE (Connectivity, Autonomous Driving, Shared Mobility and Electrification), especially electrification, for which we are well positioned with our lightweight solutions and new products (such as battery box).

During the first six months of 2019, global vehicle production volumes in Gestamp’s footprint experienced a 5.9% decline. Most regions in which Gestamp is present saw volume decreases during H1 2019 vs. H1 2018 (according to IHS as of July 2019) with Western Europe (-8.1%) and Asia (-7.7%) experiencing the strongest declines, followed by Mercosur (-3.1%) and North America (-1.8%) whilst volumes in Eastern Europe (+0.4%) showed a slight increase. H2 2019 global production volumes comparable with easier base of H2 2018 which was to a great extent impacted by WLTP and trade tariffs. For H2 2019, Gestamp expects to continue to outperform market production volumes as a result of increasing maturity of projects.

In that context, Gestamp’s revenues during H1 2019 outperformed the market with an increase of 5.9% (7.3% at constant FX) as a result of the ramp-up of new projects vs. H1 2018 (including the hyperinflation adjustment incorporated as of 9M18). During the first half of 2019 Gestamp has outperformed market production volume growth on a constant currency basis (in its production footprint – IHS data as of July 2019) by 13.2 percentage points.

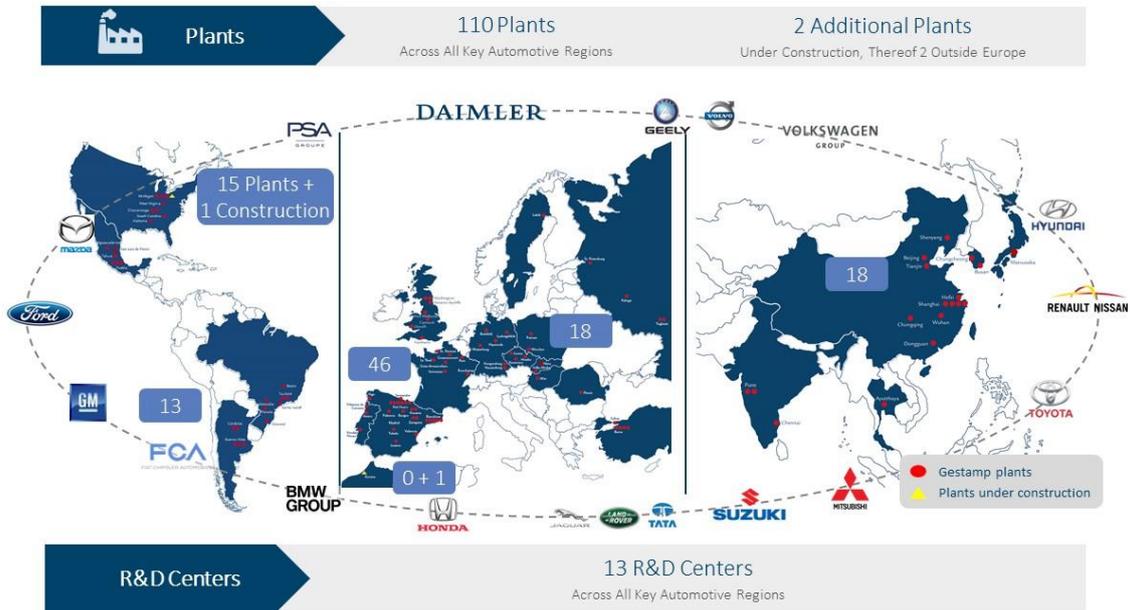
Gestamp Revenue Growth at Constant FX vs. IHS Market Production Growth in Gestamp’s Footprint



Note: Gestamp’s growth at constant FX used for comparability with production volumes. Market production volume growth is based on countries in Gestamp’s production footprint (IHS data for H1 2019 as of July 2019). H1 2018 figures include the hyperinflation adjustment incorporated as of 9M 2018

During the first six months of 2019, Gestamp continued to increase its footprint to support growth with the inauguration of a new plant in San Luis Potosi (Mexico) and the opening of a new plant specializing in aluminum in Nitra (Slovakia). In 2019, Gestamp plans to open two additional production plants (US and Morocco) to support future growth.

Also during the first part of the year, Gestamp strengthened its presence with local Chinese OEMs with the signing of two MOUs with (i) BHAP to foster growth in China and enhance growing EV opportunities and (ii) Wuling to cooperate within the Guangxi Zhuang region, as well as displaying its lightweight capabilities for Electric Vehicles at Auto Shanghai 2019.



First half of 2019 compared to first half of 2018

First half 2019 incorporates the impact of IFRS 16 on operating leases. The net impact on earnings before taxes and minorities is negative for €4.5 million, as positive impact on EBITDA is offset by higher amortization and financial expenses, as discussed below. Reference to like for like EBITDA growth stands for growth at constant FX (vs. same period of the previous year) and excluding IFRS 16 impact.

	Second Quarter			YTD June 30,		
	2018	2019	% Change	2018	2019	% Change
Consolidated Income Statement Data	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Operating income	2,268.8	2,396.1	5.6%	4,399.6	4,646.3	5.6%
Revenue	2,219.7	2,343.6	5.6%	4,277.8	4,513.2	5.5%
Other operating income	51.5	59.8	16.1%	85.4	100.5	17.7%
Changes in inventories	-2.4	-7.3	204.2%	36.4	32.6	-10.4%
Operating expenses	-2,119.4	-2,261.2	6.7%	-4,121.6	-4,401.8	6.8%
Raw materials and other consumables	-1,325.0	-1,404.5	6.0%	-2,552.6	-2,709.5	6.1%
Personnel expenses	-403.8	-415.4	2.9%	-788.2	-826.5	4.9%
Depreciation, amortization and impairment losses	-107.2	-137.2	28.0%	-209.9	-276.3	31.6%
Other operating expenses	-283.4	-304.1	7.3%	-570.9	-589.5	3.3%
Operating profit	149.4	134.9	-9.7%	278.0	244.5	-12.1%
Finance income	1.9	1.3	-31.6%	2.2	3.0	36.4%
Finance expenses	-34.6	-48.4	39.9%	-66.4	-78.1	17.6%
Exchange gains (losses)	-8.8	9.1	-203.4%	-8.2	13.1	-259.8%
Other	-2.2	-0.3	-86.4%	-2.2	-10.7	386.4%
Profit from continuing operations	105.7	96.6	-8.6%	203.4	171.8	-15.5%
Income tax expense	-26.6	-23.3	-12.4%	-52.0	-42.3	-18.7%
Profit for the period	79.1	73.3	-7.3%	151.4	129.5	-14.5%
Profit (loss) attributable to non-controlling interest	-6.3	-13.8	119.0%	-15.8	-29.3	85.4%
Profit attributable to equity holders of the parent	72.8	59.5	-18.3%	135.6	100.2	-26.1%
EBITDA	256.6	272.1	6.0%	487.9	520.8	6.7%

Revenues

During the second quarter of 2019, revenues reached €2,343.6 million, of which Body-in-White and Chassis represented €1,988.3 million, mechanisms €254.0 million, and tooling and others €101.3 million.

Revenues in the second quarter of 2019 grew €140.1 million or 6.4% (7.8% like for like) to €2,343.6 million versus €2,203.5 million in the second quarter of 2018 (including the hyperinflation adjustment for Q2 2018 of -€16.1 million incorporated as of 9M 2018). Growth in the second quarter of 2019 was driven by solid growth in Eastern Europe and North America as well as Mercosur to a lesser extent but impacted by weak performance in Western Europe, mainly driven by Germany and the UK, as well as a slowdown in China.

Revenues during the first half of 2019 went up €252.1 million or 5.9% (7.3% like for like) to €4,513.2 million versus €4,261.1 million in the first half of 2018 (including the hyperinflation adjustment for H1 2018 which had a negative impact of -€16.6 million incorporated as of 9M 2018). Revenues in the first half of 2019 experienced similar dynamics as the ones seen during the second quarter.

Operating expenses

Raw materials and other consumables. During the second quarter of 2019 expenses on raw materials and other consumables increased by €79.5 million, or 6.0%, to €1,404.5 million from €1,325.0 million during the second quarter of 2018. The increase was mainly due to higher sales volumes consistent with the increase in revenues.

Personnel Expenses. During the second quarter of 2019 personnel expenses increased by €11.6 million, or 2.9%, to €415.4 million from €403.8 million during the second quarter of 2018, mainly in North America, Asia and Eastern Europe (consistent with the increases in sales by Body-in-White and Chassis).

Depreciation, amortization and impairment losses. During the second quarter of 2019 depreciation expense increased by €30.0 million, or 28.0%, to €137.2 million from €107.2 million in the second quarter of 2018. Close to 55% of this increase (i.e. €16.4 million) is due to IFRS 16, incorporating as assets the rights of use corresponding to operating leases.

Other operating expenses. During the second quarter of 2019 other operating expenses increased by €20.7 million, or 7.3%, to €304.1 million from €283.4 million in the second quarter of 2018, mainly in North America and Eastern Europe (consistent with the increases in sales by Body-in-White and Chassis). There has been a positive impact from the application of IFRS 16 eliminating from EBITDA €19.4 million of leasing expenses during the second quarter of 2019.

Operating profit or loss

Operating profit during the second quarter of 2019 decreased by €14.5 million, or -9.7%, to €134.9 million from €149.4 million during the second quarter of 2018. This decrease was primarily due to the increase in depreciation, amortization and impairment losses of the fixed assets of the projects that have started their ramp up mainly in North America and Western Europe.

EBITDA

EBITDA during the second quarter of 2019 (including the positive impact from IFRS 16) increased by 6.9% or €17.6 million reaching €272.1 million versus €254.5 million in the second quarter of 2018 (including the hyperinflation adjustment for Q2 2018 of -€2.1 million incorporated as of 9M 2018). The increase in EBITDA in the second quarter of 2019 was driven by project ramp-ups in Eastern Europe and North America (although margins still impacted as full cost structure in place without full volumes) and Mercosur. This was partially offset by weaker volumes in Western Europe making it more difficult to adjust for short term fluctuations and market declines in Asia, mainly in China.

EBITDA during the first half of 2019 went up by €35.1 million or 7.2% (0.4% like for like) to €520.7 million versus €485.6 million in the first half of 2018 (including the hyperinflation adjustment for H1 2018 of -€2.3 million incorporated as of 9M 2018).

Net financial income (expenses)

Net financial expense increased by €14.4 million, or 44.0%, to €47.1 million during the second quarter of 2019 from €32.7 million during the second quarter of 2018. This increase was primarily due to the net effect of the following factors: First, IFRS 16 has increased financial expenses by €5.2 million and second, a higher average net financial debt for the period and the higher interest rate resulting from higher debt in non-euro currencies and bonds.

Exchange gains (losses)

During the second quarter of 2019 exchange profits amounted to €9.1 million and €-8.8 million during the second quarter of 2018. The exchange profits in the second quarter of 2019 were mainly in Mexico, United Kingdom and Russia offset with exchange losses in Turkey.

Income tax

Income tax expense during the second quarter of 2019 decreased by €3.3 million, to €23.3 million from €26.6 million during the second quarter of 2018, consistent with the lower Profit from continuing operations.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests during the second quarter of 2019 increased by €7.5 million to €13.8 million from €6.3 million during the second quarter of 2018. This increase was primarily due to the higher profit in Turkey and the imputation of results to minority interest in the new JV in China.

Financial information by geographic segment

The following tables set forth Gestamp's Revenues and EBITDA during the second quarter of 2019 and 2018. The new accounting standard on operating lease adjustment (IFRS 16) included as of 1st January 2019. Reference to like for like EBITDA growth stands for growth at constant FX (vs. Q2 2018) and excluding IFRS 16 impact.

REVENUES

Revenues	Second Quarter			YTD June 30,		
	2018	2019	% Change	2018	2019	% Change
	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Geographic segments						
Western Europe	1,068.7	1,063.9	-0.4%	2,135.3	2,060.8	-3.5%
Eastern Europe	287.9	373.2	29.6%	572.4	695.5	21.5%
Mercosur	175.2	156.2	-10.8%	306.0	295.5	-3.4%
North America	427.2	479.9	12.3%	757.6	940.2	24.1%
Asia	260.7	270.4	3.7%	506.5	521.2	2.9%
Total	2,219.7	2,343.6	5.6%	4,277.8	4,513.2	5.5%

Western Europe

Revenues during the second quarter of 2019 decreased by €4.8 million, or -0.4% (-0.5% like for like) versus the second quarter of 2018, to €1,063.9 million. Revenues during the quarter

experienced growth in Iberia as a result of new project launches which was offset by a significant decrease in Germany and the UK (production stoppages linked to Brexit).

During the first six months of the year, revenues went down by €74.5 million, or -3.5% (-3.6% like for like) versus the first half of 2018, to €2,060.8 million. The first half was impacted by a more challenging first quarter of 2019.

Eastern Europe

Revenues during the second quarter of 2019 increased by €85.3 million, or 29.6% (41.9% like for like) versus the second quarter of 2018, to €373.2 million. The increase in revenues was driven by a solid performance in almost all regions negatively impacted by FX (mainly in Turkey). Growth during the quarter driven by contribution of new project ramp-ups.

During the first six months of the year, revenues went up by €123.1 million, or 21.5% (33.5% like for like) versus the first half of 2018, to €695.5 million based on similar reasons as for the quarter.

Mercosur

During the second quarter of 2019 revenues decreased by €2.8 million or -1.8% (15.2% like for like) reaching €156.2 million from €159.0 million in the second quarter of 2018 (including the hyperinflation adjustment for Q2 2018 of -€16.1 million incorporated as of 9M 2018). During the quarter growth was impacted by FX headwinds and weaker market environment in Argentina.

During the first six months of 2019 revenues reached €295.5 million, an increase of €6.1 million or 2.1% (22.1% like for like) from €289.4 million in the first half of 2018 (including the hyperinflation adjustment for H1 2018 of -€16.6 million incorporated as of 9M 2018). The first half of the year experienced similar trends as seen during the second quarter of 2019.

North America

Revenues during the second quarter of 2019 increased by €52.7 million, or 12.3% (5.3% like for like) versus the second quarter of 2018, to €479.9 million. Revenues during the quarter experienced a strong above-market growth especially in the US as a result of ramp-ups.

During the first six months of the year, revenues increased by €182.7 million, or 24.1% (16.0% like for like) versus the first half of 2018, to €940.2 million. Revenue growth was driven by similar trends as for the second quarter.

Asia

Revenues during the second quarter of 2019 went up by €9.7 million, or 3.7% (3.9% like for like) versus the second quarter of 2018, to €270.4 million. The region continued with weaker market dynamics with volume declines, particularly in China and India. Revenues in the second quarter outperformed the market mainly as a result of the BHAP JV contribution.

During the first six months of the year increased by €14.7 million, or 2.9% (2.3% like for like) versus the first half of 2018, to €521.2 million driven by similar trends as for the quarter.

EBITDA (including IFRS 16 as of January 1st, 2019)

EBITDA	Second Quarter			YTD June 30,		
	2018	2019	% Change	2018	2019	% Change
	<i>(Millions of Euros)</i>			<i>(Millions of Euros)</i>		
Geographic segments						
Western Europe	120.0	103.3	-13.9%	231.5	192.4	-16.9%
Eastern Europe	35.5	63.4	78.6%	71.1	112.8	58.6%
Mercosur	21.1	20.2	-4.3%	37.2	36.1	-3.0%
North America	40.6	54.3	33.7%	71.4	113.0	58.3%
Asia	39.4	30.9	-21.6%	76.7	66.5	-13.3%
Total	256.6	272.1	6.0%	487.9	520.8	6.7%

Western Europe

EBITDA decreased during the second quarter of 2019 by €16.7 million, or -13.9% (-20.2% like for like) versus the first quarter of 2018, to €103.3 million. EBITDA was impacted by lower volumes in Germany and the UK as well as launch costs of new projects in Iberia.

During the first half of the year, EBITDA decreased by €39.1 million, or a 16.9% decline versus the first half of 2018, to €192.4 million. EBITDA has declined but the improving profitability trend, as seen in Q2 2019 vs. Q1 2019, is expected to continue. Ongoing cost reduction programs in place.

Eastern Europe

EBITDA during the second quarter of 2019 reached €63.4 million, resulting in 78.6% growth or an increase of €27.9 million (86.5% like for like) when compared to the second quarter of 2018. During the quarter EBITDA margin expansion has been driven by overall volume growth and efficiencies.

During the first six months of 2019, EBITDA increased by €41.7 million or 58.6% growth to €112.8 million when compared to the first six months of 2018, implying an EBITDA margin of 16.2%. The first half experienced similar trends as seen during Q2 2019.

Mercosur

During the second quarter of 2019 EBITDA reached €20.2 million, an increase of €1.2 million or 5.8% (25.7% like for like) from €19.0 million in the second quarter of 2018 (including the hyperinflation adjustment for Q2 2018 of -€2.1 million incorporated as of 9M 2018).

During the first six months of 2019 EBITDA reached €36.1 million, an increase of €1.2 million or 3.3% (20.6% like for like) from €34.9 million in the first half of 2018 (including the hyperinflation adjustment for H1 2018 of -€2.3 million incorporated as of 9M 2018). EBITDA margin increase to 12.2%. Significant launches of new vehicles expected in the upcoming quarters.

North America

EBITDA during the second quarter of 2019 reached €54.3 million, resulting in 33.7% growth or an increase of €13.7 million when compared to the second quarter of 2018. Continued margin improvement trend despite EBITDA margin being impacted by slower than expected volume ramp-up but with full cost structure in place.

During the first six months of 2019, EBITDA increased by €41.6 million or 58.3% growth to €113.0 million when compared to the first six months of 2018.

Asia

EBITDA during the second quarter of 2019 reached €30.9 million, resulting in 21.6% decline or a decrease of €8.5 million when compared to the second quarter of 2018. The slowdown in margin in Q2 19 vs. Q1 19 was due to difficult market dynamics. Successful integration of BHAP JV with attractive returns but lower EBITDA margin (less capital intensive). There are ongoing cost adjustments.

During the first six months of 2019, EBITDA decreased by €10.2 million or 13.3% decline to €66.5 million when compared to the first six months of 2018. The decrease was impacted by similar trends as in the quarter.

Information on cash flows

	Second Quarter		YTD June 30,	
	2018	2019	2018	2019
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year before taxes and after non-controlling interest from continuing operations	99.4	82.8	187.6	142.5
Adjustments to profit	150.1	197.5	296.7	397.3
Depreciation and amortization of fixed assets	107.2	137.2	209.9	276.3
Profit (loss) attributable to non-controlling interests	6.3	13.9	15.8	29.4
Financial income	-1.9	-1.3	-2.2	-3.0
Financial expenses	34.6	48.4	66.4	78.1
Exchange rate differences	1.6	-17.4	0.0	-13.1
Share of profits from associates - equity method	-0.2	-2.2	-0.1	-2.4
Other financial result	0.0	3.3	0.0	13.0
Impairment	-0.3	0.0	-0.1	0.0
Change in provisions	-5.1	1.5	-0.2	5.6
Grants released to income	-0.9	-1.2	-1.9	-2.0
Profit from disposal of fixed assets	-0.4	-0.4	-0.1	-0.3
Realized exchange rate differences	0.0	16.9	0.0	16.9
Unrealized exchange rate differences	7.3	0.0	7.3	0.0
Other income and expenses	1.9	-1.2	1.9	-1.2
Changes in working capital	5.5	-109.2	-230.1	-233.2
(Increase)/Decrease in Inventories	20.1	-33.9	-59.7	-105.1
(Increase)/Decrease in Trade and other receivables	16.7	-7.9	-162.3	-176.0
(Increase)/Decrease in Other current assets	-4.5	-10.8	-28.2	-17.8
Increase/(Decrease) in Trade and other payables	-23.5	-52.8	20.4	71.1
Increase/(Decrease) in Other current liabilities	-3.3	-3.8	-0.3	-5.4
Other cash-flows from operating activities	-44.4	-84.3	-76.5	-103.2
Interest paid	-32.0	-53.4	-53.5	-74.1
Interest received	1.4	1.3	2.6	3.0
Proceeds (payments) of income tax	-13.8	-32.2	-25.6	-32.1
Cash flows from operating activities	210.6	86.8	177.7	203.4

	Second Quarter		YTD June 30,	
	2018	2019	2018	2019
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments on investments	-302.9	-222.1	-562.1	-454.6
Group companies and associates	-14.3	-12.0	-14.3	-12.0
Intangible assets	-32.6	-30.9	-55.8	-60.7
Property, plant and equipment	-240.2	-183.3	-476.2	-386.0
Other financial assets	-15.8	4.1	-15.8	4.1
Proceeds from divestments	2.1	8.7	5.3	24.3
Group companies and associates	0.0	0.0	0.0	0.0
Intangible assets	0.4	0.7	0.7	3.0
Property, plant and equipment	3.1	7.2	4.6	10.3
Other financial assets	-1.4	0.8	0.0	11.0
Cash flows from investing activities	-300.8	-213.4	-556.8	-430.3
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds and payments on equity instruments	-38.5	19.5	-38.5	16.7
Change in non-controlling interests	-37.3	-1.6	-37.3	-3.4
Grants, donations and legacies received	0.7	0.2	0.7	5.5
Other equity movements	-1.9	20.9	-1.9	14.6
Proceeds and payments on financial liabilities	-94.5	76.0	132.3	126.3
Proceeds from	503.1	151.1	770.1	220.6
Bonds and other securities to trade	393.3	0.0	393.3	0.0
Interest-bearing loans and borrowings	59.4	91.2	182.8	145.2
Net increase of credit lines and commercial discount	17.9	58.1	20.3	72.5
Borrowings from Group companies and associates	6.4	0.0	146.5	0.0
Other borrowings	26.1	1.8	27.2	2.9
Repayment of	-597.6	-75.1	-637.8	-94.3
Bonds and other securities to trade	0.0	0.0	0.0	0.0
Interest-bearing loans and borrowings	-578.6	-70.0	-612.6	-72.5
Net decrease of credit lines and commercial discount	0.0	0.0	0.0	0.0
Borrowings from Group companies and associates	-5.6	-4.2	-5.6	-20.9
Other borrowings	-13.4	-0.9	-19.6	-0.9
Payments on dividends and other equity instruments	-5.5	0.0	-5.5	-37.3
Dividends	-5.5	0.0	-5.5	-37.3
Cash flows from financing activities	-138.5	95.5	88.3	105.7
Effect of changes in exchange rates	-5.8	0.6	-6.3	-3.8
Cash in assets held for sale	0.0	0.0	0.0	0.0
NET INCREASE/ DECREASE OF CASH OR CASH EQUIVALENTS	-234.5	-30.5	-297.1	-125.0

Cash flow from operating activities

Cash flow from operating activities during the second quarter of 2019 decreased by €123.8 million to a net amount of €86.8 million from a net amount €210.6 million in the second quarter of 2018, primarily due to an increase in the cash used for working capital by €114.7 million, and €39.9 higher interest and tax payments.

Cash flow from (used in) investing activities

Cash flow used in investing activities during the second quarter of 2019 decreased by €87.4 million to €213.4 million from €300.8 million during the second quarter of 2018. The cash flow used in the second quarter of 2019 was primarily for investments in projects in North America, Spain, Germany, United Kingdom, Slovakia and China.

Cash flow from (used in) financing activities

Cash flow from financing activities during the second quarter of 2019 amounted to €95.5 million primarily due to a net increase in interest-bearing loans.

Working capital

The table below shows the sources (and uses) of cash related to working capital related to operating activities during the periods indicated.

	Second Quarter		YTD June 30,	
	2018	2019	2018	2019
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
Changes in working capital	5.5	-109.2	-230.1	-233.2
(Increase)/Decrease in Inventories	20.1	-33.9	-59.7	-105.1
(Increase)/Decrease in Trade and other receivables	16.7	-7.9	-162.3	-176.0
(Increase)/Decrease in Other current assets	-4.5	-10.8	-28.2	-17.8
Increase/(Decrease) in Trade and other payables	-23.5	-52.8	20.4	71.1
Increase/(Decrease) in Other current liabilities	-3.3	-3.8	-0.3	-5.4

Our working capital requirements largely arise from our trade and other receivables, which are primarily composed of amounts owed to us by our customers, inventories primarily composed of raw materials (mainly steel) and other current assets which comprise receivables accounts with the public treasury by the advanced payments of taxes or refunds of taxes.

Our trade and other payables primarily relate to trade payables to our suppliers for raw materials and services, other amounts to the public treasury for taxes and payments to our employees by means of salaries. We have historically funded our working capital requirements through funds generated from our operations, from borrowings under bank facilities and through funds from other financing sources.

Net working capital requirements increased by €109.2 million during the second quarter of 2019, €114.7 million worse than in the second quarter of 2018 (€-5.5 million). Working capital components have followed the usual seasonal pattern of Q2.

Investments in fixed assets

	Second Quarter		YTD June 30,	
	2018	2019	2018	2019
	<i>(Millions of Euros)</i>		<i>(Millions of Euros)</i>	
Capital expenditures				
Intangible assets	32.6	31.8	55.8	57.4
Tangible assets	239.1	184.7	494.2	359.1
- Growth Capex	150.5	94.6	328.4	182.9
- Recurrent Capex	88.6	90.1	165.8	176.2
Total (excl IFRS 16)	271.7	216.5	550.0	416.5
- Effect IFRS 16	0.0	0.2	0.0	18.1
Total	271.7	216.7	550.0	434.6

Investments in fixed assets during the first half of the year amounted to approximately €434.6 million including IFRS 16 or €416.5 million excluding IFRS 16 compared to €550.0 million for the first half of 2018. Investments in fixed assets primarily consists of expenditure on property, plant and equipment. Capital expenditures during the quarter in line with guidance provided for the full year 2019 as percentage of revenues.

Growth capital expenditure has moderated during the first half of 2019 to €182.9 million. Growth capex includes greenfield projects, major expansions of existing facilities and new processes/technologies in existing plants.

Recurrent capital expenditure continued in line with last year's trend and amounted to €176.2 million in the first half of the year. Recurrent capital expenditure includes investments in plant maintenance and business replacement and was in line with last year's trend.

Intangible capital expenditure during the first half of 2019 amounted to €57.4 million and includes expenditure on intangible assets such as certain research and development costs.

Contractual obligations

We have contractual commitments providing for payments primarily pursuant to our outstanding financial debt, including the financial obligations arising from the senior secured notes but excluding financial derivatives.

GESTAMP AUTOMOCION, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	June 30, 2018	December 31, 2018	June 30, 2019
Consolidated Balance Sheet Data:		<i>(Millions of Euros)</i>	
Non-current assets	4,496.8	4,709.3	5,368.1
Intangible assets	431.0	450.7	468.0
Property, plant and equipment	3,728.9	3,877.7	4,473.5
Financial assets	61.3	58.0	77.0
Deferred tax assets	275.6	322.9	349.6
Current assets	3,079.9	2,991.3	3,175.3
Assets held for sale	0.0	0.0	0.0
Inventories	471.9	490.7	563.7
Assets from contract with customers	704.5	678.2	760.0
Trade and other receivables	1,148.1	1,001.7	1,144.6
Other current assets	99.3	109.9	127.7
Financial assets	93.0	94.3	87.8
Cash and cash equivalent	563.1	616.5	491.5
Total assets	7,576.7	7,700.6	8,543.4
	June 30, 2018	December 31, 2018	June 30, 2019
Consolidated Balance Sheet Data:		<i>(Millions of Euros)</i>	
Equity	2,088.6	2,179.0	2,295.6
Equity attributable to shareholders of the parent	1,676.7	1,748.0	1,830.4
Equity attributable to non-controlling interest	411.9	431	465.2
Non-current liabilities	3,197.5	3,200.4	3,772.3
Deferred income	21.1	22.7	26.3
Provisions	142.4	121.9	127.6
Non-trade liabilities	2,760.2	2,751.8	3,307.0
Deferred tax liabilities	255.5	285.8	294.1
Other non-current liabilities	18.3	18.2	17.3
Current liabilities	2,290.6	2,321.2	2,475.5
Non-trade liabilities	385.3	446.7	471.1
Trade and other payables	1,891.6	1,857.2	1,990.3
Provisions	11.0	13.2	11.8
Other current liabilities	2.7	4.1	2.3
Total equity and liabilities	7,576.7	7,700.6	8,543.4

Liquidity

Liquidity risk is evaluated as the risk that a company will not be able to service its payment commitments as a result of adverse conditions in the debt and/or equity markets that prevent or hinder its capital raising efforts or cash liquidity needs which exceed that budgeted.

The Group manages liquidity risk looking for cash availability to cover its cash needs and debt maturity for a period of 12 months, thereby avoiding the need to raise funds on disadvantageous terms to cover short term needs. The available liquidity held is integrated by cash equivalent and undrawn credit lines with a maturity beyond 12 months, according to the Interim Condensed Consolidated Financial Position, without adjusting them proportionally by the shareholdings, or by resources in subsidiaries subject to administrative authorization.

At June 30, 2019 the cash equivalent amounted to 491.5 million euros and the undrawn long-term credit lines amounted to 624.2 million euros (including syndicated loans amounting to 325 million euros). The debt with a maturity under 12 months amounted to 253.9 million euros (180.1 million euros of them from loans and other borrowings, and the rest corresponding to financial leases). In the first half of 2019, the net cash flow used in investing activities (not including intercompany purchases and revenue) have exceeded the net cash flow provided by operating activities in 209.3 million euros.

Liquidity risk management in the next 12 months is complemented with an analysis of debt maturity, seeking an appropriate average maturity and refinancing in advance the short term maturities, especially the first two years. At June 30, 2019 the average maturity of the Group's net financial debt was 4.2 years (estimated considering the use of cash and credit lines with a maturity date beyond 12 months to repay short term debt).

Our principal source of liquidity is our operating cash flow, which is analyzed above. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control.

We believe that the potential risks to our liquidity include: (i) a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole; (ii) the failure or delay of our customers to make payments due to us; (iii) a failure to maintain low working capital requirements; and (iv) the need to fund expansion and other development capital expenditures.

In the case of a lack of liquidity, we may be forced to reduce or delay our business activities and capital expenditures, sell our assets or obtain additional debt or equity financing.